

Grow Your Business Using an Advisory Board

Whether you are just starting out as a new advisor or you are an “old hand” with a big book of business, growing an advisory practice is a challenge. Leveraging the experience of other successful professionals through an advisory board is a great way to grow your business. An advisory board gives you access to fresh perspectives and creates an accountability structure for you as a business owner.

Why an advisory board?

There are many reasons why an advisory board makes sense. Having an advisory board builds company credibility and improves image. The advisory board can help you improve your “client experience” and business practices, positively impacting your bottom line. Your advisory board can also bring in new clients, which is explained later in this article.

The two kinds of boards

There are generally two forms of advisory boards: a client advisory board or an outside advisory board. The client board consists of a selected group of your own clients and an outside board is made up of people who are not your clients and might not be part of your industry. Because both forms of boards have their own distinct advantages, you may want to create both a client and an outside board.

The client advisory board

The client advisory board creates a forum to talk openly with your clients about their relationship with your company. They can tell you what they like, what they do not like, and what you need to change to improve your client experience. We all like to think that we provide the best service and value, but our clients might see weakness in our business that we do not see ourselves.

Your client board should have enough members to obtain a diversity of opinion, but not be so large that members are not able to interact and be heard

at the meetings. Generally six to eight members is a good number.

When considering who to invite to serve on your client board, do not select just your top clients. You want to choose clients who represent the various segments of your practice. You may want to pick one of your larger clients and one of the smaller. Be sure to include a mix of men and women. If you offer a variety of services, choose clients who have used them. No matter how frequent the meetings, you need people who have the time to commit to attending meetings consistently.

The outside advisory board

The outside advisory board is an opportunity for business leaders to find out more about your business, offering you their wisdom and insight. Where the client board provides feedback about the client experience, the outside board is focused on your business practices, marketing, and operations. Most importantly, outside board members can give you insight into how they manage their businesses.

Your outside board can be just a few trusted individuals or a larger, more diverse group. The board should be sized according to what you want to achieve. Our experience indicates that the smallest number of board members needed to be effective is four. Similarly we found out that, with more than 10 or 12 members, the group may be too large to have effective meetings.

How to recruit board members

Selecting members for an outside board is more challenging than with a client board. The client board is made up of clients who you know. It is simply a matter of selecting clients who will work well in the same group, being open and honest.

But for an outside board, you need to look beyond your existing clients and select people who want to support you and participate in your success. You might want to consider your CPA or attorney. Include one or more of your clients who are successful business people. Your civic club or community organization is a great place to look for potential board members.

The best way to invite members is with a personal phone call. On the phone call, you can explain what their role will be and how much time will be required, asking for their commitment. After the phone call, you should follow up by sending a formal invitation. This can be a simple letter or a more traditional, “wedding-style” invitation. Sending a formal invitation sets the tone for the relationship—it lets the potential member know this is an important group and that you recognize their importance as a member.

Holding board meetings

The first decision to be made before holding a meeting is whether it will be a one-time or regularly scheduled event. A client advisory board may lend itself to a one-time meeting, while an outside board might be more effective meeting several times a year.

Running a successful board meeting requires the same skills as successfully running any meeting. The Internet is a good information source for ideas and sample agendas. Here are a few tips to consider:

- **Make it enjoyable.** Board meetings should not create high anxiety. If you have selected the right people, everyone in the room will be focused on making you successful. So, while you might experience some criticism, you will find that it can be a very enjoyable experience.

- **Use an agenda.** Your time is important and so is the time of your board members. Create an agenda and distribute it in advance so that everyone can be prepared. Then stick to the agenda, but be sure to facilitate input from everyone on every topic. Some of the best help and information can come from an area or topic that you did not previously consider, so make sure your agenda allows plenty of time to explore each subject. Your agenda could look like this:

1. Welcome: Review Meeting Goals
2. Report: Accomplishments and Challenges
3. Discuss: Ways to Improve Processes or Outcomes
4. Decide: What Action Steps Come Out of Meeting
5. Adjourn: Next Meeting and Thank You

- **Make it a formal meeting.** You do not have to have a big impressive board room, but you do need a location that will be conducive to easy conversation. This is not a client appreciation event, so select a business meeting location, not an entertainment venue. You may need to provide food and drink. If so, try to stay away from meeting at a restaurant where having a meal would conflict with business.

Board meeting follow up

After a successful meeting, you will have a list of follow-up action items. Put them in a memo and send it out to the board members. This serves several purposes. First, it lets everyone know that their input was important and that you have listened to them. Second, it can facilitate additional input from participants even after the meeting. Finally, it sets up an accountability structure for you. If you agreed in the meeting to take an action step, then you will have to report on your follow up to your board.

Showing your appreciation

Board members who are taking their time to help you and your business deserve your thanks and appreciation. Instead of providing monetary compensation, you could provide some great seats at the next sporting or cultural event or recognize them through your newsletter (Tip: ask their permission first). Other “appreciation ideas” include having the next meeting somewhere special or having a special appreciation event for board members and their spouses and friends. Who knows? Appreciative spouses and friends might have a few referrals for you too.

Advisory board referrals mean more business

Every advisor knows that referrals mean more business. But how can an advisory board help? One of the topics in every board meeting should be marketing: How can you attract new clients? You will get a number of suggestions. Maybe a greater use of social media? Or some new form of advertising or increasing the number of client events. Invariably someone will suggest referrals. And

who is a better source of referrals than your board members? You do not have to ask them specifically for referrals but, once the topic is on the table, your board will become one of your very best referral sources. Everyone who takes the time to serve on an advisory board wants to be involved with a successful venture. When your board knows your values, your approach to serving clients, and your positive client experience, they will be prepared to tell your story to their family, friends, and business associates.

Now do it!

Growing a business takes work and creating an advisory board is no exception. But the benefits of creating an advisory board can far outweigh the costs. Find someone who has successfully created a board and ask them to be a mentor. Using this article, create a list of action steps and start inviting potential board members to the first meeting. Above all, do not forget that improving your business with an advisory board will help both you and your clients.



Would you like to know more about how to manage an advisory board? Are there other areas of your advisory practice that might need improvement? U.S. Planning Group has a proven record of successfully helping financial advisors grow their businesses. Call us today to find out how: 770-395-9595.

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