

# Stop Losing Your HARD-EARNED MONEY

RECORD TIME AS YOU GO.

WRITTEN BY MARTHA M. NEWMAN

**YOU ARE LOSING MONEY** or over-billing your clients if you try to reconstruct the time you spend on cases instead of tracking your time as you go.

## Why do lawyers delay time keeping?

*I need to get other work done.* (But do you not want to get paid for all the work you just did?)

*I will remember everything I did and write it down at the end of the day.* (Not unless you have a flawless memory!)

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## Prevent revenue losses.

Record your time as you start working on a matter and when you finish rather than waiting to record it later. According to management consultant Ann Guinn for her ABA blog, a 24-hour delay in recording time equals a 25% loss in revenue. Even waiting a few hours or until the end of the day to recall what tasks you performed on a case earlier will likely result in inaccurate recall.

If you add up losses resulting from memory-based time keeping, you could be giving away 20% to 30% of the revenues you rightfully earned or you could be inadvertently violating your ethical responsibilities by over-billing your clients.

## Remember the small things.

Round up time spent on tasks to minimum time increments such as one-quarter or one-tenth of an hour. Ensure you are compensated for the time you spend on a case—even if it is for a three-minute call, assuming the call was substantive. See American Bar Association Formal Opinion 93-379, which approves that practice.

Two caveats: First, sustaining relationships with clients and engendering their loyalty may take priority over charging for minor tasks. That is a judgment call to make each month before sending out your invoices. Clients do love seeing “NC” on their invoices. Second, when you review the month’s billing or when you send the last invoice pertaining to a matter, ask yourself if the work you did was worth the time you spent on it.

## Let clients know exactly what they are paying for.

Prepare clearly written, detailed

invoices that will provide a rationale for your fees. Give complete descriptions of each piece of work as you go or write down what are called *placeholders* that you or your legal assistant can *polish* later if you do not have time for lengthy descriptions in the moment. Here is how that would look on a summary judgment according to Annie J. Dike, the author of “Three Ways to Better Billing” at attorneyatwork.com.

*Placeholder text:* R/R of Ct notice for Def’s MSJ.

*Polished invoice:* Receipt and review of electronic notification from the court enclosing defendant’s Motion for Summary Judgment.

## Beware of billables slipping through the cracks.

Reading an email related to a case. Thinking about strategy. Consulting with your partners about a case. Pausing to do quick research before a meeting. Each of those tasks should be recorded. If they are not, you are not getting paid for small but legitimate tasks that are necessary for the successful development of the case.

## Prevent clients from resenting your bills.

Set clear expectations at the outset about what constitutes billable time. If you delineate the kinds of tasks for which you will charge in the representation agreement, you can avoid giving free advice and working without getting paid. Emphasize that telephone calls are billable to avoid surprising your clients.

## Take the guesswork out of billing.

Resolve now to stop billing based on reconstructive time keeping. Capture all your billable hours and drive higher profitability for yourself and your law firm. **TBJ**



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