

# The #1 Billing Mistake Attorneys Make

As an attorney, you meet with clients, deliver the work as promised, and then, eventually, you send out the invoice. We understand that dealing with bills is not why you became an attorney, but in order to get paid and continue to practice law, you sometimes need to focus on billing just as much as practicing your passion.

The number one mistake attorneys make is tardy invoicing. Sending invoices to clients in an ad hoc fashion creates a cycle of problems. Here are just a few of the major pain points that late invoicing creates and how to fix them by creating a proactive billing policy.

## **BRINGS UP UNNECESSARY QUESTIONS**

Don't put yourself in a position where your clients forget what you were able to accomplish. Something that was clear to your client, like extra fees, might easily have been forgotten. You may often find yourself re-explaining a fee, or worse, offering a discount because the client wants to argue about why something was done. Sending an invoice right when they agree to your fee, or immediately after you resolve an issue, aligns their thought process with your payment.

## **LEAVES MONEY ON THE TABLE**

As mentioned above, memory plays a factor in billing - for your client and for you. Do you remember every phone call, e-mail, extra half hour at the courthouse, or late nights at the office? Even the most seasoned professional cannot remember everything. The longer you wait to enter your time and send out invoices, the more likely that details will get lost in the process... and by details, we mean money. A lack of timely billing practices leaves money on the table. So unless you can afford pro bono work, don't let your well-earned money slip through the cracks.

## **SUGGESTS THAT LATE PAYMENTS ARE OKAY**

Clients need you to start working on their case or project right away, don't they? This is also the case when they go see a car mechanic, or sign up for an insurance policy. Being late with your bill, implies that you are not that concerned with when you get paid, or even worse, that your services are not valuable enough to charge for.

## **CREATES MORE WORK FOR LATER**

It may seem like you're saving time by waiting until the end of the week or month to enter in your time, but in reality, you're actually creating more work. Racking your brain trying to remember who and what to bill, combined with chasing clients for money, adds up. All hours that you, unfortunately, cannot bill for.

# How to Create a Proactive Billing Policy

## STAYING AHEAD OF THE CURVE

Even if you have not heard of the curve of gratitude, we can guarantee that you have experienced it. The curve of gratitude is essentially this: the sooner a bill gets sent, the faster you will be paid. The reasoning behind this is that the sooner you bill a client, the more likely they will remember what a fantastic job you did and will pay in full sooner. Keeping this in mind, your billing policy should account for this curve and adopt a proactive, disciplined policy on how to deal with delinquent accounts.

## IMPLEMENTING YOUR POLICY

An easy way to stay on top of delinquent accounts and monthly invoices is to set up an automated system to remind you of unpaid bills and upcoming invoices. This type of automation takes the guesswork out of billing and also prevents accidental double-billing or “unpaid bill” calls. Even committing one of these accidents can affect how your client sees you for months, or even years to come, so take heed and automate your billing system now.

When it comes to tardy invoicing, remember that while it might be an uncomfortable conversation, an uncomfortable conversation does not get easier with time. Dealing with delinquent accounts in a proactive, professional way is what keeps the lights on and ensures that you can continue to practice law instead of billing.

If you don't currently have a billing system or a reliable billing process, let us know. We'd be happy to share some best practices and options with you any time.

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