

ACROSS THE BOARD: Best Practices for Your Organization's Advisory Board

BY DEBBIE MASON, APR, CPRC, FELLOW PRSA

Advisory boards have long been a norm for corporate, nonprofit and academic sectors, and today, they serve a growing number of small to mid-size businesses. Many organizations receive great value from the advice given by those outside advisors as well as their extended circles of relationships. Boards of advisors can supercharge an organization and help meet its strategic goals when the groups have clarity of purpose and are provided with structured direction and support by the CEO and designees.

Advisory boards are designed to provide strategic advice on growth, sustainability, image, and other factors involved with starting, growing, and improving businesses and nonprofits. The advisory board is there as strategic counsel to the CEO and business team. As such, the decision-making of a board of advisors differs from a board of directors that is making strategic governing decisions on behalf of an organization. Instead, the role of the board of advisors is to listen, challenge, brainstorm, and provide specific guidance and counsel for business challenges, growth paths, new products and services, strategic plans, etc., without any governing authority or implementation responsibility.

There are many great reasons to establish an advisory board for organizations, including having independent, professional expertise and counsel, increased access to members' networks and resources and increased credibility for your own organization because of the association of these outside, usually prestigious advisors. These external boards can often increase customer and investor

confidence while also enhancing the organization's reputation and credibility in the marketplace.

Nick Banks, managing director of Front Street Commercial Real Estate Group, believes that small business leaders often have "no frame of reference for issues or challenges (they) face." When the rest of the business team looks to the leader for guidance and ideas to overcome each challenge and discern which opportunities to pursue, it can be a daunting perspective to face day after day — especially when, as Banks puts it, "I do not have a monopoly on good ideas, nor do I have all the answers!" While CEOs lean on their senior teams for support, advisors play a critical augmentative role. "Individually and collectively, my board of advisors bring experience and real-world advice that has been extremely beneficial to the growth of our company," Banks said.

Boards of advisors that are in the loop of communications with organizations are excellent for extending the reach of communications and advocacy for key messages of the organization.

For organizations that need to raise funds, supporters who have a desire to be involved in more than just writing a check but don't have the time or desire to be full governing board leaders can be terrific matches for board of advisors roles. Volunteers and donors often find that serving as advisors to a nonprofit that matches their passions is a very rewarding step.

Dr. Theresa Beachy, executive director for Peaceful Paths, created a board of trustees in 2008 to "garner support, both in terms of money and awareness outreach, from a larger group of dedicated individuals who believe in our mission." Beachy's trustees provided substantial and immediate assistance when the organization

responded to a fire that burned down headquarters soon after the group was established.

Inexplicably, many organizations tend to create boards of advisors yet do very little to keep these valuable contacts in the know, missing a huge opportunity for leverage and credibility within opinion-leader circles. Too many organizations waste the time of high-level advisors to seek input on tactical matters of the organization rather than keeping the conversation focused on the strategic level.

Best practices for boards of advisors include using agendas for meetings, communicating with them via CEO updates in between meetings, adding advisors to the outreach mailing list for e-blasts, newsletters, direct mail, and sharing other tactics used for communications, sales and relationship retention.

ADVISORY BOARD MEMBERS ARE OFTEN GREAT PRO BONO BUSINESS ADVISORS WHO CAN PROVIDE SOLUTIONS TO CURRENT DILEMMAS AND CLEAR THE PATH FOR OPTIONS THAT BUSINESS OWNERS MIGHT NOT HAVE CONSIDERED ON THEIR OWN.

Banks shared, "I am continually amazed at the insightful counsel shared by our board of advisor

10 STEPS TO ESTABLISHING A GREAT ADVISORY BOARD

When establishing or updating an advisory board, here are 10 considerations:

- 1. Clarify your expectations.** Why are you creating an advisory board? What do you really need for your organization? Are you just using their names for credibility, or will they really have a function and responsibility to help the CEO grow and sustain the organization?
- 2. Recruit specific people and talents.** Let your board of advisors be augmentative to the talent of the organization's CEO and key senior managers. Don't recruit "yes" people who are clones of what you already have. Make sure the composition is representative of the diversity of genders, ages, community sectors, customer or donor sectors, professions, etc., that provide balance and differing perspectives.
- 3. Be specific about the roles and responsibilities of advisors.** Provide a written description of what you want, need and expect from the advisors.
- 4. Clarify what they will receive for service.** Including any monetary compensation, stock options, in-kind tickets, discounted products, access to special meetings, or good will and intrinsic volunteerism, peer networking, etc.
- 5. Size is an important matter, as more is not necessarily better.** Consider how many advisors you need to create the chemistry and culture you want for strategic advice for your organization.
- 6. Frequency of meetings and attendance expectations are very important.** Will advisors attend in person, or can they participate via conference call, GoToMeeting, Skype or Google Hangouts?
- 7. Demonstrate appropriate meeting management.** Schedule meetings far in advance; provide agendas in advance, minutes of meetings within a week of the meeting and then send specific follow-up reminders for agreed-upon tasks.
- 8. Clarify the chair's role.** The role of the chair should be very clear in facilitating meetings, resolving conflicts, monitoring conversations to keep them relevant and serving as a spokesperson for the group.
- 9. Consider a mission moment or update at every meeting.** Whether you are a business, nonprofit or academic board, remind people of the organization's mission and their important roles in executing that in a superior manner.
- 10. Don't forget fun.** Be sure to factor in some appreciation, fun and enjoyable activities that let advisors discern how much you value and appreciate their role! A sincere private thank-you note as well as public appreciation is always appreciated. List their names where possible, and share their involvement with pride.



members as well as the passion they bring to helping our company grow and prosper."

In the nonprofit sector, advisory board members provide much-needed assistance to help the organization accomplish its big vision and critical mission elements. Most advisory boards of nonprofits have some level of financial contribution as an expectation for members who join the advisory board. In addition, opening doors and extending the organization's reach to new donors is often a stated expectation for participation.

Peaceful Path's Beachy said, "Throughout our campus expansion project, the trustees have been instrumental in bringing new donors and supporters to raise the funds needed for this huge undertaking. Using their contacts, network(s) and personal investments in this project, they have collectively helped to double the numbers and gave us the momentum we needed to gather project-matching funds."

"In doing so, we garnered \$3 million of the \$10 million available in state matching funds, which cut our timeline for the project from seven years to two years and allowed us to finish debt free," she added.

In academic circles, advisory councils have been a part of leading programs at universities for many decades, providing access to donors and resources for internships and sponsorships as well as input for curriculum and future trends for academics to consider.

Dr. Juan-Carlos Molleda, chair of the Department of Public Relations at the University of Florida's College of Journalism and Communications, said, "Our advisory board came up with the idea of our new in-house multifunctional agency and helped us raise the money to have it come into reality. They are interested in the success of the program and our students, keeping us informed on

the challenges of the industry and the demands ahead for upcoming professionals."

Advisory boards that have clarity of purpose, well-defined roles and responsibilities and a structured, strategic focus are very well poised to provide significant guidance to avoid issues, share trends, and make a very real difference in the future of organizations that are wise enough to establish them and smart in how they manage and communicate with them. Knowing how to start such a group and manage it well through the years is a key advantage for business, nonprofit and academic CEOs.



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