AUTOMATING BILLING AND ACCOUNTING FOR LAWYERS

How to Select the Right Solution

DCBAR

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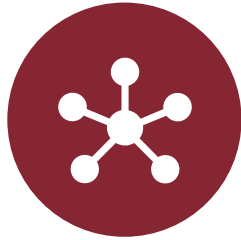203-915-0950
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AGENDA

Introduction

Components of Legal Office Solutions

Firm Requirements

Identify & Evaluate Solutions

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A Bit About Me...

**39 Years
of Experience**

**Certified Public
Accountant**

**Worked with
100s of Law Firms**

**100s of hours
spent evaluating and
learning solutions**

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COMPONENTS OF LEGAL OFFICE SOLUTIONS

Time & Billing

Accounting

Trust Accounting

Practice Management

Document Management

Calendar

Contact Management/CRM

Practice Specific Solutions

Time & Billing

Time Entry

- Ease of Entry
- Remote Entry
- Required Fields – Electronic Billing - Tasks

Billing

- Prebilling
- Delivery of Invoices
- Flexible Billing Arrangements
- Bill Format(s)
- E-billing Formats
- Payment Methods

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ACCOUNTING

Accounting for lawyers is **unique**

Generalized Accounting Packages: **Yes** or **No**

Cash Method of Accounting

Accounting for Client Costs

Trust Accounting

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Accounting

Multi-Department Reporting

Multi-Office Reporting

Budgeting

Chart of Accounts Formatting and Flexibility

Flexible Financial Statement Reporting Capabilities

      Office, Cost Center, Practice Area

Accounts Payable

Check Printing

Bank Account Integration

Multi-Source Transaction Uploading Capabilities

Bank Reconciliation

Accountant Accessibility

INTERNAL CONTROLS

- Software controls over data entry – Minimize Errors

- Separation of duties – Flexible Security

- Software controls restricting trust spending
  - Payment of more money than client owes
  - Limit Spending more than client trust balance

- Timeliness of accounting data entry

Trust Accounting

Bar association requirements **MUST** be met – Safekeeping Rules

All money must be accounted for by client and bank account
MUST be reconciled monthly

Software should ensure trust is compliant with rules

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Practice Management

Tools to assist with the practice of law

Many practice management solutions have billing but *no accounting*

Collection of data outside billing requirements

Practice area specific

Workflows

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Practice Management

Components of Practice Management

- Document Management

- Calendaring

- Data Collection

- Document Generation

- Client Intake

- Conflict Checking

- Client Relationship Management - CRM

Document Management

A structured process for document storage and retrieval is **essential**

Often included in all-in-one solutions

Stand alone applications

Features vary between solutions
- Collaborative editing
- Versioning
- Document generation

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CALENDAR

Synchronized electronic calendars can **increase productivity**

All calendars should have the same information

• Mobile devices, Google, Outlook, Practice Management Software

Firm Calendar

State Mandated Rules

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Contact Management/CRM

Complete list of all firm contacts

Organized collection method integrated with practice management

Document generation

Future business development

CRM – Customer Relationship Management – Interaction with future/current clients.

Ability to integrate with marketing methods

Practice Specific Solutions

Real Estate Closing Software

Estate Accounting

Trust and Estate Planning
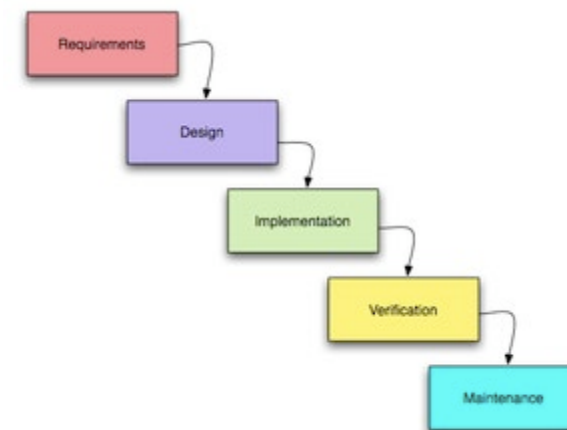
Personal Injury Case Management

Family Law

Customizable Software

Software Requirements

Requirements for applications **need** to be evaluated specifically for your firm

- Involve staff

- Prioritize needs

- Set a **realistic** budget

- Determine proposed conversion date

- Include current pain points
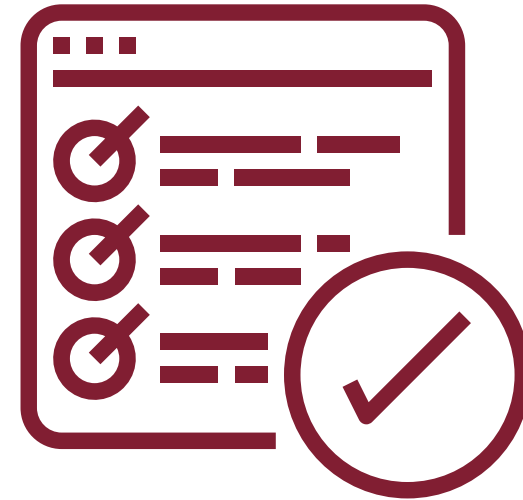
- Wish List

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REQUIREMENT CONSIDERATIONS

Growth

- Number of users
- Applications required
- Work flows
- Required reports and analytics
- Billing considerations
- Payroll
- Credit Card processing
- Document Generation
- Document Sharing

Requirement Considerations

- All-in-one solution
- Practice Management
    - Calendar
    - Contact Management
    - CRM
- Billing, Trust, and Accounting
- Document Management
- Google vs. Microsoft Office
- Discovery
- Practice Specific Products
- Rules Based Calendaring
- Document Generation

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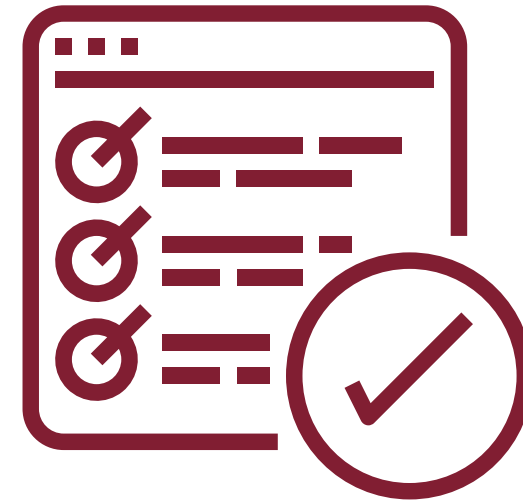
ON PREMISE OR CLOUD?

On-Premise – Software installed on in-house server

Cloud

    Managed Cloud Services – Moving Server to Cloud Provider

    Cloud Solutions – Software Vendor stores data on their cloud

Cloud Computing - SaaS

WHAT IS THE CLOUD?

Cloud computing, also known as on-demand computing, is a kind of Internet-based computing that provides shared processing resources and data to computers and other devices on demand.

Log on from any device anywhere, with internet access

Use the computer resources of
software vendor or Cloud Provider

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Cloud System Considerations

✓ Software as a service

✓ Hosting company

✓ Local hardware required

✓ Internet speed and bandwidth

CLOUD SOFTWARE

One Vendor or Multi-Vendor Solution

- All-in-one solutions
  - Accounting
  - Billing
  - Trust
  - Calendaring
  - Contact Management
- Practice Management and Accounting
  - Practice Management integrations with QuickBooks or Zero

Identify and Evaluate Solutions

1) Identify Potential Solutions
- Research Software Products
- Bar association and law societies
- Consultant
- Legal Tech Shows - Regional & National

2) Schedule a Demo
- Invite staff from various departments
- **Do not rush** the demo – Schedule Adequate time

3) Call References
- Ask honest questions
- Ask about process

4) Trial Period
- Enter actual data

Identify Potential Solutions

Research

Talk to Other Lawyers

Bar Associations

Legal Tech Shows

Consultants

Demonstrations

Live Demonstration

    Involve Staff

    Ask Questions

    Don't Be Rushed

Ask for Trial Period – Pros and Cons

Ask How to do daily functions

Address Pain Points

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CONVERSIONS

Current data converted into new software

Be specific about what will be converted:
- Matters
- Client
- Contacts
- Calendar
- Saved documents & emails
- Billings – Details or only balance forward
- WIP
- Accounts Receivable

Conversions

Best time: Never – Year-End – Month-End
Consider Billing Cycles

Nothing is perfect

Test Conversion

Actually see data in new application and do your own checks

Training: Don't minimalize its value
  Always more effective than learning as you go

Software Reviews

Can you rely on reviews????

Understand the reviewer

Are the reviews truly independent or are they Vendor supplied

Bar Association Lists are a start

Google

☺ ☑ *Excellent*

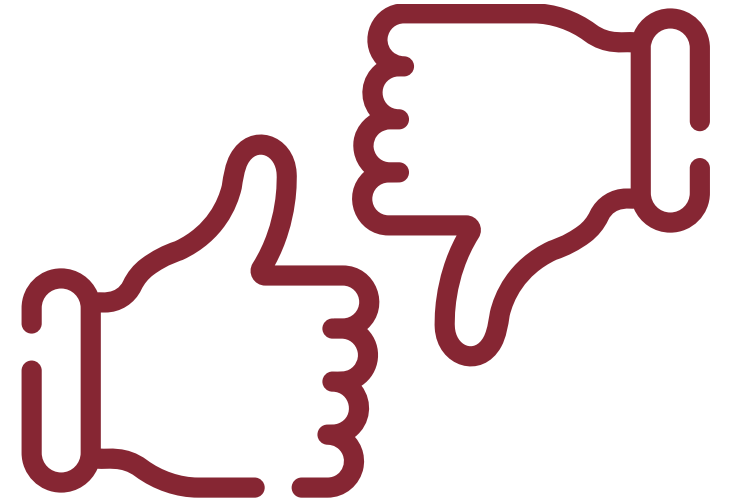😐 ☐ *Average*

☹ ☐ *Poor*

EVALUATE

All-in-One

Multiple solutions integrated

Nothing is perfect

Develop Method to evaluate solutions

Rank requirements

Call Current Users

Evaluate

Consider the Cost of Conversion

Identify what data will be converted

Cost of Training

Update Schedule

How are program issues resolved?

Discuss tech support

Is the Company open to enhancement requests?

How do you get your data if you want to change solutions ?

THINGS TO REMEMBER

Expect disruption

Security – Ask Software Vendor about their security

Backup – Schedule – Verify Backups

Ability to get to your data

Legal Software Solutions with Billing & Trust

ALL-IN-ONE LEGAL SOFTWARE SOLUTIONS WITH CLOUD COMPUTING

QuickBooks

QuickBooks was written for business that buy and sell widgets not that provide services

Accrual vs. Cash

Trust issues

Accountants Love it – So what ???

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COMPUTER CONSIDERATIONS

SECURITY

Internal and Vendor

Virus Protection

Firewalls

BACK UPS

ONE FINAL PIECE OF ADVICE…

STAY FRIENDS WITH YOUR SOFTWARE VENDOR

Join User Group

Attend Conferences

Annual Maintenance

Stay Current

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