[Sample Technology Engagement Letter]

[Your Letterhead Stationery]

[Date]

[Your Client’s Address]

Dear: [*send your engagement letter to the highest level in the company you can that has the power to sign for and obligate the company.*]

This is an open letter of engagement between [*your client’s company name here*], hereinafter referred to as Client, and [*your company name here*], [hereinafter referred to as *short name here if applicable*]. Under the scope of this engagement, our firm will provide the following services: [*the following is the agreed upon services, and should be the extended Statement of Work (SOW), the SOW comes after all parties agree on the general services to be provided. In addition, I use the word “open” here, as there are times you may be asked to provide small services that require less than five hours. In these cases, where it would take more time to develop a formal letter than the time and cost warrant, I fall back and remind the client that I am performing the engagement based on the initial engagement letter signed by them. This extends the bounds of the contact with the client beyond the initial engagement.]*

*[Insert bulleted list of the primary tasks, products or procedures for executing the engagement. Keep description brief with no more than six items – if the engagement requires more text, consider breaking into smaller more manageable engagements.]*

The Client should understand that … [*define any limitations or exceptions such as the milestones or tasks the client is to perform during this engagement and so forth*. *This is your CYA (cover your assets) paragraph so that the engagement is not open ended and that you do not have complete responsibility if you do not have complete authority.]*

Should Client choose to exercise this engagement, we will need… [*Define briefly, what you need from the client prior to or during the engagement. For instance, I request a list of all hardware, software, and network diagrams before coming on-site to save the client money and time unless they want to engage me to this work as well.*]

Upon completion of our review, you will be presented with... [It is important for the client to know what they get from the engagement and when. For instance, for a technology assessment I provide a detail report of my findings and recommendations within ten days of completing my on-site work.]

Based on the information gathered concerning this review, we estimate [*how long and when you anticipate beginning*. *This could be days, hours, etc.]* The Client may request additional services at our standard hourly rate as applicable. [*This sentence is extremely important, as the client must know that your estimate for this engagement is only for those services defined above. If additional items are defined or requested during the execution of this engagement – they cost. Think of this as change orders when you build a house*.]

We estimate £000.00 in fees, and approximately £00 in travel related expenses. [*You fill in the amounts, just make sure you have covered everything and there are no surprises. People hate surprises!*]

All fee estimates are based on experience, an assumption of adequacy of needed resources, internal controls and the degree of assistance of your staff. Should any situation arise that will materially increase this estimate, we will advise you immediately. All services not included in the scope of this engagement are, of course, on a fee basis with a minimum billing of 1/4 hour as described below. [*This paragraph is very important as it defines expectations on both parties to the agreement, you and the client*.]

###### RIGHT OF WITHDRAWAL

You, the Client, may withdraw from this engagement at any time, without cause, should you desire to do so. We do request that you notify us in writing of your decision to withdraw. Our firm also reserves the right to withdraw from this engagement at any time, should we feel that the mutual objectives of this engagement cannot be reached, or if we feel that we cannot properly serve your request for support. Should either party withdraw from this engagement, all fees and expenses incurred to date will be billed and due payable. [*I have used this paragraph for 25 years. I like it because it shows the client that you are serious and that there are responsibilities to perform on both parties of the engagement. I have never had a client question the value of this agreement. Once in 20 years I have terminated an engagement because the client failed to perform, and once I had a client terminate an engagement because the company was purchased by a larger organization.]*

###### FEES AND PAYMENT

Fees for our services are computed at our standard rates, plus expenses, and are based on the time our service requires. Our current fees range from £00 to £000 per hour. Fees quoted are often based on a composite of the rates of those individuals assigned to the engagement. As with all professional services, actual fees may vary slightly. If fees are less than estimated, the Client will be billed only for those services rendered. If the scope of the engagement changes so those fees would be higher than anticipated, we will provide the Client with new estimates for approval immediately. [*You may adjust this paragraph as you like. I never quote hourly rates because no human being on the face of this planet is worth $100 an hour, and I charge a lot more! However, clients are not paying for hours. They are paying for your knowledge and they are paying for solutions! The value of the finished product dictates its worth. I do track time internally to see if I am making $100 an hour, or $5 and hour, but that is a management issue only*.]

###### REFERRALS

Because much of the consulting provided by our firm is strategic to our clients and provides us access to client confidential and private information, we do not publish a list of our clients. We do not refer to them unless we receive specific permission from them to do so. The following clients have agreed to comment on our services and to be listed. Additional referrals may be provided if needed. *[I generally do not use referrals because nearly all my work is referred in the first place. However, as this paragraph states, I have clients who do not want their competitors to know I work for them. This is also one of the added benefits I sell to my clients. If someone really insists on referrals, I use public or governmental organizations I have done work for, and a few trusted clients where I have contacted them before hand and ask if I can give their name as a referral. As a side note, nearly every time I call a client to ask if I can give their name as a referral, I end up with an engagement to come back in and do some additional work for them. Think about it.]*

###### ACKNOWLEDGMENT AND ACCEPTANCE

Please indicate your approval of the terms of this engagement by signing where indicated below. Should you have additional questions, please do not hesitate to call me.

Very truly yours,

For the firm

*[Your name here]*

Accepted by: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Print name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[*The letter closure is as important as the beginning. I do not start an engagement until a signed copy is in my files. I will accept a faxed copy since that is just as valid as an original when proving intent in a court of law. There are also times with a new client that I request a retain check with the signed letter. Usually this is for any out of pocket expense, such as my airfare, hotel and first day fees; this language protects me until I have time to look the client over and make sure they are reliable. Again, I have not had any problems with any client from whom I have requested a retainer. Once I have an established relationship, I bill the client as appropriate, or as agreed upon*.]