

# Increase your law firm profitability with more billable hours

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Billable hours... there's no escaping them. Even firms that utilize fixed fee billing need to be concerned about the number of billable hours being generated each day, week, and month.

Take a serious look at your law firm's billable hours. Is your legal practice actually collecting its maximum billable time, or are your firm members leaving valuable hours on the table? If the latter is true, it's time to make some serious changes.

The following are eight ways that you can increase your law firm's billable hours for greater profitability:

## **#1 Complete all-time entry on a daily basis**

Time tracking is not a task that most lawyers enjoy. So, they often procrastinate and put off their time tracking duties until the end of the week, or even worse, the end of the billing cycle. As a result, they are left trying to remember and guess about hours spent on client matters, using their unreliable memories to fill in missing blocks of time. With a daily time tracking policy in place, all firm members are forced to enter their time in each day instead of relying on their memories days later. It promotes accurate time tracking and does away with the guessing games.

## **#2 A Firm-wide time tracking policy**

Every member of your law firm should be tracking their time, and the best way to communicate this expectation is through a written firm-wide policy. When members see an implemented policy, complete with consequences for non-compliance, they will be more likely to fall in line.

The other benefit of a written policy is that it gives you an opportunity to create a policy that promotes increased billable hours. From mandatory

daily time entry to weekly billable hour audits, your written policy should work to keep your firm's billable hours at a level that increases profitability.

Once your written policy is implemented and consistently followed, it will become an essential part of your firm's culture.

### **#3 Capture how all time is spent**

To really ensure that all time is being spent in the most profitable way, it's important to track all time, not just the billable hours. This means that all firm members should track how they spend each work hour of the day.

With this information, firm leaders can better gauge how well time is being spent and identify any time-wastes that may exist. Once any issues are identified, leaders can modify resources accordingly to maximize efficiency. Without capturing all time, you may not have realized that a lawyer who could be billing \$300 an hour is wasting 8 hours each week on a task that could be delegated to support staff or outsourced for greater efficiency.

### **#4 Weekly time entry closeouts**

Closing out time entries on a weekly basis provides an easy way to determine whether law firm members are meeting mandatory time entry procedures. It also prevents timekeepers from going in and modify time entries from weeks prior.

Once the time entries are closed, you should conduct a weekly audit that reviews time records and identifies any unaccounted time. With weekly audits, you can investigate the missing time without having to go back weeks to try and figure it out.

### **#5 Delegate tasks strategically**

Your most profitable tasks should be delegated to the highest billing members of your firm. Your support staff is there to support you in handling those administrative and less profitable tasks. Strategically delegate appropriate duties to paralegals that bill at a lower hourly rate and nonbillable tasks to non-billing support staff members whenever possible.

### **#6 Increase your productivity**

Are the members of your firm really as busy as they think they are on a daily basis? If you don't have these time-tracking procedures in place, probably not. By taking a realistic view of how everyone is spending their time, you may find that hours spent on nonproductive tasks are taking away from potential billable hours.

Create a firm culture that inspires members to deliberately stay on task and maximize each of the work hours in a day. Make productivity a collective objective by rewarding goals met and implementing consequences for missed deadlines.

### **#7 Time tracking software**

The right time tracking software makes it easy for firm members to quickly and efficiently track time spent on tasks. With TimeSolv legal time tracking and billing software, your attorneys and support staff can quickly access their time tracking tools whether working in the office or in the middle of a crowded restaurant. By making it easy to capture time, you promote compliance with your firm policies and your firm benefits from all that TimeSolv has to offer.

### **#8 Don't sell your talents short**

Finding the right hourly rate can be a difficult decision for attorneys to make. You may be concerned about staying competitive within your local market or outpricing yourself from specific segments of the population. But undervaluing your services is the fastest way to diminish potential billable hours. You've put in a lot of work to get where you are, so make sure you are charging adequately.

Another part of sufficient billing is utilizing minimum time increments. Law firms use minimum time increments to round up time spent on individual tasks for billing purposes. Though controversial, the ABA has issued a formal opinion acknowledging the appropriate use of minimum time increments.

With minimal time increments, you can ensure that all the time spent on a matter is billed and compensated for... even a three-minute telephone call.

## Increased Billable Hours = Increased Profitability

If you are seeking to increase your firm's profitability, then you should definitely take a look at your billable hours and identify areas where they can be increased. From standard time tracking policies to increased hourly rates, a few simple changes can have a substantial impact on your firm's profits. To learn more about TimeSolv's time tracking capabilities, [click here](#) for a free trial.

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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.*