1-5-2011

Entrepreneurs: Consider Forming an Advisory Board

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Entrepreneurs: Consider forming an advisory board

Advisory boards are not just for Fortune 500 companies. Many small business owners could benefit from one as well. Different from a formal board of directors, an advisory board has no fiduciary responsibilities in the company. Instead, its sole purpose is to advise and support you, the leader of your small business.

Busy entrepreneurs get caught up in the day-to-day operations and often overlook the value of working on their businesses instead of in their businesses. Done right, the rewards you reap from a small business advisory board are tremendous.

Why should you consider forming one?

- Gain perspectives and feedback from outside the company.
- Get advice from other seasoned business owners.
- Help you set goals and hold you accountable for your progress.
- Send you business and referrals.
- Learn from someone else's mistakes and avoid making the same ones yourself.
- Keep you motivated and bring out the best in you as a leader and a manager.
- Provide support and guidance, as self employment is sometimes a lonely place.
- Help you solve your most complex problems.
- Indicate you are serious about improving and growing your business.

Who should you ask to join your advisory board?

Depending on the size and scope of your company, four or five members should be sufficient, and you shouldn’t have to look far to find them.

Choose people you admire and trust and are genuinely interested in helping you succeed.

In our overbooked society, many owners may hesitate to ask people for the gift of their time. So, what’s in it for them? Perhaps they could learn something from you and the others on the board, too. If they are small business owners themselves, you could repay the favor by sending them business and referrals. Plus, successful people want to be associated with other successful people, so the opportunity to network and gain a sense of community involvement may be reason enough for them to say yes.

Before you start the search for the perfect advisory board, be sure to have the details outlined. This would include things like how often the board will meet and how/when they will be compensated.

Most advisory board members are willing to serve for many reasons other than money, but you should be clear on whether “compensation” is in the form of cash or just a really nice lunch four times a year.

Most importantly, don’t waste your time and yours by being unprepared for these meetings. Respect your board members and get the most out of them by preparing an agenda that addresses your most pressing concerns and distributing it beforehand.

Lastly, put aside your pride and listen with an open ear even if what they have to say is not exactly what you were hoping to hear.