



Getting Paid:

WHAT LAWYERS NEED TO KNOW

LAWPAY[®]
AN AFFINIPAY SOLUTION

lawpay.com
866-376-0950

Contents

The Practice of Law and the Digital Revolution	3
--	---

What Makes a Modern Client Experience	5
---------------------------------------	---

Why Law Firms Have Been Hesitant to Accept Credit Cards	7
---	---

How Lawyers Are Optimizing Workflow and Cash Flow	8
---	---

Conclusion	10
------------	----



The Practice of Law and the Digital Revolution

Even as you read this, accelerating technological innovation continues to reshape entire industries. The Third Industrial Revolution, or the Digital Revolution, which has brought a proliferation of software tools and reshaped the way we communicate and conduct business, is still impacting industries as more and more services become digitized, virtualized, and mobile.

We've seen traditional bookstores rocked over the past decade with the rise of Amazon and other online media retailers. Streaming entertainment companies like Netflix and Hulu have rendered businesses like Blockbuster irrelevant. The taxi industry has been remade with the rise of Uber, Lyft, and other ride-sharing startups.

Even the legal industry has had to adapt to an increasingly digitized world, with software solutions for timekeeping, document organization, and practice management changing how lawyers conduct their daily practice.

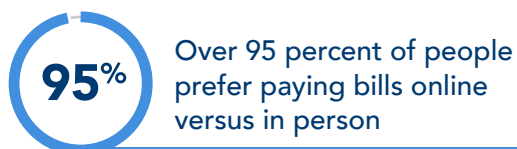
How people pay for things is changing, too. Just thirty years ago, it wasn't uncommon to see "cash only" signs in storefront windows. Today, payment methods like ApplePay, Android Pay, and Google Wallet have proliferated. Peer-to-peer payment apps like Venmo are gaining popularity, and cryptocurrencies like Bitcoin are roiling markets and disrupting the financial sector. Still reigning supreme are the major credit card brands, Visa, Mastercard, and American Express.

Some experts believe we're on our way to a cashless, checkless society. With so many digital payment options and the convenience they bring, it's no surprise online payments have become the norm and most people's preferred payment method.



Data shows electronic payments continue to dominate

According to a 2020 ACI Speedpay Pulse survey, over 95 percent of people preferred paying bills online versus in person. Furthermore, just 12.4 percent of Americans said they paid a bill using cash in 2020—down 10 percent from the previous year.



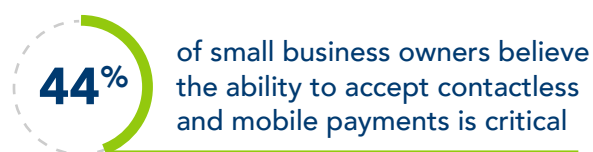
What it comes down to is people want more online payment options, and the businesses that deliver these make customers happy.

Research also shows more people are giving up checks altogether. A 2020 survey from the Federal Reserve Bank of Atlanta reported, “the share of consumers using checks at least once in a typical month has declined every year since 2010.” Most people never write a personal check (or only do so a few times a year).

Among younger demographics, this downward trend is even sharper. In a recent survey of more than 2,400 U.S. consumers, respondents aged 25–34 reported using checks in only 3 percent of their purchases in the past year. Those aged 25 or younger reported paying by check less than 1 percent of the time.

Expectations of businesses are shifting, too. Like it or not, all businesses are now being held to the higher customer experience standard that leading companies like Amazon are setting.

Visa’s 2021 Back to Business Study found that 82 percent of small businesses worldwide adjusted their business operations during the pandemic to meet rising expectations for digital-first payment options. In addition, 44 percent of small business owners believe the ability to accept contactless and other mobile payment methods is a critical area of investment.



The bottom line? Your professional reputation is at stake. Clients don’t expect you to be wrestling with stacks of paper and crunching numbers on a retro calculator. They expect you to use the latest tools, processes, and technology available to you to handle their legal issues adeptly and efficiently.

Furthermore, if you’re only offering traditional payment options like cash and check, your clients might wonder whether you’ve kept up with the latest legal developments and processes, as well. These days, running an old-fashioned office doesn’t instill confidence.

You want to be seen as modern, technologically competent, and easy to work with. Modern online payment tools are one key aspect of that, allowing you to show clients and prospects that you’re not afraid of the innovations brought by the Digital Revolution—you’ve embraced them.

What Makes a Modern Client Experience

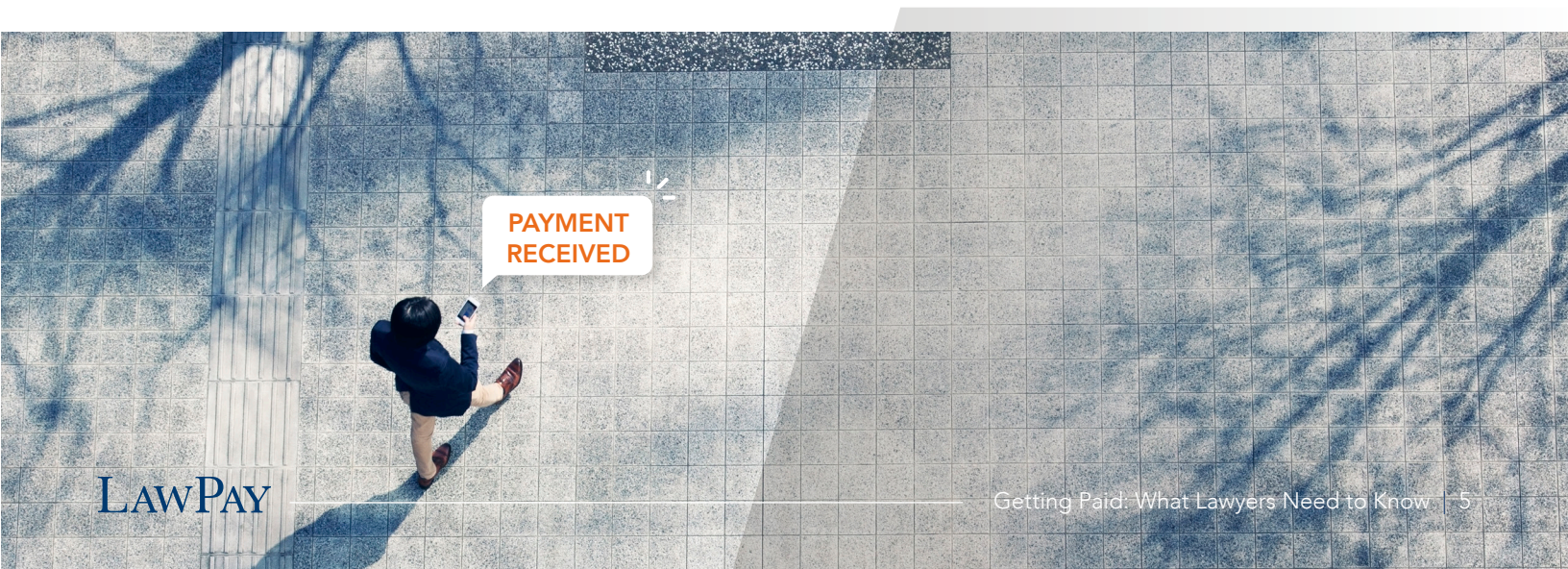


In today's tech-focused world of instant gratification where we all have a computer in our pocket or purse, people have become accustomed to—and spoiled by—frictionless customer experiences. So what exactly does that mean?

The term “frictionless” here refers to fewer steps, simpler interactions, and fewer barriers to completion for customers or clients. Let's return to those three businesses we mentioned earlier: Amazon, Netflix, and Uber. Amazon eliminated the need to go to a store, reduced the research burden on consumers by using data to present them with products they'd like, and pioneered the “one-click ordering” process to nudge customers toward faster, more seamless check-outs.

Netflix eliminated the need to go to the video rental store, provided instant gratification, 24-hour service, and completely streamlined and digitized the movie-ordering and payments process. Uber eliminated the traditional first step of ordering a ride—the phone call—along with the transactional, physical payment step where cash or card changes hands, resulting in optimizations for speed, efficiency, and service.

But those are trendy, innovative technology brands. How does this apply to you? Well, professional services firms can also look at all of their client interactions and identify ways to remove friction at each step.



One way to remove friction from your billing and payments processes is with a modern online payment solution. It allows you to simplify billing and payments interactions and remove barriers to completion so that your bills get paid faster and more reliably. Here are some of the ways online payment tools reduce friction in your client experience:



Eliminate paper bills

If you're still asking clients to wait for a paper invoice in the mail and then send in a paper check, you have a big opportunity to clean up and streamline those processes for the modern age. A digital solution is faster, simpler, and even creates a cleaner, more manageable "paper trail" for clients—because it's all online. Clients can search their email for past bills, rather than pawing through paper files.



Stop requiring payment by check

People have grown so accustomed to being able to pay with plastic or with the click of a button that they expect to be able to, which is why so many no longer carry cash or checks. For prospects who don't use checks, a demand for payment by check can be akin to a door slam that forces them to find another lawyer.

Assistant Director at the Zinda Law Group, Christie Feyen, loves the convenience an online payment solution provides to her clients. "We run our bills biweekly and so it's the most convenient way for our clients to pay their bills on time. It's quick, it's easy, and there's no hassle."



Provide instant payment confirmation

Immediate gratification has become a hallmark of the modern online buying experience, and an online payment solution lets you provide this perk to your clients. A great online payment platform will let you set up automatic payment receipts that are emailed to clients after they pay their bill in the same way they're used to getting a near-instantaneous order confirmation from other businesses.



Offer a 24-hour virtual service

We're all used to being able to shop online or pay bills on the weekend or in the evening. An online solution also lets you effortlessly expand your hours of service. When clients can go to your website and pay online on their own schedule, they see that as another small, but cumulative way in which you're making an effort to meet their needs.

Lawyers who want to remain competitive in the fast-changing service industry landscape recognize the value of setting themselves apart by optimizing with a stellar client experience. The vast majority of people say having multiple ways to pay their bills increases their satisfaction, so you have nothing to lose and a lot of client satisfaction to gain by reducing friction in your billing and payments processes.



Why Law Firms Have Been Hesitant to Accept Credit Cards

Many lawyers traditionally saw credit card payments as “unprofessional” and avoided accepting them as a result. In their eyes, cards were used for retail and point-of-sale transactions, not for the professional services of a lawyer. However, these notions have largely dissipated as credit cards have become an increasingly common, and even preferred, method of payment.

Even so, some lawyers have had ethical concerns over receiving credit card payments. In the ABA Model Rules of Professional Conduct, [Rule 1.15](#) states that a lawyer’s funds and the funds of their clients or associated third parties must be separated.

Thankfully, online payment processors designed specifically for law firms have alleviated this issue, ensuring credit card payments are correctly separated into their proper accounts and protecting IOLTA accounts from any third-party debiting.

Another common roadblock for some lawyers is the processing fees that come with credit

and debit card payments. These lawyers see processing fees as a hassle, making them all the more hesitant to begin accepting online payments. Like it or not, the fundamental reason for these fees is that there’s a cost to move money within our financial systems.

Some lawyers have gotten around this issue by implementing a surcharge into their credit card transactions. A surcharge is an additional percentage fee that can help you recoup the costs of processing fees.

However, it’s important to note that you must follow certain rules and guidelines designated by major credit card brands in order to implement a surcharge. Furthermore, the legal status of surcharging varies from state to state, so you will need to check with your local laws to see if you are able to implement a surcharge altogether.

The truth is, the question of cost may eventually become a moot point. If you don’t accept credit card payments, one of your competitors will. Keep this in mind as you work to win new business and attract a younger clientele.

How Lawyers Are Optimizing Cash Flow and Workflow

We all want to provide exceptional client service, but what's in it for you? How does an online payment tool make your workday easier, save you time, or deliver valuable business insights? Let's look at some process and operational benefits to see how online billing and payments are being used in firms around the country to boost cash flow and save time.



Stop waiting for checks to arrive in the mail

Imagine eliminating what can be weeks worth of lag time as you wait for clients to receive your bill, write a check, send it through traditional paper mail channels, and then wait for the check to post to your account.



of firms collected more money thanks to online payment software

With online payments, you get paid faster, you get a near-immediate confirmation email when payment is submitted, and the transaction shows as pending on your bank account within seconds. In fact, a recent survey of legal professionals showed that 31 percent of respondents said online payment processing tools saved them up to five hours of time each month. Plus, 61 percent also said their firms collected more money as a result of implementing online payment processing software.



Automate your cash flow

For work that you take on retainer or any repeat transactions you need to process, the best online payment tools let you set up recurring payments to manage these charges. This is in effect like putting your cash flow on autopilot and just watching revenue flow in, and you can use the time saved on administrative busywork to focus on adding new services.



Let your tech tools work together in tandem

Another big benefit of an online payment platform is that many integrate with the software you already use and love. Being able to process payments from your existing software isn't just easier than having to jump from one program to another, it also brings the potential for streamlining your workflow and delivering richer business insights when your software tools can share data and talk to each other.

If you prefer working in a spreadsheet, most tools will let you export all of your payment transactions right to Excel and crunch data to your heart's content.



Alleviate your security burden

Today, security is a top concern for lawyers and their clients alike. High-profile events like the Equifax breach and more targeted ransomware attacks against legal firms have set professionals and their clients on edge. But data security concerns don't seem to be dissuading people from wanting to pay for goods and services electronically.

Too many lawyers around the country are still jotting down clients' credit card numbers over the phone. The thing is, leaving sticky notes with sensitive credit card information scattered around your desk or office is a serious security risk.

An online payment solution lets you email a direct payment link to clients so they can enter their card information into a secure portal themselves, which means you never take possession of that sensitive data. This lets you effectively shift much of the related security burden off of your firm.

Instead, the responsibility for safeguarding that data largely rests with your payment processor, which should be an established company with top-notch security. When comparing vendors,

be sure to choose one with PCI Level 1 security, which is the best you can get.

You can also get guidance from experts on how to handle PCI compliance. Every business that accepts credit cards has to be PCI compliant, which involves meeting security requirements that may be beyond your expertise. A quality online payments company will not only be PCI compliant itself but also offer comprehensive support and guidance to help your firm get and stay PCI compliant.



Mine your payment data for insights

A digital solution also makes it much easier to view and access your payment data to better manage revenue trends in your business. A payment-focused software tool can offer tagging functionality to help you get a better sense of where income is coming from and shift some of your activities to create a more well-rounded portfolio of work.

Along with seeing which types of work you're doing are driving the most revenue for your firm, you can also dig into who your top-paying clients are, and maybe look for ways to offer them additional services or reach out to them requesting a referral. Conversely, you can also use this data to see which clients may be slower to pay, prompting you to reach out with a friendly payment reminder (and a link to your payment page).



Conclusion

If the experts are right, and we are steadily marching toward becoming a cashless society, it's only a matter of time before online billing and payments processes come to dominate every industry—even the legal industry. This means adopting online payments is no longer a question of if, but when, as more of your clients will choose competitors who do offer these options.

The good news is you have much more to gain from this technology shift than you stand to lose. Greater operational efficiency and significant time savings more than offset the cost of an online payment solution.

Finally, for professional service firms like yours, providing exceptional service is one of the best ways to delight clients, increase repeat business, and win more referrals. In today's world of instant gratification and lightning-fast technology, letting clients pay with just a click is an easy win.



Sources

- [2020 ACI Speedpay Pulse survey](#)
- [Federal Reserve Bank of Atlanta 2020 Survey of Consumer Payment Choice](#)
- [Fiserv 2021 Expectations & Experiences: Consumer Payments](#)
- [The 2021 Visa Back to Business Study](#)
- [MyCase 2021 Legal Industry Report](#)



AN AFFINIPAY SOLUTION

About LawPay

LawPay was developed specifically to help law firms streamline billings and collections, providing a simple, secure solution for legal clients to pay their bills. LawPay is the industry leader in legal payments, providing a cost-effective solution for more than 50,000 law firms around the country. It's available through all 50 state bars, 60+ local and specialty bars, and the ABA as a vetted and recommended payment solution for the legal industry. LawPay is also the ALA's Exclusive VIP Partner for Payment Processing.

To learn more about how LawPay can increase your cash flow and improve your collection rate, schedule a demo today

SCHEDULE A DEMO

Questions?

Our Certified Payment Specialists are here to help!

Contact us at lawpay.com/about/contact-us/ or call 866-376-0950