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By Subscription

How ByrdAdatto is replacing traditional billing with a Spotify-esque system

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Michael Byrd and Bradford Adatto started trying to figure out a better way to serve their small-business clients while practicing at another Dallas firm in 2006. “Our common motivation was the belief that the hourly model is a broken model,” says Byrd. They went on to found ByrdAdatto, a 13-attorney business law firm primarily serving health care clients.

“It’s particularly sensitive with our client base,” he says. “A surprise hourly bill in the mail hits them even harder than it does the large companies.” Clients range from doctors, dentists, plastic surgeons and dermatologists to elective surgery centers, medispas and weight-loss clinics. Byrd and Adatto came by their interest in health care naturally: Both are the sons of doctors. One of Adatto’s grandfathers was also a doctor, the other a dentist.

After toying with various billing alternatives, Byrd and Adatto did a soft launch in 2017 of Access Plus, a monthly subscription service that integrates their concept with existing billing software. “It’s probably not unlike, model-wise, what you see with Spotify or any of these other monthly plans,” Byrd says.

The firm officially rolled it out on its website the following year. “It went from just another option to 75% of our client base in it now,” Byrd says.

Unlike a standard retainer, against which legal services are applied, the subscription model works like a membership. It offers three tiers: silver, gold and platinum, which cost \$1,500, \$2,000 and \$2,500 per month, respectively. All feature unlimited phone and email access to the firm’s attorneys, while the higher levels include more projects—for example, drafting employment agreements or redoing sales documents. Although ByrdAdatto has continued its traditional billing for a few longtime clients, says Adatto, “Any new client that comes in—their only choice is a fixed fee or Access Plus.

“Our entire point of being counsel for them is for them to call us and ask us the question so we can prevent them from going in the wrong direction,” he adds. “You can very quickly put yourself in a very bad situation where you just agree to enter some contract, where if you just picked up the phone and called us, we’d say, ‘Whoa. Don’t enter that.’ A lot of people don’t realize how quickly they can get themselves in trouble by just signing a document.”

The system has been a hit with the firm’s lawyers, too. “The biggest win for our attorneys is the path we have created to eliminate tracking time,” Byrd says. “Our attorneys still track their time

for internal purposes, so the time entries are simplified. Our goal is to eliminate the need to record time.”

Byrd describes other positive results: “Access Plus has created a strong team bond, where attorneys often work together to make sure the information that is being delivered is tailored for our client’s needs. This helps reduce an attorney from being on an island, afraid to ask for help from another attorney for fear of angering the client with too many attorneys on one bill.”

In 2019, the firm added a member portal—accessplusfamily.com—complete with newsletter, blog and videos to help clients run things smoothly. This put ByrdAdatto in a good position to develop an online toolkit in response to COVID-19, offering updates on changing state mandates and what clients needed to know about consent forms, evolving telemedicine rules, and other time-sensitive matters. It also helped the firm predict revenue during the pandemic.

There have been a few wrinkles to iron out. At first, some clients were skeptical, and a few ended up canceling their subscriptions to cut expenses. For a few larger clients that needed more legal expertise on a regular basis, the partners have had to devise a hybrid “off-menu” option. And Access Plus may not be a good fit for clients who seldom reach out for advice. “It’s been an unbelievable game-changer that’s had its trials along the way,” says Byrd. “It really changes the way you look at your financials, so there was a learning curve for us, too.”

Now, he says, “I almost pinch myself sometimes because it’s the realization of something I have been dreaming about probably since 2003.

“A large portion of our client base will come to us and say, ‘This is brilliant. I can’t believe that no one else has figured out how to solve this.’ ... It works well for the people that are engaged with us. Those are the ones that are really happy.”

ByrdAdatto’s Tips for Launching a Subscription Model

Run a beta version first and slowly ease into it. “Don’t launch it to 100% of your clients,” says Adatto. “Your income’s going to drop significantly overnight. ... We were constantly retooling.”

Understand that this doesn’t replace excellent service; it reinforces it. “It actually emphasizes the need to focus on the relationship when someone’s signed on for it, because everything becomes about making a great experience for your client,” says Byrd.

Redefine your key performance indicators. “Law firms track how they’re doing by looking at the hours their people write down,” Byrd notes. “This changes everything, so you have to plan for the impact to the business of your law firm.”