

CLIENT CONNECTION

Accounts Receivable Management Solutions for Law Firms

800.236.8232 • 972.378.0407 fax
www.clientci.com

If you would like to receive, "Client Connection Connects," our short monthly accounts receivable management tips, via e-mail, please send an e-mail to info@clientci.com.

Don't Send Your Clients the Wrong Message by Not Having an Effective A/R Management Program in Place

Put a little more harshly, the reason why law firms need a strong accounts receivable management program early in the ageing process is to prevent a domino effect of self-inflicted pain, which firms so often put themselves through by letting receivables age without having effective, results-oriented procedures in place to collect receivables promptly.



Here's why:

- When law firms send out their regular monthly bills, and do not follow up promptly when clients don't pay after 30 days, the message they are sending to their clients is: "Pay when you can. Our bill is not a priority. We don't need the money right away."
- Next, with poor one-on-one follow-up with clients early on, firms lose the opportunity to determine, as soon as possible, whether or not a client can or will pay – giving the client confidence that they are the ones who control when and if they will pay.
- Lastly, firms give their attorneys too much autonomy in collecting their bills. This leads to the question of whether your firm has a collection and accounts receivable management problem – or a lawyer problem – where your professionals are not taking responsibility for collecting their accounts.

Yes, there are certain clients and types of transactions that do not or cannot follow prompt payment guidelines. However, these are the exception and not the rule. Law firms need to understand that these exceptions gain traction and soon become problem paying accounts as they age. On top of that, firms gain a false sense of security that they have a pot of revenue that just needs to be paid, when what they really have is an empty trove of promises that continue not to be paid (if they ever will be).

Visit us at www.clientci.com to learn more.