

INCREASE YOUR REVENUE WITH TIME CAPTURE

How Leaked Time Affects Your Bottom Line, and How to Fix It



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Executive Overview

It's clear that in today's uncertain financial environment, law firms are under tremendous pressure to maximise profits. After cutting costs, the simplest way to improve profits is to manage revenue for optimum efficiency. One way to achieve this is to detect and close all revenue leaks; in other words, to make sure all billable hours get booked into your billing system.

Of course, firms have already worked hard to improve profitability by managing their key profit levers: pricing, billing and collection realisation, leverage and utilisation. Much has been accomplished on this front. But it is important to point out that while profitability analysis always starts with the booked hour, it generally fails to account for the leakage of hours worked but not booked.

The good news is that plugging revenue leakage is a low-risk, low-investment, high-impact option. In firms that bill by the hour, the biggest leak to plug is hours worked but not booked. Smart Time is an exceptionally effective way to plug the leak and to better manage both your firm's revenue and its timekeeping process.

What is Smart Time?

The basic concept behind Smart Time is simple. It answers the question, "What did I do today and is it billable?" Smart Time is an intuitive time entry and time capture tool that gives fee earners perfect recall, enabling them to find small increments of time that were forgotten, and to correct entries that were initially underreported. This is important, because not only are memories imperfect (especially in today's hyper-mobile, multitasking work environments), but because there is not one universal style of timekeeping behaviour. Smart Time supports all fee earners, regardless of whether they enter time as they go (contemporaneous) or enter time from memory a day, a week, or more after they do the work (reconstructionist).

The data Smart Time collects is available online or in easy-to-use reports. Your fee earners access this information right before doing their time entry to ensure every hour worked gets booked.

In short, Smart Time plugs leaked time.



Leaked time as a concept is fairly simple. It includes:

- Small units of time that are simply forgotten
- Work where time is underreported.

We've studied fee earner behaviour to better understand the nature of the problem. We've found that contemporaneous fee earners who enter time as they go are less likely to leak time, but still do so despite their best efforts. Again, human memory is imperfect. Reconstructionist fee earners, who enter time after work is done, leak more time, a problem that gets worse the longer the delay between the entry and the time worked.

We've also found that certain very common work situations lend themselves to leaked time. These include:

1. Emails
2. Mobile phone calls
3. Internal phone calls from colleagues
4. Time in the office when particularly busy
5. On a smartphone, but out of the office
6. Out of the office all day
7. Small increments of time

No matter how "good" a fee earner is, circumstances will arise that thwart accurate and timely entries.

A Revenue Generator

Because leaked time is so pervasive in firms that bill by the hour, it stands to reason that plugging this leak can lead to significant gains in billable hours, and therefore, revenue. Not only does Smart Time supplement the fee earner's memory, but its simple user interface and intuitive design make timekeeping less painful for fee earners, leading to higher rates of compliance.

Let's take a look at the potential revenue impact of implementing Smart Time. It's very reasonable to expect to find an additional 4 to 6 hours of leaked time per fee earner per month. So, 4 hours per month (just one hour per week) of found time for a fee earner with an average billable rate of £200 will yield an additional £9,600 in billable time. For a 100-fee earner firm, closing the leak represents almost £1 million in incremental billings. Even on the low end of estimates, the value of leaked time can quickly add up.

ANNUAL VALUE OF LEAKED TIME

Hourly Rate	Hours Recovered Per Month							
	1.00	2.00	3.00	4.00	5.00	6.00	7.00	8.00
£125	£1,500	£3,000	£4,500	£6,000	£7,500	£9,000	£10,500	£12,000
£150	£1,800	£3,600	£5,400	£7,200	£9,000	£10,800	£12,600	£14,400
£175	£2,100	£4,200	£6,300	£8,400	£10,500	£12,600	£14,700	£16,800
£200	£2,400	£4,800	£7,200	£9,600	£12,000	£14,400	£16,800	£19,200
£225	£2,700	£5,400	£8,100	£10,800	£13,500	£16,200	£18,900	£21,600
£250	£3,000	£6,000	£9,000	£12,000	£15,000	£18,000	£21,000	£24,000

It's clear from this table that implementing an improved timekeeping process is both the easiest and the most significant thing you can do to increase revenue.

How Does Time Capture Work?

Smart Time has an intuitive time entry component that also includes mobile functionality. But what makes Smart Time unique is its time capture ability.

Smart Time polls your firm's systems and desktops to find information about every event the fee earner completed throughout the day. It finds emails, calendared meetings, phone calls, mobile calls, research, documents and more. Next, event data is cross-referenced to assign client matter codes, while supplementary data is added to the event descriptions to help jog the fee earner's memory.

This works because most software relies on internal clocks to generate timestamps, which tells us when something happened and how long it lasted. What this ultimately gives fee earners is a journal of the day's events – everything they touched – so that it is assisting their memories and enabling complete and accurate time entries.

Once all this data is recorded, it must be made available to fee earners and their assistants. Information on work done can be accessed through:

- Smart Time Desktop
- A nightly automated email, recapping the day's work
- Printouts
- Mobile device applications

Perhaps the biggest advantage of Smart Time is that it doesn't supplant the fee earner's memory, but rather works in concert with it. Human judgment is still superior to a computer's raw data. Smart Time works to support fee earners' judgment by jogging the memory at the moment the users prepare their timesheets.



A Compelling Case for Smart Time

To maximise profits, law firms must actively manage their timekeeping process. With the potential for significant revenue increases for most firms, and a simple implementation process and reasonable cost, the case for trying Smart Time is a compelling one.

Since the billable hour was invented, two things have existed: 1) leaked time, and 2) timekeeping headaches. Smart Time is not reinventing the billable hour, but rather, the approach to it, plugging leaks to make timekeeping as accurate and painless as possible.

In the industry, Smart Time's features and functions are unique. We're confident that it will not only give firms a powerful lever to improve profitability, but that its elegance and simplicity will improve business processes as well. For more information on time capture, or to schedule a Smart Time demo, please contact us at info@smartwebparts.com.

About Smart WebParts

Smart WebParts provides innovative software solutions designed to help law firms and other professional services organisations maximize profits. Our flagship product, Smart Time, is programmed to close revenue leaks and increase billable hours for firms who embed it into their timekeeping process.

Our team consists of experts with more than 100 years combined experience in the finance, accounting, process engineering and technology industries. Leveraging this expertise, Smart WebParts employs proven, best-of-breed technologies, tools and production processes, and innovates and create new tools when necessary. We have built a dedicated team of software developers who offer solutions that are unique in the industry.

Smart WebParts is privately held and is headquartered in Los Gatos, California.

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