An Advisory Board for your Small Business Can Have Benefits

Recently, I attended a meeting with fellow business mentors and the comment was made that several clients have expressed the frustration of being “alone” as they manage and run their company. Here is an idea for you.

As a small business mentor, I can attest to the fact that starting and managing a small business requires paying attention to multiple areas of responsibility. Start a list… accounting, marketing, operations, sales, customer service, personnel, management, research and development, planning, …and the list goes on. Rarely do entrepreneurs have the knowledge and skills to adeptly strategize ways to successfully execute all of them on their own. To improve areas of their businesses and discover ways to streamline processes, some businesses enlist the help of advisory boards.

According to Penny Pompei, SCORE mentor and chairman of the Palm Beach chapter, ”It truly is very lonely at the top, especially at the top of a small business. You are expected to be all things to all people, and while lots of people have plenty of advice for you, they don’t fully understand your business, nor do they always have your best interests at heart.”

An advisory board consists of professionals with expertise in various business disciplines, who provide strategic advice to help an entrepreneur manage and grow the business. Unlike having a board of directors, having an advisory board doesn’t obligate a business owner to act on the guidance provided. Advisory boards offer an opportunity to glean knowledge from experts without the formality and structure of a board of directors.

Some ways small business owners can benefit from advisory boards include:

- Challenge the “tunnel vision” that is keeping them from exploring new approaches that might be more effective than what they’re currently doing.
- Stimulate creative thinking.
- Connect them with valuable contacts and resources they otherwise might not have had an opportunity to meet.
- Facilitate professional and personal development via the new knowledge gained from the members of their board.
- Serve as a sounding board for addressing challenges, solving problems, and exploring new ideas.
• Give them a greater sense of accountability, knowing others have a keen interest in their progress and success.

“Do yourself a favor and never pick your friends and relatives to be on your advisory board,” advises Pompei. “That always leads to problems. You really don’t even have to like the people that you choose—but you must respect their knowledge and ability. If you make widgets, you don’t need another widget expert to advise you—you need people who are forward thinkers about their own businesses. If you haven’t yet read “Team of Rivals” about President Lincoln’s trusted advisors, now is the perfect time to do so. He knew differing opinions made an organization strong, as long as everyone knew that the ultimate decision rested on his shoulders. Every business stands a chance of being “Uber’ed” out of existence. Pick advisors that will help you predict the future.”

If you think your small business could benefit from the help of an advisory board, reach out to your local SCORE chapter to discuss the possibility of forming one for your company. SCORE mentors offer expertise in all aspects of starting and running a small business; they have the knowledge and experience to help you assess your efforts and guide you in ways to reach your goals.

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