



# 2012 Orion Accounts Receivable Collections Survey

The Orion Accounts Receivable Collections Survey was conducted in April 2012 in order to benchmark the existing trends in law firms' financial collections activity. Given the ongoing economic recession and the pressure on law firms to bring money into the firm, Orion was particularly interested in analyzing how today's law firms are approaching collections.

The outcomes being examined in the survey included:

- Changes in collections activity
- Predictions for future collections activity
- Law firms' approach to collections

## ***Methods***

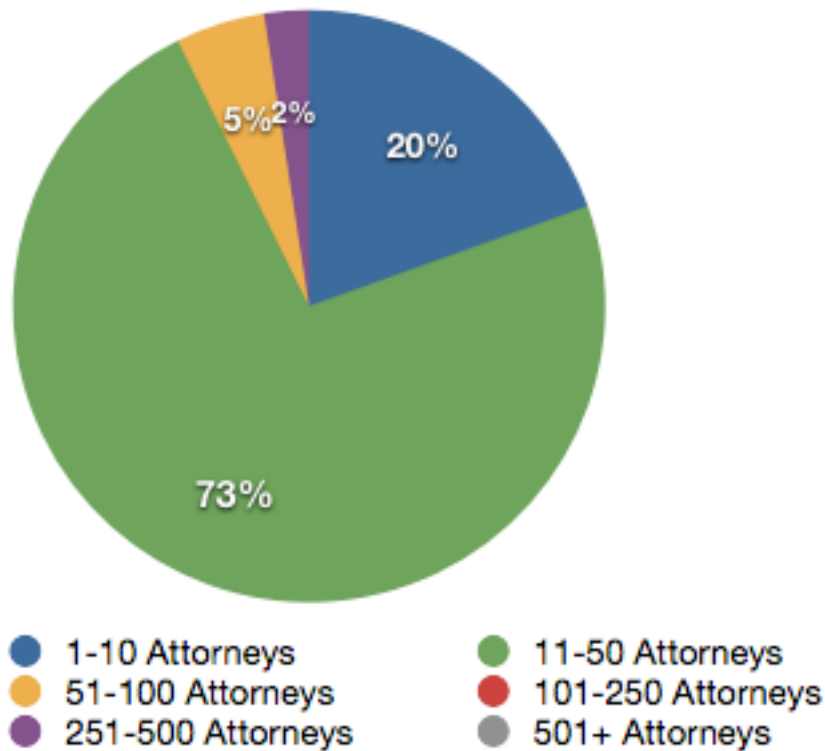
This report provides data from responses to the AR Collections survey. In total there were 41 volunteer participants hailing from various law firms across the country. The majority of the participants were Accounting Managers or Bookkeepers as well as Collections Managers; which comprised 76% of the respondents.

## ***Trends***

The survey showed that collections are either increasing or staying at an already increased level at law firms of 50 attorneys or less, and that clients are taking longer to pay. Additionally most law firms are currently managing collections in-house with the use of software rather than using outsourced collection providers

Overall, we've concluded that effectively managing AR Collections at law firms is a growing concern- one that is not going away. Firms need to start assessing more effective and efficient solutions because of the persistent increase in AR Collections and the length of the collections cycle. We are glad that most firms surveyed are already using software and managing their collections in-house.

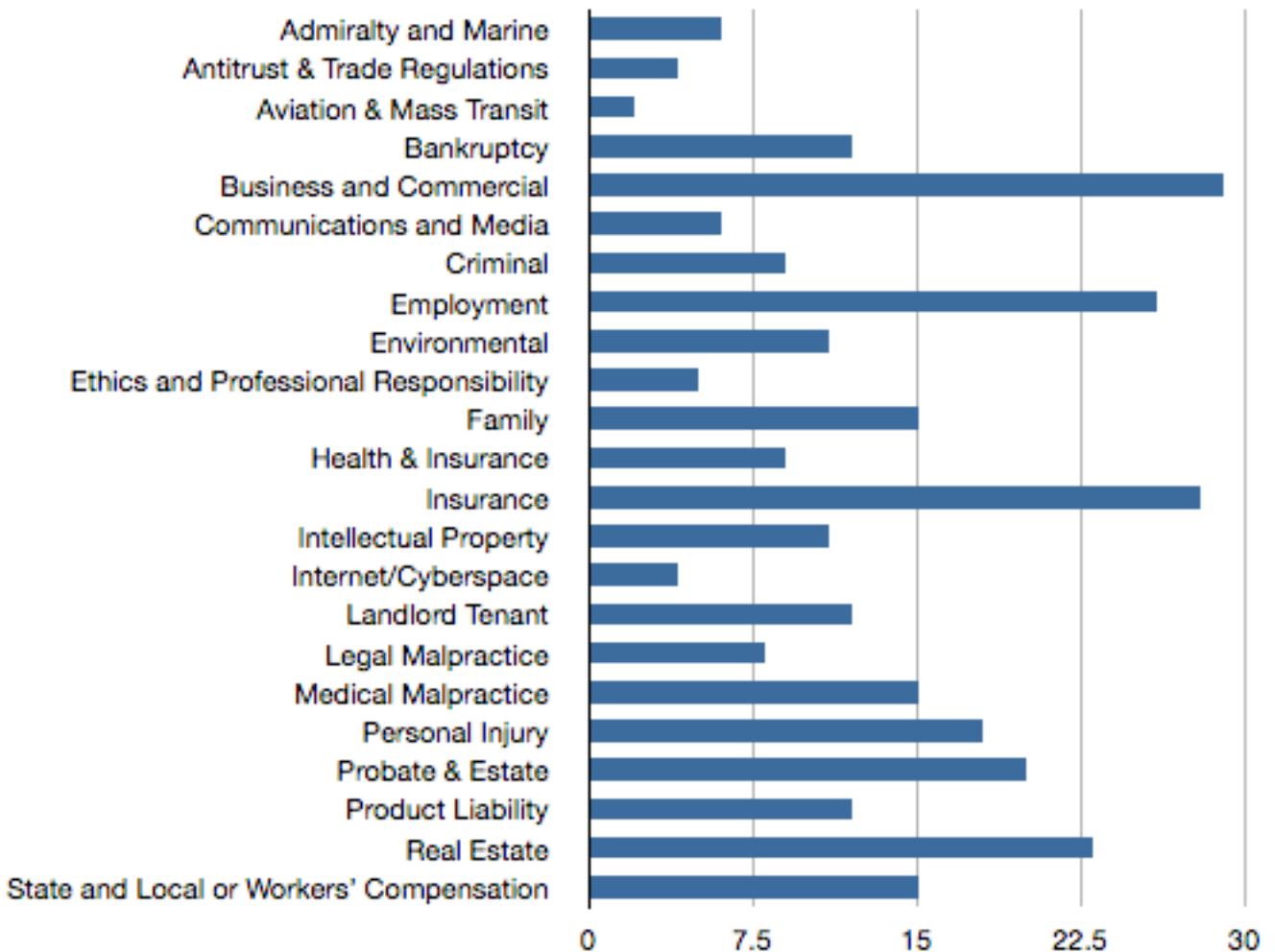
## Firm Size



## Demographics

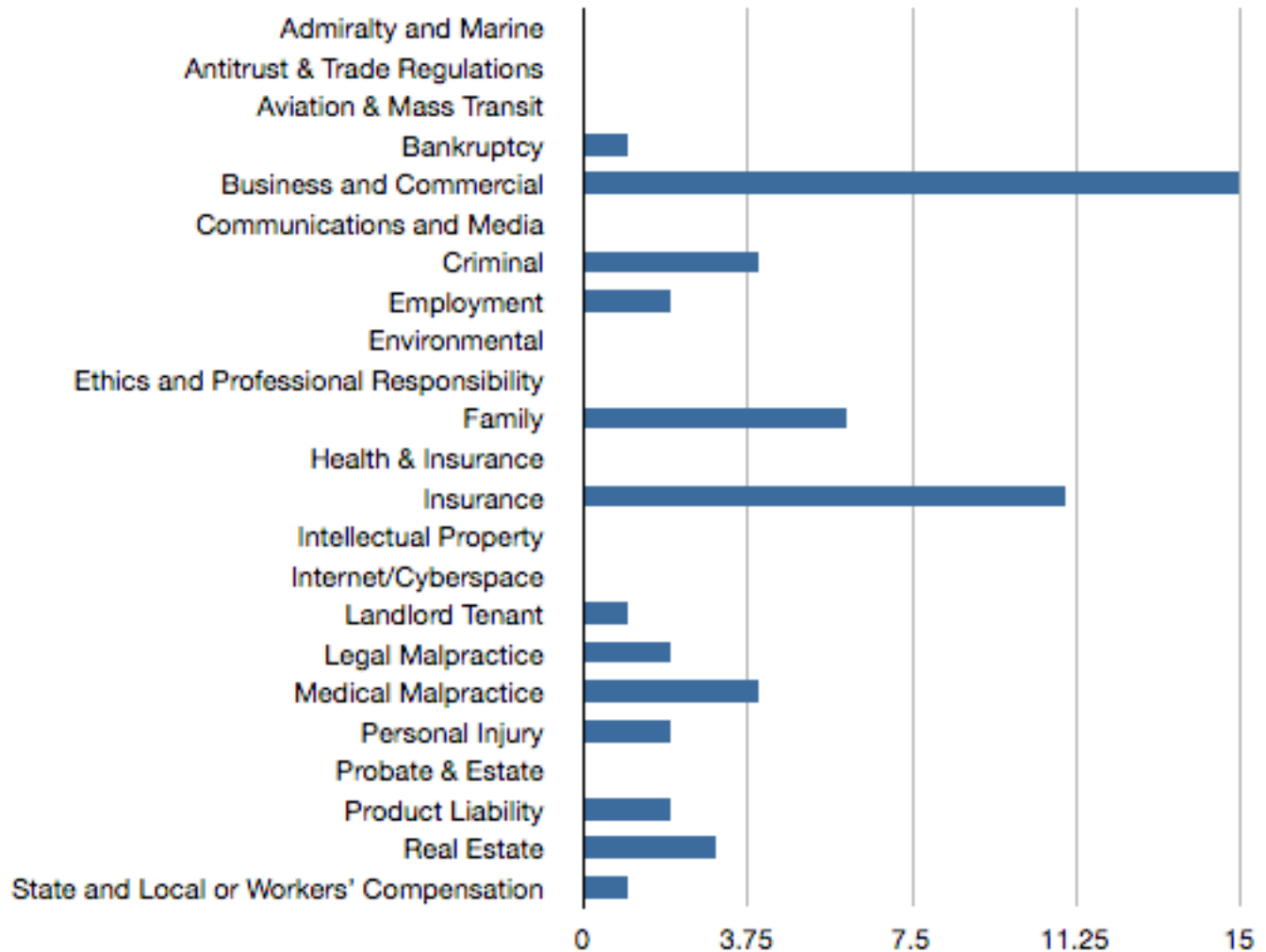
Overall most participants came from small to mid-sized firms of 50 lawyers or less and most common law practices were Business and Commercial (36.6%), Employment (63.4%), Insurance (68.3%), and Real Estate (48.8%).

## Law Practice of Participants' Firms



Among all the different types of law practiced at the firms, Business and Commercial, Family, and Insurance reported having the highest days past due in accounts receivable. 36.6% reported Business and Commercial having the highest days past due, 26.8% reported it was Insurance. Coming in third, 14.6% reported Family law had the highest days past due.

### Type of Law Practiced with Highest Days Past Due in AR



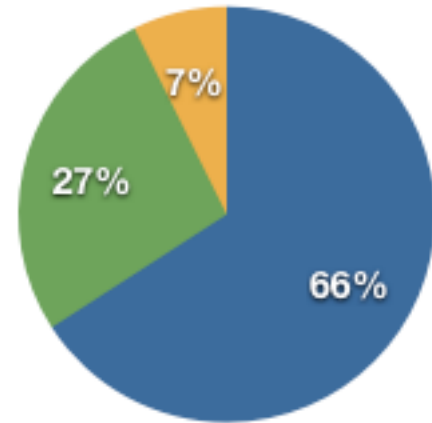
### Trends in AR Collections

- 66% of participants answered 'yes' when asked if there has been a significant increase in accounts receivable in the past 2-3 years
- 80.5% of participants answered 'yes' when asked if the length of time needed to collect has increased in the past 2-3 years



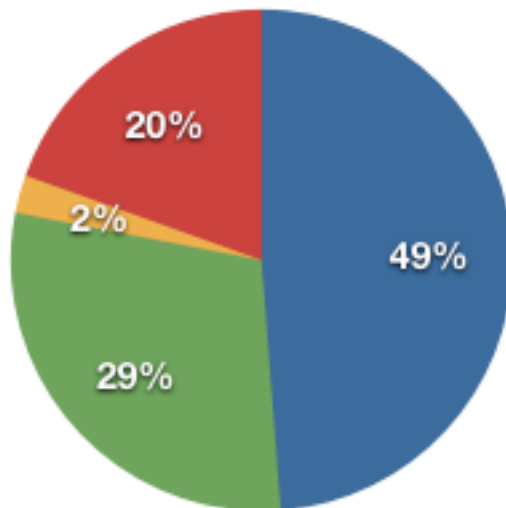
- 56% of participants anticipate that their collections will increase in 2012 from 2011's activity. Of those respondents, 34% estimate that the collections will increase by 10-30%.

#### Estimated % Increase in Collections Activity



- Less than 10%
- 10%-20%
- 20%-30%
- More than 30%

#### Reported Increase Explanations



- Clients claim they are not capable of paying
- Clients are able to pay, but don't want to
- Bills are getting out too late
- Clients are objecting to pay

When asked to provide an explanation for the increase in past due accounts receivables, most participants explained that clients have been claiming that they are not capable of paying.

#### Approach to AR Collections

- 85% of all participants are currently not outsourcing their AR Collections
- 51% are using software to manage collections.
  - 82.9% are using Orion for their Financial Management
  - 78% are using Orion for their Practice and Case Management



For more information about Orion's AR Collections Survey or any of the Orion Products, please visit [www.orionlaw.com](http://www.orionlaw.com) or email [info@orionlaw.com](mailto:info@orionlaw.com)