

Advisory Boards

Many small-to-medium businesses choose to have Advisory Boards in order to benefit from the knowledge of others, but to not encumber them with the rigors of a more formal board of directors.

Typically, the business owners are looking for:

- Challenges to their thoughts;
- Strategy assistance;
- Co-ordinated advice;
- Business improvement suggestions;
- Policies and procedures establishment;
- Governance and compliance;
- Commercial vs technical input;
- Outside the business input; and
- Follow-up to help the business achieve their strategic goals.

The Outcomes

A strong Advisory Board can facilitate positive outcomes for your business including:

- Designing a profitable business model that is robust enough to sustain adversity and capitalise on opportunities;
- Focusing on entrepreneurial business development that addresses weakness and positions the business to capitalise on opportunities;
- Quarantining time for working on the business instead of continually being dragged into the day-to-day operations of the business;
- Developing a governance culture where business policy is developed and compliance obligations are achieved;
- Developing a marketing and branding strategy for the business;
- Developing and continuously reviewing the business plan;

- Becoming an employer of choice by designing and implementing human resource plans that attract and retain employees;
- Increasing the professionalism and accountability of the business;
- Implementing business case methodology that scopes tangible and intangible benefits of an investment; and
- Implementing performance measures including key performance indicators.

How it works

As the business is your business, the decision-making capacity and responsibility still rests with you. We provide the support, insight and experience to help you make your decision.

An Advisory Board is differentiated to a formal board of directors where liability and responsibility ultimately rests with the whole board.

Members of the Advisory Board usually include a mix of

- The owner(s);
- Key personnel;
- Accountant, legal or other advisors;
- Trusted business associate(s); and
- A family member who has experience in the business but has retired/stepped aside.

Advisory Boards generally meet quarterly with structured annual plans, standard agendas and action lists to govern outcomes and follow-up. The board should annually review their performance and achievements and ensure they are delivering the desired outcomes for the business owner.

Is my business too small for an Advisory Board?

No business is too small to benefit from having an Advisory Board and an Advisory Board is such a powerful management tool that no small business should be without one.

Think about the last time you met with other business people and had an open discussion, sharing your ideas and concerns. An Advisory Board is a formal version of this process.

The formality ensures that all parties dedicate a high level of commitment and follow-up in the advisory process.

Advisory Boards can help family businesses

Fewer than 30 percent of family businesses survive to the second generation, and just 10 percent hold on through the third.

Families who work in business together have challenges other families do not face. While this provides an opportunity to build closeness, it also creates stress and conflict.

In order to balance the needs of the “family” with the needs of the “family business”, it is vital to develop good communication and decision-making.

An Advisory Board allows for a structured approach to doing business together, and generally results in:

1. The family having a shared vision for the business;
2. Every family member feeling involved, motivated and responsible;
3. Family members receiving regular communication regarding the business and family wealth management; and
4. A more structured approach to succession planning (including estate plans for all family members).

If you are interested in establishing an Advisory Board, please contact our office for further details.