



How can you leverage an advisory board to take your private company to the top?



Money and effort. Those are the two most common concerns private companies have when discussing implementing an advisory board for their private company. While the general perception tends to be that only public companies need an advisory board, we've found that not only can they help a private company achieve growth goals, but they can help propel your business forward for future success.

Methods of doing business are constantly changing. Technology is disrupting industries and creating new ones that only a few years ago were never even conceived of. In the midst of such massive change and uncertainty, an advisory board can be exactly what your business needs to launch it to new heights.

Here are the top reasons why considering an advisory board can help protect the future of your private business.

→ Guides not governs

An advisory board is not a board of directors. It has no formal power and its members have no fiduciary duties or liabilities. Its primary objective is to help guide you to make smart, informed decisions. Meetings can be flexible and based on the needs of your business, and they can be set up to focus on the specific areas you'd like to enhance in your company. That being said, an advisory board is only as useful as you make it, so hiring the right members and setting the right intentions are a must for proper guidance.

→ Test runs

An important benefit of advisory boards that often gets overlooked is the test run ability to try out new ideas, processes and procedures. With the less formal nature of these boards, executives and other leadership are free to present their ideas in a more open arena. Advisory boards act as "safe zone," allowing you to consult them on your ideas before you make more definitive and assertive presentations to your directors and before ideas are implemented in the business. It can allow you to be fine-tune, improve and expand on ideas before you bring them to life.

→ Challenges status quo

Advisory boards can add value to your business by adding an outsider perspective. For many mature businesses there's a risk of becoming too inwardly focused. An advisory board can be a welcome addition to innovation. Your board can complement the current skills of executives and add new perspectives to challenge current ways of thinking. Confidentiality is a common concern, but this can be combated with the right structure and guidelines. You also have the option to set up an advisory board for a specific project, such as expanding a product line, so that members may only receive limited information about a specific area of your business.

→ Expands your network

Expanding your network is a critical element for future success. You can select members who have specific skills and abilities that can augment your own, and their inner circle of contacts can present you with new opportunities that you may have never known were possible. The knowledge and skills your company lacks can be filled, as the board can help you broaden your understanding of markets, risk and future drivers of growth.

While you may have always thought that your private company doesn't need an advisory board, there are many benefits to consider that could help you gain the insights you need to stay ahead in your competitive environment. The money and effort put into to crafting a genuine advisory board can help you reap large rewards.

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