

New Year, New Firm:

Strategies to Drive Cash Flow in 2021

LAWPAY[®]

AN AFFINIPAY SOLUTION





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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 Introduction
- 2 Improving your processes: billing and collections
- 3 Impact of COVID-19
- 4 Collecting on Aged A/R

*Bonus slide! Monthly reminders for attorneys

Improving Your Processes:

Billing and Collections

#ProTip: Billing and Collections

- Rip off the band-aid. No one wants to contact clients about payment, but you don't work for free
- Use credit cards/online payments to your advantage
- Get paid the same day (or hour) an invoice is sent out
- Send clients payment links for exact amounts (useful for trial retainers and miscellaneous fees, such as for mediation)
- Set clients up on a payment plan with authorization forms
- Aged A/R – know when to make a deal or when to cut your losses

#Pro Tip: Authorization Forms and Fee Agreements

1 Always, always, always use an authorization form when taking a credit card payment, unless the client is paying online themselves

2 Have a fee agreement to provide for **third party payments**, and attach a *“Third-Party Payment Addendum”* to your fee agreements

ATTORNEY FEE CONTRACT

STATE OF TEXAS §
COUNTY OF HARRIS §

I.

 P.W. Smart
ATTORNEYS AT LAW

Client Credit Card Authorization Form

In an effort to better serve our clients and simplify your billing experience, our firm offers online payments for your convenience.

ONE/FIRST TIME PAYMENT:
I hereby authorize _____ to charge the balance currently due for the amount of \$ _____
(Initial)

FUTURE PAYMENTS:
I hereby authorize _____ to charge the balance due each month. Payment will be processed on the _____ each month for prior month fees.
(Initial)

II. POLICIES:
Payment is considered late after the _____ of the month. Any balance will be charged to the card on file. In addition, a late fee will be assessed in the amount of \$ _____.
(Initial)

Payment made for services delivered by this firm are non-refundable.
(Initial)

In the case of retained services, any unused funds will be refunded to the card on file within _____ days of _____.
(Initial)

Being the authorized cardholder or the Corporate Officer, by signing above I understand and agree to the terms set forth in this agreement, agree to pay, and specifically authorize to charge my credit card for the services provided. I further agree that in the event my credit card becomes invalid, I will provide a new valid credit card upon request, to be charged for the payment of any outstanding balances owed.
(Initial)

days p

III.

Cardholder Name: _____
Cardholder Billing Address: _____
Address: _____

Type of Card:    

Card Number: _____
* Per PCI Compliance guidelines, the last 4 digits may be recorded for verification purposes

Expiration Date: _____ Security Code: _____

The undersigned guarantees performance of the financial provisions of this agreement.

Cardholder Name: _____
Cardholder Signature: _____ Date: _____

First Name: _____ Last Name: _____
or
Account Holder Name (if Business): _____
Account Type: Checking Savings Account #: _____ Routing #: _____
Account Holder Signature: _____ Date: _____

SCHECK

Cardholder INFORMATION

CHARGE POLICY

Attorney
authori
address
Client:
days p
Attorne
Page 1

LawPay is a registered agent of Wells Fargo Bank N.A., Concord, CA and Citizens Bank, N.A., Providence, RI.

Credit card authorization forms should be filed on an original paper. In the office, they do not recommend digitally scanning or creating any documents with credit card information. This form is provided for information only and is not intended to create credit card information. Form should be maintained and disposed of properly when the information is removed from your LawPay system platform.

#ProTip: Getting Money in the Door



- Don't be shy
- Be practical and organized
- Bill clients regularly, predictably, and close to payday
- Follow up with clients regarding their outstanding balances about a week after you send out your invoices – put this on your calendar!
- Offer options – what if a client wants to do everything remotely?

Impact of COVID-19



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

Collecting on Aged A/R

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

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									
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11									
12									
13									
14									
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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

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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

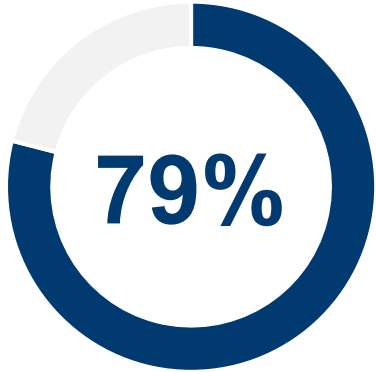
- If you were only the supervising attorney on the case (i.e., not the one working it day-to-day), consider providing an incentive to your associate and have them be the point of contact for your collections campaign
- For instance, have associate handle the aged AR for their assigned cases and offer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

Step 3: Embrace Technology

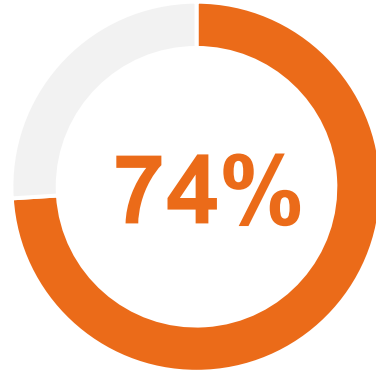
STEPS TO COLLECT

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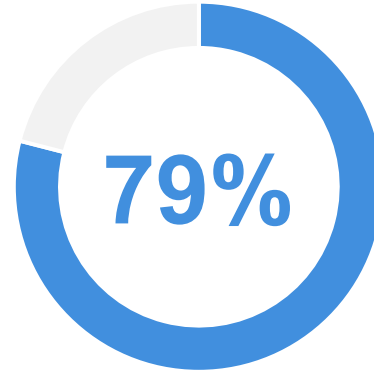
Today, your clients want online payment options



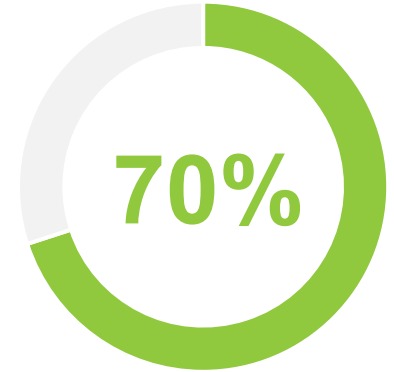
of people now prefer to pay with a **credit or debit card**



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**

Electronic payments are an asset to your firm

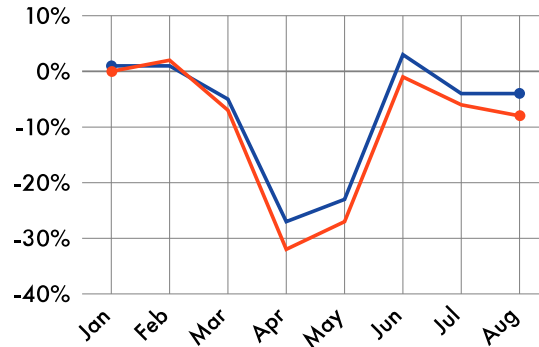
In 2019, firms using electronic payments collected over **\$10,000 more** per lawyer and are firms are projected to collect over **\$15,000 more** in 2020.

Electronic payments

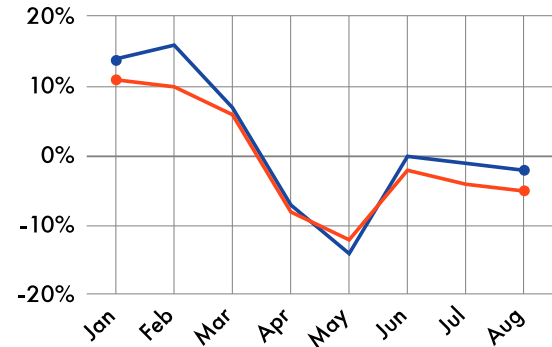
● Uses electronic payments

● No electronic payments

YoY comparison of matter volume



YoY comparison of revenue



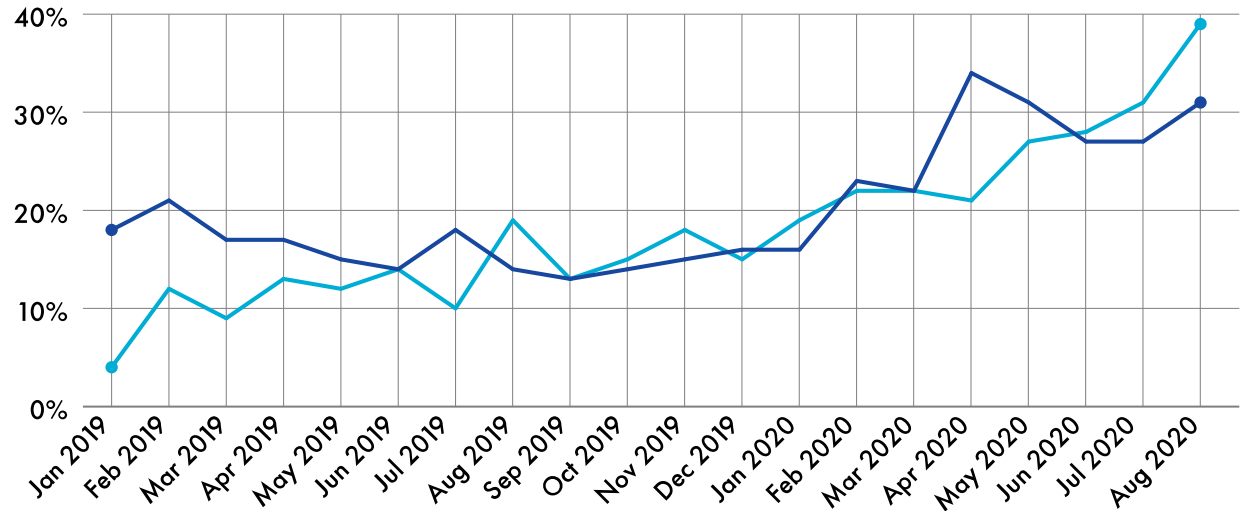
Electronic payments are an asset to your firm

Firms using multiple legal technology solutions collected **\$19,541 more per lawyer in 2019**, and are projected to collect **\$37,622 more in 2020**.

Advantages to using multiple technologies *

*Electronic payments, client portals, and client intake and CRM

- % difference in new matters (per lawyer)
- % difference in revenue (per lawyer)



Suggested Monthly Reminders to Relay to Attorneys

- 1 Follow up on Outstanding Invoices
- 2 Networking
- 3 Thank-You Notes
- 4 PNC Retainment & Conclusions
- 5 Writing One Legal Article/Blog Post

Thank You!

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