

**Title:**

IT Consulting: Providing Clients with Credit

**Word Count:**

305

**Summary:**

IT consulting clients sometimes will want you to provide them credit. Don't give too much credit too soon or you'll ruin your practice in IT consulting.

**Keywords:**

IT consulting, IT-consulting

**Article Body:**

In running an IT consulting business, do not be too quick to give new clients credit. Even when you give them credit, keep their lines of credit relatively low until they've built up some history with you.

### Provide Low Lines of Credit

If you have new IT consulting clients, it may make sense to start them out, even if you get a credit application and send out some credit reference letters, with a \$500 or \$1,000 line of credit. Don't go allowing them to hang you up on a \$5,000 or \$10,000 leash before they've proven they're able to pay small invoices.

If they need a lot of work before that, it makes sense to get larger deposits and be able to accept credit cards, but do not be too quick to give new IT consulting clients credit. It's a way to get yourself in big financial trouble really fast.

### Require Written Agreements

It's even worse if you're selling products like hardware, software and peripherals. Always insist on written agreements for your IT consulting business. Verbal promises are for amateurs and belong in an era of time that disappeared decades ago.

State what you're going to do, how you're going to do it, when you're going to do it, what it's going to cost and the payment schedule, in four to six sentences. Of course, on larger IT consulting projects you will need multi page

proposals.

The Bottom Line about IT Consulting

Always insist on written agreements, even if it's a very small job. Just type up a couple sentences, a letter of understanding, to ensure you and the client are on the same page.

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