Former ABA President discusses burdens of running a law firm

By LawPay staff

During her inaugural address in San Francisco, former ABA President Linda A. Klein highlighted three main initiatives she set out to achieve over her year-long term. One of her targeted initiatives was ABA Blueprint – a one-stop portal to help small firms and solo practitioners connect with valuable practice management tools that could free up their time, allowing them to focus more on the actual practice of law.

In her speech, Klein highlighted just how much attorneys and their staff can suffer from the day-to-day demands of running their firm. “I learned that lawyers want to do more pro bono and reduced-fee work, but they can’t. The burdens of running a law practice detract from the time they have to practice law.”

She also highlighted the specific example of an attorney who reported struggling to find time to actually practice law because most of his time was spent trying to chase down payments from clients and pay his own bills.

“I heard those comments over and over again,” Klein said.

Unfortunately, putting bills together, invoicing, and tracking down payments can all take a serious toll on an attorney, costing them significant time, money, and other resources. If you look at an average attorney’s receivables, it can be anywhere from 30 to 90 days before they get paid for work they’ve already done. Such an inconsistent and unpredictable cash flow makes it incredibly difficult to run, let alone grow, a successful firm.

While this continues to be a significant problem in the legal industry, legal technology is continually advancing to meet the needs of attorneys. Ten years ago, nearly all attorneys sent out paper invoices and waited for a client to send in payment. Even once attorneys began accepting credit cards in their practices, they were dependent on traditional credit card equipment, like credit card terminals, which limited where and when they were able to accept payment.

Fortunately, technology has now progressed to allow attorneys and other professionals to accept credit card payments online, providing the ultimate convenience to both attorneys and their clients. Online payments allow clients to pay their bill simply and quickly, while allowing attorneys to receive payment 39 percent faster than they would using traditional payment methods (on average).

Additionally, if you can collect client card information in addition to a retainer agreement or client engagement letter, you can guarantee payment and immediately receive payment for your services – speeding up your collections and creating a reliable income stream. With the chance to collect airline miles and other rewards while paying by credit card, not only will many of your clients appreciate the option to pay online, they’ll prefer it.

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