

Billing

TOP 5 PRACTICAL TIPS

Collection

1 Avoid Lump-Sums



Itemise your bills along with the time spent on each piece of work done. Viewing this in detailed lists will make the client more appreciative of the work you have put in. You would also avoid time consuming telephone calls from clients who would want to know what you are charging them for, if you do not detail it enough.

2 Keep The Bill Simple



Make the bill as clear as possible. Include enough detail to be certain that the client knows what was done. Its format should be structured and easy to read. Avoid the use of legalese. Be as thorough as you can be, but in a language laypersons will understand easily.

3 Avoid Errors On The Bill



There is no excuse for any type of error on an invoice, especially simple errors of miscalculation. An error on an invoice will cause a client to question the entire bill and will cause them to question all past and future bills.

4 Bill The Right Person



Ensure that the bill is addressed and directed to the person who is responsible for reviewing and paying the bills. Nothing slows the payment process more than sending the invoice to the wrong person.

5 Do Not Overuse Billing Descriptions



Clients do not like the overuse or, in some cases, misuse of billing descriptions such as 'Conference' or 'telephone'. When using these descriptions, be as specific as possible.

Keep in mind that none of these tips will guarantee that your clients will pay their bills quickly. You must still make certain that you provide quality work, communicate with your client, mail invoices timely and monitor your receivables constantly.

1

Monitor Collections Daily

Know which clients have promised to pay and when. You can use MS Outlook to keep an automatic list of when payments are due. Have a dedicated staff enter the information and the date the payment is due and set reminders.



2

Develop A Collection Policy

This policy should outline what needs to be done when a client goes past 30 days, 60 days and 90 days eg sending a letter after 30 days to gently remind the client. Alternatively, instil a policy of having the office manager contact a client to speak to them personally.



3

Bill More Regularly

Interim bills have much lower amounts than one regular bill would. By billing this way the client "witnesses" work done as the case progresses and the impact of your legal work will be fresh in their minds. Clients will also not be put off by the smaller amounts reflected on the bill.



4

No Money, No Work

There is no point in continuing work on a case if the client has not been making regular payments to the interim bills you have been issuing them. By letting your client know that work will not progress if payment is not forthcoming, they would be forced to pay up.



5

Speak To Your Clients

Put aside some time during the month to engage with your clients who have fallen behind on their payments. Do not avoid discussing the matter with them, in fact, be frank about the legal services you have provided so far and that you are charging them fairly and reasonably. Your honest frankness would "embarrass" some clients into paying up.

