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OFFICE

Isaac M. O'Bannon • Aug. 30, 2012

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Time Management is Essential to Productivity, Whether Billing by the Hour or Not

The past decade has seen monumental changes in the way accounting practices run. What initially started as the ideal of the paperless office, evolved into a workflow revolution that has seen increasing use of electronic communication with clients,

online collaboration, automated workpapers and, more recently, a change in how

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Increasingly, however, many firms are charging flat rates for more than just a few specific tasks or services, with the “value pricing” paradigm moving many practices to charging a set fee for a combination of services they provide on a client-by-client basis.

Whether a firm is using value pricing or the more traditional hourly-focused method, a time and billing system or practice management program that includes time tracking and invoicing functions should still be a central component of the firm. First of all, they still obviously need to bill their clients. As for the second point, even if not billing by the hour, tracking time can give firm management information on firm, staff and group productivity, as well as on the appropriateness of the rates that are being charged.

There are a number of technologies on the market that are dedicated to these two premises: Tracking time (for either billing or productivity assessment), and then actually billing your clients. We divide them into two categories: Practice Management and Time & Billing systems, with the first group providing more of an overall engagement management, marketing, communications and client collaboration tools, and usually also providing time and invoicing solutions.

The second category, Time & Billing systems, are programs geared squarely on these two functions, and is the focus of this review section. The 2012 review of Practice Management programs is available at www.cpapracticeadvisor.com/10724816.

Producing client invoices and managing and analyzing the time spent by firm staff requires several key functions, primarily time and expense data entry, the ability to manage multiple engagements or projects per client, accounts receivables management functions, reporting and the ability to invoice via multiple methods such as progress, by budget, periodically or by other factors. For client and firm data

security, firms generally also expect time and billing systems to include multi-level

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requirements, as well as give users anytime access to program features. Many of the programs in this review have also added mobile apps.

As with any program as core to a firm's productivity and management, the selection of a time and billing system should reflect how the firm currently manages its services, clients and staff. To achieve the best results from any such program, such as tighter control of billing and firm productivity analysis, all staff at a practice, from partners down, need to use the program reliably and consistently.

Firm Management

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