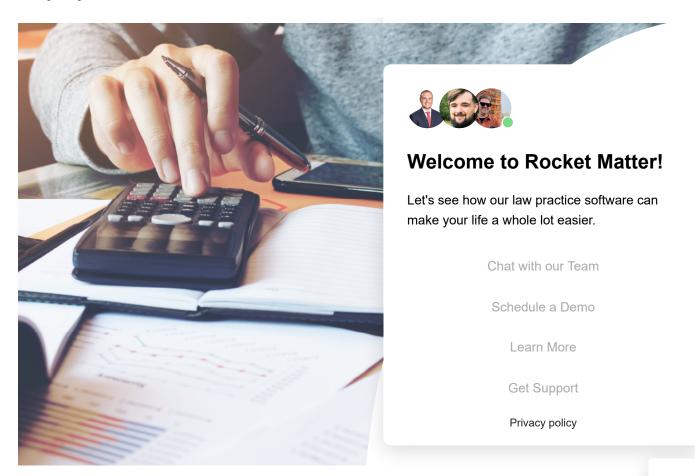


Time and billing (https://www.rocketmatter.com/time-and-billing/)

Not the Witching Hour, the Billable Hour: Unraveling the Mysteries of Law Firm Billing

♣ by Joyce Brafford



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How to Master Your Law Firm's Time and Billing

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Are you a busy legal professional haunted by the specter of the billable hour, questioning what counts and unsure of how best to track your time? Do you live in fear (or maybe just mild concern) over billable hour missteps lurking around the corner?

Here's an opportunity to free yourself from this curse of confusion—read on to get a handle on what billable hours are and learn how to bill clients effectively for the hours you've put in.

What is a billable hour?

Billable hours are the time during which attorneys work on tasks related to clients' cases. For firms that use hourly rates, clients are billed for this time by the hour.

Billable hours are the basis of most legal fee calculations, and putting in enough billable hours is essential to the profitability of law firms—that's why they generally seek to maximize the number of billable hours that associates and partners put in. Some firms have a billable rate for key support staff, such as paralegals.

When you track billable hours correctly, you ensure that clients are charged appropriately for the services they receive and that the firm is compensated for all the work it completes for a client. (And even for firms who don't bill by the hour, billable hours may still affect how attorneys determine fees for flat rate or subscription pricing.)

What counts toward your billable hours?

All tasks related to client cases should count toward your billable hours. This can include:

- Legal research for a client's case, including research into case law, statutes, regulations, and other information
- Calling, emailing, or otherwise corresponding with a client
- Court appearances, including hearings, trials, and mediation/arbitration sessions
- Client meetings
- Drafting legal documents like contracts and briefs
- Legal strategy development, including work on legal arguments and litigation plans

These would be any work activities that aren't directly related to clients' cases (and so can't be billed to clients), including:

Professional development activities like seminars, workshops, and courses

Administrative tasks like filing paperwork and organizing files

Answering internal emails

Meeting with members of your firm (unrelated to a client case—for instance, about firm operations)

Attending networking events

Figuring out whether a task is billable or non-billable

Although most of the time, it's clear whether a work task is related to a client's case and, therefore, billable, there might be times when it's less obvious.

When you're uncertain, ask yourself these questions:

Was this task required for the case?

Did the task help to meet a client's needs in some way?

Has the client pre-approved the task?

Was time spent on this task because it was necessary and *not* due to mistakes that could have been avoided? (In other words, if you make a mistake, the time you spend fixing it is non-billable, even if you're working on a client's case.)

If the answer to these questions is "yes," the work is generally billable.



Demystifying the Billable Hour: How to Right-Size Your Rates

With prices rising so much over the last year (global inflation is forecasted at 8.8% in 2022), it's the right time to look at your current rates and see if you're charging enough to remain profitable.

Download free guide

(https://www.rocketmatter.com/guides/demystifying-the-billable-hour/?

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Assessing the time you spend on billable/non-billable tasks

Remind yourself what work is actually billable versus non-billable (refer to the previous section for advice on making that distinction). Then, for a given job, track both types of tasks by the hour, and you'll understand what it actually "costs" to complete that job.

Knowing the true cost of a particular job allows you to consider alternative fee arrangements if needed to ensure you're paid fairly for the work you complete.

How should you track billable hours?

We're happy to report that things are evolving with regard to time tracking, meaning it's easier than ever to log your time with precision and keep your array of daily tasks from falling through the cracks.

Contrast this with the analog tracking methods that lawyers were stuck with back in the "olden days": manual systems involving things like calendar entries, sticky notes, and way too much time spent writing things down.

Inevitably, things would also fall through the cracks (a quick phone call here, a brief meeting there), causing attorneys to miss out on valuable billable time (https://www.rocketmatter.com/blog/never-lose-billable-time-again-with-automatic-time-tracking-applications/) and firms to be less profitable than they could be.

The benefits of an automatic time tracker

The dreaded days of manual time tracking are over! With an automatic time tracker (https://www.rocketmatter.com/features/time-tracking/) to log your billable hours, you can do many things that weren't possible in the past.

Easy start and stop

Pause and resume recording of billable hours exactly when you stop and start your work. You can track billable and non-billable tasks to get a complete picture of how you're spending your time.

Integrations

Log your activities directly from the apps you use most frequently, like Microsoft Word, Outlook, and other essential Microsoft 365 programs.

Multiple timers

Use multiple timers (https://www.rocketmatter.com/blog/legal-billing-multiple-timers/) to move seamlessly from working on one case to another and bill accurately.

Mobile access

Track your hours from mobile with Android and iPhone apps for time tracking so you don't forget to log a single minute, even when you're out and about.

The efficiency and accuracy of automatic time tracking will transform how you manage your work hours, helping you to maximize your productivity and ensure you're adequately compensated for *all* your work.

Rocket Matter time tracking is a gamechanger for law firms

Not only does Rocket Matter include all the functionalities we mentioned in the list above, making time tracking much less spooky, but it also provides comprehensive and fully compliant invoicing, billing, and payment functionalities (https://www.rocketmatter.com/features/legal-billing/).

With Rocket Matter on your side, running a profitable law firm has never been easier. This comprehensive, legal-specific software solution gives you:

Practice management

(https://www.rocketmatter.com/features/legal-practice-management/) to stay organized and enable team collaboration

Legal business intelligence

(https://www.rocketmatter.com/features/business-intelligence/) and reporting (https://www.rocketmatter.com/features/advanced-reporting/) features help you transform detailed data into actionable insights

Al-powered assistance (https://www.rocketmatter.com/chatgpt/) tailored to the needs of law firms.

Access to an award-winning customer support team by chat, email, or phone

Ready to see for yourself how our software leads to higher profits and happier clients? Start your free Rocket Matter trial (https://www.rocketmatter.com/free-trial/) or schedule a personalized demo (https://www.rocketmatter.com/demo/) today!

More useful posts:

9 Reasons Why Legal CRM Takes Your Law Firm To The Next Level

(https://www.rocketmatter.com/blog/9-reasons-why-legal-crm-takes-your-law-firm-to-the-next-level/)

Top 8 Technologies to Help You Run a Paperless Law Office
(https://www.rocketmatter.com/blog/top-8-technologies-to-help-run-paperless-law-office/)

Why is Online Legal Payment Processing a Must for Your Law Firm (https://www.rocketmatter.com/blog/why-online-legal-payment-processing-is-an-absolute-necessity/)



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Related Resources



How to Increase Your Profits with Rocket Matter

Lawyers in firms of all sizes struggle to finish the work for the day in a reasonable amount of time. With document creation, non-billable tasks, and time spent following up with current and potential clients, the workday quickly turns from a planned eight-hour day into a twelve-hour one.

→ Get free guide (https://www.rocketmatter.com/guides/how-to-increase-your-profits-with-rocket-matter/)

How to Master Your Law Firm's **Time and Billing**



How to Master Your Law Firm's Time and Billing

Lawyers have a heavy workload. With so many clients and their various needs, it's easy to put tedious administrative tasks like time tracking and billing on the back burner.

→ Get free guide (https://www.rocketmatter.com/guides/how-to-master-your-law-firms-time-and-billing/)



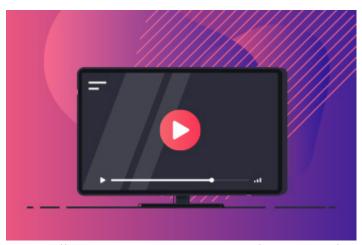
6 Billing Strategies to Grow Your Law Firm

Scaling your law firm doesn't just mean adding more lawyers or increasing your number of clients. The best way to boost your law firm's finances is to minimize your non-billable hours and make sure that every hour of your day is accounted for.

→ Get free guide (https://www.rocketmatter.com/guides/6-billing-strategies-to-grow-your-law-firm/)

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Demystifying the Billable Hour – How to Right-Size Your Rates

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