Better Billing

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Hannah Im

Billing is important, not only because we sell our time above and beyond just our talents and skills; it is important because the hours we accumulate are one of the metrics against which our performance as consultants is judged.

If we bill too many hours, we risk being criticized for managing our time ineffectively and possibly blowing the budget. If we accumulate too few hours over the course of a year, we risk giving the impression we are spending too much time "on the beach" and that no one wants us on a project (true or not). And billing being the only real source of our firms' revenue, partners turn red at the thought of consultants "eating time," even if we made a mistake for which the client should not pay. Clients want to know we are experts and that they are not paying for our training or our carelessness.

> The fractions

Most consulting companies calculate hours by fractions, though some use decimals. Most companies are satisfied with quarter hours. But when we are juggling multiple clients, quarter hours end up being less precise than strong (and usually understated or over-inflated) guestimates. When we have two, three, four, or even more clients, and spend most of our day on one client but end up attending to continuous five minute interruptions for the other clients, accuracy takes a back seat.

Poor arithmetic

We make mistakes. Let me use myself as an example. I hate to admit it, but I was never really good at math. The big joke among my friends and family is that I am the only Asian without any math proficiency. I understand the concepts and theories but have a hard time making the numbers output accurately. So you can imagine my frustration (and the accounting departments' at my various employers) whenever I asked to readjust the time sheet I just submitted or even worse, the one I submitted after the client was billed. Often, my mathematical inabilities actually cause my clients to be billed incorrectly. Thank God the accountants know how to perform incredible surgery in correcting the bills in time or in reverse.

Travel time

Partners have differing views about how to charge a client or even if to charge a client for travel time. Most seem to subscribe to charging the client for travel done during business hours. However, clients frown on paying for the flight and the flight time. Additionally, business hours differ by industry and by client. Other partners adamantly refuse to charge clients for travel time because they feel it is unethical. As consultants, we find ourselves equally conflicted. When we travel on a Sunday night, we want compensation in some form. Most of us do not receive over-time pay, but we want to know our time is of some value. And for those of us who fly during the weekdays, we prefer to bill the client for that flight time, rather than making up the flight time by adding extra hours at the client site.

Billing fairly

Ultimately, we need to use our best judgment when submitting our time sheets. There will be countless instances where we struggle with the right call. The way I see it is that I am unemployed without a client's demand. To me, a client takes a higher priority than a partner's bonus or even mine. As consultants, our purpose is to provide client service foremost. So I review my hours as if I was the client receiving the bill. And when I have an issue I find difficult to resolve myself, I defer to the partner's judgment.

There will be times when a partner decides to bill fewer hours for the sake of the client relationship or in the hopes of opening other project doors. I find that as long as I am honest with myself and seek the fairest calculation, both partners and clients are satisfied. I encourage all of you to do the same.