

Ask Irene

Advice for the Entrepreneur

by Irene Hurst

• Director

USF Small Business Development Center

www.sbdc.usf.edu

hurst@coba.usf.edu



Q. *Do I need an advisory board for my business?*

A. An advisory board can be very helpful to any small business, but especially if you are in a fast changing, growing industry. Most of the time, an advisory board consists of outside experts who are familiar with your industry, or have business or technical know-how outside your own knowledge base. They can help you in resolving disputes over operational and strategic issues; be a sounding board for new directions and problem solving; or help in benchmarking your company and bringing expertise that's lacking.

The role of such a board is to help your business be more successful by reaching its potential. Growing a business can be overwhelming and sometimes you just need a sounding board to ensure that you are on the right track. Being an entrepreneur can be lonely, because there are issues that you cannot discuss with your employees or even your spouse.

Many entrepreneurs start their business because they are good at doing something (having a trade skill, for example), but in growing the business you also need to have solid interpersonal, sales, management and finance skills as well. It's very difficult to be an expert in everything; therefore, having an advisory board that complements you is a tremendous asset.

The ideal size for a board is three to five people. Try to identify persons with experience in the area where your company is heading and who complement your skills. Select people you trust, individuals with whom you feel comfortable sharing everything about your business. The best advisors allow you to be completely candid and, in return, provide you with very honest opinions.

Small Business Development Centers and SCORE counselors can be a good source for potential board members. Often, they have either firsthand experience as a small business owner or expertise in certain areas like accounting, marketing or finance. Other sources are accountants, attorneys, business consultants, industry experts and individuals whose business acumen and "street smarts" you admire.

An advisory board should meet on a regular basis for the members to get to know the company and assist in providing meaningful advice. Your board members do not necessarily need to be compensated. Some businesses provide minimal compensation to ensure that the board members show up at each meeting and take their positions seriously. ☺