

*Time is*



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# Money

Facilitating better time entry by attorneys ultimately increases revenues for law firms and decreases drudgery for legal professionals.

It's no secret that entering time is one of law firm attorneys' biggest headaches. It's even less of a secret to those running the firms that attorneys often miss capturing valuable time because they aren't entering all of their work in a timely and accurate fashion. It's very easy, for example, for an attorney to forget a 15-minute call with a client while heading to the office. If you do the math, one lost 15-minute call per attorney per day can result in substantial lost revenue: \$150 per hour (an attorney's billing rate) x 50 weeks x 5 days = \$9,375. And that's for only one attorney.

In addition to lost revenue, a delay in entering time will delay timely billing, which can significantly slow cash flow, one of a firm's biggest challenges. Even worse, the later the invoice is, the less likely the client is to remember the 15 times he called his attorney during the crisis on one day three months ago. The timelier an invoice is, the more likely the firm is to collect the entire amount. With billings delayed even a few weeks, there is increased potential for more write-offs that again decrease revenue.

In short, the sooner you can get attorneys to enter their time, the more details they will include and the less billable time they will forget. In addition to increasing revenues, this will greatly improve cash flow, the ability to collect billings and client satisfaction. The best part: No one has to work any longer.

So, what can you do to ensure your attorneys are recording time often and accurately, while in the office and on the road? Start by training your attorneys to take advantage of the time and billing technologies the firm already has. In addition, look for tools that might make billing on the road much easier.

## SHORTCUT

Facilitating efficient and accurate time entry by attorneys will maximize the details they include and minimize the billable time they forget. In addition to increasing revenue, an optimized time and billing process will ultimately improve cash flow, the ability to collect billings and client satisfaction.

### SUCCESS IN THE OFFICE: HOW ONE FIRM MADE IT HAPPEN

For the past several years, Janet Wulf, Financial Director for Denver-based Kennedy Childs & Fogg PC, has been pushing her partners to require all attorneys to enter their own time into their financial management software. Her arguments? It would enable attorneys to capture more time in more detail, increase their available time for more billable work and ultimately increase the firm's profitability. From an administrative standpoint, it would also eliminate the need for others to enter time that had already been captured once before on paper, a spreadsheet or word processing document.

The partners finally bought in (at least partially), and on February 1, the firm began requiring all of its paralegals to enter their own time; the associate requirement followed May 1.

"They don't have a choice," Wulf said, though partners aren't required to do so – at least not yet. Fortunately, several of the 34 associates and paralegals at Kennedy had been entering their own time for years, but for those that have been with the firm for five or more years, the change has been a bit more difficult. A common fear – and misconception – was that it would take them longer to enter their own time, which would actually lessen the amount of time they would have for doing billable work.

To ease their fears, Wulf began offering one-on-one training.

"During group training, people don't ask questions, or they tune out and do other work," she said. "Training can be especially difficult for attorneys who don't want to look ignorant in front of their peers. Personal training requires them to really listen and learn."

### Tips to Help Attorneys Better Use Their Time and Billing Software

So how do you get your attorneys to best utilize the financial management software in front of them? Here are a few proven tips that should help, with the final three adapted from legal consultant Dennis Kennedy's white paper, "Improving Revenues and Lawyer Morale with Effective Time Capture Tools" (commissioned in late 2005 by AIRTIME-Manager):

1. Get partner buy-in on any major (or even minor) changes to your financial processes, especially those related to requiring attorneys to enter their own time. Only those at the top can direct the attorneys to actually abide by the new requirements.
2. Do personalized training – either one-on-one or in small groups – to ensure all involved feel comfortable to ask questions and will focus on learning. You have to pay attention if you're the only one in the training!
3. Require attorneys to enter their time on at least a weekly basis (daily is even better) so they get all of the details they need. It really is easier that way.
4. Require attorneys who bill on a retainer basis to capture their time as well. It is impossible to track attorney productivity and how profitable a client truly is to your firm if you don't require them to capture their time.
5. Require attorneys to track unbillable time such as administrative or marketing tasks. Tracking all time is critical to assessing performance and knowing where the attorneys' time is going.
6. Make sure attorneys understand the benefits of the new technology or process. Focus your messages on how the change will make their work, and life, easier. While they do care about making the firm more profitable, what really matters to them is making their lives easier so they can bill more time.
7. Make sure the attorneys know how to use the timer capabilities in their desktop financial management software. The timer should be set up automatically in the remote time billing application.
8. When looking for remote time capture to eliminate time leakage, make sure it works with the tools that the attorneys regularly use, such as cell phones and remote e-mail devices. Also ensure it works with your financial management software.
9. Make time entry possible from the Internet as well, so attorneys can enter all time when on the road, not just time taking place on the portable device. Your financial management solutions should all work together without having to enter time twice. Attorneys have a hard enough time entering it once!
10. Client and matter codes should be easily entered into the remote time capture application so attorneys don't have to think about it.

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Janet Wulf, Financial Director, Kennedy Childs & Fogg PC

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According to Rae Ann Gallegos, a paralegal at Kennedy, “Time capture is a tedious process that takes me away from the work at hand. However, the ease of entering my own time in Omega Legal allows me to increase my billable hours and provide a more detailed and accurate description of the tasks I performed. Also, because I can have a few ‘case timers’ open at once, I can multitask between cases when interrupted by telephone calls and e-mail, where time could otherwise be easily lost.”

This increase in billable time likely also comes from the new time-entry deadline established May 1: Instead of all time needing to be entered by the beginning of the following month, it must now be entered by the next Monday of each week. That way, if an associate is halfway through the month and isn’t meeting his or her monthly billable hour goals, the firm can do something proactively to help that associate.

“As a result, attorneys no longer waste hours trying to reconstruct what they did the previous month, which in the past we’re sure has led to a lot of missed time and missed details on the work that was actually done,” Wulf said. “In addition to increasing productivity for our attorneys, entering time on a weekly basis is helping us project our monthly revenue so we can ultimately increase profitability for the law firm.”

Another added convenience of the firm’s financial management software is the ability to create “explode-a-codes,” or “macros,” whereby attorneys and paralegals can enter three letters that automatically provide a detailed description of the task performed. The description can later be amended to include specific detail to the case.

“In addition, the language is consistent with carefully crafted descriptions that our clients understand and do not question, as to whether it is a paralegal (vs. secretarial) duty,” Wulf said.

#### REMOTE TIME CAPTURE: WHY IT’S CRITICAL

With the advent and widespread utilization of cellular phones, wireless Web access and remote devices such as BlackBerry products, attorneys are increasingly working whenever they wish and from wherever they happen to be – at home, in the office, or even while on vacation in Hawaii! Work is becoming increasingly more difficult to turn off, especially as the competitive nature of law firms increases. As a result, however, they also have many more opportunities to forget the work they do, as they don’t always have Post-It notes handy to record three-minute phone calls or e-mails they sent to follow-up on various matters. That could add up to a lot of “leakage” in time and money lost for the firm.

Fortunately, technology vendors are recognizing the changes to work styles and are working together to create products that enable attorneys to capture time remotely. As a result, more financial management solutions on the desktop are coupling with remote time capture software installed on the types of devices that attorneys use most: BlackBerry and Palm Treo.

“Whether it’s expense reports or time entry, the further you get from the event, the more time you lose,” said Alex Raugust, IT Director for 39-attorney firm Shea Stokes & Carter. The firm conducted a successful two-week pilot program with three of its attorneys and then rolled out to other attorneys using BlackBerry devices two weeks later. The results: so far, so good.

“Now, attorneys talking on the phone in their cars, for example, can seamlessly send billable time into our financial management software right after they hang up,” Raugust said. “As a result, they can increase time entry for the same amount of work. Even a few minutes of extra time captured each day will make a big difference in the financial future of our firm, which will definitely please our partners.”

During the pilot program, the firm worked with AIRTIME-Manager to determine “thresholds” and “accumulations” and set up a favorites list of matters that an attorney has worked on during the preceding two to three months. For example, after one minute on a phone call or two minutes on an e-mail, the remote time capture software will prompt the attorney to enter a bill code or pick a matter from the “favorites” list. If an attorney has a series of calls within a week that are all under the threshold, those go into the accumulator, where the software will give a prompt once they collectively reach the one-minute threshold. These thresholds can be customized for each firm.

The attorney clicks on the matter and can then enter a description of the work. If the attorney wants to spend even less time, the software has pre-penned text – *bb* (BlackBerry) *call* or *bb e-mail* – that can be used as the description to jog the memory later.

“I’ve only been using the time capture software for a few weeks, but I can already tell that I’m recording more billable time overall,” said Peter Maretz, a shareholder at Shea Stokes. “Calls on the road are historically the hardest to track, but now I don’t miss any of them. More importantly, with the calls fresh in my mind, the descriptions are better, which makes my clients happier.”

As for training, each attorney had individual phone calls with the vendor to walk them through the process.

“It was a huge help for us, as we didn’t have to spend time getting up to speed on the product, so we could train them ourselves,” Raugust said.

(For more tips on how to get your attorneys to use your time and billing software expertly, see the sidebar on page 50.)

### THE BOTTOM LINE

Your attorneys must record their time accurately and efficiently. They have no choice, otherwise the firm can’t get paid, and the attorneys can’t get paid. That’s no way to run a business!

Getting attorneys to use the tools already at their disposal will save your firm money and provide an easy and effective way to capture time accurately and quickly – both in the office and out – so they can have more time for billable work. ✨

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## LEARNMORE

### ALA Resources

These titles are available through ALA’s Web site, [www.alanet.org/education/mrc/index.asp](http://www.alanet.org/education/mrc/index.asp).

- *Professional’s Guide to Value Pricing*, by Ronald J. Baker
- *Winning Alternatives to the Billable Hour: Strategies That Work, Second Edition*, by Mark A. Robertson and James A. Calloway

The following articles are available in the ALA Management Encyclopedia (ALAME), [www.alanet.org/alame](http://www.alanet.org/alame).

- “E-Billing Management”
- “Attorney Timekeeping: It Matters!”
- “A Cost Accounting Tool to Enhance Profitability for Law Firms”

The following are accessible via ALA’s Legal Management Resource Center, <http://thesource.alanet.org>.

- “Is KM a TKO for Your Firm? Administrators Play

Key Role Implementing Knowledge Management Systems,” by Andrew Z. Adkins III – Type keywords “**time entry billing**” in the search engine

- “Finance: Accounting In the Electronic Age,” by International Legal Technology Association – Type keywords “**time entry**” in the search engine
- “Gauging Success: How Do Firm Administrators Measure Firm Financial Achievement?” – Type keywords “**time entry**” in the search engine

### On the Web

- FindLaw for Corporate Counsel, “Time & Billing - General Practice Software” – <http://marketcenter.findlaw.com/scripts/browse/5/345/349/NO>
- *Law Technology News*, “Time & Billing News” – [www.lawtechnews.com/r5/cob\\_page.asp?initial\\_file=cob\\_page-technews.asp&category\\_id=27885](http://www.lawtechnews.com/r5/cob_page.asp?initial_file=cob_page-technews.asp&category_id=27885)
- *Outsourcing.org*, “Time Entry and Billing” – [www.outsourcing.org/Directory/Accounting/Time\\_Entry\\_Billing/](http://www.outsourcing.org/Directory/Accounting/Time_Entry_Billing/)