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MANAGED SERVICES

Increase Profitability and Free Up Billable Time by Optimizing Your Cash Cycle

Solutions for efficient Billing, eBilling & A/R Management

ABOUT THE MODERATOR

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Carlos Gámez

Chief Revenue Officer
Frontline Managed Services

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Carlos is responsible for revenue-generation strategy and execution. His duties include overseeing the sales organization, marketing, and partner channels to execute company strategies and revenue goals. Prior to joining Frontline Managed Services, he was with Thomson Reuters for 10 years leading product strategy, legal operations, business development and leading strategic commercial initiatives. He has worked with Silicon Valley start-ups and has practiced intellectual law with a top firm in Mexico.

ABOUT THE COMPANY

Frontline Managed Services is the leading global provider of intelligent outsourcing solutions to more than 400 firms in the legal and accounting markets specializing in Accounts Receivable Management, Billing/eBilling, IT Service Desk, and IT Managed Services. With focus on providing secure, scalable solutions enabled by best-in-class technology platforms, the company's multi-service solutions help position law firms for financial success by allowing them to emphasize long-term practice growth strategies while reducing costs. For more information visit www.frontlinems.com.

ABOUT THE PRESENTER

Suzanne Zimmerman

Vice President
Managed Financial Services

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Suzanne joined Frontline Managed Services in 2012 and over the last 3 years has been developing their eBilling and Billing division. She began working in legal accounting operations in 1997 with a specialization in "intake to cash" processing. Suzanne brought her experience working with the largest firms in the world to Frontline Managed Services, where she has since advised over 40 Am Law 200 and firms of all sizes.

ABOUT THE PROCESS

Each step of the Intake to Cash process offers opportunities to prevent rejections and reductions on performed work and to **accelerate the cash cycle.**

We've found that getting paid faster is a key driver to getting paid in full or at all. Acceleration improves payment realization.

INTAKE TO CASH CYCLE

**Better financial management
means better client relationships**

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Intake/ Conflicts	Onboarding/ Maintenance	Pre-Bill Edits	Submission	Rejection	Appeal	A/R Collection	Cash

Ongoing: Maintenance

BILLING

| Intake / Conflicts | Onboarding/ Maintenance | Pre-Bill / Edits | Submission | Rejection | Appeal | A/R Collection | Cash |

Ongoing: Maintenance
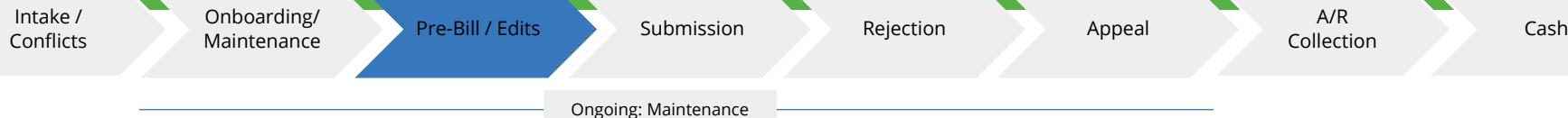
KPIs:
✓ Time from work to submission
✓ % of acceptance, rejections and reductions

CHALLENGES:
✓ Valuable time is lost from lack of information distribution at the time of intake
✓ Timekeepers should write "defensively" to inform that the task was necessary, benefits the client and the work was efficient
✓ Edits are not returned to the Billing Department in a timely manner
✓ Misconception that time entry is the same as billing/invoicing

BEST PRACTICE SOLUTIONS:
✓ Require/Distribute Client Billing Guidelines at intake
✓ Bullet point the requirements and distribute to working timekeepers
✓ Orientation to include style guidelines
✓ Divide prebills/proformas so that "Top 10" are reviewed first and have a shorter return time expectation

Timekeepers who understand and follow client requirements can shorten the cash cycle by up to 30 days.

eBILLING

Intake / Conflicts	Onboarding/ Maintenance	Pre-Bill / Edits	Submission	Rejection	Appeal	A/R Collection	Cash

Ongoing: Maintenance

KPIs:

✓ Hours to submit

✓ % of e-bills accepted on first submission

✓ Monthly eBills processed by eBiller

CHALLENGES:

✓ Billers are often tasked with competing priorities, causing missed opportunities

✓ Tracking new timekeeper set-ups at the time of entry can reduce the cash cycle by 2+ weeks

✓ Unresolved rejections can add over 60 days to cash cycle

✓ Ignoring appeal opportunities results in losses of 10%+ on collections realization

BEST PRACTICE SOLUTIONS:

✓ Separate Billing and eBilling functions as much as possible

✓ Pre-scrub invoices prior to submission to ensure compliance

✓ Utilize technology to notify of new timekeepers, matters, rate changes to get ahead of the billing cycle

Did you know: typical eBilling methods can yield less than a 70% acceptance rate on first submission?

WHY eBILLING?

Based on a study of average Frontline firms, we know that...

- ✓ Firm clients converting to eBilling is causing a strain on firm resources

- ✓ The percentage of firm revenue from e-billed clients is increasing continually

- ✓ Of those e-bills, **up to 30%** could be rejected upon first submission

- ✓ Average days to bill was around **40 days**

- ✓ Average days to pay was around **50 days.**

WHY eBILLING?

BEST PRACTICES IMPROVE CASH CYCLE AND REALIZATION

96 — % of eBills are Accepted on the First Submission

98 — % Payment Realization

24 — Hours Average Bill Processing Time

48 — Hours Average Rejection Resolution Time

15 — Days Faster Billing Cycle on Average than Typical Law Firm

Assessment starts with engagement to cash process audit, volume analysis and technical evaluation

Implementation includes submission of eBills, rejection resolution, appeals, ongoing maintenance and compliance

Feedback loop educates timekeepers and prevents reoccurrences

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A/R MANAGEMENT

Intake / Conflicts → Onboarding/ Maintenance → Pre-Bill / Edits → Submission → Rejection → Appeal → **A/R Collection** → Cash

Ongoing: Maintenance

KPIs:
- ✓ % of portfolio aged less than 60 days
- ✓ % of payment realization
- ✓ $ write-offs, write-downs & GBNF

CHALLENGES:
- ✓ Partners must use billable time to collect from their clients
- ✓ Indirect contact with Accounts Payable Department at client
- ✓ Inconsistent and cyclical focus on contact strategy (usually driven by financial or partner distribution periods).

BEST PRACTICE SOLUTIONS:
- ✓ Establish mandatory AR/collection turnover at 45 days to AR team
- ✓ Establish management oversight, with escalation process
- ✓ Segment A/R by aging group
- ✓ Offer meetings with Partners, at least quarterly, to discuss statuses and formulate strategies

% improvements in payment realization go direct to firm's profit.

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SERVICE DELIVERY MODEL

Proven Strategies from Frontline Managed Services Successes

Creating and organizing by functional roles (Billers, eBillers, AR Specialists)

Operational Workplans

Targets and benchmarks by personal portfolio

Specialized training and right-skilling teams (e.g., A/R skills are different from Billing skills)

Leveraged and outsourced models are proven to supplement and scale at sustained quality levels

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KEYS TO OUR SUCCESS

HIRING PROFILE & TRAINING PROGRAM – All employees have 4 year degrees and have succeed in a 2 month training program with Frontline MS to excel at their role

EBILLERS are bonus & rewarded based on meeting SLA & quality expectations

QUALITY CONTROL policies and procedures include documenting client guidelines and issues to prevent rejections and reductions

INVOICES are audited prior to submission to identify errors & ensure compliance (example: block billing)
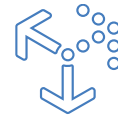
ALERTS & NOTIFICATIONS are pushed out to ensure vendor site maintenance precedes billing, including new and changes to matters, timekeepers, rates, budgets etc.

FEEDBACK LOOP – ongoing feedback to individual timekeepers to prevent recurring issues

ADOPTING BEST PRACTICES – leverage industry exposure to refine our operational procedures & discipline

IRIS BUSINESS INTELLIGENT SOFTWARE enables actionable tasks to provide us guidance for improving billing & cash cycles and to provide statistical reporting to support better business decisions

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Thank you!

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