



Week of **April 13, 2010**

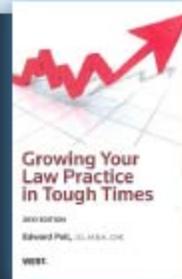
Do You Have a Leak?

I recently did a Podcast interview with Todd Gerstein, whose company (SmartWeb Parts) helps lawyers better manage their billable time recording through a software product. ([Click here](#) to listen to Podcast). Todd talked about the concept in terms of plugging lawyers' time "leaks." This is a concept supported by a number of different surveys, all pointing to the fact that time is lost (and therefore not billed) when an attorney fails to make contemporaneous notations of work being done.

Todd suggested that at least one in five timekeepers is guilty of failing to contemporaneously record their time. That's 20% of the profession. Actually, I thought it would be much higher. He also suggests that almost 80% record their time days or even weeks later. This is nothing but professional negligence. Attorneys defend their actions (or lack thereof) on a number of grounds: Too busy doing the work for the client; not in the office to input time into the firm's system; forgot to do it now, but will catch up later in the day or week. While these are all explanations for not making a time entry, they are not good excuses.

The real impact of such lapses is simple - they cost lawyers money. Todd mentioned a new survey that I found interesting. If you fail to record your time while you're in the office, the loss is 12 to 30 minutes per day. If you fail to record time while you're out of the office, the loss is 30 to 60 minutes per day. Let's use the latter number, 60 minutes per day, for ease of calculation, times \$200 per hour billing rate. Using a 50 week year, you're now looking at \$50,000 revenue that is lost - that is, never billed! Forget about the issue of realization rate and collection. Your client will never pay, and you will never realize, what you don't bill.

Consider the flip side. Accurate and complete time records make it much easier to construct detailed



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invoices that itemize exactly what services clients have received for their money. Rather than just billing, for example, "work on motion for summary judgment, 20 hours," detailed time records make it possible to break any such charge into its basic elements, with the amount of time needed for each: review key documents and deposition testimony, draft statement of uncontested facts as required by court procedure, research precedents in four similar cases, and so on. Such itemization helps clients better understand what you have done for them. Because legal services are often intangible, the more information you can provide about your work and accomplishments, the more likely the client will be to perceive the bill as fair and to pay it promptly. The result is more insight and information for the client, and more income paid faster for the lawyer - all from an effort that begins by taking just minutes per day.

Personal Commentary

Chicago was a blast! The weather was outstanding, even better than at home. And shopping on the Magnificent Mile (Michigan Avenue) and Oak Street (a very exclusive street, so I'm told) just off Michigan Avenue was a real hoot!

On Friday, April 23rd, I'll be in Boston. As I did for Chicago, **I'm inviting you to join me for breakfast** at 7:30 a.m. at the Boston Marriott Long Wharf, 296 State Street. If you plan to join me, please call at (310) 827-5415 or [email me](#).

Also, **check out LawBizBlog's new contest** in celebration of my new book *Growing Your Law Practice in Tough Times*. The contest will run for the entire month of April. At the end of the month, participants' names will be drawn out of a hat raffle style to determine the first, second, and third place winners.

**Today's Topic:
The More Things Change,
the More They Stay the Same!**



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FIRST PRIZE: Fujitsu ScanSnap S1300 Instant PDF Sheet-Fed Scanner, plus 1/2 hour coaching session with Ed

SECOND PRIZE: 1/2 hour coaching session with Ed

THIRD PRIZE: Set of 4 Special Reports, written by Ed

Remember, you have all month to enter (but that doesn't mean you should wait)!

Best wishes,

Ed Poll

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