

Benefits of Legal E-Billing Software

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Running a law firm and performing administrative tasks requires an ample amount of time and resources. A law firm is a business, and a major component of running that business is billing. [Every minute spent must be properly coded and billed](#) to ensure lawyers are paid for their services. Invoices have to be created and sent. Payments have to be received and processed. What if there was a way to simplify this process and save costs while doing it? Legal e-billing software provides automated solutions for invoicing at law firms and a long list of features to help with time tracking, client profiles, time management, and more. These solutions are easy to implement, [proven to increase revenue](#), intuitive to use, and securely synced with the cloud, so there's no good reason *not* to use them.

What is Legal E-Billing Software?

Legal e-billing is the process of automating the submission, review, and approval of invoices at a law firm. Law firms submit their invoices in [Legal Electronic Data Exchange Standard](#) (LEDES) format, allowing the system to translate detailed information about the bill and process it. Those putting it into practice have seen considerable reductions in administrative costs and have been able to collect data they can analyze for future insights.

One of the most important features of e-billing is its ability to produce an electronic file that has a header, detailed client and case information, billing totals, and minute details, such as timelines, timekeepers, and expense codes. This information is all coded against the appropriate activities and expenses to increase the efficiency of a law firm's Accounts Payable department and help control costs.

Benefits of Legal E-Billing

As discussed, the benefits of e-billing greatly outnumber any risks or effort needed to get it up and running. Law firms that put e-billing into practice will see immediate benefits and positive long-term effects.

Lower Margin for Error

Consider the number of invoices a law firm creates and processes annually. Then, think about the margin for error and the different guidelines and regulations that law firms must abide by. With so

much to track, mistakes are likely. Legal e-billing takes care of all that, however. The software automatically detects errors and flags them for review, offering a failsafe for the human error that naturally occurs with documentation.

Improved Transparency

Legal e-billing software improves transparency since it promotes standards such as LEDES. Law firms are making a greater effort to become digitized and transparent to address the needs of current clients. LEDES billing shows clients a line-by-line, itemized breakdown of their invoice, allowing them to fully understand their charges and, hopefully, approve them quicker.

Increase in Client Trust

A direct benefit of improved transparency is better client trust in the law firm. As trust grows, disputes occur less frequently and repeat business and referrals increase. Word-of-mouth business is always a great benefit, as it brings in more clients to the firm without the need for more marketing and advertising spend.

Faster Payment of Invoices

Disputes over invoices can hamper approval and payment processing. As trust builds and disputes lessen, [invoices are paid more quickly](#) and law firms have a steady cash flow. If the invoice is approved upon receipt, it can typically be processed and paid quickly, since there is no need for further communication with the law firm. This happens more often with e-billing software since clients understand the charges and feel less of a need to question the bill.

Other benefits include:

- Automated invoice processing allows staff to focus on other work of greater value. Lawyers can spend more time making money than dealing with it.
- Real-time, automated cost tracking and reporting ensures fewer mistakes and rejected invoices.
- More accurate invoices for quicker approval, fewer rejections, and faster payments.
- Reporting is automated and collected online and offline, saving time for administrative staff.
- Better value for the money, leading to Improved relationships with external counsel.

Things to Consider with E-Billing

While it comes with a multitude of benefits, there are a few things a law firm should be aware of when considering using e-billing. Some software can have hidden costs and processes that should be worked through before your firm fully embraces this new way of handling Accounts Receivables.

- **Vendor Costs:** These are unavoidable anytime you use a third-party vendor and the costs can be substantial. While it's important that the software you chose has the ability to integrate with third-parties, having a built-in solution, like PracticePanther, is more cost efficient.

- **Implementation and Monitoring:** The firm will need to designate a person to oversee the software implementation and to monitor it. Thankfully, legal billing software increases accuracy and makes the process as simple as viewing a dashboard.
- **Collections:** The software will send out invoices, but the firm should have a staff member in charge of managing collections.

Should Your Firm Use E-Billing Software?

Legal e-billing software can help a law firm process, deliver, and collect payment for invoices faster than ever before. With the added benefits of improved accuracy, more transparency, and better time management, it's clear that e-billing software is the way modern law firms do business. While it does have a learning curve and added cost for the firm, once it's up and running, the software's benefits will far outweigh any hassle at the start.

Time is money, especially for law firms. Legal e-billing software automates processes to save time and reduce errors to streamline a firm's day-to-day operations. Law firms see significant benefits after implementing legal software solutions.

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