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## 3 Ways to Simplify the Legal Billing Process

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Every month, firm administrators, attorneys, and billing professionals sit down to handle one of the most dreaded law firm responsibilities: legal billing. It's not that they don't appreciate the value of invoicing; they just hate how tedious it is!

From managing the entire process to tracking down time records from timekeepers, legal billing tasks can hamper a law firm's potential for billable hours and profitability if not handled in an efficient manner.

The following are some tips for bringing a law firm closer to a more structured and simplified legal [billing process](#):

### 1. Simplified Time Tracking

To streamline their legal billing procedures, law firms should start with a [simplified time tracking process](#). The entire billing process begins with documenting tasks completed for clients. When these records are inaccurate or inadequate, it makes invoicing more difficult to complete. Firm staff members must then spend time chasing time tracking records, throwing off the entire process.

A structured billing process starts the moment a timekeeper completes a billable task. A comprehensive legal time tracking system makes this happen in a variety of ways. This allows timekeepers to track time at any point using whatever method they prefer. For example, when working in the office, an attorney may want to record time as they [save documents in Word](#) or [send emails in Outlook](#). With a complete time tracking platform, time can be entered within applications your firm is already using - like Word and Outlook.

[Mobile application time tracking](#) helps enter time with speed and accuracy. With this tool, timekeepers can conveniently log time on a mobile phone or other portable devices when completing tasks away from the office. This type of legal billing tool has become invaluable in an environment where attorneys are increasingly working remotely.

### 2. Electronic Billing System

To simplify the billing process, firms should move their invoicing procedures to a paperless process. [Electronic billing \(e-billing\) software](#) is the most effective way of simplifying the billing process, making creating, presenting, and collecting client invoices more efficient. Not only do these options financially benefit your firm, but they also improve client relations by minimizing

errors and inconsistencies.

For a legal practice, the time between the completion of a task and the collection of a client payment is crucial. Payment time directly affects a law firm's cash flow, which is necessary for handling office overhead costs. Inadequate cash flow is a common problem for law firms, so it is important to track this metric and work to shorten the time frame.

Firms need simplified billing systems in place that help transform payment times from months into weeks. E-billing is an effective tool for getting this done. It helps address bottlenecks that slow down the process by offering the following features:

- **Data Analytics** – To accurately calculate legal billing and payment time, law firms need the right data. E-billing systems offer law firms an easily accessible data repository to review all types of information about the firm. Many e-billing software systems include a variety of reporting options so that information collected during the billing process can be quickly accessed, exported, and regularly reviewed.
- **Expense Tracking** – E-billing software makes it easier for law firms to accurately track matter expenses and invoice them to clients. Some options provide tools to create and track client expense reports directly from credit card transactions. It's also possible to link matter expenses to transactions within your firm's banking records. With automated expense tracking tools, firms can leave the inefficiency of paper receipts behind.
- **Streamlined Invoice Edits and Approvals** – Printing bills multiple times wastes valuable time and paper. By implementing a system where markups and changes are made right in the billing platform, legal practices can greatly improve the invoicing process. In addition, with edit tracking, firms can maintain electronic records of all changes made to a pre-bill. When using e-billing systems that facilitate an easy invoice approval process, firms can send a pre-bill through the approval chain without extra steps. Bills move quickly from one person to the next. At the conclusion of the process, law firm leaders and administrators can easily review all previous markups made to a bill before granting final approval.
- **Payment Reminders** – Law firms spend too much time and energy chasing overdue payments. Automated reminders alleviate these steps by sending billing reminders within the e-billing system. You can preschedule payment reminders that are automatically sent to clients with overdue accounts. Reminders can be set to notify clients on specific days of the month or after a certain period of time has passed without payment, making collection processes more efficient and less time-consuming.

### 3. Multiple Payment Methods

Clients are more inclined to make quicker payments when provided with more channels to do so. The majority of modern households utilize online payment methods to conduct business. Consumers want and expect convenience when choosing where to spend their dollars, and that extends to legal services. By offering a variety of convenient payment methods, law firms incentivize their clients to pay invoices in a more timely and complete manner.

Historically, attorneys have been hesitant about the acceptance of credit card payments. They view paper checks and cash as adequate payment methods for services rendered simply because those methods have always been utilized. But this "good enough" mentality can work against law firms by making the payment process more challenging to navigate for clients.

Implementing a credit card payment processing system is critical to simplify legal billing and here

are a couple of reasons why:

- **Time Savings** – [Case management and credit card processing integrations](#) let law firms create a billing workflow where electronic payments are automatically recorded in the client file. With this capability, law firms can quickly review the invoice status on any case by accessing the electronic case file. This information provides your firm with the data necessary to make decisions about the firm's financial health and future growth. Credit card processing software handles a lot of the recordkeeping tasks that would otherwise be handled by law firm staff. That means less time spent on time-consuming tasks like budgeting and tax preparation.
- **A Compliant Payment Gateway** – With the various rules and regulations placed on law firms, payment collection comes with a host of unique considerations, especially when accepting credit card payments. While some firms use this as a reason to not accept electronic payment methods, others recognize how this innovation helps law firms get paid quicker, while also staying compliant with specific state rules. The right legal payment processing platform does the behind-the-scenes work for law firms. It ensures you accept electronic payments in compliance with ABA and IOLTA guidelines.

To maximize the acceptance of credit card payments, law firms also need to offer an integrated option for clients to make payments right from their computer or smartphone. Clients appreciate convenience and ease, so firms need tools like client portals that facilitate these quick payments.

## The Takeaway

Law firms can simplify their legal billing process, and even expand their client base, by implementing the acceptance of credit card payments. But remember, credit card payments are just a portion of this simplification. E-billing and simple time tracking combined with multiple payment options are sure to make your billing easier for internal and external clients alike.

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