

Feeding the Beast: Improving Time-tracking

By Dan C. Felean

After all the sophisticated analysis and strategies are stripped away, the key to a successful law practice often comes down to getting the fundamentals right. Just as the success of a baseball team ultimately depends on the proper execution of “throw, catch and hit,” so too law firms have to facilitate the execution of those processes which are fundamental to the firm’s business. The timetracking process is the one law firm fundamental that has proven to be the most resistant to improvement. Yet, this tradition-bound process can most benefit from a fresh all-inclusive approach.

THE CLOCK IS ALWAYS RUNNING

Even though the profession is constantly trying to implement better ways to measure value, time remains the basic currency of the legal profession. Billable hours provide a basis for valuing work, justifying fees and compensating the lawyer. Despite the underlying flaw in logic (*ie, billing by time actually rewards inefficiency*), both law firms and clients still find the billable hour to be the most understandable and common transaction basis for legal services. The method is simple, it encourages effort and it provides a familiar compensation basis when quantifying value is difficult. Internally it provides the easiest overall performance indicator for measuring effort and compensation.

Accurate time tracking is also a key factor in sustaining client satisfaction. Regardless of billing method, all consumers of legal services expect to get an accurate and timely report of what an attorney did, when they did it and about how long it took. Failure to adequately communicate this activity is one of the recurring criticisms in most client surveys. So, a detailed account of activities can improve the perception of service and value. Like it or not, time-tracking has become a mandatory, unvarying responsibility in every lawyer’s daily practice. It is undoubtedly his or her least enjoyable daily chore and a

regular source of irritation. It is the “beast” that every lawyer must feed constantly — an individual art that every lawyer must continually attempt to master.

RECOGNITION, BUT RESISTANCE

Since time-tracking is the most frequent recurring daily attorney event, any inefficiency in the process can waste valuable time and diminish revenue. Any disinterested observer would quickly see that a manual time-tracking process is inherently inefficient. It consumes both attorney and support staff resources in preparing timesheets, transcribing entries, calculating and re-calculating totals, reviewing, revising and correcting errors. It also results in unreported, inaccurate or underestimated time results. Flaws in the time-tracking process result in a direct loss of revenue and can mean longer work days for the lawyer trying to make up for that revenue.

Given the important connection between time-tracking, productivity and revenue, one would think the process would be a prime target for the

implementation of technology. Yet, perhaps because of the personal nature of the task, most attorney time-tracking practices have remained unmoved by efforts to implement new technology.

The 2002 ABA Legal Technology Survey reports that while 98% of lawyer respondents use computers at work, only about 25% use software to enter their time. Similarly, the 2001 Hildebrandt Law Firm Technology Survey of the top 700 law firms in the U.S. reported that “less than one third of all respondents have attorneys who enter their own time, while closer to three-quarters of all paralegals enter their own time.” (*Obviously, the paralegals did not have the same freedom of choice.*)

Manual time tracking made sense when a lawyer used a legal pad as the principal work area. But, now that the lawyer spends much of his or her work day with hands on

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a computer, the use of a handwritten time journal is clearly an anachronism. Even worse, it appears that the vast majority of lawyers using computers actually *turn away* from the keyboard and mouse to manually write down activity on a piece of paper. Clearly, something is wrong with this picture.

There is a peculiar logic and rationale for this resistance. It has to do with the failure of the lawyer and the technology to connect on common ground.

ATTORNEYS OR TECHNOLOGY?

It would be easy to blame “technophobic” lawyers again for their failure to adopt time-tracking technology, but that ignores the new realities of the “wired” lawyer. The old myth that lawyers will not use technology has been easily disproved over the past few years. Several technologies have been strongly embraced by the majority of lawyers. The ABA Survey reports that 98% of lawyers use the Internet. In addition, 91% use e-mail weekly for routine correspondence, memos, briefs, case status reports and more. Cell phones are used by almost 75% of those with access, and there has been a phenomenal growth in the use of PDAs and wireless handheld devices. The 2003 AmLaw Tech Survey reports 100 of 137 top law firms now provide their attorneys with handheld e-mail devices. There is an explosive adoption of specific types of technology at all levels.

Are creaky old accounting systems or the lack of available time tracking software impeding lawyer time-tracking automation? In fact, both the AmLaw Tech and ABA surveys report more than two-thirds of the responding firms have invested in specialized “time entry” software for the lawyer’s desktop — yet most of their lawyers still will not use it. Something more is involved.

What these results seem to be saying is that lawyers will use technology tools that fit how they work, but they will not tolerate anything less. The failure is not limited to time-tracking software. These same surveys show that other technology systems intended for lawyers — such as CRM, case management, specialized practice and knowledge management systems — are used by less than a quarter of lawyers who buy them.

When law firms implemented back-office production systems, there was never a question of acceptance, since secretaries and staff could be required to use any system the law firm selected. However, most lawyers have a choice, and will not change habits without good reason. Bad experience with confusing, awkward or disruptive time entry systems have given lawyers good reason to remain skeptical of the next “new thing.”

The traditional clerical approach to time-entry software also created a strong belief that time entry is for clerks, not lawyers.

So, the real question is not whether lawyers will use technology, but whether time-tracking technology can reach out and engage the lawyer effectively and convincingly on his or her own familiar ground. These lawyers have to be attracted to technology as something better.

LEARN FROM WHAT WORKS WELL

How does a time-tracking system attract lawyers to use it? Clearly this requires a fresh approach. The success of Internet, e-mail, cell phones and handheld devices among the vast majority of busy attorneys can provide a model and a guide. Like any good lawyer, let’s first look to the precedent of the technologies that have succeeded and draw some lessons. What attributes do they have in common?

The recurring themes of technology that successfully engage the lawyer are clear. They fall into three main groups:

- **Usability:** Simple to use, low training threshold, familiar predictable interface.
- **Accessibility:** Economy of effort (quick in-and-out), mobility, constant proximity.
- **Motivation:** High value/effort, external pressure to use from clients, peers & competition, individual control/ freedom, and personal benefit.

Most of systems that lawyers reject fail in one or more of these attributes. If a time-tracking system takes too much time to use, requires special training, is limited to use in the office or if it offers no personal value or benefit, experience proves that the majority of lawyers will reject it. Furthermore, if the most fantastic time-tracking system in the world is not in the path of the lawyer’s work, few will leave their work to use it.

COLLABORATION-NOT A DIRTY WORD

Document production is another model, since it highlights the efficiency of collaboration. Some lawyers prepare their own documents. Some lawyers will prepare a rough document and have an assistant beautify it afterward. Some lawyers just tweak the final version. Still others make all changes and revision through an assistant. Over time, a lawyer-assistant team develops a collaboration process that is most effective for them with the tools available. Technology can streamline the process, but it should not expect to fundamentally change the roles overnight.

If lawyer-assistant collaboration is effective in documents, it can also be an effective approach to time-tracking. Perhaps not *all* lawyers should enter their own time in a time tracking system — at least not right away. Some need to approach the use of technology in stages, and they can still benefit tremendously by adding value to the daily time sheet.

An effective time-tracking system must consider existing collaboration roles and bring new efficiency or better results to each role. The goal of time-tracking technology is to enhance the roles and gain greater lawyer participation without increasing effort. A lawyer can start with online access and revision of his or her daily entries based on a personal understanding of the effort and the value of the services rendered.

THE FUTURE: A TIME TRACKING ENVIRONMENT

Given the importance to productivity, profitability and client relations, law firms need to explore new ways to help their lawyers improve the fundamentals of activity tracking. One choice is to seek out better software that delivers the same attributes of usability, accessibility, value and collaboration that has proven effective for lawyers. However, as long as time-tracking technology remains a task separated from the work, the gains may be limited.

The legal profession has to stop viewing time-tracking processes as an additional application that is separate from the lawyer's work. A more effective approach is to exploit the success of the technology lawyers use by embedding the time-tracking process in them. In effect, time-tracking would no longer be a separate process, but it would become an environment that is always part of the lawyer's work space. With recent advances, it is now possible to make time tracking part of every other technology the lawyer uses.

If lawyers spend much of the day using e-mail, why shouldn't timetracking be done by e-mail? If mobile lawyers rely on wireless or handheld devices to stay in contact, why shouldn't time-tracking be available from those devices? If a lawyer is researching on the Internet when a client calls, why shouldn't he capture the time without leaving that page? If the lawyer and assistant collaborate well on documents, why shouldn't they collaborate the same way on time tracking?

The next stage of lawyer automation is clear. Time-tracking and all the other lawyer-centric systems (such as CRM, case management and knowledge management systems) must no longer be separate. They must always be "there" like a shadow, wherever and whenever the lawyer works.

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In *Business at the Speed of Thought*, author and Microsoft Chairman Bill Gates said: "The most meaningful way to differentiate your company from your competition ... is to do an outstanding job with information. How you gather, manage, and use information will determine whether you win or lose."

Like hitting, throwing and catching, time-tracking is one fundamental revenue-related process that every lawyer needs to improve upon. If each lawyer "comes to bat" for clients several times every day, he or she should be using the best tools for the job — technology that channels the lawyer's natural work effort and helps them do the job better.

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