

# IT AND THE BUSINESS OF BILLABLE TIME

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*Legal IT professionals have a tough job; they have a demanding environment of lawyers and legal staff who work against deadlines and often panic when their hardware or software malfunctions.*

Dealing with these daily fire drills is no picnic, and sometimes you may wonder, “Why all the drama?” The short answer is that, for firms that still bill hourly, time is inextricably linked to money — and that leads to pressure. Minutes represent dollars for a law firm, so if time is lost because of a computer, power or phone outage, money is draining away while the outage persists. Since a profitable law firm with strong billings means job security for employees at the firm, billable time must be a concern not only for the lawyers and paralegals, but for IT, too.

## WHAT’S BILLABLE TIME?

When we talk about “billable time,” it means a lawyer or paralegal is performing work that gets billed to a client, which is where the organization’s profits are made. It’s important to keep in mind that there are many things a lawyer or paralegal cannot bill for, depending on the policies of the firm. Lawyers are supposed to

bill for time spent delivering their legal expertise only, not on administrative tasks. A lawyer should not bill for time spent on routine tasks that an assistant could perform, such as making copies or copying files to a CD/DVD.

## DELAYS ARE COSTLY

Though planned IT activities such as software upgrades, implementations and training all reduce billable time, they are investments in future workflow. Unplanned IT issues like viruses, bugs or crashes can render time unbillable if they persist, unless the lawyer can perform billable work related to the case on an unaffected system.

Network slowdowns or delays can also be costly because, at many firms, the actual billed time must be adjusted fairly to reflect how much time the tasks should have taken had there been no technical difficulties. If technology breaks down, it’s the firm’s problem — not the client’s — and the firm must agree to sacrifice the money that could have been billed. The client doesn’t, and shouldn’t, pay for downtime.

Today’s clients are becoming increasingly knowledgeable about the legal process and often require attorneys to justify and explain time spent to resolve a matter. If the client is being overbilled for an activity, they will complain and push back — or worse, not pay at all. Lawyers are on the frontlines and need to manage the client’s expectations. If the attorney is providing

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results the client is expecting at a cost that reassures the client the attorney's and staff's time is being optimized, then it's a win-win. Conversely, if the billed hours are significantly more than the client anticipated, the lawyer will have a lot of explaining to do.

Attorneys and timekeepers are always under pressure to bill time and have a rather regimented day. Billing best practices include setting and achieving a target number of billable hours per day (seven to nine is typical). Imagine that workday divided into six- or 10-minute increments. Then imagine your compensation and contribution to the firm were determined, in large part, based on how many of those several-minute blocks you billed to a client or matter. It's no wonder that when the email system goes down, the document management system (DMS) goes offline or a person's computer suddenly freezes, pandemonium ensues.

### A GENUINE PARTNERSHIP

The lawyer's purpose is to provide service to his/her client in the most efficient manner and to create value. Without good technology, he/she cannot function optimally. Many lawyers are smart, but intelligence does not equal IT knowledge. They just want the technology to work. They need IT on board as a genuine partner; today's lawyers cannot exist without IT.

Aside from technical expertise, lawyers look to an IT person to be responsive, to solve the problem as soon as possible, to have a sense of urgency and to convey that sincere urgency to them immediately and throughout the solution process. If the IT person is passive-aggressive or hostile to the attorney and shows disdain or complacency, this can lead to a nasty conflict. Prompt and professional attention results in a much better outcome.

### VALUABLE RESOURCES

IT professionals are usually at the helm when it comes to making technology recommendations or decisions for the firm. They add value by recommending and implementing software tools to streamline the firm's workflow. Time-entry software is an example of an application that pays for itself. When time is entered sooner, the entries are more accurate, more time is typically captured and the bills can be sent out faster, resulting in money coming in to the firm faster.

Studies have shown that lawyers using time-entry software can increase billable time by as much as 12 percent annually when compared to those who record time on a timesheet for someone else to enter. The increase in billable time is amplified further when compared to the timekeeper who waits until the end of the month, trying to recreate time based on email messages sent and received, meetings attended, phone calls scheduled and documents produced.

Time-entry tools — especially those enabled on mobile devices — are a great help. Today's lawyers can bill from anywhere: the office, home, a courthouse hallway, a kid's soccer game or while traveling. Since they can bill from anywhere, they should be able to enter their time from anywhere, too. When lawyers enter time immediately, they capture time more accurately because it's still fresh in their minds.


Time and billing software systems fall under the umbrella of financial management. This technology can tabulate and separate invoices and run reports for the accounting department to access. Timeliness is key for invoicing as well; if a firm can produce invoices

at the beginning of each month, they can regulate cash flow better.

Practice management software can also be leveraged to help the billing process. Many of these programs integrate with financial management and time/billing apps to provide triggers that prompt the timekeeper to enter time and attach a client or matter designation to it.

It's important to make sure the vendors you work with are also on board with the level of service required to support the legal business model.

### GOOD BUSINESS

In both proactive and reactive ways, IT professionals play a central role in billing at a law firm, and their contributions are instrumental to the success of the firm. They are in a position to streamline and increase billings by providing excellent support and software. Their ability to solve technology problems as they arise ensures lawyers and paralegals have a clear path to meeting their hourly targets each day. The more IT cooperates and collaborates with lawyers and staff to create a functional workflow, the more profitable the firm will be and the better morale will be. And that's good business for everyone. 



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