



AI Killed the Billable Hour

What it means for your firm — and what to do about it

SHAWN YEAGER · UPSHIFT · MARCH 2026

THE AGENDA

- 01 The shift that already happened
- 02 Why efficiency isn't enough
- 03 What the firms that survive look like
- 04 How to start on Monday

SHAWN YEAGER · FOUNDER, UPSHIFT

- 30+ years and \$300M+ in revenue across five technology cycles – browsers, mobile, SaaS, Bitcoin, now AI
- CEO, operator, revenue leader. I've made the decisions you're facing now.
- I don't implement AI. I help firms figure out what to sell because of it.

THE SHIFT

*The cost of expertise delivery
has collapsed to near zero.*

*Every professional services firm is
now in the **business model business.***

YOUR CLIENTS ALREADY MOVED

60%

of senior marketing leaders already spend less on agencies because of AI

87%

of companies use AI in at least one part of recruiting

50%

of Harvey AI's business is now corporate in-house legal — up from 10% in a year



PART 2

Why efficiency isn't enough

THE EFFICIENCY TRAP

AI makes your work faster.

Faster work means smaller invoices.

*Smaller invoices mean less revenue
— not the same revenue, faster.*

THE OLD GAME VS. THE NEW GAME

OLD GAME

- AI is a productivity tool
- Do the same work faster
- Protect the billing model
- Free up our people for higher-value work

NEW GAME

- AI is a commercial catalyst
- Redesign what you sell
- Price on outcomes
- Build revenue that compounds

THE CEILING

25–40%

Efficiency gain from bolting AI onto existing models – then
it stops

3x

More likely to see real EBIT impact when you redesign
workflows instead

The enemy isn't AI.

*It's mistaking **efficiency** for **strategy**.*

Not adoption. Reinvention.



PART 3

What the firms that survive look like

FOUR SHIFTS: HOW YOU DELIVER

Episodic →
Continuous

From discrete projects to always-on delivery

Reactive →
Proactive

From waiting for the call to surfacing problems first

FOUR SHIFTS: HOW YOU CHARGE

Hours →
Outcomes

From billing time to billing results

Bespoke →
Scalable

From custom work per client to codified platforms

EPIODIC → CONTINUOUS

ACCOUNTING

Real-time delivery

Client transactions feed an AI engine that updates the return continuously – not once a year.



STAFFING

Always-on pipelines

Continuous talent pipeline engagement – not scrambles after a requisition opens.



CONSULTING

Subscription relationships

Monthly base plus usage billing. The client relationship doesn't end when the project does.

REACTIVE → PROACTIVE

ACCOUNTING

Find problems first

AI monitors client data in real time – flagging anomalies before anyone notices.



STAFFING

Anticipate needs

Kuehne+Nagel: 22% higher candidate conversion by anticipating demand before the role opens.



CONSULTING

Generate insight, not just analysis

McKinsey's Lilli: used by 72% of staff – research time down 30%, capacity redirected to proactive work.

HOURS → OUTCOMES

THE SHIFT IS ALREADY HAPPENING

- 59% of law firms now use flat fees alongside or instead of hourly
- 34% more flat-fee billables in 2025 vs. 2016
- 73% of consulting clients now prefer outcome-tied pricing

THE COUNTERINTUITIVE FINDING

- Clients expect AI to cut costs 30%
- But 100% would pay more for AI-enabled advisory that generates more value
- Outcome pricing captures the upside. Hourly pricing doesn't.

To transition from bespoke to scalable, firms must cultivate the courage to codify their knowledge.

CB Insights · Future of Professional Services

BESPOKE → SCALABLE

LAW

Codified expertise

Garfield.Law delivers legal services entirely through AI – per-document pricing, no hourly billing. Expertise is in the platform, not the person.



ACCOUNTING

Productized advisory

BDO built AI-powered advisory tools that package senior partner judgment into repeatable, scalable client offerings.



CONSULTING

Knowledge platforms

McKinsey's Lilli codified institutional knowledge – 72% of staff use it daily. Research time down 30%, expertise accessible firm-wide.

THE REVENUE DIVERGENCE IS ALREADY MEASURABLE

2x

Revenue growth among law firms that adopted modern
delivery models

-50%

Revenue decline among firms that didn't – same four years
(Clio Legal Trends)



PART 4

How to start on Monday

THE DECISION

*You can keep using AI to **work faster**.*

*Or you can use AI to **sell differently**.*

Most firms are only making the first decision.

THE OTHER SIDE

Revenue that compounds

Not projects that reset to zero.
Clients stay because you're
embedded in how they run.

Pricing that goes up

You sell outcomes, not time.
Firms offering advisory services
earn 30%+ higher monthly
recurring revenue.

A firm worth more than its hours

One that creates value clients can't
replicate — and can't replace you for.

THREE THINGS IN THE WAY

Where to start

53% of mid-market firms feel only "somewhat prepared." The top barrier isn't AI — it's no one in the room who knows what's commercially possible.

The revenue trap

Default AI adoption compresses revenue under hourly billing. More tools won't fix a broken model.

Team alignment

Workflow redesign had the single strongest contribution to business impact across 31 variables tested — and it requires the senior team, not just the managing partner.

QUESTIONS TO ASK YOUR PARTNERS THIS WEEK

01 If AI cuts our delivery time in half, what happens to our revenue under the current billing model?

02 What would we sell if we could serve clients continuously instead of per-engagement?

03 Which of our services could we price on outcomes instead of hours?

04 What do our clients pay us for that AI can now do – and what do they pay us for that it can't?

THE FIRST MOVE

upshiftco.com/assessment

8 minutes. No account. Free.

MY GOAL

Not to convince you AI matters.

You already know.

Shift from "we should probably do something" to "we start Monday."



Let's talk.

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upshiftco.com

SOURCES

88% AI adoption; 6% see EBIT impact; 3× with workflow redesign

McKinsey, State of AI 2025

60% of marketing leaders already cut agency spend

CB Insights, Future of Professional Services

87% use AI in recruiting; \$600B+ staffing industry threatened

Bloomberg, Feb 2026

20% of AI-adopting law firms miss billable targets

Thomson Reuters / Georgetown, 2026

Big Four: \$10B+ invested in AI since 2023; PwC cut 5,600 jobs

Investor disclosures

Harvey AI: \$8B valuation, 42% of Am Law 100, 50% in-house

Harvey AI

59% of law firms use flat fees; 34% more flat-fee billables

Clio Legal Trends, 2025

73% prefer outcome pricing; 100% would pay more for AI advisory

Source Global Research

Efficiency ceiling: 25–40%

BDO, Nick Kervin

Kuehne+Nagel: 22% higher conversion, 20% faster fill

Kuehne+Nagel

McKinsey Lilli: 72% of 45K staff, research time down 30%

McKinsey

2× revenue with –50% fewer clients over 4 years

Clio Legal Trends, 2025

Advisory firms earn 30%+ higher MRR

AICPA/CPA.com CAS Benchmark Survey, 2024

PwC One: 6 automated services, subscription pricing, no person in loop

CPA Practice Advisor, March 2026