How to Improve Efficiency and Cash Flow with Your Billing Templates

Suzette Welling, CLM. June 15, 2021

Law firms today are finding it increasingly necessary to meet specific client needs with their invoices. If your firm is to receive payments from clients in a timely manner, it is important that your invoices communicate the information expected by each client in the format that they require. With the right software and planning on the front end, this does not have to be an onerous task.

The Basics

To begin, there are some criteria that should be included on every invoice, regardless of the invoice format or template. You want to ensure your invoices provide:

- Client Contact Information.
- Matter Description.
- Client's File Number, Claim Number, etc. that they may have assigned to identify this matter.
- Succinct task descriptions – each entry should be short and to the point but include enough information to show value. (Think of your invoices as a marketing tool, communicating to your client the value you are providing to them with your services.)
- Time spent on each entry.
- Summary total by timekeeper – number of hours spent, rate, and total cost.
- Disbursements.
- Total invoice.

Ensuring Accuracy with Attorney Time Entry

Research shows that time not kept concurrently results in as much as 30% of billable time lost. By using a system that provides a timer and ease of use for time entry, attorneys can easily track their own time in the billing system as they are working, ensuring both efficiency and accuracy of your billed time. With user-friendly software, it is no longer necessary for attorneys to handwrite their time entries, with a staff person paid to take the time to enter those tasks into your billing system.

Not to mention, attorneys can utilize technology that will allow them to automatically capture time throughout their day without missing a beat. Whether they're texting a client about an upcoming meeting, sending documents over email, or answering a call after hours, every second is automatically captured and converted into a time entry.

The Importance of Billing Templates

By using software that allows the use of multiple billing templates, your firm can create templates to meet each individual client's needs. While some clients will pay your invoices regardless of the format (as long as the information is communicated clearly), if you have corporate clients or represent insurance companies, you will find you have many that have specific requirements. By assigning the appropriate billing template to each matter on setup, you can ensure that each client is automatically receiving their invoice in the format they require.

Additionally, make it easy for your clients to pay you directly from their bill. Think about all the bills your clients pay on a monthly basis… from utilities to internet and wifi, cellphone, the list goes on and on. And then when you think about how people are paying these bills, you'll come to find that a majority of them are being processed online electronically. So meet your clients where they already are and offer credit card payments of eChecks. Some of your clients may prefer snail mail and that's okay, but the world is trending digitally, so it is becoming best practice to offer both payment methods.

Reducing Human Error with Pre-Bill Templates

Do you have clients who have billing requests beyond the formatting of their invoices? For example, if you typically email invoices but you have some clients who require their invoice to be mailed, how does your billing staff remember this each month? By setting up pre-bill notes in your matters and using a pre-bill template that will show those notes, when your billing staff is ready to run the final invoice, they will have that information directly in front of them.

Other information that may be included in pre-bill notes is whether there is a special agreement for the matter – is it a flat fee, a contingency matter, or does it have a fee cap? How about a budget? By including all of this information in a way that it will show on the pre-bill, you will save your staff time (and therefore the firm money) while also ensuring that special agreements with clients are not missed.

The Takeaway

You can meet your client needs while also working smarter, not harder, by having specific templates assigned to each matter and tracking time in the billing system concurrently. Invoices can then be generated efficiently and painlessly at the end of each billing cycle, improving your law firm's cash flow and resulting in prompt payment from happy clients.