

# Finish Strong

How to End the Year on Better  
Financial Footing

---

**LAWPAY**<sup>®</sup>

AN AFFINIPAY SOLUTION





## Jordan Turk

Jordan is a practicing family attorney and the Legal Content and Compliance Manager at LawPay

# About LawPay



**Over 15 Years**  
of legal payment  
expertise

Vetted and approved by  
**all 50 State Bars**



## LAWPAY



Supporting over  
**44,000 firms**  
nationwide

Trusted solution for more than  
**150,000 lawyers**



Monthly, bar-approved CLE webinars  
offered **live and on-demand**

The only payment solution offered through  
**ABA Advantage program and  
ALA Member Discount program**



# Agenda

- 1 The basics
- 2 How this applies to your firm
- 3 Impact of COVID-19
- 4 Steps to collect:
  1. Assess the situation
  2. Prioritize your receivables
  3. Embrace technology

## **Let's start with a basic premise:**

If your pay is dependent upon your collections, then you want to collect on as many outstanding invoices as possible.

# The basics

- ① What is AR?
- ② What is aged AR?
- ③ Why is this important?

# How this applies to your firm

- End-of-year finances
- Bonuses
- Distributions
- Office morale
- Client satisfaction

# Impact of COVID-19



- Less clients able to pay in full
- More clients asking for payment plans
- More clients simply walking on their bill



# In your quest to collect, consider these important questions:

- ❓ How can I ensure that all or most of my bills get paid?
- ❓ What behaviors, habits, skills, and processes will help maximize my collections?

# Historical ways lawyers have tried to maximize collections

- Requiring “cash up front” in flat-fee situations
- Obtaining a large retainer sufficient enough to cover expected fees and expenses
- Choosing to limit a practice to predictable clients or controllable tasks

# Fourth quarter crisis

As law firms enter the fourth quarter, most are starting to think about their end-of-calendar-year finances, including what can be done to increase their receivables and decrease the amount of bad debt they currently have on their books.

# Fourth quarter crisis

A firm's ultimate goal is generally to enter the New Year sans unpaid client invoices.



**Remember: the longer a bill sits unpaid, the less likely it is that it will ever get paid.**

Since outstanding receivables can affect a partner's distribution or an associate's bonus, another primary goal is to maximize profits to the firm's employees.

# Step 1: Assess the Situation

STEPS TO COLLECT

# Make a list

Your first step is to obtain a list of your clients with outstanding receivables, including:

- (1) the client name and information, including matter number;
- (2) the client's outstanding balance;
- (3) how "aged" said balance is (i.e., 30, 60, 90, 120, or 120+ days old);
- (4) the date and amount of the client's last payment.



# End of Year AR Worksheet



File Edit View Insert Format Data Tools Add-ons Help



Share



100%



View only

*fx*

CLIENT NAME

	A	B	C	D	E	F	G	H	
1	CLIENT NAME	MATTER NUMBER	OUTSTANDING BALANCE	DAYS OUTSTANDING	DATE OF LAST PAYMENT	AMOUNT OF LAST PAYMENT			
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
26									
27									
28									
29									
30									
31									



Sheet1



# Use your firm's technology to your advantage



Depending on the practice management tool that your firm uses, you might be able to easily export a list with the necessary information straight to your desktop



# Step 2: Prioritize Your Receivables

STEPS TO COLLECT

**LAWPAY**<sup>®</sup>  
AN AFFINIPAY SOLUTION

# Young receivables

(0-120 Days Old)

- Reserve an hour on your calendar to work on these
- Send an email out to each client
- Reach out personally as the attorney working the case—do not task this to a paralegal or legal assistant
- Be clear and concise in your email

# Sample email copy

## Sample Email



Hi [Client],

I hope you are well. My records show that you have an outstanding balance of \$[xxxx] due. Please remit payment immediately. If you have any questions about your bill, please do not hesitate to contact me.

You can pay your balance online by clicking the link below my signature.

Thank you,

[Attorney's email signature]

[link to pay online]

# Aged receivables

## (120+ Days Old)

- Again, set time on your calendar to address your aged AR
- Cull your list and separate clients into two groups:
  1. Clients you believe can and will pay their balance
  2. Your “Dream List”
- Determine the discount you’d be willing to offer your Dream List
- Reach out personally as the attorney working the case
- Be clear and concise in your communications

# Sample email copy

## Sample Email



Hi [Client],

I hope you are well. My records show that you have an outstanding balance of **[\$10,000 - example]** due.

I have spoken with our billing department and I was able to work out a deal for you:

If you remit payment of **[\$5,000.00 - example]** within the next five business days, the firm will forgive the remaining balance. However, if payment is not received within that timeframe, you will still owe the full amount (**[\$10,000.00]**). Please be advised that this opportunity will not be offered again.

If you have any questions about your bill, please do not hesitate to contact me.

You can pay the **[\$5,000.00]** online by clicking the link below my signature.

Thank you,

[Attorney's email signature]

[link to pay online]

# Incentivize your associates

- If you were only the supervising attorney on the case (i.e., not the one working it day-to-day), consider providing an incentive to your associate and have them be the point of contact for your collections campaign
- For instance, have associate handle the aged AR for their assigned cases and offer them 25% or so of everything they collect on that aged AR list

# Step 3: Embrace Technology

STEPS TO COLLECT

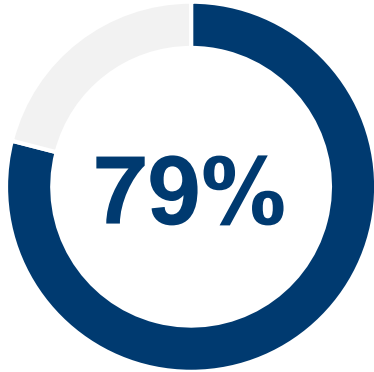
**LAWPAY**<sup>®</sup>  
AN AFFINIPAY SOLUTION



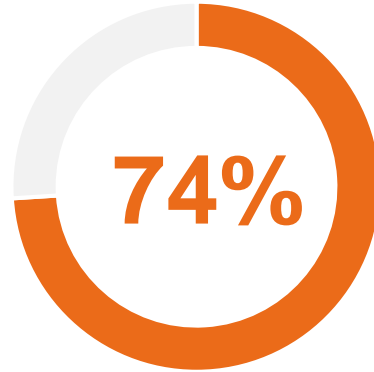
Only about half of all U.S. adults make sure they have cash on hand



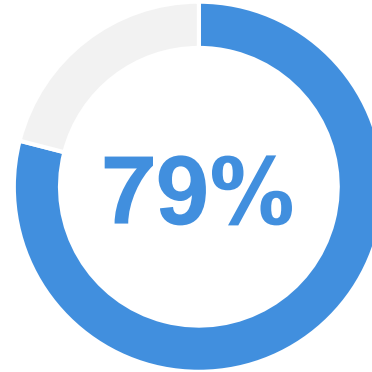
# Today, your clients want online payment options



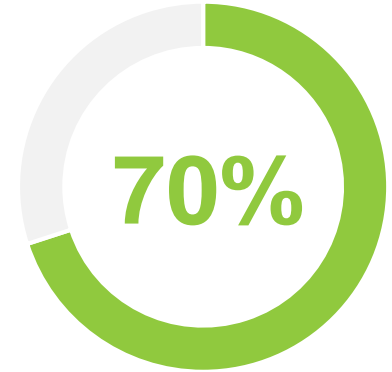
of people now prefer to pay with a **credit or debit card**



of online households report **paying bills online**

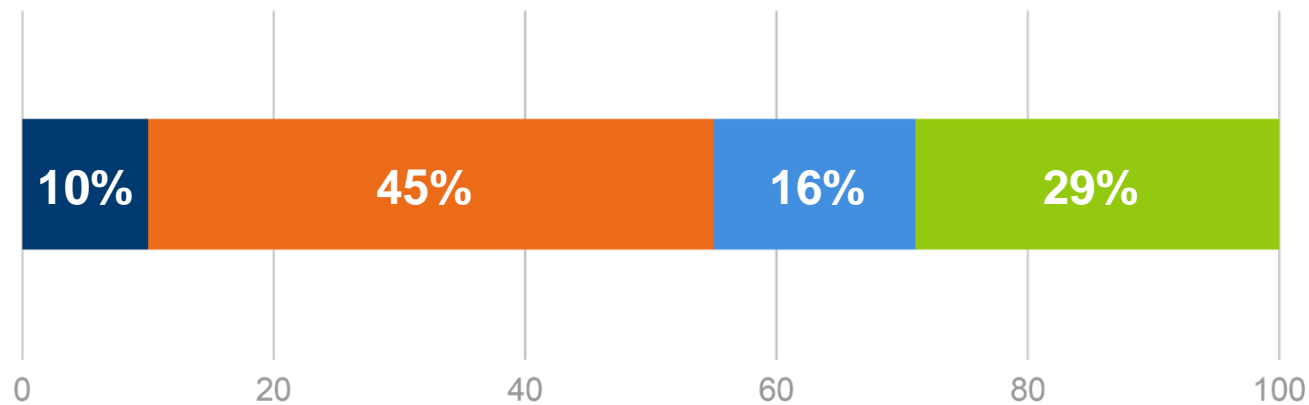


of consumers have switched to **paperless billing**



say having multiple ways to pay a bill **increases their satisfaction**

# More people are ditching their checkbooks



Over half of consumers—**55%**—don't use or rarely carry checkbooks

■ Don't use   ■ Rarely carry   ■ Sometimes carry   ■ Always carry

Source: Clio Legal Trends Report, 2019

# People's expectations of businesses are shifting, too



**65%**

expect to be able to pay for services online



**79%**

expect local service providers to offer the same payment options as big national brands

# Electronic payments are an asset to your firm

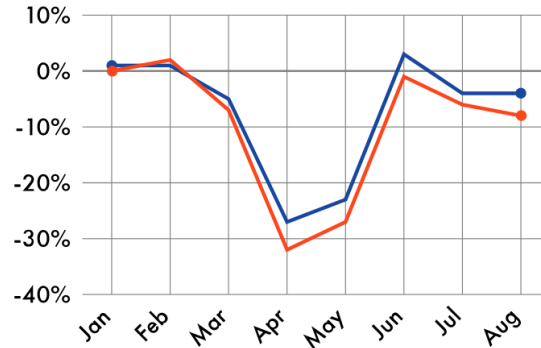
In 2019, firms using electronic payments collected over \$10,000 more per lawyer and are projected to collect over \$15,000 more in 2020.

## Electronic payments

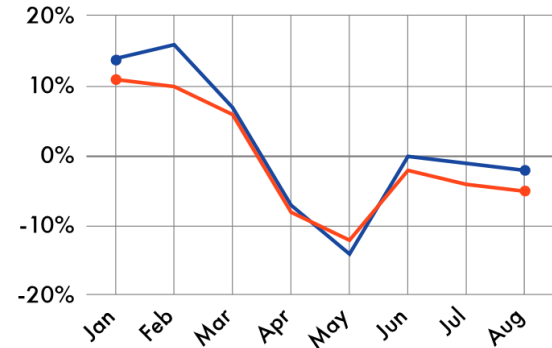
● Uses electronic payments

● No electronic payments

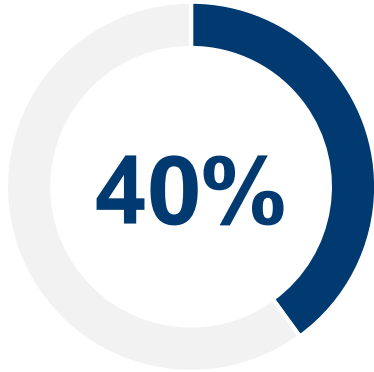
### YoY comparison of matter volume



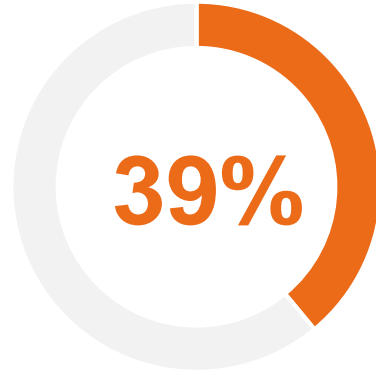
### YoY comparison of revenue



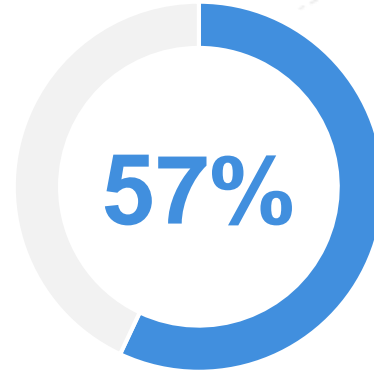
# Electronic payments are an asset to your firm



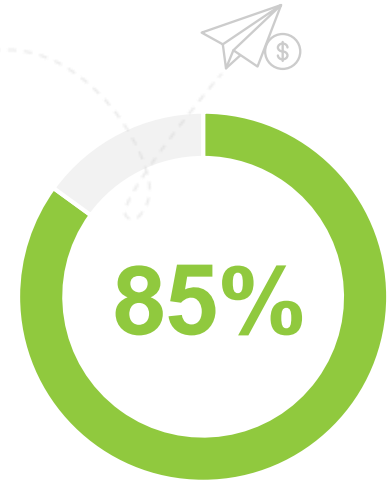
of clients surveyed would **NEVER** hire a lawyer who didn't take credit or debit cards



attorneys who accept online payments **get paid 39% faster** than those using traditional billing methods



of electronic payments get paid within the **SAME DAY** they are billed



of electronic payments get paid within the **same week** they are billed

# COVID has only amplified these trends

If a client doesn't want to leave their home to go to the store, let alone pay their legal bill, you need to be giving them online options.



**A digital transformation is happening in the legal space**

# Online payments lets you...

- ✓ Improve communication
- ✓ Offer a 24-hour virtual service
- ✓ Put the ability to pay right in your clients' hands
- ✓ Provide instant payment confirmation
- ✓ Automate billing and invoicing
- ✓ Link to payment page from email reminders

The screenshot shows a web browser window with the P.W. Smart logo and name at the top. Below the logo is the text 'P.W. Smart ATTORNEYS AT LAW'. The main heading is 'Pay Attorney'. The form contains several input fields: a payment amount of '\$1,000', 'Client Name' 'Roy Smith', 'Matter Number' '1304', 'Card Number' '\*\*\*\* \* 9993', 'CVV' '001', and 'Exp.' 'NOV 2021'. At the bottom of the form, there are logos for VISA, Mastercard, AMEX, eCheck, and DISCOVER. To the right of these logos is a lock icon and the text 'POWERED BY LAWPAY'. A blue button labeled 'Pay Attorney' is positioned at the bottom right, with a mouse cursor hovering over it.

# Thank You!

Jordan Turk

[jturk@lawpay.com](mailto:jturk@lawpay.com) | 512-716-8572

[experts@lawpay.com](mailto:experts@lawpay.com) | 866-376-0950

**LAWPAY**<sup>®</sup>

AN AFFINIPAY SOLUTION