

Achieving Positive ROI with Legal Billing Software

Success in the legal industry takes a lot of resources, usually in the form of money, time, skill, and effort. To increase revenue and turn profits, attorneys need to maintain a positive Return on Investment (ROI) on each of them. Yet, even while providing exemplary representation, firms can still incur a negative ROI, mostly due to delinquent payments that can hinder compensation.

Here are some strategies for using legal billing software to increase the opportunity for positive ROI.

Improve Collection Rates

When providing legal services, it's essential to monitor the rate at which you collect payments from your clients. This rate will determine how quickly you're compensated and the faster you're compensated, the faster you'll incur the revenue and profits that equate to a good ROI. To illustrate this effect, consider the following scenario:

If a criminal law firm collects \$30,000 of the \$40,000 invoiced to clients for the month, its collection rate would be 75%. If this collection rate reflects the annual collection, this firm would miss out on \$125,000 in revenue each year. This type of loss can be financially detrimental leading to limited cash flow, unmet overhead costs, and limited opportunities for growth.

The traditional method of providing services, billing clients, and waiting for payment is antiquated and misses out on a valuable opportunity for positive ROI. The payment process can actually start before invoicing through multiple processes.

- Starting with intake, best practice dictates that firms enter every new client relationship providing detailed and transparent expectations for billing and payment.
- The invoicing process should include fully detailed bills that are issued on a regular basis.
- Firms should implement innovative collection strategies, such as stored payment methods and automated billing agreements to promote the full and timely settlement of invoices.
- Meet clients halfway by making payments convenient. From the acceptance of online credit card payments to options such as batch billing, the right legal billing software goes a long way to helping firms achieve a 100% collection rate, and this level of the collection will always bring a guaranteed positive ROI for your firm.

Accelerate Client Payments

A relationship always exists between payments, collection rates, and ROI. If payments are slow, then collection rates decrease and so does ROI. Two common reasons for such negative effects are the inability to offer credit card payment options and requiring other inconvenient payment methods, such as paper checks and cash. To speed up collection rates, law firms must make it easier for clients to settle their bills. They should welcome new payment options, especially the secure acceptance of electronic payments.

Before that can happen though, firms must have systems in place to accept credit card payments from their clients. Credit and debit card usage has increased substantially. The traditional legal industry payment methods of paper checks and even cash have become outdated, and many clients find them inconvenient. They prefer electronic payment options and are more likely to pay their bills in full when offered this convenience.

Electronic payments also increase law firm ROI by providing immediate access to funds. There is no delay from waiting for checks to clear. Some credit card processors even offer almost immediate access to valuable working capital.

Affordable Payment Processing

When exploring electronic payment alternatives, firms must also consider which options they can afford. Some credit card companies charge exorbitant fees which could impede ROI. To solve this issue, firms should do the homework and select a payment processing service that has a transparent billing system in place that can be easily tracked and monitored monthly.

Make Reporting Comprehensive for Thorough Analysis

The key to incurring a positive ROI is to regularly analyze comprehensive data reports of your firm's financial position. Data reporting provides attorneys with an overall view of where the firm currently stands financially. Every law firm can significantly benefit from this practice in the following ways:

- Regular review of AR reports updates attorneys on the status of funds owed by clients to identify and deal with any delinquencies.
- Analysis of past trends helps attorneys establish alternative fee arrangements that are preferred by the client and in turn elevate the ROI. For instance, when setting fees for a new case, analysis of related historical data helps you set an appropriate fee amount that accurately reflects all work that will be completed on the matter.
- Data reporting paves the way for attorneys to spot future opportunities for expansion. Future patterns and opportunities can be realized through some measure of predictable events, and it also provides valuable feedback on investments and their rates of return.

With TimeSolvPay Firms Can Boost ROI through their Legal Billing

TimeSolvPay helps attorneys maximize their ROI and make [better law firm collections](#) with innovative features. The platform offers a reliable credit card and ACH processing system from a legal billing provider with a proven track record of stellar service and technology.

With TimeSolvPay payment processing and unique batch billing features, law firms can overcome billing challenges for a consistently high ROI. To learn more, click [this website link](#) to schedule your free consultation.