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BUSINESS SERVICES

Business Advisory Boards Sound Advice for Overloaded Owners

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Many entrepreneurs are often so busy addressing the day-to-day concerns of their business that they can overlook problems or miss opportunities that could affect it. Establishing a business advisory board can help resolve these dilemmas and serve as a source of guidance to you in difficult situations. Setting up an advisory board is generally easier than you might think, and can provide enormous advantages to your business now and in the future at relatively little cost.

Consider the advisory board as a mentoring group for your business. While the final decisions of the business are ultimately yours, this group can help insure that those decisions are well thought out, drawing upon the experience of its members. There are numerous benefits of having an advisory board, which can be tailored to your particular business and its needs.

When determining how to populate your advisory board, you may consider those with particular knowledge in finance, marketing, business management, law, or other relevant areas. Often some of the most valuable advisers are other business owners, whether within or outside of your industry, who have worked through many of the same issues that your business faces. Pick members whose judgment you respect that can help you develop strategies as well as solving problems. It is also prudent to keep your board somewhat diverse. Members who are compatible but with different approaches in their way of thinking, or who are willing to offer opposing points of view, can provide insight into your business that might not otherwise be realized.

There is no right or wrong number of people who should serve on your business advisory board. It is usually a good idea to start small, and develop your board as your business grows in a way that addresses its changes. Your board may be comprised of people you already know (or to whom you can be easily introduced) who fit your criteria and who are willing to offer you the benefit of their background and skills. An added bonus is that your advisors' contacts often become your contacts and an asset to your business. Sometimes a phone call or introduction facilitated by an advisor can open doors or provide a quick solution to a business concern.

Meeting structure and frequency can be as varied as the personalities that serve on your advisory board. They can be informal breakfast or lunch meetings a couple times each year. Others find that quarterly working sessions with a set agenda are necessary, and some will venture as far as to have an attorney draft advisory board rules outlining the board's duties and responsibilities. While the levels of formality and regularity are up to you, it is wise to permit enough time between meetings to implement the board's ideas, yet hold them often enough to encourage follow through. However, one of the biggest advantages of an advisory board is that as issues arise, your business' sounding board is just an email or a phone call away.

While an advisory board can be instrumental to a business' success, it is not intended to take the place of management. Advisory board members are there to simply advise. They have no formal authority within or over your business, nor do they have the same legal responsibilities as officers or directors. Further, though it is important that your advisory board have sufficient information to render proper counsel, the amount of information that you share with its members is at your discretion.

Many advisory board members are willing to serve for free or for a nominal amount, with the only costs arising from convening meetings or for reimbursement of out-of-pocket travel or expenses. Members of your board want to afford you the benefit of their expertise, and provide you the support and inspiration to drive your business forward. As such, there is little standing in the way of establishing an advisory board and tapping into a resource that can make a significant difference in your business' success. Consider starting one today.

For more information on business advisory boards contact Todd A. Weber at 614-233-4749 or tweber@lanealton.com