

Slippage: The Costs of Losing Time

Forgotten Activities and Insufficient Detail Hurt the Bottom Line – But are Avoidable

by Ray Deck and Tim Norton, Element55

Every year, law firms lose hundreds of billable hours due to time that is forgotten or that slips through the cracks.

Every administrator knows billable attorneys who run from location to location fielding calls, sending emails, or taking meetings while on the go and wonders; when do they find time to bill?

Time Forgotten - Revenue Lost

The answer to this question can be found on small pieces of paper or in diary style logs with unclear notes that can lead to write-offs.

Attorneys who spend a good amount of time emailing clients while on a train or reviewing materials while they eat lunch commonly forget to bill for that time.

Some attorneys find themselves not billing for that five-minute email or three-minute phone call that they had at the beginning of the day. This might happen six or seven more times that week and be forgotten simply because the attorneys are faced with bigger issues.

This quantity and diversity of activity is part of what makes the legal profession special – exercising intelligence and education over multiple media and contexts to create and deliver value to clients.

“Services Rendered”: Incomplete Narrative

Even when the attorney records time to the timesheet that covers 100% of hours worked, lack of detail costs the firm in reduced billing and collections.

Take the example of an attorney who knows when she entered the office and when she left for home last Monday, and knows that all time that day was for a specific client-matter. All the time would easily get to the timesheet, but what did she do?

In some cases, this block of time is narrated as “services rendered” or some other vague description, and submitted for billing.

At this point, the billing attorney who is managing the client relationship may see this large bill for a day’s work without a detailed description, and therefore have to discount the bill to reflect that. This discount is sometimes called “slippage.”

A second and even less desirable outcome is that the client sees this large item on their bill with only a vague description, and challenges the firm on why they should pay. This situation not only can result in a discount, but it hurts the client-relationship, which has longer-term ramifications.

And worse, both these situations are completely avoidable. Simply by providing the attorneys information on what they were doing, the firm can increase the quality of narrative and other supporting detail provided to clients, eliminating unnecessary slippage.

"It All Adds Up"

The old saying is true.

Say an attorney loses an hour a week, every week for a year. Even with a low billable rate of \$250 per hour, that attorney is losing \$12,000 in a year just because he or she forgot about a five-minute email or a three-minute phone call.

But that’s not the scary part: let’s say your firm has 100 time keepers, and each of them lose an hour a week, that’s over \$1.2 Million a year!

Where Does This Time Go?

Every attorney, billing partner, or billing manager asks this question and the answer remains the same: nowhere.

When time is lost, it's lost; it will not magically reappear by doubling next period or be recovered by the attorney billing better because that will never happen. Attorneys, busy doing real work for their clients, will not change their behaviors to capture more of their time. And so time continues to be lost.

Recovering Time Manually

In the absence of a voluntary shift in attorney behavior, the firm has a few remedies available to it to capture more of the attorney's time:

Policies to require frequent time entry, accompanied by incentives for on-time entry and penalties for tardiness. These can cause an uptick in compliance, although attorneys who remain tardy and are on the penalty end can incur ill-will.

Rummaging "Sent Items" and the "worked on" documents in the document management system can help attorneys piece together some of their day, though this requires an active step on the part of attorneys and gives no information on how much time was spent even on this limited subset.

Automating Time Recovery

The third option is to automate the recovery of time through providing attorneys with on-demand information on how they have spent their day, week or month. This information

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For more information about reducing slippage through automating time capture, visit our web site (www.element55.com)

resource needs to be silent, ubiquitous and private for the attorney.

This means the computer – be it desktop, laptop, smartphone or other – does the work of filling out the attorney's draft, private timesheet based on the real work done and attention paid over the course of the day.:

Phone Calls: 0.4 hours for "Email to Robert Doe (ABC, Inc.)"


Emails: 0.2 hours for "Read email from Robert Doe (ABC, Inc.) Re: The Agreement"

Documents: 1.2 hours for "Amend New Contract"

Meetings: 3.0 hours for "Deposition of Donald Smith in Smith v Roe"

Automatic time capture populates this information to a private timesheet without requiring the attorney to ever start or stop a clock. With this information available, the attorney can more accurately and completely bill for the time, without having to ponder the question "What was I doing today/yesterday/last week?"

Conclusion: Recovering Billable Hours

Automatic time capture that is oriented around the attorney's working conditions and style will transform the submission of time from an onerous process riddled with leaks to a streamlined, simple event for the attorney that generates more complete value for the firm. 

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