



## Engaging An Advisory Board

It's lonely at the top and one of the smartest moves any business owner, principal or entrepreneur can make is to engage a Business Advisory Board ("BAB"). The success or accountability of your firm rests on the shoulders of the owner(s). Structuring your BAB, which is less formal than a Board of Directors, with the right mix of members can be paramount to a strong ROI. Here are some steps to think about:

1. **Your Company's Values, Mission, Vision and Purpose:** Make sure that your company's Values, Mission, Vision and Purpose Statements are up to date, so you can share these with any prospective BAB members.
2. **Hire ahead of you:** Be selective and recruit advisors that are ahead of you, a compliment to your existing leadership, and have your best interest at heart. Leverage your network. IE, if you are an architectural design firm specializing in the urban design/mixed-use market place, you might want your board to look like this: A Real Estate Attorney in your geography, a financial advisor to Real Estate Development clients, a Media Professional in your market, and a Leader in Construction in your market place. You don't want to sit around the table with clones of yourself, so engage firms that are fiscally stronger than your bottom line.
3. **Less is More:** Start small with 3-5 members initially, evaluate their impact and add more advisors later. The value of the BAB is determined but its members not by its size.
4. **NDA's –** Be diligent and require that all members complete an NDA. In addition, spell out in writing the advisors roles and expectations.
5. **Time Bound Agreement:** Institute a one-year commitment agreement for the BAB members and reevaluate each advisor at the end of the agreement each year. Alignment is the key here!



6. Documentation - Assign a Chair and a secretary who will be collectively responsible for leading and recording the minutes of the meeting. The minutes will then be forwarded to each BAB member one week after the meeting. Be sure to forward all relevant information such as agenda, business plans, financial statements, reports, etc. well in advance of the meeting. The agenda should include meeting location and time, if a meal is being served and any audio-visual needs.
7. Frequency: This could vary depending on your needs of strategic input; however, if you are a startup, meetings should be monthly for at least one year. For companies that are an established entity, meetings should be once a quarter.
8. Compensation: It is good practice to provide some form of remuneration to your BAB members. This could be meals (lunch or dinner on the day of the meeting), travel expenses, a small stipend or an appreciation gift at the end of the term agreement.

The more deliberate you are when organizing your BAB and sharing the good, the bad & the ugly, the better your results will be in achieving your goals and objectives.

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