

# Legal Billing: Billing Decisions that Promote Client Trust and Law Firm Growth

---

While the main purpose of law firm invoicing is to secure compensation for legal services rendered, the decisions lawyers make regarding their billing processes can have a significant effect on the attorney-client relationship.

When a client disagrees with details of an invoice, it can breed distrust and an unwillingness to pay. But attorneys can take steps to avoid these disputes with thoughtful decisions about which tasks and expenses to include in their invoices. With a little consideration of your firm's billing decisions, you can promote growth within your legal practice while also encouraging client trust.

## Are You Overstaffing?

Overstaffing occurs when a law firm assigns more attorneys to a matter than necessary. This type of practice can lead to client overbilling and unreasonably large invoices.

To avoid overstaffing, attorneys should attempt to concentrate the legal work of a case into the hands of as few attorneys as possible. There is no need to have multiple junior associates working on a matter that one senior associate could handle at a single rate. Here's an example:

A law firm is working on a complex real estate dispute. Instead of assigning the case to a senior partner who bills at \$400 per hour, and has vast real estate experience, firm leaders assign three junior associates who each bill at \$250 per hour. Due to their limited experience, the junior associates routinely work collectively on tasks, with each billing the client for their

time. Yet, the senior partner could have handled the same tasks in less time and with the assistance of a legal secretary who bills at \$75 per hour. Even though his billable rate is higher, he could have handled the case for less than the junior associates.

Consider which of your firm's attorneys are best suited to handle specific matters in a timely and cost-effective manner, so you can minimize the number of lawyers touching the case.

## **Use Paralegals and Support Staff Thoughtfully**

Paralegals tend to have the lowest billable rates within a law firm. So, allowing them to handle appropriate tasks can save costs. Consider the specifics of the task at hand. If it is something that your paralegal has the knowledge and experience to handle, and it is professionally appropriate, consider letting him or her handle it.

Clients like to see that firm leaders are delegating tasks in a cost-effective manner. They do not want to pay \$250 an hour for an attorney to create simple forms.

The use of legal secretaries can also be of assistance when making billing decisions, but make sure you understand the rules of your state regarding this classification of support staff. Some states do not allow law firms to bill for secretarial work, so think about what case tasks can be handled by your secretary at no cost to your client.

What about your legal research expenses? While legal research is necessary for the provision of legal services, it can quickly become costly for the client. Why not delegate these tasks to your paralegal or an associate with a lesser hourly rate?

Also consider subscribing to online legal research services like Westlaw or Lexis, which helps attorneys keep track of exactly how many minutes of legal research time has been spent on specific client matters. The company will provide you with an invoice for research time spent, so you can pass on the cost to your client along with a detailed explanation of what research was completed.

## **Invoice Preparation**

I know it may take up a considerable amount of firm time and effort, but is passing the cost of invoice preparation onto the client really a good idea? From initial time tracking to invoice drafts and reviews for finalization, a lot of potentially billable time can go into getting those invoices out the door, but most clients would look at this as a cost of doing business that they should not have to cover.

You can minimize this firm expense by investing in a comprehensive legal billing system like TimeSolv. Their easy-to-use time tracking and invoicing tools help law firms streamline the entire invoicing process for greater efficiency and improved client relations.

## **Bill in Dractions of an Hour**

By breaking your billable hours down into smaller increments, you can reasonably bill for all work on a matter without overbilling your clients for small tasks. For example, if you bill in tenths-of-an-hour or every 6 minutes, a task that takes 6 minutes or less would be billed at 1/10th of an hour. For a task that takes 7 – 12 minutes, it's 2/10th's of an hour, and so forth.

Clients want to know that the hours listed on their invoice accurately reflect the time spent on their cases. By using billing increments, you can provide them with some assurance that they are not being overbilled for tasks that take minimal amounts of time.

## **Costs and Expenses**

When your law firm invoices for additional costs and expenses, you should ensure that they are completely documented so that clients can see the receipts. You may also want to pass these costs onto the client at

cost. For example, if you have to secure an outside messenger service, charge the client only what the messenger charges the firm. Surcharges and markups can make the client feel cheated and distrustful.

You can also keep photocopying and fax charges to a minimum by utilizing email and virtual document software as much as possible. These tools are not only more convenient and secure than handling documents by hand, but they also help law firms cut down on the costs they pass on to clients, promoting trust and profitability.

The decisions you make about your law firm billing can have far-reaching effects for your attorney-client relationships. So be mindful and remember that client trust leads to more referrals, more repeat business, and more profits.

---

**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.*