

3 Keys

To Making The Most Of
Your Advisory Board



Whether you are a small startup or an already established business, sooner or later every organization benefits from the outside expertise and perspectives that a carefully assembled advisory board brings to the table.

Unlike a board of directors, which represents the interests of your company's shareholders, the advisory board's role is to support and foster strategic growth according to the goals and needs of your business. In this pursuit, advisory boards provide valuable leadership, direction and feedback to your executive team.

That's why it's essential that your advisory board be made up of the right mix of experts and professionals. In order to offer your business the strategic guidance and advice necessary to move it in the right direction, you need to gather the best possible balance of knowledgeable and experienced advisors.

That balance is different for every organization and should be organized around your specific business challenges and goals, but a typical advisory board might include lawyers, CPAs, bankers, estate planners and/or executives from a related industry. While the unique knowledge and skills of each individual provides a valuable resource on its own, when combined they offer a much broader and more powerful perspective.



Whatever the composition of your advisory board may be, there are three key areas where the collective experience and expertise of your advisors is invaluable. Therefore, in order to put the efforts of this vital group to the best possible use, you should focus your advisory board on the following:

1. Strategy

Establishing effective and manageable long-range strategies for your organization is difficult when you're focused intently on the day-to-day tasks required to maintain operational success. It takes careful planning and a bird's eye view to keep your business in perspective.

Charge your advisory board with the development of a big picture corporate vision. By assessing and evaluating the culture of your organization as well as challenging and approving your executive team's tactical business plans, your trusted advisors should help you to better understand the overall strategic direction of your business. More importantly, they should help you maintain the trajectories necessary to reach your goals.

From human resources planning to help you chart sustainable growth through internal benchmarking and monitoring of progress toward specific initiatives, your advisory board should have the insight and oversight necessary to help set and establish the best possible plans and strategies for your organization.

2. Organization

Once you've established a strong strategic business direction with the assistance of your advisory board, task the members of this group with the evaluation of your overall organizational structure.

When it comes to sensitive issues like executive promotion, ownership succession and compensation package policies, the trusted perspective of your advisory board is critically important.

By providing some much needed objectivity and prudence, your advisors help you to establish effective best practices and avoid difficult or contentious situations where a conflict of interest may cloud the judgment of those directly involved.



3. Financial Planning

One of your advisory board's most vital functions is to provide the final word in fiduciary oversight for your organization. Since board members are in the best position to take a big picture view of the entire business in the context of its overall financial position, they are uniquely suited to direct and approve all financial objectives, plans and actions including capital allocations and expenditures.

By ensuring that your company has the adequate information reporting, control and audit systems necessary to measure and monitor progress toward financial objectives, your advisory board is responsible for overseeing the performance of all corporate financial plans. This oversight also helps to ensure ethical behavior among all members of your management team, maintaining compliance with all regulations, audit/accounting principles and your corporations' own governing documents.

As you can see, the benefits and advantages of maintaining an actively engaged advisory board are extensive. In fact, this list could go on for several more pages but we know how valuable your time is. That's why we've narrowed it down to the top three most critical functions.

At Offit Kurman, successfully protecting your ideas, innovations, assets and positions is our number one priority. Our strong focus on offering strategic counsel that anticipates your ever-changing legal needs allows you to rest confidently in the knowledge that you are protected today and into the future.

To learn more about how to make the most of your advisory board or for help creating proactive legal strategies for your business, [click here](#) to speak with the legal experts at Offit Kurman.



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