

# Why 2020 is the Right Time to Automate Your Legal Billing Process and Increase Law Firm Profits

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The first half of 2020 has been filled with unexpected disruptions and uncertainties. The entire legal industry seemed to flip upside down, as lawyers attempted to navigate the major interruptions to their businesses.

While the challenges of COVID-19 have been plentiful, this year has also brought about a valuable opportunity for law firm leaders to evaluate their firm processes and identify areas ripe for improvement. Truly efficient business processes do not rely on one staff member or a location within a specific building. Instead, they can be carried out by any trained member of your staff in any location they may be working.

If any aspect of your law practice fell apart during the pandemic, it indicates a weakness in your firm procedures that need to be addressed immediately. For many law firms, billing has proven to be that major area of concern during these disruptive times. Lawyers found that their current invoicing processes broke down, leaving bills incomplete, undelivered, late, and unpaid.

Poor invoicing leads to diminished profits, which is extremely dangerous to the sustainability of your law firm as you continue fighting through the challenges of COVID-19. Automated billing processes can help law firms increase their profits by streamlining their invoicing into a more efficient and accurate process.

This post will discuss the benefits of automated invoicing and explore why, in 2020, law firms cannot afford to operate without an effective automated billing system in place.

## **Greater Accuracy and Efficiency**

Manual invoicing cannot measure up to the challenges of COVID-19. Not only is it unreasonably time-consuming, but it's also prone to human error. Even under normal circumstances, these antiquated processes frustrate firm members and waste valuable time. Add stay-at-home orders and office closures, and you have the recipe for late billing and unpaid invoices.

Timely and accurate invoicing promotes timely and complete compensation. With automated billing, law firms have the tools to expedite their billing process with greater precision, potentially resulting in improved profitability.

The administrative efficiency of automated billing also promotes greater profits. Time spent on the billing process is time not spent on billable tasks for clients. By streamlining the invoicing process with automated billing, law firms free up valuable hours for more profitable tasks.

## **Automated UTBMS/LEDES Coding**

For law firms with practice areas that utilize UTBMS/ LEDES coding, the right automated billing system becomes even more crucial. The Legal Electronic Data Exchange Standard Oversight Committee (LOC) created this standardized legal billing system to effectively categorize legal tasks and translate them into invoices.

A major drawback to UTBMS/ LEDES codes has always been that lawyers and support staff have to search for and choose the correct code for each entry when creating a bill. Not only is this manual process inefficient, but it is also prone to human error.

Incorrect coding can cause clients to reject invoices, which negatively impacts collection rates and profitability. At a time when compensation is more crucial than ever, these delays can prove detrimental to your practice.

To make matters worse, your staff is now forced to spend even more nonbillable time fixing mistakes and resubmitting invoices.

With the right automated billing application, law firms can address this problem by automatically assigning the correct codes to the tasks or expenses. For example, some legal billing software systems are programmed to intuitively assign the right code using your firm's own data and machine learning to adjust to any necessary changes.

With these technical advances, your staff no longer has to waste time looking up billing codes and correcting rejected invoices.

## **Invoice Review**

An invoice review is a necessary part of invoicing. It involves the examination of billing statements to identify errors and address them before invoices are sent to clients.

Automated billing software can be programmed with specific billing data. It can then use this information to alert firm members when invoice entries fall outside of setting budgetary and billing parameters for a particular matter.

With these technologies, timekeepers and firm managers are alerted to potential issues before final invoices are generated and sent to clients. Inaccurate bills can be corrected before negatively affecting profits.

## **Invoice Reminders and Automated Payment Options**

With so many clients facing financial hardships of their own, no one wants to make unpleasant telephone calls about unpaid legal invoices. Automated legal billing software enables law firms to set up prescheduled payment reminders that automatically notify clients with overdue accounts. By setting these alerts, law firms can save valuable time and staff resources.

Another essential time-saver is the automated payment options. With this billing software feature, law firms can securely store client payment information for automatic withdrawals on a regularly scheduled basis. Your staff is freed from having to chase down payments, and clients are freed by the ease and convenience that this service provides.

## **Automated Billing Can Promote Law Firm Profitability During 2020**

Invoicing challenges brought on by COVID-19 can be addressed with the right automated billing software. These innovations give law firms more time to work on billable tasks, reduce costly inaccuracies, and lessen the occurrences of rejected invoices. This all works together to improve collections and drive up profits.

TimeSolv legal billing software offers various automation features to help law firms increase profitability and work more efficiently. From UTMB/LEDES billing options to automated payment capabilities, TimeSolv provides its clients with an innovative and streamlined legal billing experience. To learn about all that TimeSolv has to offer, click [this website link](#) for a free 30-day trial.

Don't let COVID-19 define 2020 for your law firm. Make it a year that you take control of your legal billing and look forward to increased profits.

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### **About Erika Winston:**

*Erika Winston is a freelance writer with a passion for law. Through her business, Personal Touch Edits, she helps legal professionals deliver effective written messages. Erika is a regular contributor to [TimeSolv](#) and a variety of other publications.*