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Foreword

To be successful, a law firm requires more than just the services of a skilled attorney. A lawyer can be utterly gifted when it comes to the rules of evidence but not know where to start when it comes to tracking down unpaid client invoices. You can be the most adept employment lawyer in your field yet still lose out on clients because your internet presence is too hard to find. You can be at the top of your family law game but still get disbarred for violating a simple state bar trust accounting rule.

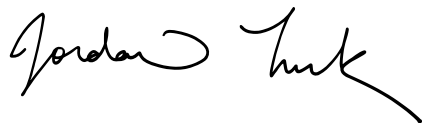
I completely understand—no attorney dreams of chasing down non-paying clients. My law school did not offer classes in digital marketing and I did not care about search engine optimization when I graduated. I did not occupy my days as a new lawyer thinking about IOLTA and PCI compliance. However, I can no longer hide behind the prophylactic power of ignorance. If firms want to be truly successful in the coming years and beyond, they have to (1) start streamlining their billing and collection processes; (2) establish a marketing strategy; and (3) make sure they obtain (and maintain) compliance with state requirements.

Do not let all of this scare you! You do not have to completely upend your law firm or make radical changes to see fast and noticeable results. In many instances, you can make minor tweaks to your firm's procedures to increase your cash flow, bring in a steady stream of new clients, and make your firm more secure. The guide that follows is an attempt to merge the lessons I and many colleagues have learned throughout the years when it comes to some of the key pillars of running and growing a successful practice: billing, marketing, and compliance.

This step-by-step guide will also hopefully answer some questions you might have but have been too afraid to ask, whether you just hung your own shingle or have been in practice for twenty years. It's okay to have questions—e.g., I don't know what Google My Business is or why it is important. I don't know what I should do about my aged accounts receivable. I don't know the first thing about separating my earned and unearned fees. That's okay. You don't need to be an expert to gain a working understanding of basic marketing techniques and you are more than capable of making improvements to your billing processes. The same could be said for security and compliance. Things like PCI compliance might seem overwhelming at first, but are broken down into manageable, digestible pieces in this guide.

So let's help your firm thrive in the coming year, not just survive. Get your billing in order, develop a marketing plan, and stay compliant. I'd love to hear your feedback about this guide. Feel free to send your thoughts my way.

To your success,



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Section I:

Best Practices for Law Firm Billing and Payments

No lawyer enjoys chasing after unpaid invoices. Unfortunately, although unpleasant, collections are part and parcel of running your own business. You can mitigate the

more unpalatable aspects of bill collecting by making a few adjustments to your client intake procedures, billing processes, payments processes, and your approach to client communication. If you adapt and are open to utilizing new ideas, you can greatly increase your firm's receivables.

Below are seven best practices you can adopt to hopefully get paid on time, every time.



If you adapt and are open to utilizing new ideas, you can greatly increase your firm's receivables.

Interview Clients Carefully and Thoroughly

Conducting a potential new client consultation is an art, but there are some easy concepts you can implement to help you avoid pitfalls down the road. The goal of the consultation (other than your retainment) should be to assess the client's situation and give them reasonable legal advice.

To avoid future headaches down the line, you should utilize the following suggestions:

- Determine whether the client's needs and expectations can even be realistically satisfied.
- If so, give the client a road map of what the most important next steps will be, and the issues that may arise therefrom. This sounds like a no-brainer but one of the most common complaints from clients post-consultation is that they do not have a real grasp as to what happens next. Consider making a flow-chart of the lifespan of a typical case (if applicable) and give it to the client during the consultation.

- **Ensure the client understands the cost of the case and the law firm's expectation of payment**, discussing frankly about the client's ability to pay. This should be explicitly addressed in your fee agreement. Be sure to explain to the client that a retainer is not the cost of their case.
- Exercise your own judgment as to whether this client is credible and not a potential liability to the firm. This is easier said than done, and will mostly come with experience, but if the client's story doesn't make sense, or if you would be the client's fifth attorney, alarm bells should be ringing. Trust your gut.

Bottom Line

When the consultation ends and the client decides to retain you, both attorney and client should be comfortable and confident in the integrity of the other party.



Communicate During the Case

One of the single biggest complaints against lawyers in the United States is “my lawyer won’t return my call.” A good way to protect yourself from possible liability is to be in constant contact with your clients. Although the frequency of contact will vary across different legal fields, you should endeavor to contact a client at least once per week so that they do not feel forgotten. This gives you touchpoints throughout your client’s case and lets you control the narrative as events progress. Plus, it is harder to defend yourself against your client if you haven’t properly papered the file.

Even a simple “Hi client, just wanted to touch base with you and tell you we are still waiting on opposing party’s responses to discovery, and they have another week before they are due. We will keep you posted and let you know as soon as they are received.” This is short and simple, and the client will be appreciative. Remember, many clients are going through the most stressful time in their life, and they start to get nervous if they do not hear from their attorney for a prolonged period of time.

Failure to communicate can not only get you in trouble with your state bar, but it also affects your client’s willingness to pay their bill. You can easily instill confidence in your client while also protecting yourself by sending frequent—even if brief—messages and updates to the client. Remember, you are, after all, a team.



Be Timely in Your Billing

Clients routinely complain that all too often, they receive bills months after the legal work is actually performed. The client at that point does not remember what you did three months ago and will thus be less likely or willing to pay you. If the work is fresh on their mind, you will find a client more willing to pay their invoice.

Endeavor to bill clients around the same day every month for internal consistency and external predictability. Even better, you should aim to have your clients receive their monthly statement around the beginning of the month, typically about 3-4 days after the first of the month.



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Sending invoices around this time increases the chances that (1) the bill is likely hitting around the client's payday, and (2) the client's paycheck should have cleared their account by then. Further, having a set schedule helps minimize the time between when you complete the work and when you bill for it.

Additionally, be modern! Offer to email bills (more and more clients only want bills via email), and give your clients a seamless, contactless way to pay

online. You should want to reduce any friction between your client and their invoice payment. Allowing them to pay online via a provider like LawPay means that your clients can pay you anytime, and from anywhere.

Be Clear and Concise

Every invoice should be clearly-written and detailed. You don't have to outline your time to the minute, but use separate line items for the larger tasks and include a brief summary of the work you did. As much as possible, avoid legal jargon. Your objective is to give the client visibility into what you're doing for them, but not inundate them. And if you use too much technical language, your client may end up with even more questions.

In addition to avoiding legal jargon, use real words and explanations of the work you did for your client, and don't bill for things like office supplies. This kind of billing only makes clients angry, offended, and more likely not to pay you in a timely fashion.



It is exceedingly rare for 100 percent of a firm's clientele to pay their invoices in full and on time, every single time.

Follow Up on Unpaid Invoices ASAP

It is exceedingly rare for 100 percent of a firm's clientele to pay their invoices in full and on time, every single time. You need to have a plan to follow up with clients who have not paid their monthly invoice, lest you risk non-payment of the bill.

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

About a week after invoices are sent out, schedule time on your calendar for a follow-up contact. Generate a list of the clients who have not paid their invoice and how much each one owes. You should then reach out to inquire about payment (sample language in appendix), and be sure to give them a convenient way to pay you by credit card, debit card, or eCheck to increase your chances of being paid timely.

Know When to Fire a Client

Many attorneys fall into the bad habit of continuing to work on cases where the clients are months in arrears on their bills. You should not be one of those attorneys.

As hard as it is, if a client is more than a month behind on paying anything towards their invoice, you should strongly consider terminating them as a client. What starts off as a \$5,000.00 deficit can quickly become \$30,000.00 if you are not careful in assessing your client's payment status.

Many attorneys put termination language regarding unpaid invoices into their fee agreements, and so should you. At the end of the day, you are running a business and your attorney-client relationship should reflect that.



Get clients to sign payment authorization forms during their intake paperwork and set them up on a payment plan.

Utilize Scheduled Payments

For clients who might have trouble paying your bill or for those who are habitually late and/or forgetful, setting them up on a recurring monthly payment plan is a great way to help them out financially. It also saves you time and effort, all while ensuring you maintain a consistent, predictable cash flow in your practice.

To make things even easier on you and your firm, get clients to sign payment authorization forms during their intake paperwork and set them up on a payment plan as part of your initial meetings and onboarding. That way, your clients' payments can run automatically without any action needed from you or them.

The Takeaway

Keep in mind: dealing with non-paying clients is part of the job. There will be instances where you make the payment process as easy and straightforward as possible, and clients still won't pay. However, if you implement the changes above, you'll be in a position where dealing with non-payment can be a little less painful and far less frequent.


Section II:

Best Practices for Security and Compliance

Cybersecurity incidents are on the rise and unfortunately, law firms are attractive targets for cybercriminals. Part of the appeal is that digital thieves know gaining entry into a law firm's database sometimes means accessing the sensitive payment information of multiple companies or entities in one fell swoop.

But it isn't just external threats law firms need to worry about. Every employee in the office has the ability to either intentionally or accidentally compromise the security of your firm. This is why it's so important to take

a proactive approach to maintaining strong cybersecurity protections—particularly when it comes to your payment processing.



Every employee in the office has the ability to either intentionally or accidentally compromise the security of your firm.

In addition to ensuring payments are processed securely, law firms should also have the right practices and technology in place to stay compliant with their state bar's rules on trust or IOLTA accounts.

Here are some tips to help maintain your firm's cybersecurity and compliance.

Trust Yourself with Trust Accounting

When you graduate from law school, your primary focus is usually on passing the bar and, if successful, practicing law. Bill collecting doesn't usually factor into this equation, and maintaining a trust account (sometimes referred to as an IOLTA) is also not likely to be at the forefront of your plans for the future.

However, properly maintaining a trust account is integral to your practice and could affect your law license! If you're accepting advance payments from your clients, or receiving money on their behalf, you will need to maintain a trust account. What's more, you will need to maintain a compliant trust account.

State bars are not shy about enforcing their rules concerning trust account violations. In fact, it's the #1 cause of lawyer disbarment in the U.S. Fortunately, there are tools available to help you and to ease you into trust accounting.

The e-book, [A Complete Guide to Trust Accounts](#), from TrustBooks and LawPay, provides you with a complete step-by-step outline of what you need to do to open and operate your own trust account, from choosing a bank to developing proper trust account management procedures.



On the attorney side, obtaining compliance typically involves you filling out a simple questionnaire.

Obtain and Maintain PCI Compliance

The Payment Card Industry Data Security Standard (PCI DSS) is a set of security standards put in place by the major card brands (Visa, Mastercard, American Express, Discover, and JCB). Its purpose is to ensure that all entities that accept, process, store, or transmit credit card information maintain a secure environment to prevent this information from being stolen or compromised. On the attorney side, obtaining compliance typically involves you filling out

a simple questionnaire. For example, the online questionnaire asks how you handle credit card information in your office and verifies that you are not storing credit card numbers electronically.

On LawPay's side, as we are a Level 1 Service Provider (the highest security level available) and store sensitive information, we have to fill out a questionnaire as well as obtain quarterly security scans from an independent security assessor. You as a LawPay user get to benefit from our thorough compliance program (and our system's credit card storage) and thereby get to minimize your compliance burden. What's more, LawPay will guide you through your personal compliance questionnaire, a process that typically takes about 10-15 minutes to complete.

Cybersecurity: Protect Your Firm in 3 Easy Steps

In 2019, there were 1,473 confirmed data breaches, resulting in the exposure of nearly 165 million sensitive records. To avoid becoming another statistic, you need to be well-versed in the most effective ways to decrease your vulnerability to a cybersecurity incident. To help get you started, here are three simple things you can do.



Nearly three-fourths of security breaches are due to employee actions (either intentional or accidental).

Draft an Acceptable Use Policy

An acceptable use policy (AUP) explicitly outlines the rules employees must follow in regards to the firm's network, software, computers, laptops, and mobile devices. It clearly states how employees should and shouldn't use both employer-provided technology and personal mobile devices like smartphones and tablets.


One of the main reasons to implement an AUP is the ability of employees to either deliberately or inadvertently compromise the security of your company. Ipswitch, a provider of IT management software, reported that nearly three-fourths of security breaches are due to employee actions (either intentional or accidental). Something as simple as connecting your firm computer to a hotel's wifi network can lead to a major security breach.

An AUP ensures employees understand their responsibilities in regards to technology use and helps educate them on identifying possible cybersecurity threats. A comprehensive yet easy-to-read AUP can substantially decrease your firm's risk of cyberattacks and data breaches.

Adopt Cloud-Based Technology

Many (if not the majority of) law firms that favor on-premise or hosted solutions to cloud-based platforms will cite security as the reason they refuse to move their

data to the cloud. But the truth is, cloud-based solutions are considerably more secure than on-premise or hosted software (and nearly 30 percent of respondents in a survey conducted by [Aderant](#), the legal time and billing software provider, agree.)



The truth is, cloud-based solutions are considerably more secure than on-premise or hosted software.

An on-site IT team may do periodic network vulnerability checks, but they have dozens of other issues to worry about, too. Providers of cloud legal solutions have employees dedicated exclusively to ensuring their IT infrastructure is as strong and secure as possible.

Additionally, because updates to cloud solutions are deployed automatically, you'll know the platform always has the latest patches and the provider has addressed known vulnerabilities. As an added bonus, cloud-based solutions are also generally less expensive and easier to maintain than hosted or on-premise options.



Develop an Incident Response Plan

Ideally, your firm will never experience a data breach or cyberattack. Realistically, you need to be prepared for the day when it happens. That's why an incident response plan is an essential part of any large law firm's cybersecurity program.

The steps your firm takes immediately upon discovery of the issue will determine just how extensive (and expensive) the damage will be. An effective incident response plan includes the following steps:



- Designate an incident response planning team
- Classify the type/extent of the incident
- Complete initial reporting
- Escalate the incident, as appropriate
- Inform affected individuals and organizations
- Investigate and collect evidence
- Mitigate further risks
- Execute recovery measures

Your incident response plan (in addition to any other security policies and procedures) should be regularly evaluated and updated. With existing threats continuously evolving and new threats appearing almost daily, your firm must take a proactive approach to maintaining strong cybersecurity protections.

The Takeaway

Any strategy you develop to keep your firm safe from cybersecurity dangers and reduce compliance liabilities should center around knowledge. Knowing your requirements, your risks, and your resources makes it much easier to maintain proper security and stay in compliance with local rules. Commit to being prepared and staying aware so that your law practice doesn't become a cautionary tale for other firms.

Section III:

Marketing to Grow Your Law Firm in 2021

*Content contributed by Mark Homer,
Get Noticed Get Found (GNGF)*



Mark Homer is CEO of GNGF, a leading law firm marketing agency. At GNGF, Mark leads the team to help empower and educate law firms to grow their practice. He is the author of "Online Law Practice Strategies" and speaks around the U.S. on marketing and social media ethics for law firms.

As a law firm owner, you are running a business. If you want that business to grow, at some point you must think about marketing as a core part of your budget.

Whether you are putting hard earned dollars toward targeted ad campaigns or just your own valuable time focused on networking and growing your referrals, marketing is a key part of a growing law firm. There is so much content out there about marketing that many firms don't know what they should be doing. As you enter 2021 let me help you assess the right marketing that fits where your firm is right now and where you want it to go.

As the owner of law firm marketing agency Get Noticed Get Found you may be a bit skeptical as to my bias in this area. But 2020 has provided us real data that shows the benefits of marketing. The Clio Legal Trends Report showed a massive dip in business for the average law firm in the beginning of the pandemic.

However, when we looked at the drop in leads across all of our clients that had been investing in marketing with us for at least two years, those firms had a much smaller dip than the large drop that caused many law firms to lay off staff or consider shutting their doors. A strong testament to the benefits of marketing and being the firm that is top of mind when there is less business to go around.

I am going to give you a few quick tips that we see most law firms miss that you should be able to implement in the first month of 2021. Then I will tell you what areas to consider focusing on for the rest of the year depending on your revenue.



As you get new leads, clients, and new potential referral partners, add them to your email list.

Quick Tips for 2021

Work to Own Your Audience vs. Paying for It Every Time

If you have been providing legal services for some time, you likely have a list of clients and email addresses. You probably have a list of contacts that you have been working on for referral business.

You need to get that list into an email marketing tool. While there are a lot of options out there, including legal-specific tools like Lawmatics, you can just start with something as simple as Mailchimp. Get those email addresses into the tool and try to send out an email once a month to stay top of mind with people that can refer you to their friends, family, and colleagues.


As you get new leads, clients, and new potential referral partners, add them to your email list. As you begin to invest time and money in marketing campaigns, always work to create a way to capture the email address. You paid for the lead, so capture that and follow up with email marketing so you don't have to pay for it a second time.

Claim and Optimize Your Google My Business Page

While you should have a quality website for your law firm, Google My Business pages are quickly becoming the most visible first impression of your law firm. Claim this, and optimize it with good descriptions and images, post something every 7 days, and keep an eye on questions people may be asking. Look at your Google My Business insights and you may be surprised how many phone calls you are getting from Google My Business without someone even visiting your website.

Become a 24/7 Firm

We did a study almost five years ago to see when leads were coming into a law firm. We found that about 25 percent of leads are coming in after traditional office hours—and that was five years ago, before consumers were trained by Uber, DoorDash, Amazon, and Netflix that we can pretty much get anything, anytime online. You should add a call answering service and live chat and gain 24/7 handling of leads to your firm.



These days some people answer texts and emails more than they answer a phone.

Once you do this, you can go on Google My Business and change your hours to 24/7. If you have office hours listed, Google doesn't default to show the office hours, they will show something like "Closed, opens tomorrow at 8 a.m." in the search results. Clients tell us all the time that someone said they called their firm because they were the only firm that Google said wasn't closed.

Build a Process to Follow Up With Leads

Now that you have a call answering service to make sure that all of your leads, no matter what time they call, are being answered without going to a voicemail, what is your process to follow up with leads? These days some people answer texts and emails more than they answer a phone. Do you have a process to follow up with a lead quickly and are you reaching out to them multiple ways? How many times do you try to reach them? Many times, someone had a concern, came across your website somehow, reached out, then moved on with their very busy life. It is worth building a process to reach out to a lead via phone, email, and even text once a day for five days before you give up on that lead.

One more quick tip: because of spam robocalls, many people don't answer calls from phone numbers they do not know. Next time you are calling a lead back for the first time, text the person first that you are the lawyer they reached out to and are about to call them and let them know the number that will show up in the caller ID.

Marketing Strategies Based on Your Firm's Size or Marketing Maturity

It is recommended that small businesses spend 7 - 10 percent of their budget on marketing if they want to maintain their current pace of business or 10 - 15 percent if they are looking to grow.

If your revenues are in the multiple millions you should have a director of marketing in place to provide a lot of this guidance so I will not cover the strategies for that level of a firm.



Your marketing should focus on reinforcing the referral someone makes when people go to Google to check out your firm "by name".

If you are just getting started and your firm's revenues are less than \$200,000 per year you should be budgeting no more than \$20,000 on marketing. However, a firm under \$200,000 has a lot of other expenses on the operations side that often don't leave a lot of budget for marketing AND having a comfortable salary.

In this stage you are still hustling and growing your referral network and building your email list. There is a whole area of law firm marketing that we call "Protect Your Referrals" and it encompasses many things that you and your small team can do on your own. It is also one of the first sections in my book *Online Law Practice Strategies* (see below to get the e-book version for free).

Your goal in this phase of your firm is to make sure your operations are efficient, clients are very happy, and you are building a solid referral base. Your marketing should focus on reinforcing the referral someone makes when people go to Google to check out your firm "by name." Our data show that just working on the Protect Your Referral tactics from our book can increase a law firm's business about 20 percent.

Once your firm crosses \$200,000-\$300,000 in revenues, your marketing needs to shift. You should have the Protect Your Referrals tactics in place that focus on supporting searches from those that were referred to your firm. In this next stage, you need to start being found by those who have a problem that your firm can help solve but they do not know about you. This is where targeted online and offline marketing starts to help you grow.



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Offline marketing you can likely afford at this stage are billboards, bus signs, running ads in papers, magazines, even church bulletins. As a digitally-focused agency, we think that the best use of your hard-earned dollars and scarce time is with search engine optimization driven by content marketing. Using these additional tactics, you will work to show up when people are turning to Google to find answers to a problem they have that your firm can solve. This also will reinforce the growth of your

referral business so you should still focus on getting positive online reviews and reinforcing your referral business with email marketing—hint: you can use the same great content from your content marketing effort.

We also love seeing firms in this stage begin to introduce services that move some business away from the standard billable hour, which can also introduce more profitability and time to focus “on” the business. Around \$250,000 in revenue is where I typically recommend that law firms begin to consider outsourcing some of the marketing tactics to experts, whether that is managing your own outsourced team using an experienced outsourcing platform like Upwork or gaining some strategy advice too by working with a marketing agency.

Once you cross about \$600,000 in revenue you are now at the stage where you can start to scale your firm with law firm marketing. At this revenue level you should have the budget to invest over \$7,500 per month and you can put a good portion of that into lead generating paid advertising tactics. You can introduce offline media like radio ads and begin to capture the top spots in search engines using pay-per-click ads.

Paid media is an expertise that requires detailed tracking, and sometimes frequent maintenance of ad copy, bid strategies, and unique landing pages. Therefore we definitely recommend hiring an expert or outsourcing this to an agency. Once the data show that your firm is profitable based on the cost per lead using paid advertising media you will be able to invest more and more advertising dollars and scale your law firm into seven figures.

If you have any questions, I recommend grabbing a [free e-book version of my book "Online Law Practice Strategies,"](#) or you can purchase the paperback on Amazon.



Appendix

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]

- As noted in the sample email, you should give your clients a simple, contactless way to pay for your services. For the foreseeable future, clients might be hesitant to come to your office, visit a bank, or mail a physical check to pay their invoice. By providing a trusted online payment option to your clients, you give them a safe, secure way to remit payment at their convenience. You'll find that putting this power in their hands will increase their willingness to pay and the speed at which they send payment.
- **The key is to reduce or eliminate any friction between your client and their payment to you.**

In Conclusion

When you decide to make updates to your law firm's operations, the sheer number of moving parts can make building a gameplan a bit overwhelming. If you try to tackle too many initiatives at once, you may not achieve the results you were hoping for, which can be discouraging.

Rather than making broad sweeping changes, take an iterative approach that focuses on opportunities for optimizations in your billing and payments processes, marketing strategies, and security and compliance safeguards. And don't forget to take advantage of technology designed specifically to make running a law practice easier—like LawPay.

About LawPay

LawPay was developed specifically to provide a sophisticated payment solution for legal professionals. The LawPay platform contractually protects your client funds, correctly separating earned and unearned fees and by restricting the ability of any third-party from debiting monies from a Trust or IOLTA account. LawPay is available through all 50 state bars and the ABA Advantage program as a vetted and approved payment solution for the legal industry. Learn more about how LawPay can help your firm at lawpay.com.

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