SUCCESS BY THE NUMBERS
Top 5 Criteria for Building an Effective Board of Advisors
By Marc Kramer

Most businesses, but especially family businesses can benefit greatly from the expertise and insights of an advisory or board of directors. Founders and CEOs need the fresh, honest perspective of external voices not connected or constrained by family or personal ties.

A dynamic board is comprised of at least five and no more than 10 members so you can encourage participation and actively listen to their input. How do you find good board members? Your first option is to request a referral from a trusted professional service provider. Your lawyer, accountant and insurance broker don’t need to be on your board because you employ them, but they know your business and interact with a variety of business executives and can make introductions. Your clients may also be interested in serving on your board or can refer you to others they know and trust. Lastly, your industry or trade association is a good source for candidates and referrals.

Now that you have identified potential board members, here are five criteria to consider when evaluating their skill set and professional experiences:

1. **Innovators/Creative Problem Solvers** – No matter how successful your product/service is you will need to cannibalize it at some point or your competition will do it for you. Or you will be stumped by a problem that is hindering your success. Creative thinkers come up with new and alternate solutions that help drive companies to new heights.

2. **Strategic Thinkers** – Family business founders and owners don’t see all of the possibilities because they can’t see the proverbial forest for the trees. They are busy working in the business and dealing with current issues. There needs to be someone who can look outside the box and see all of the opportunities.

3. **Diversity** – Your board composition should include people of different ages, ethnicities, skills, experiences and educational backgrounds. Keep in mind that a 35-year-old woman with an Ivy League education sees the world differently than a 55-year-old white man.

4. **Sales Experience** – Most leaders come from the product development, financial or marketing side of a business. Few founders of companies spent their careers in sales. Board members with experience building a sales force, hiring sales executives and worked on the front lines can help you effectively accelerate growth.

5. **Leadership Development** – The stronger the management team the better positioned a company is to take advantage of opportunities. Good leaders need to understand how to develop talent to maximize the company’s potential. Board members with a knack for cultivating other leaders can make the difference between success and failure.

**ABOUT THE AUTHOR**

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