

# LEGAL MANAGEMENT

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## Preventing Client Disputes with Technology

By Rick Kabra

An unfortunate reality of practicing law is that you will have disputes with your clients. While these disputes are a part of doing business, some of them can be downright devastating. Attorneys can't afford client disputes that involve malpractice claims and fraud, which have the potential to not only ruin a firm or attorney's reputation, but also result in disbarment.



The best way to handle client disputes is to prevent them from ever happening. No firm or lawyer can be expected to stay on top of all potential problem areas, but there is technology that can help.

Here are some of the most common areas client disputes can arise, and how the right legal technology can help prevent them.

### **FEE DISPUTES**

Fee disputes have almost come to be expected in an industry that has a reputation for incredibly poor billing practices. Unfortunately, the reputation isn't completely unfair. After decades of lump-sum billing, unclear labeling, surprise fees and delayed billing, clients have lost trust in the process.

The best way for attorneys to avoid fee disputes with their clients is to use legal-specific billing software, which can provide clear, concise invoices that are easily understood by all of their clients.

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Moreover, clients who are billed on a regular basis are more apt to trust that they are being billed accurately. Billing software that allows firms to bill all of their clients in bulk makes it easy to bill clients on a regular schedule, so they don't forget what they are paying for.

## TIME-TRACKING

When attorneys don't track their time and expenses effectively, firms cannot substantiate what they are actually billing for. If firms want to avoid client disputes associated with the time, expenses and activities they are billing for, it is imperative that they bill against specific activities associated with the client's matter.

The best practice management systems allow firms to bill directly from the activity. This will remove any doubt about what the firm should and should not be billing their clients for.

## COMMUNICATION BREAKDOWN

In instances where matters tend to drag out and little progress is made, it is all too common for attorneys to lose touch with their clients — who tend to become suspicious of what is actually happening. Establish a primary mode of communication with the client that is easily traceable. For example, it is incredibly effective to communicate with clients via email. Some practice management systems can even integrate with your email client to manage and archive all client communication that takes place via email.

## MISSED DEADLINES

Some deadlines are more important than others, but missing one is never a good thing. The consequences can range anywhere from an upset client all the way to ethics violations.

Employing a shared calendar system ensures that the entire firm is aware of any and all upcoming deadlines. This makes it easier to delegate tasks to the appropriate members of the firm. Many firms are even turning to mobile calendar and task management solutions, so that no matter where members of the firm may be, they'll always be aware of upcoming deadlines and events.

## MISHANDLED FINANCES

A firm's finances are heavily scrutinized. It's no secret that mismanagement can quickly lead to ethics violations and even disbarment. To avoid disputes with clients, firms must account for all client funds and report on them, show all expenses on invoices as hard or soft costs, properly batch and reconcile all credit card payments, and make sure that all trust records are kept clean and audit-ready.

Financial management in the legal industry can be extremely difficult. Without technology, there is no chance of avoiding disputes associated with legal accounting. Fortunately, using the appropriate software can allow firms to automate these tasks and remove the risk of human error.

## THE KEY: INTEGRATED PRACTICE MANAGEMENT

The truth is, managing a law firm goes far beyond just practicing law. Without the proper solutions and expertise, it is impossible to avoid all of the possible disputes that can arise with clients. Multiple systems are needed to efficiently manage a firm's relationship with clients, but when those systems act on their own without communicating with each other, it is virtually impossible to get the 360-degree view of the firm's activities needed to avoid disputes.

An integrated practice management system allows firms to avoid client disputes by taking a proactive approach. Firms no longer have to go searching for important dates, deadlines, communications or expenses. The right technology can organize and even alert attorneys about some of the most important information pertaining to their clients. Employ the right technology, and client disputes will no longer be a concern.

## ABOUT THE AUTHOR

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