



## **Developing an Advisory Board**

By Lois Carter Fay, APR

If you are a sole proprietor, you might not have access to a good management team to help you solve your business challenges. That puts your business at a disadvantage in today's business world--especially if you run a micro-business.

The limited resources--both people and financial--of small owner-managed firms prevent them from being able to take advantage of opportunities as they arise. They need additional management experience, creative ideas, and resources to effectively grow their businesses into thriving operations.

### **Advantages for Using an Advisory Board**

One way for you to find solutions to business challenges is to make use of an advisory board of directors. Similar to boards used by corporations, an advisory board would meet periodically with you to discuss particular management issues, such as new business opportunities, adding staff, targeting a new market, increasing sales, and so forth. Board members would offer ideas and solutions to help the company grow.

There are two main differences between these two types of boards. First, a corporate board member is often paid for his or her service. Second, with a corporate board, the company management is obligated to follow the board's decisions. A voluntary advisory board for a sole proprietorship is neither paid nor binding.

However, there would be little value for you to have experts on an advisory board recommending solutions to problems, ideas for expansion, etc., if you refused to take their advice. And the board members would soon decide their time could be spent more effectively doing anything but sitting on the advisory board if their advice was ignored.



Lois Carter Fay, APR

Publisher, MarketingIdeaShop BRAINY Tidbits Ezine

Marketing Idea Shop • Strategic Business Partners

411 Rainier Road • Massanutten, Virginia 22840

Voice 540.289.3840 • Fax 540.289.3839 • Toll Free 800.203.8660

Email [lcf@marketingideashop.com](mailto:lcf@marketingideashop.com) • On the Web at [www.marketingideashop.com](http://www.marketingideashop.com)

## **Setting Up the Board**

To determine who should be on the board, you must first decide what skills are needed to help reach your goals. Most entrepreneurs go into business because they have a certain technical skill, such as graphic design or making a computer work like a charm. Although they may be pretty good at keeping busy and attracting business, they usually find that they lack some knowledge or experience about running their business. Accounting may be the last thing they ever do, which often means that even though the company is busy with projects, they don't pay their bills on time because the bills never get sent out.

Members of the advisory board should complement your skills as the owner plus those of other management personnel in your company in order to complete the company's management team. For instance, your advisory board might consist of an accountant, a sales expert, an attorney, a banker, and an expert in marketing. Others to consider might include a person who has retired from the company's industry to serve as a mentor, a creative person to provide that extremely important jolt out of "group think", or someone with a similar business in a different industry.

The key to a good board is diversity. Having someone on the board from an unrelated industry allows the questions, "Why does this problem have to be solved this way? Can't we try this?" to be asked. It promotes creative solutions to business challenges. It should, therefore, be a mix of men and women of varying ages with diverse experiences and access to a multitude of resources and business knowledge.

## **Soliciting Board Members**

Getting potential board members to agree to serve may seem like the hardest part to setting up an advisory board, but it's really not. People like to help their friends. And, board members often get as much out of the experience as you do. If the board members are small business owners themselves, they will gain great insights into their own business challenges through discussions on the board. They may be exposed to potential customers or referral sources through the other members of the board. They may like to solve interesting problems and need some stimulation in their lives. They may want to practice being on a board of directors so that, in the future, when they are asked to be on a major corporate board for pay they will understand the process involved. Or, they may just think you are the greatest thing since sliced bread and want to help simply because they like you. Just remember that there is something that will make the experience worthwhile for them, and try to figure out what's most important to them.



## Structuring Meetings

If your company is changing quickly, consideration should be given to monthly or bi-monthly meetings. Otherwise, quarterly meetings would probably be sufficient, especially for a micro-business. Each board meeting will usually result in a list of things to be accomplished before the next scheduled meeting and you don't want to overburden yourself.

Setting meeting dates for the convenience of your board members is the logical way to handle timing. It's likely that your board members will either be employed by others, or running their own businesses. Consider a late-afternoon meeting in a conference room with take-out food to simplify the situation. That way, you can be comfortable, discuss private matters without someone overhearing you, and have an enjoyable meal without being interrupted numerous times by the wait staff.

You should provide the food, develop an agenda for the meeting, and follow up with meeting notes within a few days of the meeting. A summary of accomplishments since the previous meeting would also be expected from you by board members.

## Accountability and Celebration

Two key benefits for having an advisory board are accountability and celebration. By setting regular meetings with your board, you will be forced to meet deadlines and set goals for your company. Your board won't let you get away with missing deadlines and floating along with no plan. But when you reach your goals, get a new client, or make significant changes, they will be there to celebrate your successes with you.

# # #

Sign up today for my **FREE** weekly "**MarketingIdeaShop BRAINY Tidbits**" ezine at <http://www.marketingideashop.com> and receive "67 Ways to Promote Your Business," FREE by return email!

# # #

Self-employed since 1990, Lois Carter Fay is the owner of [Strategic Business Partners](#), a marketing consulting firm that develops ideas and strategies to grow your business, [Words For Websites](#), a website writing and strategy business, and the [Marketing Idea Shop](#), an online resource for marketers and small businesses. She works with small business owners and managers to help them with all of their marketing and public relations issues. Find out more at <http://www.marketingideashop.com> .

*Copyright © 2003 by Lois Carter Fay. All rights reserved. Reproduction prohibited without permission.*



If you have questions about anything included in this article or you need marketing consulting help, please contact Lois Carter Fay via email at <mailto:lcf@marketingideashop.com> or call +1.540.289.3840 or toll free +1.800.203.8660.

**Ebooks Available from Marketing Idea Shop:**

- [\*\*Marketing Plan Essentials: Online & Off\*\*](#) by Lois Carter Fay
- [\*\*52 Ready-to-Go Sales Meetings: 52 Ways to Help Your Salespeople \(and Yourself\) Win at the Game of Sales\*\*](#) by Jim Wilson with Lois Carter Fay