PURDUE UNIVERSITY | School of Industrial Engineering

IE 43100 Fall 2022

BILLING WORKFLOW PROJECT
WOODARD, EMHARDT, HENRY, REEVES & WAGNER, LLP

TEAM 22

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INTRODUCTION
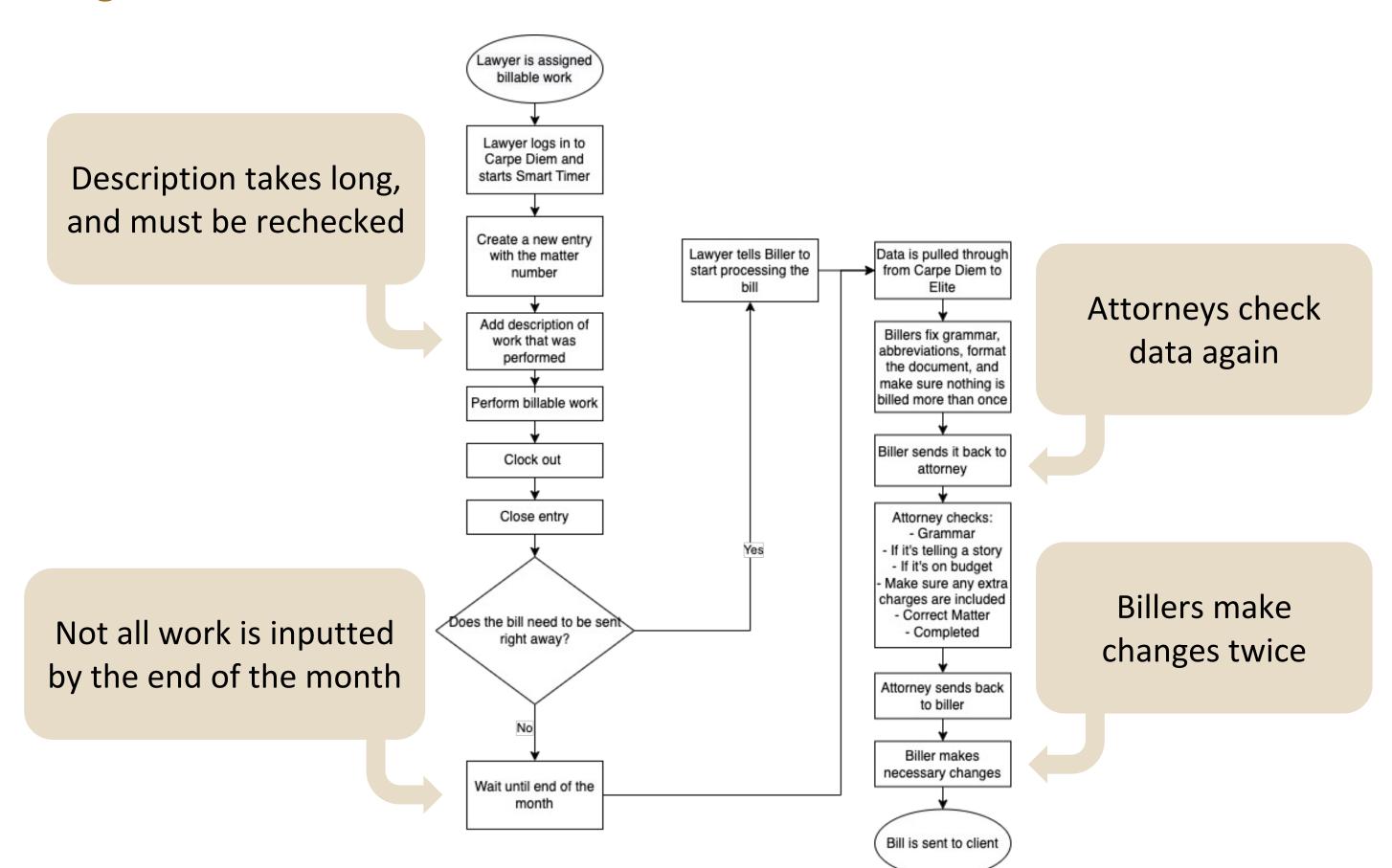
Client Overview & Project Scope

- Woodard, Emhardt, Henry, Reeves & Wagner, LLP is a United States patent law firm that is located in Indianapolis, IN.
- The firm specializes in intellectual property for clients that range in size, from massive companies to small businesses and individuals.
- The primary problem is the rate at which the firm is able to send bills out to charge their clients. Many attorneys throughout the company find themselves prolonging the bill creation process for weeks or months after their service is performed due to the opportunity cost.
- Increasing the time between service and bill reception decreases the likelihood that these debts will be paid in full.
- The firm experiences fluctuating cash flow due to attorneys completing the bills in an inconsistent manner, reduced accuracy in the task description caused by lawyers attempting to remember the exact tasks they performed in the months prior, and clients sensing a lack of initiative from the firm when they wait such a long time to receive their statements.
- Attorneys and billers at Woodard, Emhardt, Henry, Reeves & Wagner, LLP find the billing process at the firm inefficient and time-consuming.
- The firm is trying to improve cash flow to a steadier inflow, as opposed to the current spike at the end of the calendar year.
- They are also trying to decrease the time between when the billable work is completed by the attorney, and when the bill is paid by the firm's client.
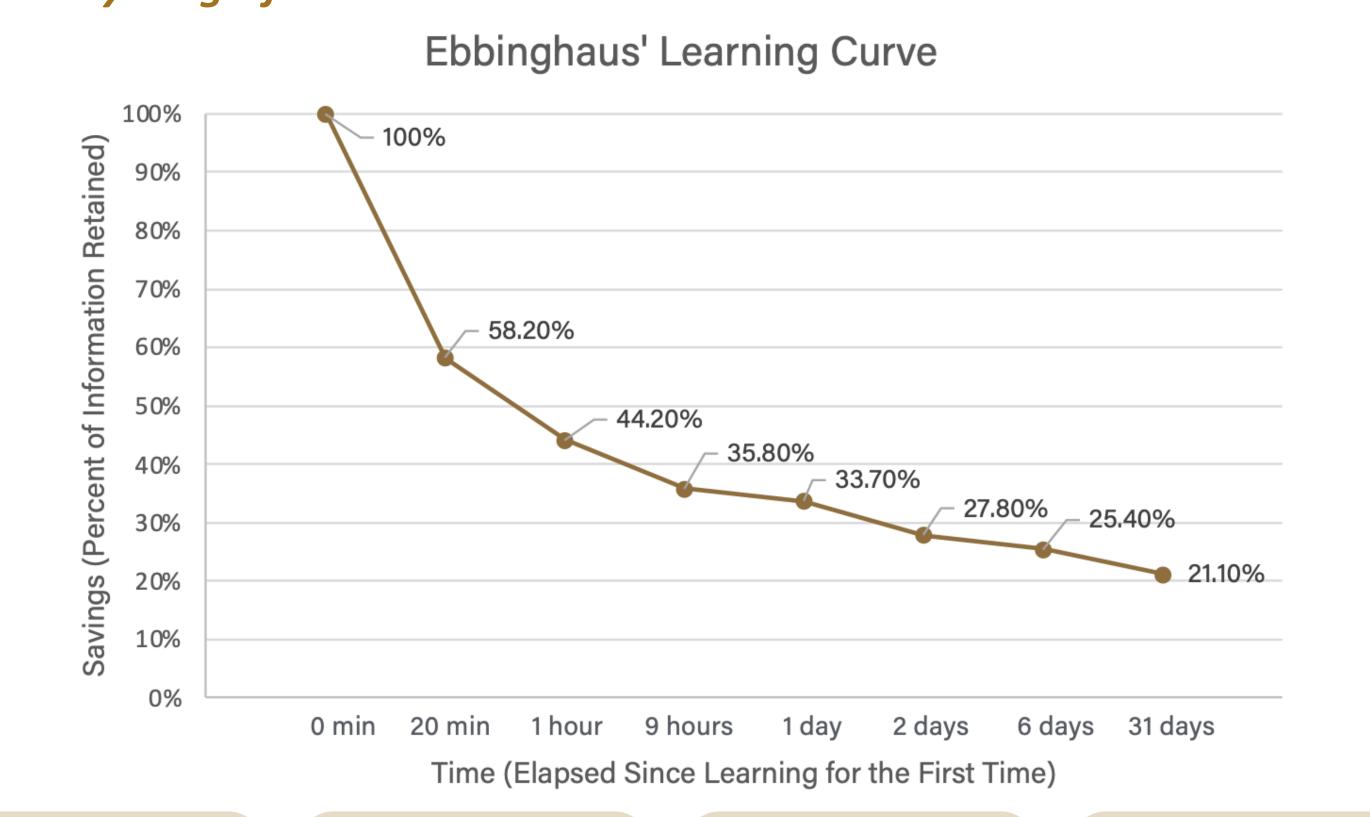
Team Goals

- Understand the billing process
- Evaluate the company's current state, cost-benefit analysis
- Identify duplicative steps and bottleneck areas that slow the process and cause wasted time for attorneys and billers
- Develop a sleeker workflow process
- Provide a variety of recommendations to benefit many different employees at the firm

ANALYSIS

Billing Process Flowchart

Memory Forgetfulness Curve

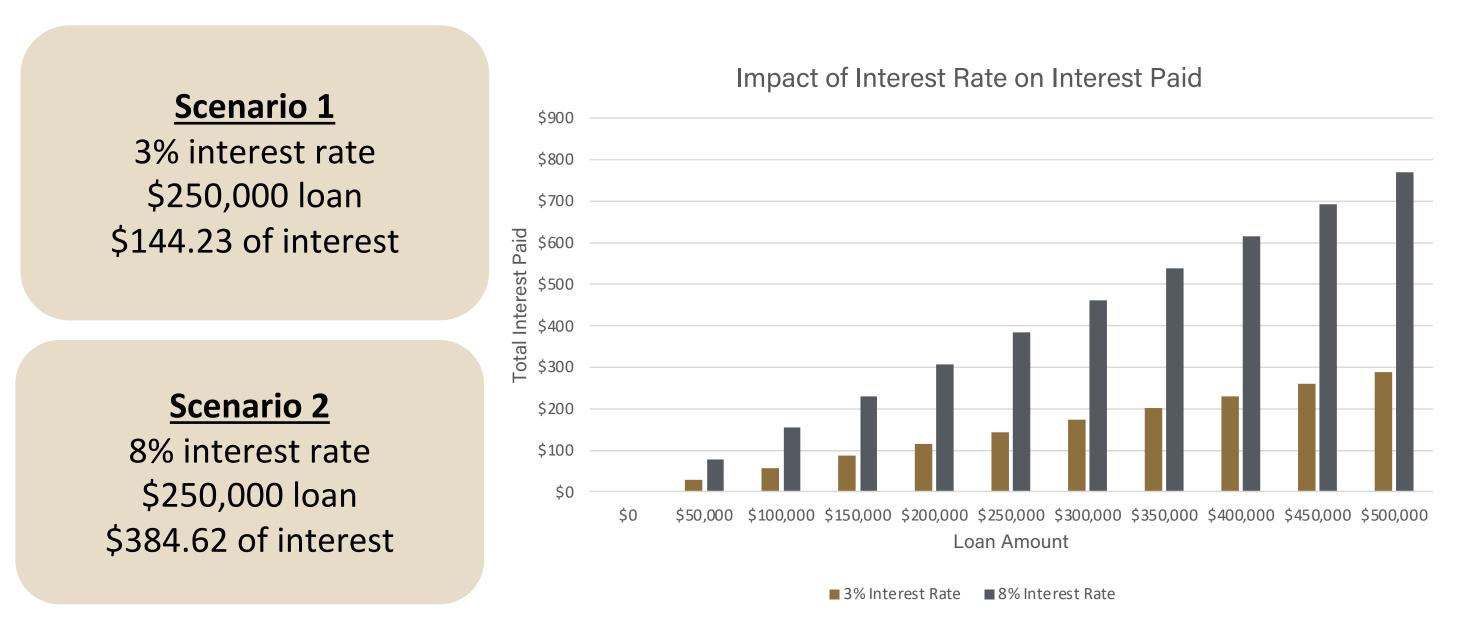Ebbinghaus' Learning Curve

Currently, some attorneys are waiting to do their bills till the end of the year	This delay causes attorneys to have to recall what they did when they worked
Research states that recall inaccuracies are common	Failure to accurately describe work leads to weaker client-customer relations

Financial Analysis

Scenario 1
3% interest rate
$250,000 loan
$144.23 of interest

Scenario 2
8% interest rate
$250,000 loan
$384.62 of interest

Impact of Interest Rate on Interest Paid

RECOMMENDATIONS

Standardized Work

Strengths
- Ensures that all work is done according to the current best practice
- Simplifies and speeds training and onboarding
- Improves quality and increases customer satisfaction
- Defines the best practices, allowing for repeatable and predictable work, improving efficiency

Weaknesses
- Application of standardized work can be resisted
- Work should not be over standardized
- Encouragement from leaders is needed to create a win/win solution

Implementation of a workflow automation software by Process Street
- Makes it easy to create processes that get done right, and right on time
- Feature to set due dates on tasks in your workflows to make sure that everything in your process is completed on schedule and nothing falls through the cracks

Progress Bar

S	W	O	T
- Have an estimate of the budget - See if the budget is still on track - Connect hours worked with budget - Clearly see where time and money are going to	- Assumes one hourly wage depending on lawyer - Estimate might take some time to be accurate	- See saving opportunities - Track performance of lawyers	- Change to new software - New data formatting

Autofill System

An area for improvement within the company is revamping the autofill system and further encouraging its use. The team sees this as a valuable tool that will increase consistency in bill-writing, decrease the time required to perform such tasks, eliminate the need for the attorney to view each bill a second time, and more.

- analyzing the results of the substantive examination of the claims, including prior art citations; consider further arguments and amendments; verifying appropriate docket
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- analyzing the Written Opinion and cited references; drafting response to the Written Opinion; forwarding copy of draft Written Opinion response to client for...
- analyzing the International Search Report and Written Opinion; verifying appropriate docket deadlines; drafting and filing claim amendments in view of the Inte

Alternatives to Billable Hours

Subscription based method

Advantages
- Modeled off a flat rate fee
- Allows for consistent cash-flow
- No need for filing bills

Disadvantages
- Requires new protocols
- No record of work done by attorney
- Might not accurately pay for work done

Hybrid flat dynamic method

Advantages
- Allows for specialized work gets paid via billable hours
- Streamlines basic tasks' billing
- Utilizes current protocols
- Disperses workload on billers

Disadvantages
- Still requires bills to be filled out
- Requires protocol additions

Software Migration: 3E Software

Both time-tracking and billing functions	Creation of project budgets	Automation of invoicing, payment collection, and accounts payable cycles	Suggested software migration choice by Thomas Reuters	Decreased learning curve upon software implementation

CONCLUSION

Recommendations
- Standardized work
- Progress bar
- Autofill
- Alternative billable hours
- Software migration

Results
- Reducing costs
- Reducing time spent on billing
- Improving billing process