

Law Firm Billing & Revenue Cycle

2023 Survey Results

2023 survey & respondents

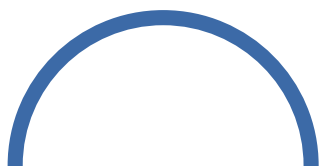
Harbor's annual industry survey for comprehensive benchmarking of billing and revenue-related aspects of the client-matter lifecycle in large law firms.

Respondents to the 2023 survey (the seventh year of benchmarking data) include thirty-five law firms, 80% in the AmLaw 100, with average revenues of \$1.5 billion and 1,300 attorneys.

- 7th year of gathering benchmarking data
- 35 law firms participated in the 2023 survey
- 80% of participants are in the AmLaw 100
- \$1.5B is the average revenue of participating firms

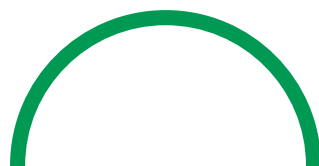
Key area of focus for '23-'24

Law firms have identified their key areas of focus to improve billing & revenue cycle processes:



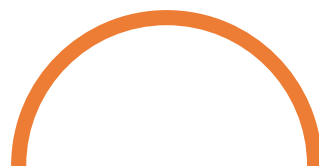
New staffing & resourcing models

Evolving roles and positions to better support revenue cycle processes.



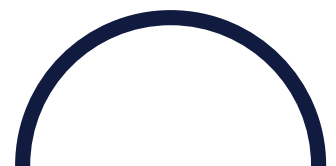
Billing compliance & data quality

Changes to billing processes with more effective management of outside counsel guidelines and and prebill / proforma invoicing.



Technology enablement

Enhancing and updating tech to drive improved automation and efficiency throughout the revenue cycle.

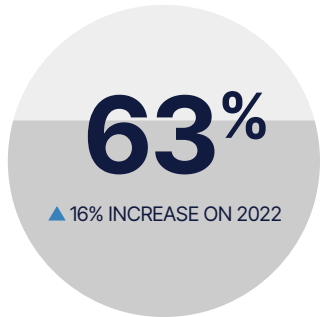


Advanced tech & AI

Advanced analytics, predictive tech and AI already used in pricing & billing processes by early adopters, with strong increases expected over 2-3 years.

Changing staffing & resourcing models

Firms are evolving their approaches to staffing to better suit client needs.



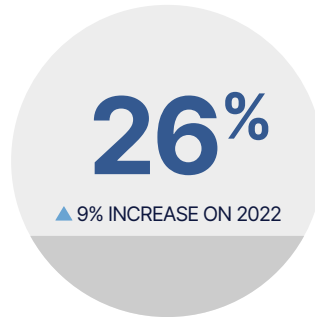
Resourcing assignments

63% of firms consider aligning by client when determining billing assignments, up from 47% in 2022.



Legal support personnel involvement

Consistent with past years, 86% of firms involve legal support personnel in the billing process.



Outsourcing of collections

26% of firms are now either partially or completely outsourcing debt collection activity, up from 17% in 2022.

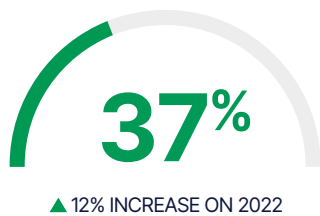


In-person vs. work-from-home expectations

85% of firms now have guidelines in place. 46% hybrid working; 29% combination of in-person/hybrid/fully-remote, while 17% is fully remote.

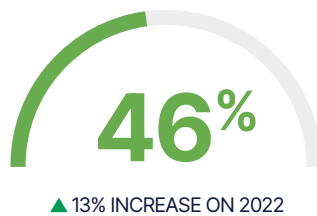
Billing compliance & data quality

Firms are making process changes to improve billing data and compliance with outside counsel guidelines (OCGs).



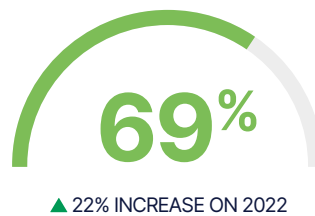
OCG technology usage

37% of firms now have introduced standard OCG tech for the review, summarization, and distribution of key information from OCGs to relevant stakeholders – up from 25% in 2022.



Electronic review

46% of firms now use tech to automate the prebill / proforma process and to enable electronic drafting.



Narrative guidelines

69% of firms have widely communicated standard narrative guidelines that timekeepers are expected to follow in the absence of client guidelines, up from 47% in 2022.

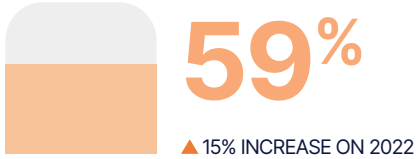
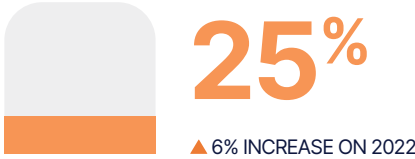


Compliance review

77% of firms have a dedicated resource who understands client OCGs to conduct a final review of invoices before finalization.

Technology enablement

Firms are introducing new tech to increase automation and efficiency throughout the revenue cycle.



Matter budgeting

66% of firms utilize tech to automatically track against matter budgets.

Automated timekeeping

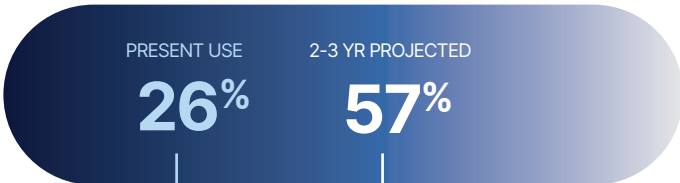
25% of firms are utilizing automation features in the time entry software to create or recommend time entries, up from 19% in 2022.

Write-down approvals

59% of firms have either fully or partially automated the process to obtain and track WIP write-down approvals, up from 44% in 2022.

Advanced tech & AI: now & 2-3 years out

Advanced analytics, predictive tech and AI are already playing a role in pricing & billing processes, with strong uptick expected over the next 2-3 years.



Pricing processes

26% of firms have now incorporated aspects of advanced analytics / predictive technology / artificial intelligence – 57% plan to implement in the next 2-3 years.

Billing processes

20% of firms have incorporated aspects of advanced analytics / predictive technology / artificial intelligence into Billing processes – 51% plan to implement in the next 2-3 years.



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