

Challenging Environment

Law firms face a complex economic environment post-pandemic with softening demand mixed with higher costs. Managing billable time inventory and extended collections cycles have become an unprecedented challenge: in 2023, the collection cycle lengthened by 5.0% and A/R increased by 9.4%,¹ on top of a 3.7% increase in the collections cycle and 10.4% growth in A/R in 2022.²

To address these challenges, the vast majority (76%) of law firms have added billing and collections staff over the last five years. Most firms (52%) expect to need more staff moving forward.³

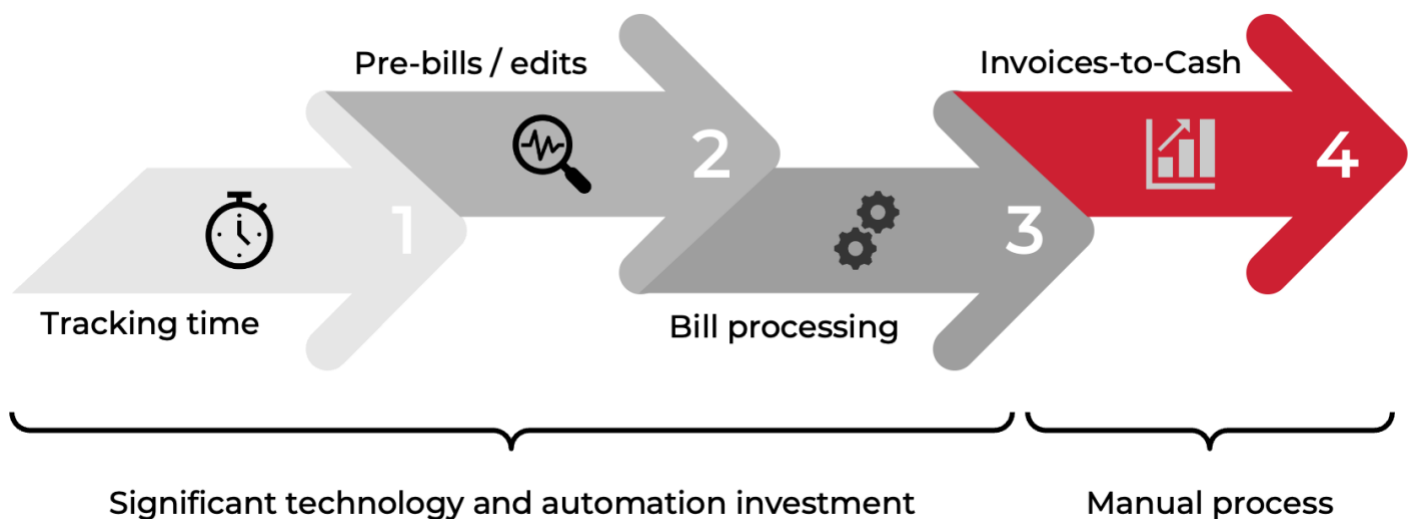
With overhead expenses increasing by an average of 7.1% in 2023,⁴ firms are looking for approaches beyond just adding FTEs to address billing and collection issues.



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Cash Flow Relay

You can think of tracking time, pre-bills, and bill processing as a cash flow relay, with each stage handing off to the next. Significant investment has occurred in the first three stages of the relay:



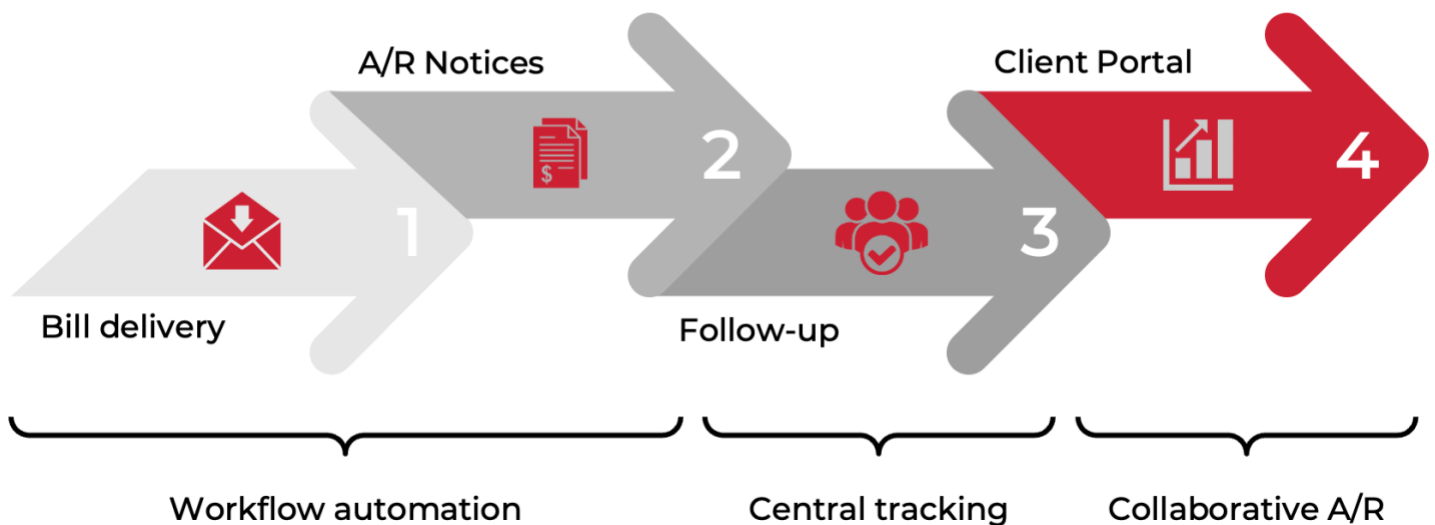
Invoices-to-Cash

The last stage of the cash flow relay, invoices-to-cash, covers everything from when the bill is generated to when payment is received. This crucial stage is still full of manual steps.

We can further break the invoices-to-cash stage down into four components:

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By tackling all four components, we can create a holistic approach to invoices-to-cash:

- Bill delivery is an excellent opportunity to apply workflow automation for the time-consuming task of delivering PDF bills by email to the right recipients with professional, customized messaging.
- A/R Notices can then leverage the same automation, although there are typically exceptions to delivery timing and recipients. Automating the creation of A/R Notices with a summary Statement of Account and copies of all bills with outstanding A/R (all in one PDF) both saves time and delivers the best client experience.

- A review process to approve fully assembled emails with attachments builds confidence in the automation and allows for client customization. When appropriate, this can also be the final review step by the billing department or by the billing attorney and/or their delegates, allowing for individual email editing by the billing attorney or their delegates.
- Critical to the invoices-to-cash process is central tracking of all billing activities, including bills, A/R notices, and payments, as well as notes to the file and follow-up tasks. One place where everyone can see the status of A/R makes it easier for everyone.
- Improving client communication during the billing and collections process is crucial to moving to a collaborative A/R model. An easily accessible client portal is the last key component in an invoices-to-cash process, providing clients with online access to their billing information.
- A simplified online payment experience as part of a client portal makes it easy for clients to pay, which results in faster payments.

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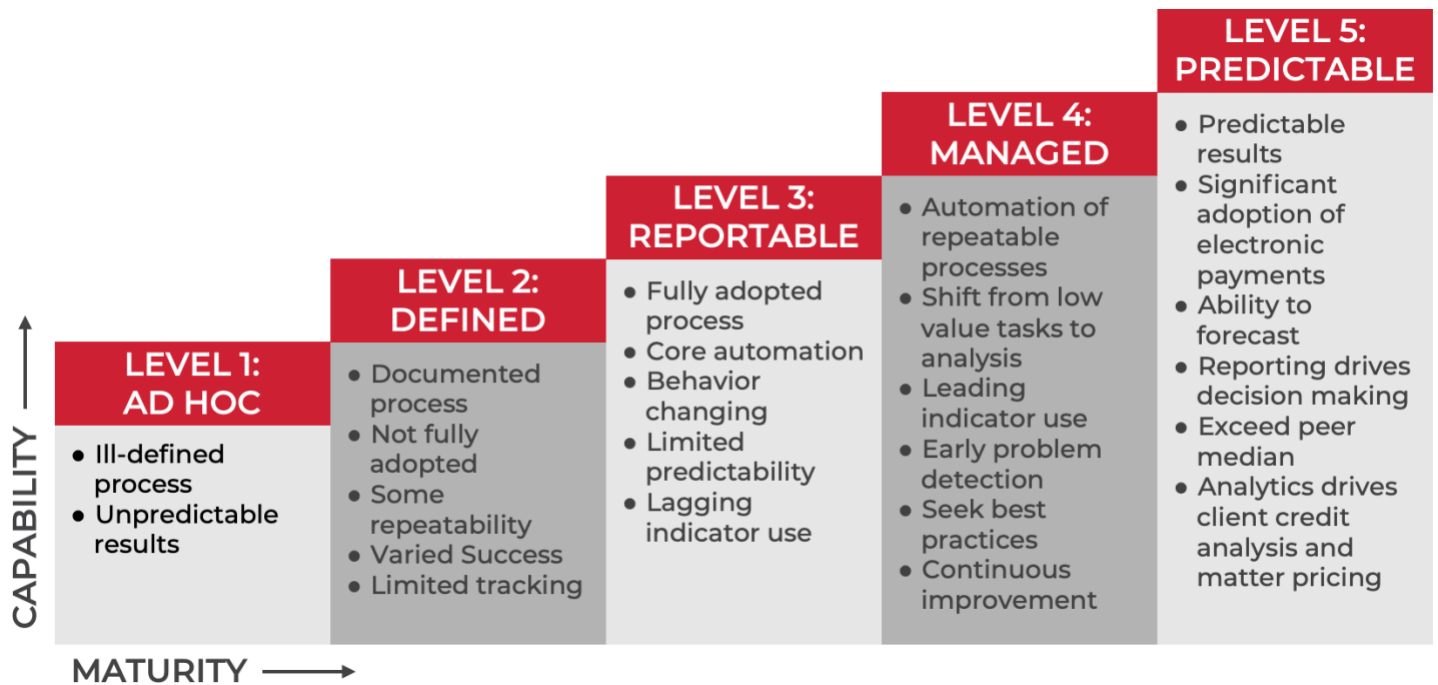
Solving Communication Problems

All four components of an invoices-to-cash process work together towards one goal: a more efficient approach to A/R management that is also more collaborative with your clients. It prevents the common problems in A/R management:

- Bills that are “lost” or not delivered to the right recipients
- Not fully effective collection follow-up
- Missing information for clients causing slow pay
- Unexplained short payments or over-payments
- Incomplete remittance information
- Difficult online payment experience

Maturity Model

The maturity model provides a measuring stick for understanding your firm's progress in adopting an invoices-to-cash process. The progression moves from the chaotic to a predictable, well-managed system.



It is typical for firms to be caught somewhere in the first two levels. Without a comprehensive automation approach, it takes significant effort and process to maintain Level 3. Achieving Level 4 is the baseline goal of implementing an invoices-to-cash process.

The resulting efficiency gains then make it much more realistic to achieve level 5, where not only is the billing and A/R process well managed, but it becomes a strategic driver for the firm.

Return on Investment

There is significant ROI in implementing a holistic invoices-to-cash process:

Time Savings

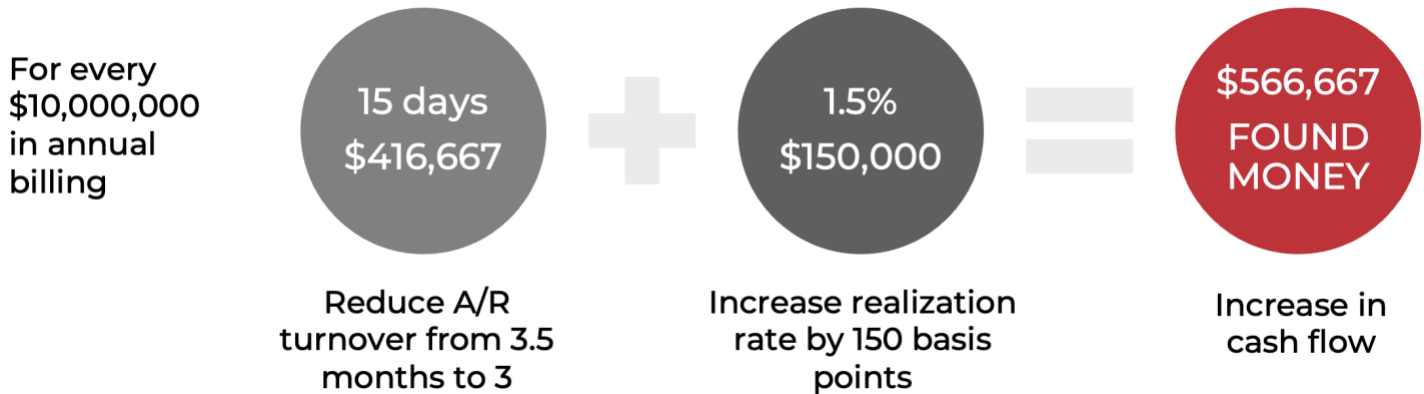
- The billing department can realistically save 4-6 days per monthly billing cycle by automating bill delivery.
- Collection professionals achieve a higher throughput of collection activity with automated workflows, freeing time for early problem detection and avoidance.
- Attorneys and staff save time with a streamlined review process.

Client Satisfaction

- Transparency and professional communication avoid surprises, build trust, and a stronger client relationship.
- Client portals enhance transparency and enable a collaborative A/R approach.

Financial Benefits

- Reduction in A/R turnover by 10-20 days
- Improved collection realization rate of 1%-3%



How nQ Zebraworks Can Help

BillingQ enhances your existing billing system with a complete Invoices-to-Cash workflow solution:

- Reduce billing cycle time by 15%-25%
- Speed collections with professional A/R Notices
- Client portal for superior client experience
- Centrally track all billing activities
- Answer questions quickly with client/matter financial dashboards

Learn more at nqzw.com or reach out to info@nqzw.com to see BillingQ for yourself!

About nQ Zebraworks

We've been helping law firms for 20 years. We work with 40% of the AmLaw 200, 12 of the top 20 firms globally, and hundreds of mid-size firms.

We're committed to turbocharging workflows for law firms, leveraging our Queues workflow engine. We are dedicated to our firms, who love our exemplary support.

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In less than two months after implementation, we've collected \$150,000 in 'found money' because of BillingQ, going all the way back to 2019.
– [Lippes Mathias](#)

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BillingQ has made meaningful improvements to the time it takes us to get our invoices delivered and therefore get paid faster.
– [Markowitz Herbold](#)

¹ 2024 Citi Hildebrand Client Advisory

² 2023 Citi Hildebrand Client Advisory

³ 2024 Citi Hildebrand Client Advisory

⁴ Thomson Reuters Institute 2024 Report on the State of the Legal Market