

CONSULTING TIP OF THE MONTH

CONSULTANT-CLIENT AGREEMENTS

By William Golton, Ph.D., [Chemical Consultants Network](#)

In my opinion, with few exceptions, doing business on a handshake is not a good practice. As pointed out in previous Tips, having a written agreement with your client can avoid a lot of problems, from misunderstandings and ill will to lawsuits. Not having a written agreement entails a lot of unnecessary risk.

So what should be in a written agreement?

- **Name and address of consultant** (and consulting company, if you are incorporated)
- **Name and address of client or client company**
- **Description of service.** This could be a short statement. If a lengthy description of deliverables is required, consider making it an appendix to keep the agreement fairly short.
- **Time constraints, where applicable.** Specify when the project starts and ends if feasible.
- **Fees and payment terms,** including advance deposits and late payment penalties if any.
- **Out-of-pocket expenses** that you expect your client to reimburse. For travel and other large expenses, you might want to add a sentence specifying prior client approval.
- **Proprietary information.** Although clients will often require a consultant to sign a separate non-disclosure agreement, it can't hurt to commit to treating the client's proprietary information as confidential in this agreement too.
- **Liability.** Consider having a paragraph that waives liability claims once the client accepts your advice. Some consultants limit liability to the compensation they received. (This subject was discussed in detail in a [previous Distillate article.](#))
- **Applicable law.** Although the possibility of a legal dispute might be remote, if one was to occur, it would be advantageous to you if it were in your state and not elsewhere.
- **Special provisions** may be needed for situations unique to a particular consulting practice. For example, if the consulting includes lab work, the nature of the work might be included under Description of Services. Or if the advice includes handling of hazardous materials, a provision requiring Hazmat certification might be added.
- **Signature lines** for you and your client.

Although you should have your attorney review your agreement template, it need not be a lengthy document filled with legalese. Most of my agreements are a couple of pages, including the signature lines.

Some client companies may insist on their agreement, but in my experience this is the exception. If they do, try to get them to include your agreement in the text or as an appendix.

Many books on consulting include suggested templates for client-consultant agreements. Some of those references may be found [here](#).

A frequent contributor to *The Distillate*, Dr. Golton has written and lectured extensively on the subject of consulting. He recently retired as Vice President of [The CECON Group, Inc.](#) Prior to becoming a consultant; he held various positions at DuPont.

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