WHY LAWYERS SHOULD KEEP TRACK OF TIME

Lawyers who depend on time keeping to produce monthly bills and to be paid are more conscious of tracking time than their counterparts who work in the contingency fee and flat fee arenas. But even attorneys and staff who work in a firm where almost all of the fees are earned on a contingency basis should keep track of time. Frequently, the contingency lawyer's aversion to tracking his/her day stems from a prior position in a firm that required it, or a lack of understanding WHY time should be tracked if it is not being billed on a regular billing cycle.

A. **Time Management**: Time, Billing and Accounting Software can be used to manage your time effectively as follows:

1. Always know what has been done on any given case. All Time, Billing and Accounting Software programs can report to you on what entries have been made by case.

2. See if your staff is using their time productively. All Time, Billing and Accounting Software can run reports showing you who has done what in any given day range.

3. Billing your time not only significantly improves your chances of getting paid, but also is a communication tool to keep your client informed of what work has been done on his file. Contingency firms should do this too as a simple means of client communication. Most adequate law office Time, Billing and Accounting Software packages allow you to design bills that add or eliminate certain data, such as billable rates and dollar values, so that the contingency firm can communicate what has been done on a file without showing the client the dollar value of the fee entries displayed.

4. Keeping track of your bills will point out to you if a case has fallen through the cracks and has not been worked up properly. All Time, Billing and Accounting Software can report on how much time has been entered on any given case or series of cases in any given time period. Some can also give you an inactivity report to show those that have not been touched in a certain period of time.

5. Should you need to prove your time to the court for any reason, you will be asked for proof of time spent. We have seen scenarios where a firm is

fired after doing much of the work, and the client changes attorneys. In that scenario, you may wish to file a lien on the proceeds of any settlement and the court will require proof of time spent.

6. Outside of keeping time, know how your business is doing financially. What types of cases are the best types for your practice to handle? Can you earn more money doing wills than corporation work?

7. Know where your time is being spent! After all, everyone has a "widget" to sell and your widget is your time. That is your inventory. If you don't know where your inventory is going, it is hard to manage it.

   We recommend tracking all time – even non-billable time - (even if only loosely ball parked), because then at the end of the year you will understand how much time you spent on rainmaking, CLE, internal administration, and then actual client work. You may be shocked at how much time you spend in the various places and can make additional business decisions to reduce Non-Billable time and increase your billable work if you can see things in black and white. For example, if you are doing all of the bookkeeping and internal office administration yourself, and the value of the time you spent is more than equivalent to what you could have hired someone for, then perhaps that information will justify hiring an office administrator so that you can focus that time on rainmaking and billable work instead.

B. **Enforcing It**: The foregoing are good reasons to track time, yet you probably wonder how it can be enforced. Consider 5 more rules:

1. **If You Do It, They Will Too**: If you keep track of your time, you can be a better enforcer of those that don't. In other words, if you expect the staff and associates to keep track of their time (even non billable time), you should do it too to set the example in your firm. Do not use the "do as I say, not as I do" methodology.

2. **Have Weekly Meetings On Your Cases**: Run a case list report by Assigned Lawyer (again, you need that billing software), and sit down with your attorneys and paralegals for even 15 minutes and review the cases. Give them the benefit of your experience and guidance, ensure that you remain on top of the files in your office, and relieve the anxieties that a case will fall through the cracks, a deadline will not be met, or that the

client's needs are not being competently served. In other words, use Time, Billing and Accounting Software to MANAGE their time, too.

3. **Ensure Your Staff Can Use The Software**: "You know, the software consultant told me that we could run a WIP (Work-in-progress) Summary by Responsible Lawyer, but no one at my firm can figure out how to do it." Take the time and learn the software. Hire a quality consultant. Check with the software vendor to be sure that the person you want to hire is knowledgeable in the product. Check the consultant's references. Be sure to have adequate training time in your software budget. Have each person in your office be responsible for entering his or her own time. Tell the old partner in the back that he has to do it, too. Finally, be sure your designated staff person has the time to practice with the software *and* has adequate time in his or her day to work with the software. Don't expect your overworked legal assistant to do it all. If it's not in your budget to have a staff person, consider outsourcing or learn the package yourself so that you, yes you, can generate the reports you need.

4. **Have Everyone Track His Or Her Day, Even The Non Billable Stuff**: This is a great way for you to be able to know what the staff is doing and if they are being productive. Is your secretary spending too much time on the phone trying to get office supplies for the new employee who will be starting next week, or is he organizing your response to the Request for Production of Documents due this Friday? You will glean a lot from the reports from your Time, Billing and Accounting Software program showing how your staff is spending their day, especially when you are not there.

5. **Know The Software Yourself**: Knowing how to use the Time, Billing and Accounting Software package not only helps you be more productive and track your own time, but also allows you to be sure that you can generate information from the package when you want it and you don't have to wait for Shirley to get back from her 2 week vacation. Plus, you should check up on your staff regularly to prevent mistakes, poor use of the program and fraud.

C. **Efficient Hourly Billing**: It is important that you're as efficient as possible in tracking your time. The most important thing you can do in that regard is to record your time and tasks as you go. It is estimated that individuals who wait until the end of the month to enter their time (you know who you are) end up losing up to 25% of it. I frequently look back at my month and see records of tasks or time that I have little or no recollection of. The fact is, many of us are in practice areas which force us to change gears constantly all day, hopping from one project to another. That's why it is imperative that the time and tasks are recorded contemporaneously.

D. **Discovering Your True Costs**: Another reason to record everything you do is to help you calculate what your true cost of production is. By recording everything that you and your staff do, you can better determine how much time and resources are being consumed in the process of completing projects. This will help you determine what you should charge in a flat-fee billing scenario and may also shock you by revealing areas in which you're making little, if any, profit.