

Media Release

New survey finds time billing still preferred option

Sydney 25 January 2010: Despite widespread commentary on emerging alternate fee models, most legal firms are still wedded to billing time, a new survey has found.

According to a survey of legal professionals by cost recovery software provider and innovator Stratatel Softlog, a staggering 80 per cent of respondents reported clients had reduced their spend on external legal advice as a result of the economic downturn, yet only 34 per cent adapted their billing processes to demonstrate the value of the services provided.

Not surprisingly, the majority of firms reported clients are more focused on their legal spend with 86 per cent saying that customers either questioned an invoice or requested more detailed timesheets for work carried out.

According to the survey, legal professionals have had to work harder for the same results with clients becoming more demanding, creditors angry and debtors increasing dramatically.

“Given the current climate, it is surprising that so few firms have altered their billing practices to better reflect the value they have delivered to the client, says the CEO Stratatel Softlog Mr Matt Parry.

“Irrespective of the fee model, increasingly clients want detailed invoices fully describing the services provided as well as details of all other costs incurred.

“There’s no doubt the day of the ‘one line’ invoice is well and truly over,” Mr Parry added.

While accurately tracking and analysing time sheets and billable time is a key indicator for profitability, it also forms the basis of most alternative fee models.

“But whatever fee model is adopted, a firm has to be able to evaluate how much time it will take before it can project a realistic fee,” Mr Parry said.

Yet despite the emergence of alternate fee models, the survey found that an overwhelming 93 per cent of respondents still issue invoices based on time billing alone.

Also surprising, is that even though 86 per cent of respondents have an automated cost recovery system, 80 per cent don’t believe they accurately capture billable time when they are attending to client matters away from the office or on their mobile phone.

In fact, earlier research conducted by Stratatel Softlog found that there was increasing concern that existing technologies did not capture all the specific billing, client or case information required to ensure all time is recorded and accurately allocated.

“This research also found that very often information captured on mobile phones was not then fully integrated into the organisation’s back office system and cost recovery processes yet it should be and can be,” Mr Parry said.

“Irrespective of what fee arrangements are in place, robust technologies that capture and accurately allocate all time and client information, is an essential part of demonstrating to clients that they have received value for money,” Mr Parry concluded.

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softlog.mobile™ is an application that installs on any BlackBerry handset, v4 or later, or any Nokia handset, Symbian S60 Rev 2 or later. Using softlog.mobile™ is a quick and easy procedure. When ending a call the user is prompted to allocate the call to either an account code (for charging back) or an internal cost centre, or to mark the call as personal. Data from the handset is automatically fed into the practices’ Softlog.Enterprise™ server for on-charging and statistical analysis purposes.

About Stratatel Softlog

Stratatel Softlog is part of Stratatel, an Australian publicly listed organisation providing specialised software solutions for asset, expense management and cost recovery. Software solutions include FleetManager®, CADS and Softlog.Enterprise. Softlog Services Pty Ltd was acquired by Stratatel in May 2007. Softlog has over 20 years experience with cost recovery in legal firms of every size in Australia.

For more information, visit www.stratatel.com.au or contact Viv Hardy, CallidusPR 02-9283 4111 or 0411 208 951 or viv@calliduspr.com