



Improved Cash Flow Through Reduced DSO

Law firm needs to reduce days sales outstanding (DSO). Address client payment terms by implementing a new billing model that shifts payment up front, before the work begins, or allows for periodic payments in agreed-upon amounts.



CHALLENGE

70% of firms reported that their DSO averaged between 30 and 60 days in Williams Lea's 2019-2020 Trends and Opportunities in Law Firm Outsourcing Survey.



SOLUTION

The law firm offers guaranteed pricing, in the form of membership and project engagements, both including unlimited on-call counsel giving the client the benefit of strategic counsel that is radically aligned with their business objectives. In this approach, the client knows the fee up front, as well as the corresponding scope and pace of work. Fees are paid up front or at specific milestones.



RESULT

By shifting 70% of the revenue to a membership approach with regular monthly payment and 20% to project engagements with payment up front or at specific milestones, the firm experienced a 14-day reduction in DSO in one year. That equates to more than \$38k improvement to cash flow per \$1m of annual billing.



"Clients agree to rates and pay before we start the work! It's a game changer - we rarely spend time on collections or write-offs, and my cash flow is incredibly predictable with this model."

- A THRILLED ADVOS PRO CLIENT



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MEASURE WHAT MATTERS