It’s Time to Forecast for Next Year

With the end of the year approaching, it’s important to look forward and consider where your law practice is headed in 2017. Forecasting is a useful tool and the right law firm billing software goes a long way with completing this task.

What is forecasting?

Business forecasting involves analysis of past financial records and taking that information to plan marketing and budgeting efforts for the future. It’s basically an informed guess about the future well-being of your practice. For law firm managers, forecasting is a valuable tool in a variety of areas, including:

- **Practice areas** – Forecast to predict which practice areas will be most profitable in the coming year. If firm data shows that transactional law brought in less money for the firm, you can use this information to choose one of two directions. You may choose to place more marketing efforts on transactional law to attract more matters, or you may choose to redirect future marketing efforts towards more profitable practice areas.
- **Employment needs** – Forecasting allows you to consider future employment needs, including lawyers and support staff. Data may reveal that your attorneys are handling too many cases, signaling the need for additional hiring in the year ahead. You may also find that resources are being wasted, as attorneys take on duties best handled by legal assistants or administrative staff members. This information allows you to make hiring decisions that are in the best interest of the practice as a whole.
- **Fee setting** – Forecasting also involves analysis of the entire industry and consideration of what other law firms are doing in your area. Are other lawyers charging fees comparable to yours? Do they offer flat fee arrangements or other services that potential customers appreciate.

Now, look at your practice records to find billing weaknesses. Are there areas where fixed billing would prove more lucrative? Is it time to raise your hourly rates or would lowering your rates bring you more in line with industry standards? Forecasting gives you an informative base for making all of these important decisions.

Comprehensive billing software can make forecasting easier.

Historical data is key to accurate forecasting. To make well supported predictions, you need information that is correct and reliable. Comprehensive law firm time tracking and billing software makes the forecasting process much easier to navigate. TimeSolv legal billing software offers extensive reporting capabilities, so you can access over 25 different business reports with a few clicks of the mouse. From basic daily reports to more detailed annual records, Timesolv provides you the data you need to adequately review the fitness of your practice and make decisions that boost the firm's profitability and overall success. Want to learn more about TimeSolv's reporting capabilities?

Forecasting is a valuable planning tool that can help you prepare for the future of your law firm. With accurate historical data and analysis of the current legal industry, you can prepare your practice for whatever 2017 brings.

About Erika Winston:

Erika Winston is a Virginia based writer with a passion for all things legal. As a former domestic relations attorney, she understands the challenge of determining the best fee structure for your practice. Erika is a regular contributor to TimeSolv and a variety of other publications.