

Three Ways to Eliminate Accounts Receivable And Start Actually Getting Paid For Solving Your Clients Problems!

By Chris Rempel

Accounts receivable, if ignored or not dealt with efficiently, can represent incredible losses to any business – let alone your law practice. Too many attorneys who bill for their time miss out on a great portion of revenue that could've been enjoyed, reinvested or saved – if only they'd received it in the first place.

It may seem subtle (the odd unpaid balance here and there), but similar to the way that debt can accrue – these things can add up quickly. Consider the fact that even a few unpaid bills each year could potentially rob you of \$10,000 – or substantially more than that, depending on your average invoice size.

That's dangerously subtle, in my opinion.

So with that said, here's three easy ways to take control of this problem and prevent it from happening from the start – as well as how to deal with accounts receivable efficiently & effectively when they occur:

1) “Screen” Prospective New Clients

The services of a attorney in virtually any practice area will always be in demand in larger centers. You'll have no shortage of clients available at any given time if you live in even a moderately-sized community, and especially in larger cities like New York.

Therefore, you need to realize that you won't be missing any opportunities to bill some hours if you say “no” to the odd potential client now and then. In fact, your work will become more enjoyable, and you'll have far fewer issues with accounts receivable in the first place by screening potential clients before working for them.

And this process could be as simple as being honest with yourself when you ask the question, “Do I really want to deal with this person?”

2) Accept Credit Card Payments From Your Clients

This can be a smart move if you've been having problems with too many accounts receivable – or trying to manage complicated/cumbersome financing arrangements with clients that can't afford to pay their balances in full. Credit payments are instant, they don't bounce, and they provide the client with their own, self-directed financing plan, so to speak.

Additionally, if you place deposits into an operating account or trust account to comply with state regulations, it may be more convenient for clients to deposit the funds using their credit card, for numerous reasons.

This way you'll eliminate any looming concerns you might have regarding whether or not you'll get paid, right from the start.

3) Follow-up Promptly, Courteously and, If Need Be - Often!

Regardless of how obvious this may appear, many lawyers feel very uncomfortable discussing unpaid balances with clients – for equally obvious reasons. But, uncomfortable or not, neglecting to bring up the issue will cost the lawyer substantially. And in reality, the client is aware of the problem already, and bringing up the issue certainly won't come as a surprise.

Time is the key element when it comes to collecting on past-due balances from clients. Each passing day will only decrease the urgency – as well as the importance - of the matter in the eyes your client. For this reason, you need to

establish a system of following up with non-paying clients, and follow it rigidly.

Be courteous, but likewise, don't be a pushover. Your services are valuable, and they are well aware of that fact.

However, regardless of how much “dust” your accounts receivable have been collecting, it's never too late to reclaim what previous clients owe you. In fact, if you take action on the previous step (getting a merchant account to accept credit payments), you can even let your clients know that you now accept credit payments, which might make it more plausible (and realistic) for them to settle up with you on the spot.

The bottom line is that if you don't take control of your accounts receivable with past, present and future clients, then be prepared to lose a lot of money – especially if you're a solo practitioner who has to spend money on marketing to get these clients in the first place.

And even if you don't follow these three steps exactly, get some sort of system in place that will work for you, and follow it rigidly.

Otherwise, you'll end up being a volunteer, instead of a highly-paid professional.

Chris Rempel is the marketing director for Accept by Phone (Inc), which provides credit card processing services that have been specifically optimized for attorneys who bill for their clients by the hour, or on a project basis. Because the service can be remotely accessed from any touchtone phone, the majority of expenses associated with traditional CC processing have been bypassed. More details are available at <http://www.AttorneysAccept.com> or www.Accept-by-phone.com