



Wine, Cheese, Receivables and Harry Potter™

The Art of Aging and Wizards

Jim Hammond, President, RainMaker Software, Inc.

So what does wine, cheese, receivables and Harry Potter have in common? Just bear with me a second. Generally "big" red wines are aged to soften the tannins (bitter taste) and mellow the acidity to bring the wine into balance so that the fruit comes "forward." Some French Bordeaux can be aged up to 30 years or more. A wine maker goes to great care to monitor the wine, provide the right type of oak barrels and store the wine in a climate controlled area to manage the aging process. Aging therefore is beneficial and improves the final product.

Many cheeses are also aged from a few days to 2 years to impart a specific flavor. There is a noticeable difference between a "young" Swiss cheese and Swiss cheese that has been aged 6 months. A cheese maker carefully manages the temperature and humidity of the storage area where the cheese is aged. Aging here to is beneficial and improves the final product.

So what have we learned so far, managing the aging process is very important to get the desired results. Now let's discuss the accounts receivables process. Law firms typically have dozens of reports that analyze accounts receivables. Most firms can run reports on accounts receivables by client, by area of law, by billing attorney, by working attorney and so forth. Slice it, dice it, drill down through it, this however is not MANAGING receivables, it is merely reporting on their value. At the expense of stating the obvious, aging receivables does not benefit the firm nor add to the value of the final product. Definitely not like wine and cheese.

Managing receivables is called COLLECTIONSthe activity of turning receivables into cash. Amazingly most firms only do the reporting function, they have few if any formal processes to perform actual collections. The missing element is the lack of specifically designed collections software to "manage receivables", collect the cash. A dozen reports to aged the receivables are but no reports to track the status results of collection calls, collection letters, payment promise dates and so forth.

Managing the collections process without the proper software and collection reports is like trying to calculate accounts receivables without time and billing software. It is almost impossible. So why don't firms traditionally have collections software? Well, for the most part except for a very few vendors there is little law firm specific collections software to choose from. Secondly, the partners like to talk about collections but many times do little to promote structured processes and procedures. Many view a collections person as just more overhead. How can you manage a collections person without an effective measurement system?

RainMaker's Collections Software is the finest tool in the legal market for managing both the collections process and a collections person. It provides an excellent combination of features, capabilities, technology, reports and ease of use to bridge the gap from aging the receivables to actually collecting the cash.

Oh, I almost forgot about Harry Potter. RainMaker's Collections Software uses Wizards to streamline the entire collections process. Law firm administrators find it very difficult to manage the collections process with relatively little staff. By implementing RainMaker Wizards, a firm can simplify complex tasks, reduce manpower requirements and most importantly improve cash flow. Wizards are tools that assist in building business rules, that scurry through the time and billing database to automatically carry out the rules.

The Wizards can also assign specific follow-up tasks, generate mail-merged collections letters and automate collection emails to a client contact. Wizards eliminate wasted time.

RainMaker has 3 types of Wizards. Open Wizards, based on business rules set by the firm automatically place clients into the collection process, assign a responsible person and one or more collection tasks such. Close Wizards automatically remove clients from the collection process, save all history and delete scheduled follow-up tasks. Mailing Wizards automatically generate customized mail merge collection letters, reminder statements or emails based upon firm defined business rules.

Before using collections software, firm's find it time consuming and frustrating to manage collections efforts. Using RainMaker's Collections software firms can improve cash flow almost.

About the Author

Jim Hammond, President of RainMaker Software Inc., has more than 24 years of law firm software experience. RainMaker provides mid-large law firms with proven, practical and progressive financial management, practice management and business intelligence software. He can be reached at jhammond@rainmakerlegal.com.

RainMaker Software, Inc. provides proven, practical and progressive Financial and Practice Management systems designed to help mid-to-large sized law firms and legal departments effectively and profitably manage and grow their business. With more than 36 years of legal-specific development experience, RainMaker has consistently delivered stable and feature-rich, yet easy to use solutions.

For more information regarding RainMaker's products, interested parties can contact the sales department at 1.800.341.4012 x3413 or via email at legalinfo@rainmakerlegal.com.

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