Choosing Billing Software

By Caren Schwartz

All businesses bill their customers in some form and there are hundreds of programs that can help with this task. If you are currently using a word processor, you can generate a professional-looking invoice, but you won't be able to easily track prior balances or produce reports that show how much is owed or analyze how your time has been spent. Automating your billing process can improve your cash flow, streamline your workday and provide valuable information for business planning. The question is, how do you choose?

To find the right solution for your firm take a few minutes to consider what you need and what kinds of information would help you run your business better.

First, how do you bill? Are invoices based on flat fees or on time spent? Do you bill monthly, quarterly, or on some other schedule? Do your clients want paper invoices, e-mailed documents or some other type of electronic billing?

Secondly, what information do you want to see? Make a list – this might include showing rates, number of hours and detailed descriptions for time spent, but only summaries for expenses. If you handle retainers for clients, do you want that information to appear on the invoice? Will you need to show interest charges or administrative fees? Will you need to show sales tax?

Lastly, what information do you need to help you better understand and track your business? What types of reports would you like to have? Do you pay your employees based on hours worked or based on the money received from projects they bring in? Do you want to be able to compare income and expenses against budgets? What is important to you in running the firm?

After you have identified this information you can begin to narrow the field. Speak with others in your profession as well as with consultants that understand different solutions. You can also read trade publications, go to trade shows, and check with professional associations. Once you have a list of programs you can ask the vendors for a demo. Most software vendors maintain web sites where you can “see” the program, obtain a demo, and find professional consultants in your area.

You should also determine if you have other software – accounting programs, practice management software, etc – with which you want the billing program to share information. If you do not have accounting and practice management software already in place you may want to consider a solution that will grow with you in those areas. However, it is important to consider the functionality of a combined solution just as you would an individual program – just because it is “all in one”, doesn’t make it a good solution if it can’t handle your billing requirements. Keep in mind how much information needs to be brought into the new system and how this will be done. Although this is a one-time effort, it is necessary to get things running smoothly.

As you narrow down your choices be aware that you will probably want assistance in implementing the new software. Talk to people who can help you to be sure they are experienced with the programs you will be using and that their approach is compatible with your business style. Training and support can make a big difference in how smoothly and successfully your new software starts working for you.

Caren Schwartz is the founder of Time & Cents Consultants, LLC , a Southport Connecticut firm, that works with professionals to select, install and get the most out of their software. Her philosophy is that companies can save time and money when they can better manage their time and money. The company’s clients cover a diverse range of industries including financial institutions, law firms, accounting and other consulting firms. Ms. Schwartz is a Certified Professional Advisor for QuickBooks® and a Certified Consultant for Timeslips® by Sage, Peachtree® by Sage and Amicus Attorney®, as well as a Certified Independent Consultant for Time Matters®, Billing Matters™ and Billing Matters Plus.