

# Three Small Law Firm Problems Solved by Outsourced Bookkeeping

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Running a small law firm is no easy task. It requires a delicate balance of client relations, legal expertise, and business acumen. While solutions to some of the many challenges can prove elusive, other obstacles can be quickly and efficiently handled with a small change to accounting procedures. Keep reading to explore three small law firm problems that can be solved with outsourced bookkeeping.

## **Problem #1 Lack of Time**

Time is a valuable commodity within a small firm setting. Staffing limitations may create an environment where attorneys and other timekeepers serve double duty as legal service providers and firm administrators. It's a situation that can decrease the potential for billable hours as members forgo billable tasks to handle administrative ones, like bookkeeping.

When it comes to ranking law firm tasks, bookkeeping is usually near the bottom due to the time and effort it can take to complete the entire billing, collection, and reporting process from beginning to end. It's a tedious task that requires attention to detail in order to ensure accuracy and timeliness. So, it often uses up a lot of profitable hours each month when handled in-house by firm members.

With outsourced bookkeeping services, law firm members can better spend their time providing clients with top-notch services instead of worrying about these tedious tasks each and every month. For small firms, staying competitive with larger firms can be challenging, which makes client satisfaction and retention even more vital to success. Time spent on client bookkeeping is time not spent on these other

crucial components. Outsourced bookkeeping offers small firms a valuable opportunity for more billable time.

Lack of time causes one more problem within a law firm environment. Attorneys notoriously lack work-life balance as they sacrifice rest and self-care to finish their overflowing workloads. Outsourced bookkeeping alleviates some of that stress so attorneys can hopefully dedicate that time to themselves and their wellbeing. Small firm attorneys need systems in place that promote work-life balance, and outsourced bookkeeping provides a solution to that problem.

## **Problem #2 Bookkeeping Inaccuracies**

Client bookkeeping inaccuracies can be a nightmare for small law firms. They can muddy accounting records, undermine client confidence, and leave law firms with significant financial difficulties. Outsourced bookkeeping provides law firms with access to a team of professionals solely focused on keeping their client billing and collections in order.

These professionals have advanced knowledge of legal billing procedures and the systems in place to handle these tasks in a highly effective manner. It alleviates the potential for human errors that can occur when overworked firm members squeeze bookkeeping onto their long to-do lists. By handing these duties over to skilled professionals outside of the practice, small law firms demonstrate a commitment to accuracy.

## **Problem #3 Financial Limitations**

It cannot be reiterated enough that an hour spent on administrative tasks is an hour not spent on billable client tasks. Client bookkeeping can easily take up to 15 hours of manpower a month depending on a firm's caseload. That time includes hours spent gathering time records, crafting invoices, seeking approvals, and collecting client payments. This could easily equate to

thousands of dollars in lost billable time each month, and tens of thousands each year.

Many small firms operate on a tight budget, so there may be hesitant about the cost of outsourcing. But when compared to the cost of hiring a full-time accountant, or the collateral costs of inaccurate in-house accounting, the investment is worth it. With outsourced bookkeeping, the firm only pays for the services requested. In addition, with the right bookkeeping provider, firms pay a set fee that is laid out from the start of service, with no additional fees or surprise costs.

Outsourced bookkeeping also minimizes the financial risks of firm growth. As small firms expand, the required bookkeeping skills also grow. Caseloads grow and accounting needs become more complex, so small firms need bookkeeping systems that grow with them. This may not be feasible from within the practice, but outsourced services promote small firm growth.

## **How Outsourced Bookkeeping Works**

With outsourced bookkeeping, small firms trust their client accounting tasks to a reputable outside provider. TimeSolv legal billing has crafted a unique and innovative bookkeeping service that streamlines the process from beginning to end. With TimeSolvPay as their bookkeeping provider, law firms benefit from an end-to-end credit card processing system that also offers:

- Secure storage of client payment information
- Batch billing for payment of numerous invoices simultaneously
- Tools to decrease AR and increase cash flow
- Transparent pricing
- Client portals for faster and more complete collections

TimeSolvPay is the solution that small law firms need to reap all the benefits of outsourced bookkeeping services. To learn more about TimeSolv and TimeSolvPay, click [here](#) to schedule a consultation.