Finding the Right Time and Billing Software for Your Firm

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Choosing a time and billing software program can be one of the most difficult decisions a law firm makes. Unlike word processing software, there are literally hundreds of time and billing software products on the market. To further complicate matters, time and billing software on the market falls into three categories – those products that offer time keeping and billing only, those that offer a combination of time, billing and accounting, and a few products that offer everything from billing to case management.

Finding the product that is right for your firm can become a time-consuming and frustrating chore. One approach that lawyers commonly take is to follow the recommendation of a colleague at another firm. Unfortunately, no two lawyers, or law firms, are alike. There are critical differences – computers, staff ability, work flow, clients, type of work, lawyer skill and more. Instead of buying what a friend uses, try a systematic approach.

Step One: Assess the Situation

Before you start looking at products, take a look around your office. Make a list of all the computer users and rate their computer skills from 1 to 5, with 1 being the lowest skill level. A level 5 would be someone who is highly experienced with software, including time and billing programs. You may decide to implement the new software in stages, with the more experienced users first.

Next, take an inventory of all the computers. If this is over your head, enlist the help of someone who has some tech experience. On the inventory, note the hardware specifications, what software is installed, and which versions of the software. Most software companies release service patches or fixes. Make sure you are current with all your patches for all software programs.

Be sure the inventory includes which operating system is in use - Windows 98, Windows XP, Windows 2000 or something else. If there is a network, note what kind it is. If you have a central file server, note the software and hardware specifications.

When purchasing new software, a hardware inventory is necessary to determine if your computers meet the requirements set forth by the software manufacturer to successfully run their program. The inventory can also help you isolate computers that are obsolete and need replacing or upgrading.

Now that you have the inventory and employee assessment, decide which software programs you are keeping. Accounting software and case management software should integrate as well as possible with time and billing software. If you need new accounting software, consider purchasing an integrated time, billing, and accounting program. You should also decide whether entering time using your handheld PC or PDA (personal digital assistant) is important, because you will need a program that works with your brand and model of handheld PC.

Step Two: Determine the Firm's Needs

Decide the end result you desire from your new software. After everything is installed and running, what is most important to you? Knowing the answers to the following three questions may help you determine the end result you want.

How do we bill our clients - by the hour, or is it a flat fee? If work is mainly insurance defense, most insurance companies require electronic billing now, using standardized codes. Just because your work is mainly on contingency fee cases, doesn't mean you don't need software.

How do we account for income? Is it important to track income based on who generated it, or is that just part of the big picture? Do we have fee-splitting arrangements or expense splitting arrangements? Is it important to allocate percentages? Some software will allow you to pick and choose percentages and split among lawyers, others won't.

How do we pay our own bills? Do you need accounting software? Do you need to print checks? What about payroll?

Step Three: Pick Specific Features

Armed with the idea of the perfect "end result," start a list of specific features you want in a time and billing program. Then, when you are shopping for software, you can narrow your candidates to products that have the features you desire most. Here are some possible features to consider (you may have others):

Accounting. If you are not buying a product that includes its own accounting program, will it integrate with your current accounting software? You want to avoid "double entry"– entering and re-entering the same information in more than one software program.

Billing. Does the product meet your requirements in every way - from appearance of statements to other factors?

Billing histories. Is it important to your firm to be able to produce billing histories? For example, being able to retrieve a billing history on a particular client can help a firm avoid doing more work for clients who are slow to pay, or don't pay.

Changing billing rates. If the firm's billing rates change from time to time, how well does the software adjust?

Check writing. If you have specific requirements, or a particular printer you need to use, examine this closely.

Conflicts checking. How well does the software check for conflicts? Although the program may offer this feature, be aware that most case management programs do a better job of conflicts checking than time and billing programs.

General ledger. Found in integrated billing and accounting programs.

Invoices. Be sure the program produces invoices that meet your requirements.

Labels. The ability to produce labels for mailing is a feature offered by some programs.

Multiple billing rates. Since you may have paralegals, associates, junior partners, and senior partners billing at different rates, and even have variations in rates in each group, be sure the new software can handle all the billing rates you need.

Payroll. Sometimes found in integrated billing and accounting programs.

Profit planning. Some products offer this feature.

Report writing. If your firm is accustomed to producing financial or billing reports in a particular format, be certain that your new software will do what you want.

Synching to handheld PC. Will the software be able to synchronize the information from a handheld PC to the office PC?

Time recording. How easy is it to track time in the program? Does the software have a “pop-up” timer? Can you pause one timer and open another when necessary? For example: you are writing a brief for client A. Client B calls with a question. Can you pause the timer on client A and start a new timer for client B?

Trust statements. Is the ability to produce statements of your trust account activity important?

Step Four: Finding the Software

Now that you know what you want, it is time to start looking for the right software. Try to narrow your choices down to no more than four products – ideally, just two.

Consider beginning your search with the South Carolina Bar Practice Management Assistance Program (PMAP). PMAP is a free resource for South Carolina Bar members seeking technology and management advice. The Practice Management Advisor can help locate products to suit your practice. Another place to look is the Internet. Most companies have Web sites with detailed information about products, including feature lists, pricing, downloadable demonstration versions of the software, and an email link to request more information, including a demonstration CD.

One advantage to shopping on the Internet is the ability to shop anonymously, without the pressure of a salesperson in your office. Another advantage is the ability to compare products quickly, by surfing other sites or reading independent reviews of the products. The American Bar Association Legal Technology Resource Center on the Internet has a comparison of six popular time and billing products. http://www.abanet.org/tech/ltrc/charts/timeandbilling.html.

Step Five: Implementation

Once you have narrowed your product choices to a few companies, find out what each company offers after purchase in the way of training, support, installation and data conversion. Get as much specific information as possible in writing, including all costs.

Data conversion. Does the software vendor offer to convert your old data, or import it from your old software to the new? Get specific details and prices.

Installation costs. Since time and billing software may very well be the most important software you'll purchase (if you don't bill, you don't get paid), it pays to have a professional install and customize your software to your firm's needs.

Pricing. Pricing can be confusing. Some products price everything in separate components or modules, which they charge for separately. Be sure to get the "whole story."

Service plans. Can you buy an annual subscription that entitles you to updates, additional training, and technical support? If a new version of the software comes out within a few months of your purchase, what is the policy on free upgrades?

Synchronizing. If synchronizing information from your handheld PC to your office PC is a priority, ask the company to give you a demonstration. Don't just take their word for it.

Technical support. Does the company offer any free tech support? If they charge, how much is it? How many hours a day, and how many days a week is it offered? Is the tech support local, or is it in another time zone?

Training availability and cost. For the same reason proper installation is vital, training is as well. Are there any certified trainers or installers in your area?

In conclusion, when choosing new software, take time to ask questions and do research. The time and effort spent in the beginning will save you time and money in the long run.

RESOURCES

SC Bar PMAP
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PMAP@scbar.org

www.scbar.org

PC Law (Alumni Computer Group)
http://www.pclaw.com/
(800) 387-9785

Timesolv (Elite Information Group)
http://www.elite.com/eos/
(888) 827-6130

Juris (Juris Inc.)
http://www.juris.com/
(615) 377-3740

Timeslips (Peachtree Software Inc.)
http://www.timeslips.com/
(800) 285-0999

TABS III (Software Technology Inc.)
http://www.stilegal.com/tabs3.html
(402) 423-1440

BillQuick (BQE Software)
http://www.billquick.com/
(888) 245-5669

CaseLode (Morningstar Corp.)
http://www.caselode.com/
(800) 677-1826