Why is electronic billing so expensive for law practices?

Client billing is one of the most important aspects of legal practice. If you do not bill, you do not get paid. Yet, this integral practice management task is one of the most frustrating and expensive parts of running a law firm. The prohibitive cost of Timeslips, along with other legacy law firm billing systems, is a constant complaint within the legal community. This article seeks to uncover why electronic billing is so expensive, particularly for small and midsized law practices.

Upfront Costs

When you think about the expense of a legal billing system, your first thought is probably the initial cost of purchase or access. Most legacy systems require lawyers to purchase a yearly or monthly subscription for use of the product. The initial user fee is generally the largest, with additional costs for each additional user. While the actual cost depends on various factors, it is not uncommon for midsized firms to spend thousands on the upfront cost of a legacy billing system.

One of the most commonly used legal billing systems costs more than \$500 for the first-time user. Five users cost more than \$1500 and ten users can cost almost \$3000. It's also important to note that these initial expenses only cover the basics. Many of these systems force attorneys to buy "premium" packages for access to their most useful and up-to-date features. Add in the server costs (which we will get into later in the article) to host your legacy billing system, and you are looking at an extremely expensive tool.

By comparison, cloud-based billing systems generally offer more affordable options. For example, with TimeSolv legal billing system, the monthly cost

for a law office of five users is \$149.75. This price includes all of the company's services, so there's no need to invest in an expensive "premium" option and no requirement to maintain a costly dedicated server.

Maintenance Costs

When examining the expense of legal billing systems, you can't stop at the initial purchase price. While upgrades and support are provided without additional cost through TimeSolv, many of the legacy systems seem to view upgrades as an opportunity to line their pockets with your firm's hard-earned money. A look at customer reviews of Timeslips shows a common dissatisfaction with the company's reported upgrade policy, whereby some older versions of the software are no longer eligible for technical support once new versions are introduced each year. This means that reliable company-provided technical support is only accessible if practice owners spend thousands of dollars each year, or every other year, to buy the most updated version of the software.

One Timeslips reviewer <u>reportedly</u> wrote, "If you do not spend thousands of dollars to upgrade your software each year, they will not provide any technical support (even if you offer to pay for it)." Attorneys who refuse to continuously pay for upgrades are forced to bring in expensive outside consultants should their billing system stop working correctly. "Often, we have to call an independent consultant and pay them more money to fix issues," wrote another Timeslips reviewer.

Learning Costs

What good is your legal billing system if no one in your office can figure out how to correctly utilize it? You may be surprised, but this is a common problem for many attorneys. Billing system product reviews often include complaints about steep learning curves and difficult-to-use applications. This is partly because many systems operate under the assumption that users already have some level of technical savvy. They also steer their services towards large and mega law firms, with dedicated IT departments.

Most small and midsized firms do not even have a dedicated IT person, let alone an entire department, which leaves staff members to figure out these systems on their own. In addition, the legal practices of today are often multigenerational, representing various levels of computer knowledge. Some staff members have an extremely difficult time trying to learn these convoluted billing systems, which translates into lost profits and a waste of valuable time.

For the billing systems that do provide some level of training, it is often only available at the time of initial purchase. There are no training or educational resources to assist when problems arise later in the service period or when new employees come on board. Some firms are forced to contract with outside consultants for staff training, which is just another costly expense.

TimeSolv customers never worry about steep learning curves and inadequate training. First, they company consistently works to make the system as user-friendly as possible. Secondly, the TimeSolv website contains an extensive resource library with step-by-step instructions for utilizing the system. Lastly, users have access to support specialists, who are available by phone or email seven days a week... at no additional cost. Let me just say that again. These support services are made available to TimeSolv users with no additional cost.

Infrastructure Costs

Earlier in this post, I mentioned how many legacy billing systems require a dedicated server. Let's take a deeper look at the expense of this requirement. On the surface, there is the cost of purchasing and setting up a server, which will likely require an outside contractor. Then, there is the cost of maintaining that server and servicing it should it crash... which it probably will... multiple times. These server requirements also lessen law firm profits by restricting the mobility of their attorneys. Cloud-based billing systems allow lawyers to track their time and create invoices from virtually anywhere in the world, which creates opportunities for increased profits and greater efficiency.

With high purchase prices, costly upgrades and extensive maintenance needs, electronic billing is a significant expense for law practices. But choosing the right billing system can save your practice money and valuable time. Legacy systems, like Timeslips, are simply not cost-effective choices, particularly for a small or midsized firm. TimeSolv offers affordability, reliability, and top-notch support at every step of the way. Click here to try it for 30-days with no obligation. You will not be disappointed.

About Erika Winston:

Erika Winston is a freelance writer with a passion for law. Through her business, The Legal Writing Studio, she helps legal professionals deliver effective written messages. Erika is a regular contributor to <u>TimeSolv</u> and a variety of other publications.