

|

5 BILLING
PRACTICES

THAT ARE
KILLING

YOUR BUSINESS

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Introduction

Fact: Bad billing practices kill your business.

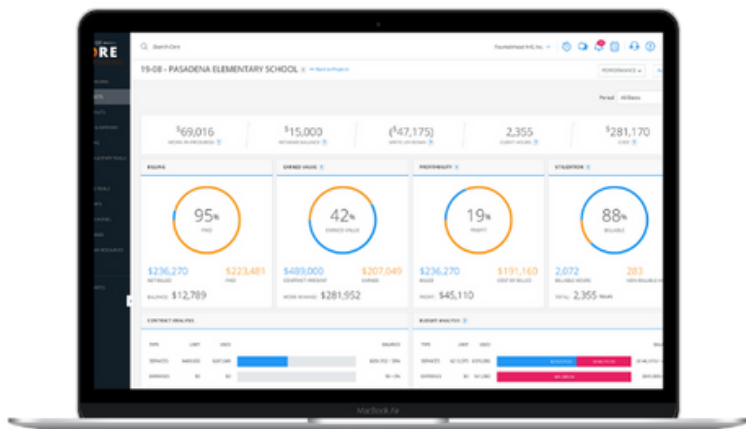
They **cost you money** and **damage your profits**.

To protect your firm and profit margins, avoid these *FIVE FATAL PRACTICES*:



1 Hiding No-Charge Items on Invoices

There are many reasons why your clients should know what they are being charged for. By the same token, they should also know what they're NOT being charged for, as well. Displaying a no-charge line item on your invoices makes it much easier to justify charging for the same services later. What's more, your clients will understand that you've done them a favor since they will know that you've already performed the same service for free several times.



2 Beginning Projects Without Retainers

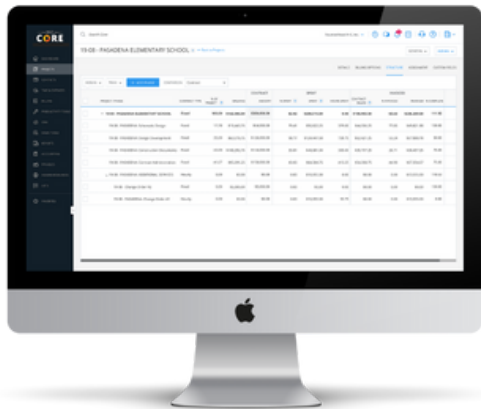
If you start working on a project without a retainer - and something happens to your clients or their company - the hours you and your staff worked since your last invoice will be lost. To prevent this, charge a “deposit,” or retainer, for the previous month’s bill upfront.

Calculate the monthly fee you’re going to charge, and bill them one month in advance. Don’t make the project status “active” in your billing system until you have this retainer money in hand.



3 Not Adding Markups to Reimbursable Expenses

You should be adding a markup to your reimbursable expenses to cover the time your team spends managing them. Typically, this markup is 10% to 20%. Consider this: if you'll be traveling, someone in your office needs to book your flight, room, and rental car, all of which will come out of your pocket initially. Planning a trip takes effort, and it should be up to your CLIENT to cover the time and expense associated with getting everything booked.



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Not Charging Interest on Late Payments

Your client will not prioritize paying your invoices if you don't charge a penalty for late payments. Charging interest on late payments is wise for two reasons:

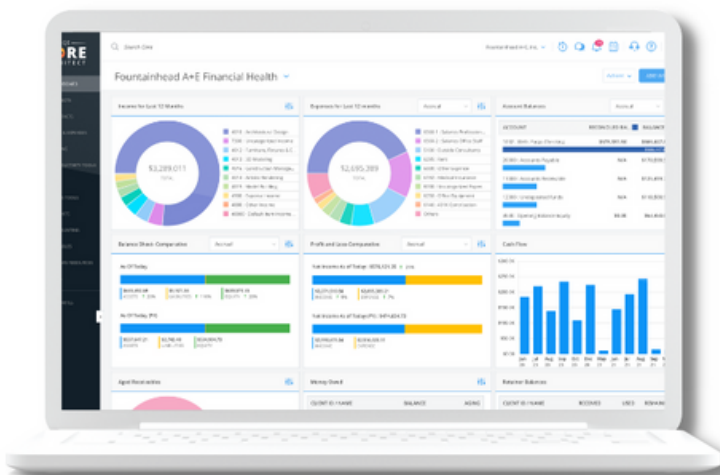
1. When an invoice specifically states that a client's payment is late and that they'll be charged interest, they're more likely to pay promptly
2. If they don't pay on time, you'll make some extra revenue



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Not Sharing Your Budget

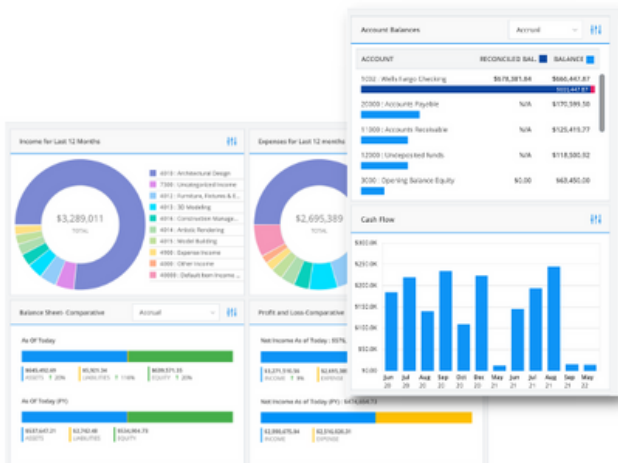
If you bill based on a fixed fee, don't simply charge a lump sum without specifying what the amount covers. Include a list of tasks instead, along with associated hours and what your fee covers. This way, if your client wants you to do additional work, you can justify charging more for your services. Additionally, they'll know exactly what's included in your fee — and what isn't.



And a BONUS!

Not Automating Your Invoices

If you're still manually creating every invoice, you're missing out on an opportunity. Automating the process will save time, which you can devote to making strategic decisions about your firm. You can easily set rules and frequencies for billing based on whichever invoice type you use. Sophisticated platforms like BQE CORE will automate your billing process and save you hours — if not days.



Conclusion

Avoiding these billing mistakes leads to an improvement in not only your revenue, but ultimately in *your profits*. By being clear, specific, and prompt in your communications with clients, you'll have *more regular cash flow* and be able to justify your costs, time, and other resources spent on their projects.

Need more billing help?

BQE has spent over 20 years perfecting invoicing, time and expense tracking, project management, and accounting. BQE CORE is the culmination of all of this hard work — our platform streamlines these essential processes, while simultaneously offering groundbreaking insights that can be used to help grow your firm.

What's more, you can access BQE CORE from your desktop, laptop, or any mobile device, as well as share anything you need with both your team and your clients.

TO LEARN MORE, CALL (866) 945-1595, OR VISIT:

[BQE.COM/CORE](https://www.bqe.com/core)