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How Legal Practice Management Software Lessens the Workload for Law Firm Billing Departments

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The billing department is the lifeline of a law firm, ensuring that the practice effectively bills and collects compensation for services rendered. Its reach extends from the time tracking phase to reporting on key financial metrics. If the billing department proves unsuccessful at fulfilling its duties, the entire firm may suffer fiscal losses, including inadequate cash flow and an inability to manage overhead costs.

Law firm billing departments typically have two major goals in mind. One is to streamline the invoicing process, so that timekeeping administrators can spend more hours on billable client tasks. The other is maximizing billing accuracy to promote timely payments and reduce client disputes.

Unfortunately, three common challenges may get in the way of these goals:

1. Billing departments often lack the level of skill and functionality necessary for effective invoicing because billing experience can be spread throughout the firm. The billing department may have some limited expertise, as well as the administration and some of the attorneys. Even the highest level of experience can be useless when it's scattered and disorganized.
2. Inadequate billing technologies lack the necessary tools and structures that firms need to maintain an invoicing process that meets the needs of their most sophisticated clients. Law firm billing departments require resources that match or exceed the demands made by their clientele. Particularly for firms working with corporate or third-party billing clients, comprehensive technology is vital.
3. E-billing is still a relatively new concept for some law firms, requiring a level of knowledge that many firm members have not previously acquired. Therefore, billing departments are constantly seeking ways to strengthen critical skills and keep their staff members up-to-date with new technologies.

Practice management software can play a significant role in helping law firm billing departments overcome their challenges and meet firm goals. Keep reading to learn how.

Maximizing Department Manpower

Many law firm billing departments rely solely on a limited number of people to manage the entire invoicing process - from time tracking to invoicing and payment collections. If that handful of people becomes overwhelmed or unable to fulfill essential tasks, the entire invoicing process can

suffer, creating a financial risk for the firm. This type of narrow setup is also vulnerable to personnel changes. The separation of even one member of the billing department could mean that a vital piece of the billing machine grinds to a halt.

Law firms cannot afford to trust such an important, business-critical process to only a couple of employees without safeguards in place that standardize the processes so that they can be learned and applied by other members of the firm when necessary. Tools like automation and e-billing help law firms create a systematic process that can be understood by managing partners and administrators, as well as easily taught to new members of the billing team.

Practice management software provides law firm billing departments the level of flexibility they need to maximize even the most limited staffing capabilities. It provides mechanisms for simplifying processes, eliminating the need for multiple software services, and systematically managing department tasks. Once firms set their billing processes in place using practice management software, they can ensure that their billing processes will successfully proceed, no matter what changes or limitations may occur within the billing department.

Improve Billing & Accounting Efficiency

Law firm billing departments take on a variety of responsibilities under the watchful eyes of firm managers, partners, and administrators. After all, every single firm member relies on the billing department to ensure that money earned translates into actual revenue (and payroll). With such high stakes, billing departments need streamlined processes that result in timely and complete collections.

Practice management software assists with this goal in a number of ways:

- **Easy implementation of multiple billing arrangements** – Law firm billing departments need to easily move between multiple billing options, including traditional hourly billing, flat fee arrangements, payment plans, and split billing.
- **Streamlined client expense entry** – Billing departments save a significant amount of time by billing client expenses as they enter vendor bills, write checks, or review credit card statements.
- **Payment processor integrations** – [Software integration with LawPay](#) helps billing departments easily accept payments. With some practice management software, payments made through LawPay are automatically entered into billing and accounting modules.
- **Simplified payment options** – Clients prefer convenient and simple payment options. Tools like billing portals make it easier for clients to make payments faster. They also make it easier for members of the billing team to process payments received.
- **E-Billing file capabilities** – Billing departments can quickly generate .txt files for compliant submission to audit houses. Automation and customization eliminate the need for manual edits.
- **Efficient pre-bill approvals** – Streamlined approval processes allow pre-bill reviewers to effortlessly edit prebills, alleviating the need for billing teams to enter changes before posting bills.
- **One-click emailing options** – Billing departments can avoid the nuisance of making manual edits with features that allow for billing emails to be sent with a single click.

Another huge benefit of practice management software is the inclusion of [trust accounting resources](#). Trust accounting is one of the most important law firm billing department duties. Inadequate practices can place firms at risk of potential ethical violations, but the right tools help

billing teams handle trust accounting accurately and in compliance with jurisdictional requirements.

Legal practice management platforms offer all of these billing and accounting solutions in cloud-based software, which provides a level of remote accessibility that has become absolutely essential within today's law firm environment. When unexpected business interruptions occur, law firm billing departments need the ability to continue invoicing and collecting payments. Cloud-based practice management makes that happen.

Accessing Billing Data

Law firm administrators and partners want detailed billing data that helps them keep a pulse on the fiscal health of the firm. Without this information, they cannot make informed decisions about the firm's direction. Legal practice management software helps billing departments generate the reports that the partners need.

It only takes a few clicks to generate data-specific matters, practice areas, or the general ledger. Year-over-year reporting provides detailed comparisons between current and past years, while month-over-month reporting offers shorter timeframe reviews.

Practice management software allows law firm billing departments to customize their reporting and generate data sets relating to:

- **Budgeting** – Reporting plays an important role in law firm budgeting. Managers and administrators need concrete data when strategizing about the firm's future.
- **Client assessments** – partners and administrators want to know which clients generate the most billable activity, as well as which clients have outstanding invoices.
- **Timekeeper assessments** – The billing department can also generate reports that provide details about the performance of individual timekeepers, so firm leaders can reward or correct as needed.

With [comprehensive reporting](#), partners and law firm administrators can gain deep insights into a variety of additional firm details, including average hourly rates, budget compliance, law firm efficiency, and more. The modern e-billing solutions of practice management software give billing departments the ability to extract rich data from invoices and generate detailed reports that would otherwise take an inefficiently unreasonable amount of time.

Legal Practice Management Lessens the Workload of Billing Departments so Law Firms Get Paid Faster

The expansive responsibilities placed on law firm billing departments necessitate a system that streamlines processes and promotes maximum efficiency. Legal practice management software provides the features that improve processes and drive law firm revenues.

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