LOOKING FOR THAT SPECIAL SOMEONE?

It is possible to change attorneys' attitudes about managing accounts receivables. The success of this effort depends substantially on finding the right person to take on the key task of managing those receivables.

Avoiding the Pitfalls

More and more firms are creating an accounts receivable manager position. But they face obstacles in motivating attorneys to have confidence in the manager – and entrust in the manager their uncollected accounts.

One mistake that firms make is promoting a valued employee from within. Typically, it is a senior secretary, a member of the accounting department or some other long-time employee who the firm is unsure how to use effectively. While it is virtuous to reward employees, this approach does no one any favors and sets the employee up for failure.

- He or she lacks experience and, therefore, credibility, in collecting successfully.
- If the collection work is simply added to an employee's other duties, the collections inevitably take a back seat.
- The position is perceived by the attorneys as a clerical one, and emphasis gets placed on clerical duties, such as changing mailing addresses, processing reminder statements and getting copies of invoices for the attorneys, rather than on the professional-level collection of receivables that is so vital to the firm.

Making the Most of Your Manager

To maximize the value of the accounts receivable manager, your firm should seek an individual either with experience in a professional services environment or as a bank loan officer or a corporate/credit officer of a Fortune 500 company. Equally important — and, admittedly, harder to identify — he or she should possess the professional savvy to understand law firm culture and thrive in it. Though it is highly unlikely that your firm will find someone with appropriate skills and actual law firm experience, you do want to find someone who does "get" how things work in a law firm.

In addition, he or she should:

- Be a self-starter, able to work independently.
- Have the ability to understand and adapt to the law firm culture.
- Have strong people skills with an emphasis on building strong relationships.
- Be comfortable with technology as a tool essential for getting the job done.
- Be prepared to face and overcome rejection, both from clients and attorneys.
- Be able to understand which collection techniques work for different situations.
- Be able to analyze problems and find solutions in all areas of accounts receivable management for every practice area.
- Recognize that there is little leverage in collecting aged accounts receivable.

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Ensuring Success

Key to the success of the accounts receivable manager is the ability to interact with the attorneys and the clients. He or she must be able to discuss payment obligations with clients without hurting the relationship the client has with the firm. He or she must be able to work one-on-one with the attorneys, as one professional to another. He or she must be able to inspire the confidence of the attorneys.

Even before the accounts receivable manager has started the job, it is the firm's obligation to ensure that expectations are clear. All involved should agree on the job's responsibilities, objectives and appropriate methodologies for making the collections. The manager should be a professional and should be treated as one by the firm. Both attorneys and staff should understand the nature – and level – of the job. And everyone should be in agreement about how success will be measured.

In order to figure out who you need to hire and how to help that individual succeed, you may need assistance from Client Connection, outside experts in accounts receivable management.

Selecting and empowering the individual who is given responsibility for managing your accounts receivable in-house can make all the difference in the ultimate success of your collection efforts. Choose this member of your team wisely.

Do you have a question regarding your receivables? Please send your question via e-mail (clientc@earthlink.net) and one of our professionals will respond, free of charge. At Client Connection, we know how to manage receivables, and we would be happy to share a little of our knowledge with you.

Client Connection assists law firms of all sizes throughout the United States by furnishing accounts receivable management services, developing practical receivable programs and training law firm staff in effective collection methods.

CLIENT CONNECTION

Accounts Receivable Management Solutions for Law Firms

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