

October 2, 2018 CEO Buddy

While most private companies aren't required to have a formal board of directors unless investors or their banks insist, advisory boards bring value to the business. Even if you are the sole owner of your company, there are many reasons why you should consider joining a CEO advisory board.

Definitions.net identifies the differences between a formal Board of Directors and an advisory board: "An advisory board is a body that advises the management of a corporation, organization, or foundation. Unlike the Board of Directors, the advisory board does not have authority to vote on corporate matters, nor a legal fiduciary responsibility."

Why Join an Advisory Board?

An advisory board adds significant value to your business. As a rule, any business can benefit from a group of wise and experienced outsiders who mentor, share successes and problems with the entrepreneur, and act as a sounding board. As an entrepreneur, you wear many hats and some hats fit better than others. An advisory board fills the gaps and provide guidance in areas where you have less knowledge and expertise.

Considering Joining an Advisory Board? Start Here.

Who you are? Where you are in your business? What exactly do you need in terms of advisory services? Ask these types of questions to refine your thought process on an advisory board. Keep in mind, if you are not going to listen to the input of your board, don't bother. An advisory board only works if you're open to their suggestions.

Some questions to ask yourself as you consider joining an advisory board:

- Is your business growing? Do you feel you need input in areas outside your expertise such as sales and marketing or more technical fields such as engineering and accounting?
- Are you considering a geographic expansion of your business? Are you looking for specific expertise in the expansion process itself or knowledge in the new geography?
- Do you need help on the execution side of your vision?
- Is industry upheaval requiring more specific industry insights?
- Are you preparing for an acquisition, product launch, or other significant business change and seeking to avoid missteps?
- Is your business in a rut? Are you out of new ideas?
- Has a new competitor moved into your market and you need help responding to the new competitive landscape?
- Is business running smoothly and are you just looking for suggestions to incrementally improve or monitor progress?
- Are you willing to be open and honest about your company with outside advisors or will you hold back?
- Can you deal with honest feedback – no matter what?
- Can you accept change for the business, even if it goes against your likes and wants?

- Are you organized enough to follow through on planning and preparing for the advisory board meetings to make productive use of board members time?
- Are you primarily looking for mentors, a sounding board, accountability, help in dealing with issues, or a specific issue?
- Are you willing to broaden your thinking based on the insights of the advisory board?

I repeat, if you aren't going to listen (even though the final decision to implement the advice rests with you) then don't bother!