

Online Payments for Law Firms: How to Boost Revenue



Online payments can help many law firms boost their revenue and overall firm growth. Since the Great Recession, law firms have reported declining or stagnant client demand. Law firms are now fighting to bring in more revenue as demand continues to decrease. So how can firms maximize the payments that they are receiving?

This sluggish demand growth only adds to the competition. Ask knowledgeable attorneys how to increase firm revenues and they'll outline some variation or combination of these solutions.

- [Attract more clients](#) to increase cash flow
- [Increase realization](#) rates
- Limit [billing disputes](#) and nonpayment
- Decrease expenses and non-billable work
- [Increase productivity](#) and work/life balance
- Fix [gaps in your firm's utilization](#)

These are all essential and valuable ideas, but there's one idea that's not receiving the attention it deserves.

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Upselling

Online payments for law firms are a great solution to increase your firm's revenues. Many of these ideas are simple to implement but provide consistent (and compounding) value over time.

Here are three tips you can use to increase your revenue.

1. Ask your clients to pay via credit or debit cards

A recent study by Promothesh Chatterjee and Randall L. Rose found [credit/debit cards change your client's perceptions](#).

Purchasers were far more focused on the benefits of the products or services they received than they were on the overall cost. This reinforces [previous studies](#) showing participants are **willing to spend twice as much** as those who paid by cash or check.

It's a clear indication that law firms should recommend or set clients up with scheduled payments. The importance here can't be overstated. This is just as important as the agreement.

Online payments for law firms make it easier for the client to pay, which in turn gets you paid faster. [Utilizing built-in payments processors, like Bill4Time Payments](#), allow businesses to offer secure payments for their clients in a few clicks.

2. Get clients into a routine

What if [your fee arrangement was the problem](#)? Some clients may not be able to pay a lump sum of \$33,000, but they may be able to do \$2,750 per month payment. Instead of sending your delinquent client to collections, you could move them from an hourly AFA to a subscription AFA.

3. Combine online payments for law firms with alternative fee arrangements

When it comes to AFAs, you should approach them proactively or reactively.

Proactive firms initiate the AFA conversation with their clients, discussing pricing, budgets and expectations. Reactive firms, on the other hand, wait for clients to initiate the conversation.

An Altman Weil [survey](#) compared these two approaches. Here's what they found.

"When asked to compare the profitability of non-hourly work and hourly work, 84% of proactive firms find their non-hourly projects to be at least as profitable as their hourly projects. This is the case in only 51% of reactive firms. Narrowing the focus, 40% of proactive firms report their non-hourly projects are **more profitable** than their hourly projects, compared to only 10% of reactive firms. The lesson is that firms that make a rigorous effort to understand and manage a new or evolving market tactic like alternative fees generally succeed in doing so, and enjoy increasing benefits over time."

Let's say your client hires you to help them with a matter. You estimate that they'll need to spend approximately \$17,000. Your client may bristle at that price. With an alternative fee arrangement, you can charge the same (or more), but you can break it up into monthly payments, (say \$3,100 per month or \$37,200 annually).

Risk. A month-to-month arrangement increases the amount of risk you're required to take on. That risk is mitigated thanks to the saved billing profile you have on hand. This strategy is also an effective way to deal with discounts, write-offs and write-downs. It's a straightforward way to generate more income in less time and with less effort.

This is why combining a saved billing profile and an alternative fee arrangement enables you to generate more revenue in less time and with less effort.

Online payments can boost law firm revenue

Small firms face a variety of problems. Attorneys are struggling to keep their piece of the pie. Law firms are stealing or luring clients away from each other. There's the struggle to attract and retain clients, minimize expenses and run your firm.

Using online payments and a variety of other factors, you can attract, convert and retain the profitable, high-quality clients your firm needs most.

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