

# Resource

How an advisory board  
can help your business



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Running a business is no easy feat, especially when you are trying to navigate the challenges of a constantly changing market, customer demands, team development, supply chain, cashflows, health & safety, compliance, the list goes on!

As a business owner, you are responsible for making critical decisions that can impact the success or failure of your company, which in turn has a wider impact on your team & the community in general. Sometimes it feels like the pressure never stops.

That's where an advisory board comes in handy.

An advisory board is simply a group of people who provide guidance and support to a business owner or management team. They offer an independent view of the business and its operations, which can be invaluable when it comes to making important decisions. In this article, we will discuss the value of an advisory board for small businesses, drawing insights from the New Zealand Institute of Directors and [business.govt.nz](http://business.govt.nz).

The great thing about advisory boards is that you can structure them however you like. For most of the advisory boards I'm involved with, external members may be the accountant, an industry expert, health & safety support, business advisor & senior leadership team. It might be all of that, just one of those members with the business owner or a combination of members. There is no one size fits all, just what is best for your business at that time.

## What can an advisory board offer?

### Independent view

One of the primary benefits of an advisory board is that it provides an independent view of the business. Business owners and senior leadership teams are often too close to the company to see the bigger picture. An advisory board can provide an objective viewpoint and help identify blind spots. This can help a business avoid costly mistakes and make more informed decisions.

### Support

The support provided by an advisory board is another valuable feature. Running a business can be a lonely experience and having a group of folks to bounce ideas off can be invaluable. An advisory board can provide advice, support, and encouragement when it is needed most. This can help business owners stay motivated and focused on achieving what it is that they need to do. Sometimes that might be as simple as a 'vent', or it might be more structured with a formal meeting rhythm, similar to a board of directors.

### Support around decision making

An advisory board also provides structure to the decision-making process. When faced with a difficult decision, it can be challenging to know where to start. An advisory board can provide a framework for decision making, helping to ensure that all the relevant factors are considered. This can lead to better decisions and improved outcomes.

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## Varied skills & experience

A quote I read a long time ago but has always stuck with me said (or words to this effect), *if you're the smartest person on your team, your team's in trouble* (I think it is a Henry Ford quote). So another valuable feature of an advisory board is that it can add skills and expertise that may be lacking in the business. An advisory board can provide access to these skills and ensure that the business has the support it needs in critical areas.



## Video - Practical governance leads to an increase in profitability

(2min 20sec to watch)

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# Benefits to your business of an advisory board

## Clarity

There are numerous benefits of having an advisory board, but I think one of the most significant advantages is the clarity it provides. An advisory board can help clarify the goals and objectives of the business, which can be especially important for businesses that are just starting. This clarity can help business owners stay focused on what is important and avoid getting side-tracked by less critical issues.

## Better decisions

Another benefit of an advisory board is that it can lead to better decision making. By providing an independent view and objective advice, an advisory board can help ensure that decisions are well-informed and well-considered. This can help the business avoid costly mistakes and make decisions that are in the best interests of the company. Sometimes a business owner just needs to hear a contrary view that can allow them to consider things in a different way.

## Managing risk & compliance

An advisory board can also provide a valuable overview of the risks and compliance requirements facing the business. This can be especially important for small businesses that may not have dedicated staff to manage these areas. By providing an overview of these issues, an advisory board can help ensure that the business is meeting its legal and regulatory obligations and avoiding any unnecessary risks.

## Avoiding or managing conflict

For businesses with multiple directors or even a family owned business with a number of family members, an advisory board can be especially valuable. It can help ensure that everyone is on the same page and working towards the same goals. This can help avoid conflicts and ensure that the business is moving forward in a coordinated and effective manner.

## Increased profitability

Finally, an advisory board can help improve the profitability of a business. By providing guidance and support, an advisory board can help identify opportunities for growth and improvement. This can lead to increased revenue and improved profitability, which is essential for the long-term success of any business.



## I don't want an advisory board because I'll lose control

One of the most significant advantages of having an advisory board, as opposed to independent directors, is that it allows business owners to maintain control and decision-making authority. While the advisory board provides guidance and support, the final decision always rests with the business owner & the advisory board is simply there to advise & challenge.



### Video - The value of independent advice

(1.07 mins to watch)

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# What should I consider when deciding if an advisory board would be right for me?

- Who offers independent thought around your board table ?
- Who is testing your assumptions & decisions?
- Do you value other opinions when looking at making critical decisions for your business?
- Would views of others help you navigate a constantly changing market?
- Would an independent view of your business operations be helpful?
- Do you lack certain skills or expertise in your team that an advisory board could provide?
- Are you feeling isolated in your decision-making process?
- Are you looking for support, guidance, and encouragement?
- Would a structured decision-making process benefit your business?
- Do you need help identifying blind spots or avoiding costly mistakes?
- Would an overview of risks and compliance requirements be helpful?
- Are you looking for opportunities to improve profitability and growth?
- Do you have multiple directors or family members who could benefit from an advisory board's guidance and coordination?

# Want To Know More About Advisory Boards? Let's talk.

If you'd like to know more about how an advisory board can help your business, get in touch. I can take you through the benefits of independent advice and what type of governance structure would work for your business.

Just give me a buzz or flick me an email today on [021 748 142](tel:021748142) or [john@planaconsulting.co.nz](mailto:john@planaconsulting.co.nz)

## About PlanA Consulting

**John Hutchinson from PlanA Consulting works with New Zealand business owners to help their companies become more effective and efficient, and better places to work, leading to better profitability.**

Since 2008, John has been able to help privately owned and family companies develop their governance practices, strategic thinking, communicate that to various stakeholders and help them achieve their goals in accordance with their company values. This results in clearer company direction, defined strategy, better governance, better accountability and improved statement of performance and position.

John has a strong practical business background, having owned his own companies for 20 years.

PlanA Consulting has developed a number of options for business owners to use, that assists them in making sure they're working on key areas of their business in order to get the results they deserve. These include but are not limited to:

- General Governance & Management Support
- Business Strategy & Planning
- Business Growth
- Business Risk
- Business Succession
- Mergers & Acquisitions

### Sectors John has worked with:

These include but are not limited to:

- Trade-related businesses
- Import and distribution, wholesale trade
- Retail and FMCG
- Online businesses
- Professional services such as accounting, legal, insurance, real estate, financial services, administrative
- Manufacturing
- Health
- Not-for-profit organisations
- Transport
- Franchisors & franchising

[www.planaconsulting.co.nz](http://www.planaconsulting.co.nz)

## Other resources that may assist you

Institute of Directors New Zealand

<https://www.iod.org.nz/resources-and-insights/guides-and-resources/advisory-board-toolkit/#>

business.govt.nz

<https://www.business.govt.nz/business-performance/governance/structured-governance-boards/>