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# Legal Timekeeping Manifesto: 10 Truths

Written by

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Taking you to tomorrow

In modern timekeeping, key forces demand law firm management's attention. Price competition, commoditization of legal work, alternate service providers, compliance and e-billing, P3 (Pricing, Project management and Process) initiatives, and consumer-based technologies have all changed the game. And, while these pressures may cause us to question everything related to time capture, there are certain truths which we hold self-evident.

# 1.
# The end of the billable hour… STOP!

"The billable hour is dead" … consider it the most overused and abused statement in the business of law! Let's clarify the billable hour's prognosis once and for all. It's no longer about the "billable hour", a very myopic output metric , it's about the cost of production, and in professional services organizations (aka law firms) that means measuring the amount of work expended to deliver a service which is measured simply by the "hour", a universal input metric. It's as simple as "we deliver services; what is the cost of producing the service; assert the hours as the metric, track the hours and codify them as billable, pro-bono, business development, etc. Now you have a good data source for conducting good business. The value of the resulting time data is multidimensional. Whereas "billable" is only one dimension, tracking and codifying all hours provides a variety of options to achieving better analytics and decision making in today's challenging legal environment.

# 2.
# The future of 'best breed' timekeeping: explosion or implosion?!

Best-of-breed timekeeping emerged in the 1990's with the transition of timekeeping to the front office (attorneys entering their own time) and simultaneously firms' offloading resource intensive processes like time recording away from next generation accounting systems. Today, the 90's motivators for best-of-breed no longer exist. Most attorneys now enter their own time and accounting systems can support thousands of users with direct time entry. What is the motivator for firms to recognize the value in best-of-breed timekeeping to warrant the additional investment? The proliferation of many capture devices and platforms delivered by a consumer-rated UI/UX is most certainly the value proposition for best-of-breed timekeeping for the next decade. If the pressure to deliver accurate and timely invoicing is a priority for firms, then contemporaneous time capture via consumer-grade technology is the best practice to achieve it.

# 3.

# Motivation for contemporaneous timekeeping… Carrot or the stick?

Where is the motivation for contemporaneous timekeeping today? In the past, the stick approach was a common practice based on the limitations of existing timekeeping technology. Lawyers disliked the clerical nature of timekeeping applications and procrastinated in time entry, resulting in delinquent time and forcing law firms to apply stick-type "motivators" like firm-imposed fines and penalties. Today, modern timekeeping technology, specifically a consumer persona connected to consumer tech, better facilitates contemporaneous timekeeping thereby supporting the carrot approach. With client pressures related to billing hygiene, compliance and accelerated invoice delivery, the "sticks" are omnipresent by default and as such firms are best advised to apply a carrot motivator, especially with the availability of friendly consumer technology that attorneys are comfortable with. Empowerment eclipses punishment in today's times.

# 4.

# Passive timekeeping… Still the magic pill?!

10+ years ago, enterprising legal tech minds developed the next "best mousetrap" for time recording - passive timekeeping - the ability to mine and transform electronic activities into time entries. Faced with the reality that existing systems were not delivering on contemporaneous capture, in part due to the technology and in part due to poor attorney habits, passive capture technologies entered the industry touted as the silver bullet to improving timekeeping. The elevator pitch essentially stated
"Don't worry about honing your timekeeping skills, our passive time application will capture everything for your review in reconstructing time more accurately". With wide acceptance by the attorneys (especially the procrastinators) this approach to timekeeping had early success leading to new market entrants with high price points.
However, over time the use of the technology demonstrated that the sheer volume of activities not connected to client value required significant conversion effort to achieve compliant high-quality time entries. In addition, firm management realized that its indirect promotion of procrastination and reconstruction may have a negative impact on the quality and quantity of time inventory. As such the "silver bullet" lost some of its shine. Today, passive timekeeping is best positioned as playing a supporting role as a feature within best-of-breed contemporaneous time entry systems.

# 5.

## AI's role in timekeeping: Slow you role

What qualifies as potential AI targets in law? Typically factors such as high volume of unstructured data, labor intensive processes, and instances where machines can do better than man (i.e. less prone to error due to consistent application over time) are the main qualifiers. As such, document and contract review are obvious areas where AI can help. Does timekeeping qualify? Data sets are low volume, mostly structured, and creation and review of data is not labor intensive. That being said, there's already documented use of AI in automatic classification/ tagging of narratives with phase/ task codes. But, what are the actual savings and how accurate is it? Will attorneys actually train AI for this limited role around timekeeping to improve accuracy? Unlikely. Alternatively, interaction with modern day intelligent systems focused on predictive prompting/suggestions already deliver a compliant accurate time entry 100% of the time. So, let's not go AI crazy and try and introduce another magic pill.

# 6.

## Timekeeping KPI's: Introducing the super metric

Firms have been tracking standard financial KPIs like realization, leverage, net income per partner, DBO, etc. for many years. Over this period, the quantity of hours was a given (the billable hour model) and firms' KPI focus was more often downstream, post work-in-progress. In contrast, introducing a metric to measure quality of time inventory goes upstream and directly addresses work-in-progress. The velocity of time capture metric is clearly an 'upstream' gauge that, since measured at beginning of the law firm transaction cycle, will serve as a good litmus test/indicator for all other 'sub' metrics and KPIs. If your velocity metric is on track then chances are so are your other downstream KPIs since they are all in part related to this super metric.

# 7.

## Mobile timekeeping: Reflex or not?

The biggest misconception about mobile timekeeping remains: “If I am not mobile I don’t need mobile timekeeping”. As a result, mobile timekeeping is still largely relegated to a niche user base of power users. They love it and swear by it but its relevance and adoption typically stop there. What’s the problem? Is it a technology or UI/UX issue? Absolutely not. It’s time to ramp-up the firm’s internal marketing and promotion of mobile timekeeping in an effort to create a reflex to support the firms’ “timekeeping best practices” around contemporaneous capture. Although the workforce is firmly entrenched in mobile (in and out of the office), the quest to elevate the corresponding timekeeping technology is ongoing.

# 8.

## Compliance vs Revenue: Healthy co-existence or conflict of interest?

Firms are being forced to be compliant against increasing firm and client rules while still striving to maximize revenue through fluid time capture. Are firms recognizing that compliance delivered at the wrong time and to the wrong audience can compromise revenues? Look at compliance and revenue as separate phases within the timekeeping process. Time capture compliance and revenue compatibility can coexist. Find a system that supports a process that is lenient on capture at one stage to the timekeeper role while strict on compliance at a later stage to the finance/administrator audience. This is the blend that you should aim for and the way to implement outside counsel guidelines effectively with the least cost to your firm.

# 9.

## Opportunity at the intersection of time

Let’s face it, time capture is not going anywhere. In fact, it’s even drawing extra attention from law firm management with the ability to engage every attorney in the firm. Extend past the ‘standard’ time capture comfort zone and leverage the “moment of time capture” and user experience for other value-adds. Examples include case notes, expenses and even more obvious the capture of future hours (i.e., forecasting) to support P3 initiatives by delivering workload-type information for the firm’s project and pricing officers. The keys to this equation are people, process and technology, and the moment of time capture provides a unique opportunity where engagement is predictable and guaranteed.

# 10.

## Consumer technology and timekeeping – like apple pie and ice cream

Attorneys dislike time entry and often procrastinate in the entry of time. They will look for and accept the “magic pill” at any opportunity to relive the pain. AI and Passive Time capture are example of “pills” that were proven less effective than advertised and with many side effects. On the other hand, attorneys, as power users of consumer technology, are fully engaged to a level that it is natural reflex if not a compulsive behaviour. Marry these two and you get efficient time entry that makes contemporaneous capture a habit forming exercise. Timekeeping developed with consumer level experience is the force that is strong enough to swing the pendulum toward best-of-breed timekeeping solutions.

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## About the author:
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Peter Zver was appointed President of Tikit North America in July, 2013 and has been serving the legal market for over two decades. His background is in Information Systems and Finance and was the founder of Zver & Associates and PensEra Knowledge Technologies, both of which specialized in addressing the business of law via the delivery of technology products and services. His work has mainly focused on revenue and profitability solutions, more specifically timekeeping and the impact next generation technologies have on improving profitability and client relationships for law firms. Peter is an active contributor to ILTA and other legal industry media organizations.

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