

# How to Simplify Law Firm Administrative Payment Tasks So Attorneys Can Stay Focused on Clients

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There are two sides to running a successful legal practice. The first side encompasses client services, which are all of the tasks that attorneys handle to bring client matters to a favorable conclusion. This is the revenue-generating side because the majority of these tasks are billable for compensation by the client. The second side encompasses all of the administrative needs, which are tasks that must be completed in order to keep the office open and operational. While this side does not directly generate revenue, it is still extremely important to the financial well-being of the firm. When administrative duties are not met, the structure of the firm falls apart.

Especially within small and solo practices, far too many attorneys spend their time and energy focused on the nonbillable administrative task of payment collections. They are constantly concerned with securing client payments instead of concentrating their efforts on billable client matters. This equates to lost revenue and diminished cash flow for the firm.

Attorneys need to spend their valuable hours on tasks that drive profits. But to do this, they need processes in place that simplify administrative payment tasks. They need an intelligent and modern payment solution that alleviates the hassle of collections so they can stay focused on clients.

## **The Collections Headache**

Account Receivables (AR) represent the number of outstanding invoices owed to a law firm. A high AR occurs when a law firm has low collection rates, which typically result from inefficient administrative processes. When payment tasks are handled in an efficient manner, it promotes timely and complete collections, which lowers AR. But handled incorrectly, collections can become a major headache for attorneys.

Studies show that law firms generally collect 75 to 85 cents on each dollar they bill their clients. This can easily represent tens and even hundreds of thousands of dollars in lost revenue. It's easy to blame clients for these low percentages, but firms also bear some responsibility for failing to effectively manage debt collection. Some attorneys even find the collections process so challenging that they stop making efforts to secure payment for some of their most outstanding invoices.

### **Simplifying the Payment Process**

A simplified payment process helps law firms effectively manage this vital administrative task without taking up valuable attorney time. Streamlined procedures don't just make life easier for clients, they also benefit the law firm with faster payments and better administrative task management. Firms can simplify payment tasks with a variety of strategies, including:

- **Installment Payments** – Large legal bills can create a major financial challenge for clients, resulting in late or incomplete payments. Installation payment plans allow clients to pay their legal invoices in increments over the course of the matter, which makes their legal fees more affordable. From the law firm's perspective, installment plans may decrease the amount of time spent pursuing payment of overdue bills because clients are more likely to follow an incremental plan. It may take a little longer for payment in full, but it still becomes much more probable. Law firms effortlessly experience higher collections so that attorneys can keep their focus on client work.
- **Online Payments** – To simplify the payment process, law firms must move away from requiring cash and paper check payments. Electronic payment options offer clients a quicker method of paying their legal invoices, but they also offer law firms an opportunity to streamline

processes. Paper checks have a clearing time of anywhere from 2 to 5 days, while electronic payments can be collected and accounted for immediately. That means fewer collection headaches for firm attorneys. These payment methods also alleviate the time-wasting task of going to the bank and making deposits. By providing convenience for clients, attorneys also provide convenience and simplification for themselves.

- **Preauthorized Payment Methods** – When clients provide law firms with payment methods and preauthorization to use them for legal fees, it significantly reduces the amount of time spent on collections. The firm automatically collects payment from the provided method on a predetermined date. This arrangement is another convenience for clients that also saves time for law firms and promotes timely payments. With preauthorization, there is no need to track down or wait for clients during every payment cycle because the payment method is securely on file.

## **Implementing an Effective Payment Process**

To effectively manage client payments and keep attorneys focused on clients, law firms need standardized procedures and modern technologies in place. There should be a structured collection plan that addresses current invoices as well as those that have become overdue. The headache of chasing payments or leaving revenue on the table should become a thing of the past. With an easy-to-follow plan of action, all law firm members have a playbook that they can easily follow to increase productivity and simplify tasks.

Automation should be a part of that established process. This includes reminder emails that are automatically sent to clients when their bills become overdue. Automated reminders effectively encourage payment, while also freeing up time better spent on billable tasks. They also minimize the need for unpleasant phone calls and uncomfortable conversations.

The other necessary component for effective collections is the right legal payment processing technology. There are several options to choose from, but only one offers the most modern and innovative collections features.

TimeSolvPay provides numerous tools for simplifying law firm payment processes, including the ability to collect payments in batches. With just a few clicks, law firms can process numerous payments effortlessly. This immediately increases collection rates, decreases AR, and provides attorneys with the time they need to focus on their clients instead of administrative payment tasks. To learn more about what TimeSolvPay has to offer, [click here for more details](#).