

[About](#) [Contact](#)

[RSS](#) [G+](#) [f](#) [t](#) [in](#) [vimeo](#) [youtube](#) [instagram](#) |



Win a leadership retreat to **COSTA RICA**
Become a Charter Member today!



smart **CEO** EXECUTIVE SUITE

[MAGAZINE](#) ▾

[EVENTS](#) ▾

[GROWTH TOPICS](#) ▾

[LEADERS YOU SHOULD KNOW](#) ▾

[BLOGS](#) ▾

[JOIN OUR COMMUNITY](#) ▾

[VIDEOS](#)

10 ways an advisory board will change your business

By Marissa Levin

Business owners implement advisory boards because they want to grow, they want accountability and they want to learn new ways to solve old problems. Conceptually, that sounds great. Realistically, they are setting themselves up for some pain — because things will change.

Growth is change, and change is hard. So be careful what you wish for, and brace yourself for what's coming.

Here just a few of the shifts you can expect as the result of an advisory board:

Your personal role: As your company grows from a "solopreneur" structure to a company with employees and board members, or from under \$1 million to \$5 million or \$10 million in revenue, your role will shift from practitioner to manager to leader, and perhaps ultimately to advisor or bridge builder. You can't stay in the trenches when you need to be at the 50,000-foot level to set your strategy.

Your employees: You've heard this mantra many times: employees who help you reach one growth stage might not be the employees you need to reach the next. This is absolutely the hardest part of business ownership — weighing your loyalty to one employee against your loyalty to the rest of the company.

Each employee is different, and sometimes a long-time employee does evolve with the company — maybe into a different role. But as a company grows, it will require new experiences, ideas and leadership. And taking on aggressive shifts or goals inevitably reveals the weakest links of an organization.

It can be difficult to accept that attrition is not such a bad thing. Organizational shifts won't sit well with everyone, and as the culture shifts, some will leave. But the silver lining is you'll also be able to attract talent that previously might have skipped over you.

Your customers: As you scale up, you will outgrow some of your customers. Those that were ideally suited to your company five years ago might seem too small or not strategic enough as you continue along your growth path.

Often when a company grows, it needs to narrow its focus to a handful of key accounts to keep from spreading itself too thin. Getting to know a customer organization takes a lot of time, money and resources, so customers that are good sources of revenue but have limited depth might not be a fit for your growth. And markets invariably shift, so what customers will need and buy will shift. Ensure your solutions are aligned with your customers.

Your business development strategy: The opportunities you pursue will shift dramatically. You will need to close larger contracts to keep pace with your growth. When you have a target of \$1 million, a \$100,000 contract is significant. When you have a target of \$15 million, a \$100,000 contract might not be worth your time or resources. Larger contracts may also take more time to close, so make adjustments to allow for a longer sales cycle if needed.

Your IT infrastructure: As you grow, your IT infrastructure will need to keep pace with growth. This applies to bandwidth, hardware, software, applications, mobile connectivity and security. Not all IT is scalable — make sure yours is suited to the size you want your company to be, not just its size now.

Your financial infrastructure: Growing companies have increasingly complex financial and accounting requirements. Your system requirements and your personnel requirements in this space will continue to evolve. At one stage, it might make sense to have an outsourced CFO or controller, but over time, it may become a full-time job. Similarly, tax and reporting requirements are different for companies of different sizes and structures.

Your employee recruiting strategy and HR infrastructure. As an organization grows, it needs to make sure it's attracting the right people with evolving HR processes and policies that must also ensure legal compliance and provide competitive benefits packages. As a start-up, you might not have the resources to pay your people the big bucks, so you attract them with the opportunity to have a big impact in shaping the company. You might even offer them equity. But as the company grows, those recruiting mechanisms become less practical, and you'll need to adjust benefits and compensation to make up for them.

Your culture. This is sometimes a bitter pill to swallow. As a company moves from the entrepreneurial start-up phase to a more mature phase, the culture can't help but change. The organization has to stop revolving around a core group of people and must shift to being process-centric. Hero mentalities in which the company survives on the backs of a small group of employees are dangerous and unhealthy. What happens if a key person leaves? Processes alleviate dependency, enable the company to function like a well-oiled machine and strongly position the company for growth.

Your advisors. Like your employees, your advisors will likely change, too. As you reach your milestones, it's important to re-evaluate the people who are guiding you. There will come a point when your company's growth goals surpass an advisor's level of knowledge, experience or interest, so be sure to create a structure that allows advisors to make a smooth exit. A board is a fluid dynamic of a business and will continue to evolve alongside of you.

Building an advisory board is one of the most important steps a company can take to achieve desired growth. **CEO**

Marissa Levin is chairman of strategic communications firm Information Experts, and CEO of Successful Culture, a consulting firm that helps CEOs build excellent cultures. She is the author of Built to SCALE. www.informationexperts.com Contact her at marissa@successfulculture.com or on Twitter @marissalevin.

Contact us at editorial@smartceo.com.



Like what you've read? Click here to sign up for Jolt business emails!

Share this!



RELATED POSTS



Q&A: How to find the right advisors — and the right board on which to serve



More than one way to help: Why business-development advisory boards often fall apart



Why you should engage your executive team in building your advisory board

LEAVE A REPLY

You must be logged in to post a comment.

CORPORATE CONTACT

SmartCEO
2700 Lighthouse Point East, Suite 220A,
Baltimore, MD 21224
Phone: (410) 342-9510
Fax: (410) 675-5280

SmartCEO also has locations in New York, Philadelphia,
and Washington, DC. [Click here for more information.](#)

SITE CONTENT

[About](#)
[Contact](#)
[Magazine](#)
[Nominate Now](#)
[Attend An Event](#)
[Read Articles](#)
[Leaders You Should Know](#)
[Subscribe To SmartCEO Magazine](#)
[Sign Up For Our Emails](#)

MEET OUR CORPORATE PARTNERS
