The Ultimate Guide to Reducing Accounts Receivable with TimeSolv Pay

Effectively managing your accounts receivable (AR) is a must if you want your firm to operate at its full potential without financial issues.

However, this can be easier said than done. A well-calibrated AR depends on a combination of client service, efficient processes, and well-designed tools to achieve your goals.

If you're struggling to lower your accounts receivable, TimeSolv can help. In this guide, we'll walk through key considerations for hitting your AR targets and how to use tools like TimeSolv Pay to make paying the bills a hassle-free experience for both lawyers and clients.

Why law firms should pay attention to their AR

Your law firm's AR is like a profitability temperature gauge, helping you forecast your financial outlook.

If your AR is too high, you risk not being able to cover business expenses or invest in your firm's growth. This jeopardizes your firm's financial stability and future profitability.

There are other issues at stake, as well. When your firm struggles with high AR, it can lead to:

- Increases in bad debt
- Lost opportunities for growth and investments
- Strained or damaged client relationships
- Reputational damage and decreased referrals

- Administrative burden for legal staff

However, high AR doesn't appear out of nowhere. Your law firm's AR indicates how effective your firm's processes and tools are. When your AR is too high, it means there is room for improvement in your billing practices, client relationships, or the tools you use to facilitate billing and payments.

How legal billing and invoicing tools can help

Using legal-specific tools like TimeSolv Pay can significantly improve your law firm's management of accounts receivable (AR). These tools are designed specifically for law firms and offer features such as automated payment reminders, online payment options, and customizable invoice templates.

Automating and simplifying the billing and invoicing process can save time, reduce errors, and improve cash flow. Online payment options make it easy for clients to pay their bills from anywhere, at any time.

Moreover, these tools often include reporting and analytics features that provide valuable insights into your firm's financial health. You can easily track AR aging, payment histories, and client payment trends to make well-informed decisions about managing cash flow.

Using legal billing and invoicing tools can improve your firm's financial stability and client relationships, as well as help with compliance and transparency. Detailed invoices and accurate payment records ensure that all financial transactions are properly documented.

The Ultimate Guide to Automating Your Legal Billing and Payments

To stay competitive in today's legal landscape, law firms must embrace the power of technology, especially when it comes to billing and payments.

The best way to improve your law firm's cash flow while also increasing client convenience is 'Automation'.

Download our free guide to improve your legal billing and payment process today!

Get your free guide

How to reduce your firm's AR using TimeSolv Pay

Now that we've highlighted the importance of using a legal-specific software solution, it's time to dig into strategies for moving your AR to zero and highlight how TimeSolv Pay can help.

Get paid faster

Getting paid faster starts with accepting faster payment methods. Surveys find that law firms that accept credit cards get paid significantly faster than those that only accept checks. One report found that 57% of firms accepting credit cards got paid the same day they sent invoices, and 85% got paid within a week.

When payments come in faster, even if you're consistently billing, your cash flow cycle accelerates and your AR declines. TimeSolv Pay offers lightning-fast funding for law firms, with payments typically posting within 24 hours.

Convenient payment options

Convenience is critical to quick client payments. Credit card payments are a factor in the convenience equation but pay attention to other options. For example, law firms might consider offering:

- Debit card
- ACH and eCheck
- Payment plans
- Retainers
- Alternative fee structures (fixed fee billing, contingency fees, etc.)

If this seems like a lot to handle administratively, remember that you don't have to offer *every* option. Consider what might be most appropriate for the practice areas you serve and your client base. For example, personal injury practices might prioritize payment plans and contingency fee structures that make services more accessible for clients.

However, TimeSolv can reduce the administrative burden with easy setup and maintenance of payment structures.

Automated payments

Keeping track of bills and financial obligations can be a big task. Reduce the mental load for your clients by putting yours on autopilot.

TimeSolv Pay allows law firms to implement automated recurring payments. This ensures timely payments and reduces the burden of manual payment processing for both you and your clients.

It's a win-win situation: your clients don't have to think about when payments are due or pull out their cards each month, and your firm gets a steadier cash flow.

Reduced administrative tasks

Each billing cycle requires a certain amount of administrative work, but the less "digital" your process is, the more work your firm incurs: manual check processing, bank deposits, updating payment records, and more.

Those steps are eliminated when you use TimeSolv Pay. Payments are synced with client accounts, records are updated, and funds are posted typically within 24 hours—no extra work is required.

And because these processes occur automatically, fewer errors will crop up in administrative tasks. Everyone involved in billing processes gets more time to focus on higher-value tasks!

Clear insights with billing data

With TimeSolv and TimeSolv Pay, you can also gain valuable insights into billing and payments.

Because all payment data from TimeSolv Pay syncs with TimeSolv, you can create customized reports on client payment histories and overall financial trends for your practice. Set up dashboards to get real-time insights or automate reporting to look at:

- Invoice summaries
- Aging invoices
- WIP aging
- Realization rates
- And more

With the ability to generate detailed reports and review cash flow patterns, your firm can make informed financial decisions.

Ready to take your AR to zero?

If you're tired of your accounts receivable processes being stuck in the mud and you want to get back on the road to profitability and growth, you're going to need the right tools for the job.

From recurring invoices and automated invoice reminders to ensure your clients pay their bills on time every time to batch payment processing and integrations with your favorite software solutions to save you time and keep you client-facing, TimeSolv Pay has you covered.

Ready to see how TimeSolv can help you take your AR to zero? Sign up for your personalized demo or a free trial today and see what we can do for you.