5 Tips for More Efficient Legal Billing

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Legal billing is the last step in your client's journey with your firm, and by making it as pleasant as possible, you'll pave the way for good reviews, a strong reputation, and maybe even a few referrals. Plus, building an effective billing process means you and your staff will spend less time on repetitive, non-billable/non-fee earning processes and collect more revenue, more quickly. Here are five easy ways you can make legal billing and collections virtually painless at your law firm.

1. Start using a time tracker

What gets measured gets managed, and tracking billable hours for law firms is no different. If you're not tracking your billable hours effectively, you're more than likely missing out on a few minutes—or hours—of billable time per invoice. Make sure your firm is properly equipped with easy-to-use tools, like Clio's intuitive legal time recording software, so you can be sure not to leave money on the table before you even begin the billing process. Timers let you track your billable work in real time, so you're not stuck trying to remember (and likely missing parts of) how many hours you worked at the end of the day. (Want to read more about how legal time recording software works in practice? Scottish firm Ergo Law discuss their experiences in this case study.)

2. Set expectations up front

The worst thing you can do is to wait until it's time to pay the bill before you actually talk to your client about paying the bill. (The SRA's transparency guidance make this even more important.) It's better for you and your clients if you take the extra step to outline your expectations, potential costs, and timeframes in the beginning. Clearly outline when you will send bills, when payment is due, and what happens if a payment is late. You can create a simple email with this information to send during the client intake and onboarding process, along with how they can pay and if there are options for billing. (For example, will you always send a paper bill or a digital bill? If one or the other, can clients choose which they prefer?) Don't be shy about communicating this information. Consumers are used to this process, and it's best to be clear about billing and payments.

3. Stick to your billing schedule

Once you've communicated your billing schedule to your clients, be sure that you actually stick to it. Being timely with your bills will help build trust and a strong relationship with your clients, and will help them plan payments within their own

financial plans, which can help you get paid faster. If you say you'll be billing them monthly, set up an automated system that, at the very least, reminds you to generate that client's bill on the same day of every month. Better yet, use a service like Clio to help you quickly and easily create and send clear, professional bills.

4. Send bills online

Hopefully, in that email you created to set expectations for clients at the beginning of your engagement, you outlined how you'd be billing them. Choices are always good, especially if your firm works with clients of various demographics, as a person's age, trust of technology, and cultural background may all play into how they prefer to pay their bills. However, among those choices, the option to receive bills online should be front and centre for clients. Receiving bills digitally is exponentially faster than waiting for the post (not to mention the money your firm will save on mailing paper bills). Plus, it's easy for the firm to receive payments almost instantly in return with an online payment system.

5. Get help with legal billing software

You became a lawyer to practise law and serve your clients—not to be a debt collector. With the right tools, you can improve the billing process for both you and your clients, while also making it easier to handle. Legal billing software is an affordable and accessible option when you want to move to a more sophisticated and error-proof system of billing and collections. It can also allow your firm to automate a lot of the processes you're manually doing now. Clio, for example, allows you to quickly and easily create and send professional-looking bills, significantly cutting down the time it takes to get through the end-of-month billing process. Clio also makes it easy to bill clients based on hourly rates, flat fees, or on a contingency basis, and you can set unique billing rates for individual users, practice areas, case types, tasks, or clients. If your legal billing process seems cumbersome, take the time to analyse and improve it: Implement systems and standardised intake emails to set expectations with clients, stick to your schedule, and use tools to make the whole process run more smoothly. Your clients—and your staff—will thank you for it.

Learn more about how Clio can simplify the billing process for your law firm.

Learn more about legal billing with Clio

About Clio

Clio is the global leader in legal AI, powering legal work across the profession, from law firms of every size to corporate legal teams, government agencies, and courts. Its Intelligent Legal Work Platform unites the business and practice of law, connecting the people, information, and processes behind legal work. Clio's AI brings the context together with legal sources drawn from Clio Library, a growing collection of more than one billion legal documents. Over 400,000 legal professionals in more than 130 countries rely on Clio to run their legal world. Learn more at www.clio.com.