

Biggest Mistakes Every Law Firm Makes at the Beginning of the Year (Part 1)

From establishing new revenue targets to [improving the client experience](#), it's common for law firms to set fresh goals at the beginning of the year and strategize on how to achieve them. As you take on new initiatives amidst ever-evolving client expectations, technology, and economic conditions, you'll face countless decisions.

Strategic decision-making can be stressful for even the most seasoned attorney, though. When a decision pays off, it can lead to exciting growth and opportunity. But when it falls short, it can torpedo your plans and jeopardize your firm, clients, and profitability.

In this two-part series, we'll be exploring ten common—though well-intentioned—mistakes attorneys make. From not setting clear KPIs to miscommunicating with potential clients, these mistakes can hinder the growth of your firm. But with knowledge comes the power to avoid making these mistakes—and keep your firm on track to achieve your goals.

5 mistakes attorneys make (and how to avoid them)

As you work toward your firm's New Year's Resolutions, avoid letting these mistakes interfere with your progress.

1. Conflating revenue with profit

Spending more time working means your firm will see a higher profit, right? Not necessarily. In fact, the opposite can be true just as often.

While this perception is based on a number of factors, there is one misconception that contributes to it: the confusion between revenue and

profit. If you want to make better financial decisions for your law firm, you need to know the difference between these crucial concepts:

- **“Profit”** refers to the amount of money left over once all of your company’s operating expenses have been paid.
- The total amount of money your law firm made during a certain period is known as **“revenue.”**

Mixing up the two may give you a false feeling of security about your firm’s budget, [leading you to make risky financial decisions](#).

2. Making collections too complicated

Paying legal bills can be hard enough for clients, but when you add a complicated payment process to the mix? It’s a recipe for delinquent payments, a high AR, [and a sluggish cash flow](#).

With TimeSolv, you can streamline your collections process by automating your invoicing and adding online payment links for clients. TimeSolv also includes invoice reminders to help ensure that more clients are likely to pay on time. By using TimeSolv to simplify your collections process, you can save time and reduce the risk of errors.

As a result, you can free up your time and mental energy to focus on billable tasks.



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Did you know that spending more time working doesn't automatically mean your firm will see a higher profit? In fact, all too often, the opposite is true.

[Get the e-book](#)

3. Representing difficult clients

Working with difficult or dishonest customers can be stressful, time-consuming, and detrimental for your reputation. Nor is it economical to manage clients who need constant pestering to pay their legal bills. Such clients are unlikely to respect your time or efforts. The stress of the relationship can also have a negative impact on the ability to [attract new clients and even detract from your other client relationships](#).

It is usually more productive to end your working relationship with difficult clients and focus on serving those who respect your time and efforts.

4. Using manual systems (or no systems at all)

Do you use paper calendaring or keep notes about legal matters on your hard drive? These types of manual systems are error-prone and time-consuming. They're also really hard to keep up with as your client base grows.

Investing in a [legal client relationship management \(CRM\)](#) system and practice management system is essential for law firms that want to see meaningful growth.

These valuable legal tools can power the full spectrum of law firm operations, helping you nurture client relationships, establish efficient workflows through time-saving automation, and monitor the success of your goals. The result: you spend less time on redundant tasks and more time on value-driven activities that boost client satisfaction and support a [profitable AR](#).

5. Entering the same data in multiple places

Any workflow that requires you to repeatedly type the same information again and again is a waste of time and money. When your legal tools talk to each other, it's easier to automate crucial, but time-consuming, tasks like billing and invoicing.

Eliminate manual data input from your firm as much as possible and redirect those resources into billable work. We recommend investing in integrated legal software solutions that streamline your workflows, reduce the risk of errors, and improve your firm's overall efficiency.

Are you ready for your firm's most successful and productive year yet?

The legal billing and timekeeping experts at TimeSolv have put together a list of ten common mistakes that attorneys tend to make at the beginning of the year, along with actionable suggestions for what to try instead.

These mistakes, if left unchecked, can hinder the growth and success of your firm. By being proactive and taking steps to avoid them, you can set your firm up for a profitable and productive year.

Get the most profitable and productive start to the new year possible. TimeSolv will help you make the most of your firm's resources, maximize client satisfaction, and work toward [Zero AR](#) in 2023. Start [your free trial](#) today!



How to Prevent the 10 Biggest Mistakes Every Law Firm Makes

Are you looking for a simple way to boost your law firm's productivity and increase client satisfaction? Stop committing these 10 common mistakes! watch the webinar now.

[Watch Free Webinar](#)