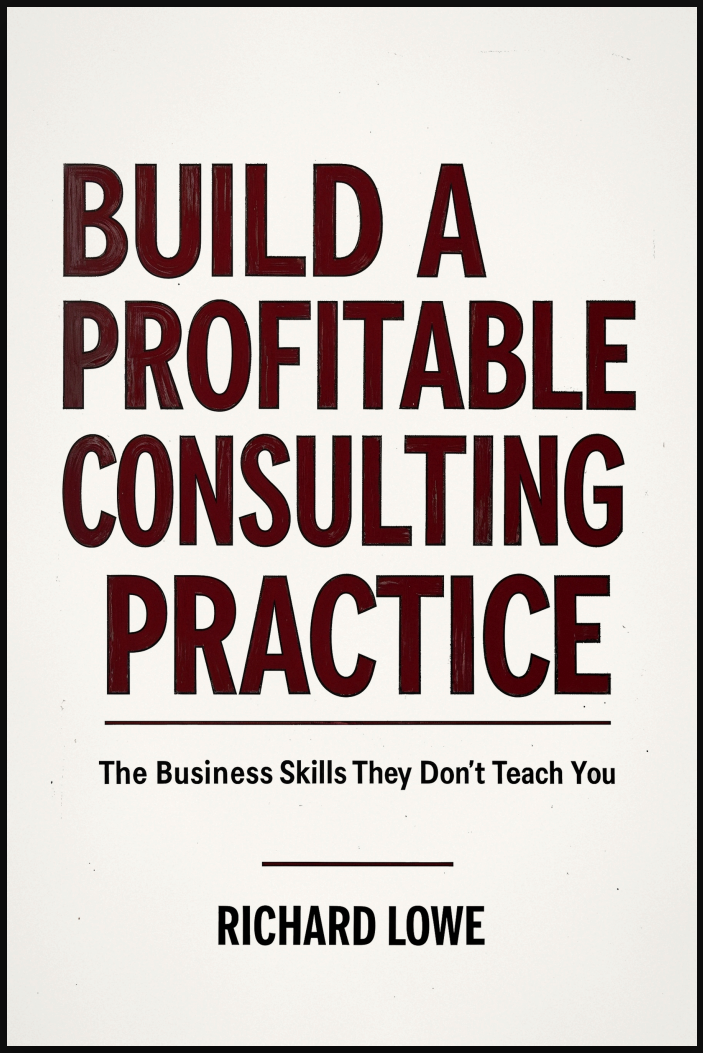
A FREE COMPANION TO BUILD A PROFITABLE CONSULTING PRACTICE

Write the SOW First

A fill-in toolkit for every consulting engagement, from the first call to the final invoice.



RICHARD LOWE

How to Use This Toolkit

Print it. Use one copy for every new engagement.

Build a Profitable Consulting Practice covers the business side of consulting, the part nobody teaches you. This toolkit turns the book's rules into worksheets in the order you'll need them: screen the client, write the statement of work, set the price and payment terms, control change, keep the client informed, handle trouble, and close the project well.

> *The best SOW is one that's so detailed and clear that someone else could pick it up and complete your project.*

Part 1: The Red Flag Screen

Screen potential clients as carefully as they screen you. Check every sign you've seen.

Prospect: _____ **Date:** _____

Pressure, price and payment

- ☐ Wants to start immediately, before a contract or scope is in place
- ☐ Opens by asking for a discount or comparing you to cheaper alternatives
- ☐ Asks for a free "trial," "test" or "proof of concept" of the real work
- ☐ Promises referrals or future work in exchange for free work now
- ☐ Resists advance payment or asks for extended payment terms
- ☐ Wants payment tied to "client satisfaction" or offers equity instead of cash

Scope and people

- ☐ Can't explain what's broken or what success looks like
- ☐ Calls a clearly complex project "simple" or "straightforward"
- ☐ Already says "while you're at it" in the first conversation
- ☐ Won't give references from previous consultants
- ☐ Mentions firing the last three consultants because they "didn't understand his vision"
- ☐ Wants to dictate your tools, methods and the order of your tasks
- ☐ Slow to respond, often reschedules, or talks to you only through intermediaries

0 to 2 signs	3 to 5 signs	6 or more
Proceed with a full SOW and contract.	Call at least two references. Price for the extra work; the book adds 25% for a difficult client.	Walk away. No project is worth the stress and financial risk.

Part 2: The Statement of Work Builder

Project: _____ **Client:** _____

SECTION	WHAT TO WRITE
Current situation What exists today, as the baseline	
The finished result Paint a picture: what users will see and do	
Not included Be brutal here	
Milestones Each with a deliverable the client approves	
Assumptions Disk space, clean data, a dedicated contact	
Client provides Access, sample data, feedback, people's time	
Change control How changes are requested and billed	
AI use, recording consent, security	

Contract checklist

- ☐ Payment amounts and timing, the right to stop work when payment is late, interest on overdue amounts
- ☐ Liability capped at the total amount paid under the agreement
- ☐ Termination by either side with reasonable notice; paid for work completed to that date; disputes go to mediation or arbitration
- ☐ Deliverables transfer to the client on full payment; you keep your methods, tools and general knowledge

Part 3: Pricing and Payment

Your price positions you in the market. Your payment terms decide whether you can pay the mortgage.

Set the price in three steps

STEP	YOUR NUMBERS
1. Value to the client. What does this save them or earn them each year?	
2. Market range. What do others charge for similar work? Aim for the upper third.	
3. Difficulty. Will this client take extra time and energy? If so, add 25%.	
Fixed bid buffer. Add 20% to your time estimate. Scope changes go to change orders.	
Final quote	

No baseline yet? Research what others in your field charge, take the midpoint, and add 20%.

Pick the model and the payment terms

MODEL	FITS WHEN	GET PAID THIS WAY
Fixed bid	Scope and deliverables are clearly defined	50% before you start, balance at completion; milestone payments on large projects
Hourly	Scope is undefined: strategy, troubleshooting, crisis recovery	Quote a range, then bill prepaid blocks of 10 to 20 hours
Retainer	Ongoing advisory work with unpredictable timing	A flat monthly fee for a set number of hours, paid on the first of the month

Cover your own costs before you quote

- ☐ Health insurance, now that no employer pays the premium
- ☐ Self-employment tax (15.3% on top of income tax) and quarterly estimated payments
- ☐ Retirement savings you now fund yourself
- ☐ E&O insurance, website, domain email and business tools
- ☐ An accountant who works with independent contractors, in your first year

Part 4: The Change Order

Every change gets this form, signed by both parties, before any work begins. No exceptions.

1. **Acknowledge it.** Agree the request makes business sense, so the client knows you aren't being difficult.
2. **Explain what it really involves.** A change often touches more than the obvious areas.
3. **Give at least two options.** Add it now with clear time and cost impacts, or defer it to a future phase.
4. **Write it down and get a signature.** Then do the work.

CHANGE ORDER NO. _____	**PROJECT: _____**
Requested by / date	
Description and areas affected	
Option A: add now hours, cost, new dates	
Option B: defer to later phase	
Option chosen	
Signatures / date	

Weekly Status Report

One page, in business terms: what the client can now do, and when.

HEADING	**THIS WEEK**
Accomplished this week	
Planned for next week	
Issues or risks needing attention	
Status against timeline and budget	

Part 5: Kickoff and Trouble

Clients buy peace of mind along with the technical solution. Ask how they want to hear from you.

ASK AT THE KICKOFF MEETING	ANSWER
How do you prefer to receive project updates, and in how much detail?	
What's the best way to reach you with urgent questions?	
Who else needs to be kept informed?	
What counts as urgent, and how fast do you expect a response?	
Who signs off on deliverables, controls the budget, and has veto authority?	

Early warning signs

- [ ] Scope growing with no change to timeline or budget
- [ ] Your main contact answers slowly, misses meetings, or hands you off
- [ ] Requests to justify routine decisions you already had approved
- [ ] A key stakeholder leaves, or new management arrives
- [ ] Pressure to deliver faster with the same scope and resources
- [ ] Questions about routine expenses or requests to defer payment

What to do

1. **Tell the decision makers now.** Lead with the problem, explain the impact, present solutions.
2. **Meet any new stakeholder within 48 hours** and hand over the documentation.
3. **Pause if you must.** Written notice naming the issue, an invoice for work completed, a factual tone. Don't threaten, don't explain at length, don't apologize.
4. **Call your lawyer early**, and your E&O insurer the moment any legal threat appears.

Part 6: Closing and Protection

A project ending is a relationship transition as much as a delivery milestone.

Closing checklist

- [ ] Knowledge transfer done; the client team can handle routine issues without calling you
- [ ] Project archive handed over: contracts, communications, decision records, working files
- [ ] Project summary written: main decisions, lessons learned, recommendations
- [ ] Support arrangement confirmed: warranty period, response times, billing
- [ ] Final invoice sent promptly and followed up
- [ ] Thank-you notes sent naming specific contributions
- [ ] Permission to use the client as a reference, and the topics they're comfortable discussing
- [ ] Testimonial collected, ideally right after a milestone win, from a draft you wrote in the client's voice
- [ ] Quarterly check-ins with the main contacts on your calendar

Records that protect you

- [ ] One folder per project: contracts, correspondence, meeting notes, deliverables, change requests, admin
- [ ] Files named date first, so they sort correctly
- [ ] Follow-up email after every call that decided something
- [ ] Signed contracts also kept on paper

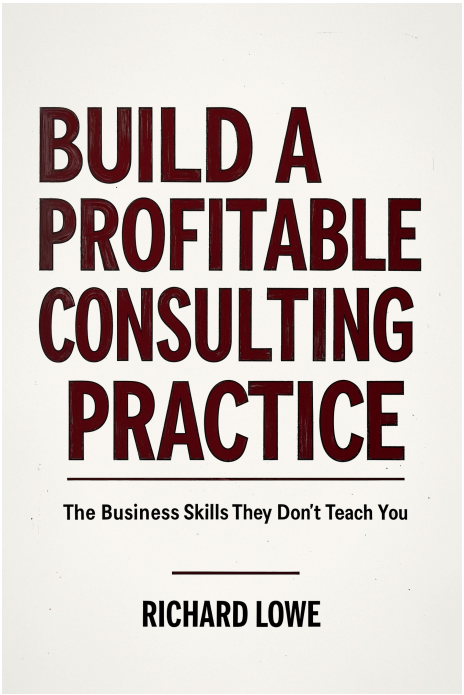
E&O policy check

- [ ] Limits high enough for legal defense and a settlement
- [ ] Prior acts coverage if you're switching carriers or buying your first policy
- [ ] Claims-made policy kept active with no gap; tail coverage when you close the practice
- [ ] Cyber liability included if you touch client systems or data

> *Now go fix their bugs. Just write the SOW first.*

The Whole Story

These worksheets are the short version. Build a Profitable Consulting Practice tells the stories behind every rule: the $3,000 database job that became 200 hours, the client who disputed half an invoice, the rounding error that cost a colleague two years of profits, and the habits that turned it all around.



Build a Profitable Consulting Practice:
The Business Skills They Don't Teach You
Working for Yourself

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