REPLICON™

7 Best Practices for Making Your Client Billing Easy

Introduction

It is a universal truth for project-based businesses that timely billing is key to realizing optimal cash flow, and ensuring it depends on your ability to take proper account of your project costs and submit invoices to clients for billing. The sooner you bill, the sooner your revenue can be available as working capital. Ultimately, your profitability is a function of this "cash flow velocity." Therefore, it's vital that billing processes are as streamlined as possible, but in many organizations this is far from the case. Many struggle with manual methods for submitting and reviewing employee time, managing project-related items, coordinating approvals, processing expenses, and more. These factors not only slow cash flow, they also hinder profitability — just as much as clients who pay late.

Why is timely and accurate billing important?

Normally, invoices can't be sent until all employee hours, and expenses per project have been captured. But because people are inevitably late in submitting their hours or fail to submit them altogether, it becomes a protracted effort to collect the information needed to prepare an invoice.

A related problem is billing accuracy. To invoice accurately, you need precise information about factors that can vary. For example, different individuals are billed at different rates, or the same individual's time is billed differently per task. Before invoicing, their hours and rates must be calculated. This process can be slow and tedious if done manually. And, if any of this data has to be re-entered at any stage, errors can result. Such problems only increase with the number of workers. And what happens if billing is wrong? Contested invoices delay payment and can erode client confidence and loyalty.

All of these difficulties can be overcome by implementing software that simplifies and centralizes data entry and management. With the right software in place, user adoption rises and information about billable hours becomes available instantly, making it easy to shorten billing cycles and accelerate cash flow.

There's a variety of solutions on the market today, but their features and usability are far from equal. The best practices presented here can help ensure that the one you choose really will make billing your clients easier.

1. Invoice your clients based on detailed, up-to-the-moment data

Timely billing is a vital element of cash flow. With a manual system, your view of billable hours and expenses is fragmented and always out of date. Inherently, manual time and expense tracking systems involve significant administrative costs, and the potential for error and omissions is very high.

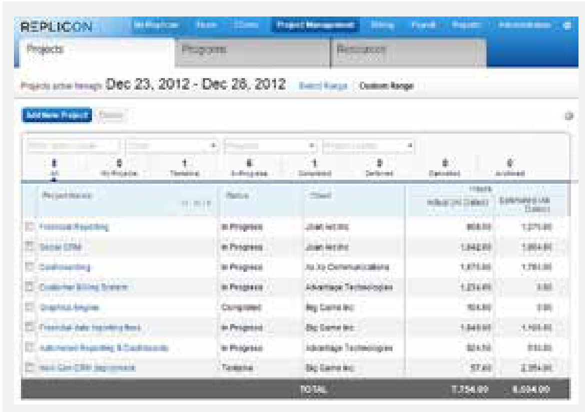
In a cloud-based system, however, information about your projects is easy to see, and updates are available in real time as users enter their data. As a result, it's easy to prepare and export data for billing based on actual, up-to-the-moment input. You'll have all the facts you need at your fingertips, which is especially helpful if clients have any questions about your billing.

Best practice: Deploy a cloud-based time tracking system that gives you timely, easy-to-see, and accurate information for billing clients.

2. Eliminate cumbersome paper- and Excel-based tracking

Even a relatively small number of projects can quickly add up to a billing quagmire if you're using paper- or Excel-based tracking systems.

Suppose, for example, that yours is a medium-sized company with 400 employees working on 20+ projects for clients. To get even a rough view of billable hours and expenses on a regular schedule, you'd have to collect hundreds of documents from multiple places, have dozens of managers validate those documents, and transcribe the data. Of course, this assumes that all project team members submit their information on time. Such a system is filled with opportunity for errors, incompleteness, and time lag.



You might ameliorate this somewhat if you eliminated paper-based submissions, but even with electronic spreadsheets you'd still face transcription chores and some errors, as well as spend considerable time routing timesheets for approvals and exporting the data to other applications.

Best practice: Choose a cloud-based software solution that centralizes time capture, streamlines billing, and eliminates the overhead and difficulties associated with a manual system

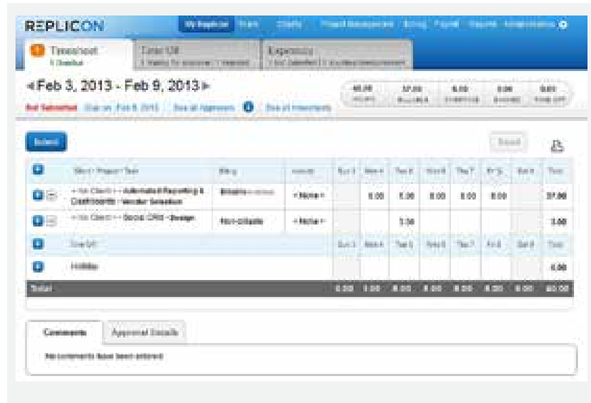
3. Get software that makes tasks easy for everyone

It's important for you as a practice manager or professional services head to streamline your work, but successfully capturing billing data relies on your employees adopting the system you implement. Timeliness and accuracy depend on their entries, so it's vital that they view it as genuinely simple to use.

The fundamental feature of a best-of-breed time tracking system is that it's so much easier for employees to use than traditional enterprise systems. With a cloud-based system, employees can post their entries effortlessly, and do so from anywhere, anytime, on any mobile device.

The best systems also simplify the review-and-approval process for supervisors, and roll-up data for automated export to accounting systems.

Best practice: Choose a solution that scores high on usability and configurability, and that is intuitive and requires only minimal training.



4. Choose a solution that makes administration and reporting easy

The best time tracking software gives you a comprehensive set of functions — such as highly flexible and easy-to-run, real-time reports — and makes it easy to expand upon them by adding things that suit your requirements.

Do you need to apply special billing rates to a group of employees or even an individual? Setting them up should be easy and obvious. Do you want to create a report based on custom parameters? It should be a simple matter — and a big time-saver — to plug in your variables.

Best practice: Choose a system that has a strong reporting capability and gives real-time visibility into project status and billing information.

5. Use a "cloud" solution for efficiency and reduced costs

Traditional enterprise systems, which tend to be expensive and need internal hardware that you monitor and maintain yourself, are becoming outdated. The trend is clearly toward "cloud computing," also called Software-as-a-Service (SaaS).

The advantages of cloud-based solutions are too great to ignore. They give you much more than greater efficiency; they also provide low total cost of ownership because your software becomes an operating cost rather than a capital expense.

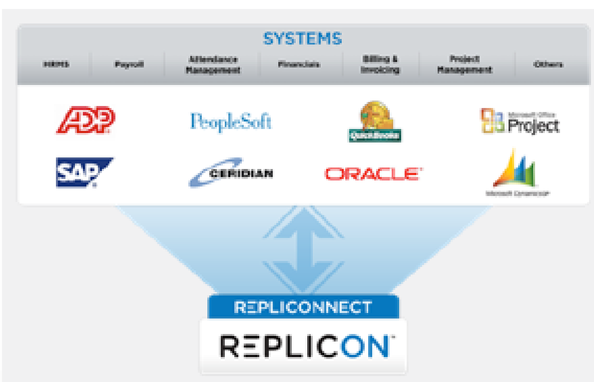
With SaaS, you don't need to purchase and maintain new hardware, and there's minimal implementation time — just hours or days instead of weeks or months. A cloud-based system means there's nothing to maintain or upgrade — you always have the most recent version of software — and all your data is available from anywhere on the cloud.

Best practice: Go with a cloud-based solution that ensures high productivity at a low operating cost. Be sure to choose a provider that offers a hassle-free customer experience so that you can concentrate on your core business.

6. Exchange information easily with other applications

Capturing billing data in dedicated time tracking software is just one side of the invoicing/cash flow equation; sharing that data with accounting applications is the other must-have component for billing. The ideal solution is an automated exchange via an open application programming interface (API).

The best project and expense tracking software includes an API that facilitates data exchange via standards-based integration (such as XML web services). You should have the choice of developing the integration yourself, or working with your software vendor to implement it.



Best practice: Choose a solution that enables seamless integration with other systems used in the organization, and guarantees you'll get the data sharing you need.

7. Ensure the safety, security, and availability of your data

With traditional enterprise systems the customer has the responsibility of maintaining system security themselves. With a cloud-based project tracking solution, however, the responsibility for safekeeping your data falls to the vendor. It is therefore extremely important that the vendor you choose can provide the required combination of security, environmental controls, and availability.

Today's leading SaaS providers offer application and physical security, network protection, and disaster recovery features, as well as SSAE 18 compliance. They also provide service level guarantees for software and data availability.

Best practice: Be sure that the vendors you consider can document their means for supplying security, protection, disaster recovery, and SSAE 18 compliance.

Conclusion

The bottom line is that, to achieve and sustain optimal cash flow, you need a centralized way to get accurate, timely billing data. Savvy companies are eliminating cumbersome manual processes and instead turning to cloud-based systems that make it simple for employees and managers alike to enter, view, and manage time and expenses. The best of these systems are straightforward to configure, readily share data with other applications, and provide low cost of ownership by offloading responsibility for hosting and security. With the right solution from the right vendor, your client billing process will become streamlined and remarkably easy. And that's a best practice you can bank on.

About Replicon

Replicon is the leading provider of cloud-based time tracking software. Our award-winning solutions are used by more than 1.5 million people in over 7,800 organizations across 70 countries. We help customers to better manage workforce attendance, expenses, projects, professional services teams, and shared services resources.

Our diverse customer base — from start-ups to Fortune 500 companies — trusts Replicon to help reduce compliance risk, keep costs down, and provide greater insight into business performance. Clients include: FedEx, MetLife, New Zealand Transport Agency (NZTA), Novartis, Orbitz, and Xerox. Replicon is a global company with employees in Australia, Canada, India, the United Kingdom, and the United States.

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