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initial client engagement to following up with past-due accounts. Determining the 'why' when your clients don't pay on time can reveal where and how you need to ...

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Getting Paid Made Easy

Creating and maintaining consistent cash flow in a law firm is an ongoing effort, from initial client engagement to following up with past-due accounts. Determining the 'why' when your clients don't pay on time can reveal where and how you need to improve your internal processes in order to improve cash flow.

Generally, not paying on time arises from one or more of these six reasons:

1 The client has a genuine dispute

If you start your follow-up process early, you have a better chance of resolving the dispute and getting paid. Use the dispute to review how you do things and implement change to avoid the same issues arising in the future.

2 They are just busy or overwhelmed

Quite often, the reason for non-payment is that the client is just flat out busy or under-resourced. A timely reminder email or letter is usually all you need to get the

account paid. On the bright side, this presents a great opportunity for you to provide

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4 The client doesn't have enough money to pay the account

If you find this out early, you are in a better position to offer a payment arrangement. For larger jobs, breaking down the invoice into smaller amounts and billing progressively has the same effect as a payment arrangement, except that it begins earlier in the process (and means you get paid earlier).

5 The client is unconcerned

Ask your clients, "Are you unconcerned because we took too long to do the work?" Focusing on job completion and job turn-around is your responsibility – paying on time is then the client's obligation.

6 The client is dishonest

Interviews, scoping, budgets, formal engagements and interim billing may alert you to this kind of client, but often it's when the account hits 120 days that you start to suspect they had no intention of paying. Start the follow-up process early. When you feel you've exhausted your options, call in the experts.

Managing the Problem

STEP 1: Present the invoice as soon as the work is complete

For most jobs, billing on completion will have a positive impact on cash flow because:

- The client can see that the invoice relates to the job presented, and

- The value can generally be reconciled to the job when both are presented at the

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STEP 2: Provide clients payment options and simplicity

It's simple but true – make it easy for your clients to pay you and they're more likely to pay.

- Consider providing clients a central **payment portal** to use. Having all of their payment options in one place, and with many options only taking a few clicks, your clients will find less reason to procrastinate. This is why QuickFee began offering firms like yours custom payments portals that are so simple that we can have your firm's up and running within 24 hours, with almost no effort on your part.
- Provide your clients with the **payment options** they want. Consider including standard check payments, wire transfers and/or ACH, payment by credit card, and **QuickFee-funded installment plans**. The installment-plan option is one of the most beneficial options for your firm because...
 - o Your firm receives full payment up front
 - o When a client selects this option you don't have to worry about them getting behind on invoices, even if they don't have the funds immediately available
 - o Your relations with clients are kept positive when they're in a cash flow crunch
 - o You can potentially generate more work from clients using this option, as clients that are caught up on invoices are more likely to request additional work

STEP 3: Understand and follow the 3 basic rules of debtor management

1 Communicate clearly with your clients

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to have the uncomfortable discussion. Though the administrator will need to keep the accounts manager up-to-date on the status, and at times the account manager will need to become involved. The most effective time to start your follow up is the first day an account is past due. Send a simple email or letter for the first follow up – a gentle reminder is less confrontational than a phone call. Support the first email/letter with a second in 7 days if the client has not paid or reached out. Pick up the phone only when first two attempts fail to deliver a satisfactory outcome.

3 Be prepared to work with seriously delinquent accounts

When a client gets significantly behind in paying you it's time to give them a call. When making the call, try to ascertain the reason for non-payment. Proceed based on their situation. It might be time to re-evaluate whether or not they should be a client. Remember – not all clients are good clients. It's OK to make room for the clients you really want.

Conclusion

Each stage of the job cycle contributes to the efficiency of your receivable collections. Agree on the work and the fee with the client, complete the work on time and correctly, and issue your invoices in a timely manner with a variety of payment options. Follow these steps and seriously delinquent accounts will become almost non-existent. And I encourage you to contact me at (844) 968-4387 to learn more about utilizing QuickFee's payment portal and fee financing services, or [visit here](#).

Bruce Coombs is an accountant who has worked extensively with law firms. He is currently CEO of [QuickFee](#), provider of payment portal and fee financing solutions

for law firms. Learn how Fee Financing can attract new clients and fund firm

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