5 Best Practices For Improving Collections At Your Law Firm

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Getting paid for the legal services you provide shouldn't be a concern for your firm. Unfortunately, many law firms are dealing with collections-related issues, according to 2019 Orion Collections Survey. There are many reasons clients may not pay their bills on time. Whether it is due to forgetfulness, negligence, or unclear or incorrect bills, their delays can create unwanted challenges that can put your business at risk. Following are five best practices for improving collections at your law firm.

Establish a uniform policy

One of the biggest collections-related issues cited in the 2019 Orion Collections Survey was around policy. Many firms do not have a consistent policy that guides their collections process. It's important to invest time and resources into establishing a universal policy that guides email content and communication around payment requests. Otherwise, your team could be using tactics and procedures that lead to inconsistencies and damage client relationships.

Get attorney buy-in

Before following up on unpaid bills, it's a good idea for the receivables team to get buy-in from the attorney working with the client. This creates harmony between the various teams and streamlines the client communication. The collections team should address payments with the client, removing the attorneys from the process allowing them to focus on practicing law. With attorney buy-in, everyone will be on the same page, including the client.

Bill quickly and frequently

Clients are more likely to pay quickly when the service is recent and fresh in their mind. As time passes, invoices can be difficult to collect. Be certain to provide enough informative details in the invoice, but keep the legal jargon to a minimum.

Gently remind clients of past due bills

Another major challenge in payment collections is following up with clients about their unpaid bills without damaging client relationships. In order to remind clients of payments respectfully, clearly communicate up front about the process and expectations. Communicate regularly about invoices that are due in order to avoid letting a bill accumulate over time. If a bill is seriously past due, ask if everything is okay and how you can help. In addition, implementing a tool that can support universal communication and processing will help give your team a strong foundation for clarity and consistency.

Use a respectful tone and use this as a chance to connect

Whether it's over the phone or through email, don't overlook the simplicity of responding to a client in a respectful tone. It's a great way to show empathy and understanding. It can be a challenge to address a difficult topic with ease, but try responding to clients with the same tone and temperament that you would want from a business. Put yourself in their shoes and think about how you would want to be addressed in the situation. In addition, use this opportunity to connect with the client, letting them know you appreciate their business.

While collections can be a challenging part of payment processing, it's crucial to your firm's success. Consider improving collections at your law firm by streamlining the process by establishing universal procedures, training staff, receiving attorney buy-in for improved communication, and staying ahead of payment requests before outstanding invoices become too high. For more information on how PlainsCapital Bank can help support your firm, speak with a representative today at 866.762.8392.