

Decision Making And The Lonely Business Owner

How to drive your business forward with an Advisory Board

By Roland Hanekroot, May 2013

Life as a business owner often consists of running from client emergency to cash flow crisis, extinguishing a “shoddy work” brushfire on the way, while juggling a supplier disaster and ending the day with a staff meltdown – only to do it all again the next day.

Most business owners feel overwhelmed, in information overload and at a loss of where to focus their attention next. Because as a business



owner, there are very few people you can talk to about the challenges and opportunities you have from day to day and week to week.

Rarely do you get a pat on the back; rarely do you get encouraged to pull a little harder. Rarely do you get challenged about where your focus is and how you spend your time. And

rarely do you get high-quality independent advice and input. It is *all* down to you.

How do Successful CEOs do it all?

Successful CEOs of big companies seem to manage to focus their attention on four aspects of business only, namely:

- 1) *Strategy* - Where to drive the business
- 2) *Brand* - How the business is perceived in the market

- 3) *Performance* - Making sure the business runs at maximum profitability, long- and short-term
- 4) *People* - Developing individuals and teams, for now and the future

The Lonely Road of the Business Owner

How good would that be? You'd like some of that, too, of course... right after you deal with this irate client...

What life is actually like for you in your business, is that you spend most of your time worrying about:



- Making the right decisions
- Focusing on the right things
- How you compare against your competitors
- If you are following the right strategy (or any strategy at all)
- Having stretch-goals and if you are pulling hard enough
- If you are micro managing your people or the opposite
- If you have the business model right
- If you spend enough time developing your people
- Your health
- If you spend enough time with your family

How would it be to...?

Instead of all of that, how much better would it be:

- To feel confident that you were focused on the stuff that matters?
- To feel excited about the direction you are steering the business?
- To know that your team is all pulling in that same direction?
- To make decisions confidently, knowing that they were the right ones?
- To have powerful goals and strategies in place, and to feel yourself and your business making steps every day that get you closer and closer to those goals?

- How large, do you think, would the impact of that on your business (and you and your personal life) be?
- How big a difference would this make to the growth and bottom line of your business, do you think?
- Pause for a moment – and imagine being in that blissful state every day, and picture what business and life will look like for you then. Nice, right?

So, how do they do it?

Successful CEOs in big corporations seem to be able to do it somehow, and they generally have many more crises to deal with on a daily basis than you do.

How do they manage to keep their focus, cut through the crap, and know what to delegate and what to hold on to?

This is how they do it:

- 1) CEOs have a board to support them; with executive as well as non-executive directors with lots of experience and knowledge.
- 2) Their shareholders, through the board of directors, hold them accountable to focusing on the right things all the time.
- 3) CEOs have one or more mentors, whom they rely on to brainstorm with and use as sounding boards.
- 4) They have executive coaches to help them stay focused on doing “the right things right” and they work with once a month or fortnight.



How can you get this support?

As a lonely business owner, this is what you can do to become one of those successful CEOs:

- 1) **Get a Partner.** Go into partnership with someone who injects new energy and brings with them specific skills, knowledge and resources that you don't have. Sometimes a great way to create a partnership can be to talk to one of your competitors and suggest a merger of the two businesses. The whole may turn out to be greater than the sum of its parts.
- 2) **Find one (or more) Mentors in your Industry.** Often there are retired business owners and entrepreneurs in your industry who would love to mentor someone and who have "been there, done that". Contact your professional association as a starting point, your local business chambers, or AIM, the Australian Institute of Management.
- 3) **Get a Business Coach (a good one).** There are lots of business coaches around these days. Good ones and bad ones. They have different methodologies, approaches and experience. Get referrals from friends, interview a number of coaches and even try out a couple of different ones - until you find the one with just the right mix of experience and everything else you want and need.
- 4) **Put together a Voluntary Advisory Board.** Again, often there are people who are retired or otherwise can afford to "give back" and enjoy doing so. Keep this to three to five people maximum. Sometimes you might offer people like that a minor remuneration.
- 5) **Engage a paid Board of Advisers.** This board could be made up of your accountant (as long as they can and will function as a financial management adviser rather than a tax accountant only), your favourite commercial lawyer, and an uncle or friend who is a business owner in a non-competing business.



What are the Benefits of engaging this Type of Support?

There is no substitute for external, independent input, advice and insight – and, possibly even more important, is to have external accountability.

A good coach, a mentor or an advisory board will pull you back every time you stray and get distracted from the path. Each of them will help

you to focus on the stuff that really matters for the long-term success of the business.

With this support, you will start to:

- Make better decisions
- Focus on the stuff that matters
- Learn to delegate more effectively
- Fine tune your business model
- Engage your staff more effectively
- Have happier customers
- Make more money
- Enjoy yourself a lot more in your business

Good business coaches and well-structured advisory boards will help you develop strategies and business plans, and set short-, medium- and long-term goals with you. They will support you, work with you and keep you accountable to achieving those goals. Week by week, month by month.

Your Uncle on Your Board?

The five options above are excellent options, though they may not be appropriate for you right now, because:

- Partnerships can also be fraught with danger
- Working individually with a business coach can be demanding time-wise and associated costs can also be prohibitive
- Finding an appropriate mentor or voluntary advisory board may be challenging
- Relying on volunteers, either individually or on as a board, is sometimes problematic, because volunteers can't or won't always commit to give you as much attention and time as you'd like (or they would if they were paid)
- Engaging a paid board can become a very expensive exercise
- You have heaps of respect for your uncle, but putting him on your Board is an entirely different matter again!

One more Option for You

There is also sixth option you can explore.

A number of organisations run 'CEO Clubs' or 'Virtual Boards'.

The essence of a CEO Club is that a small group of fellow business owners, who are at a similar stage of business development, get together with a professional facilitator/ business coach on a regular basis (monthly, for example). They then function as a board of advisers for each other's businesses.

Each of the different organisations that run CEO Clubs have given them their own flavour, structure, format and frequency.

A well run CEO Club incorporate the best of all worlds. Members of a club get the benefits of an experienced business coach paired with a group of fellow business owners: peers who are supporting you and hold you accountable to your business goals. All at a fraction of the cost of some of the other options CEOs of large organisations can fall back on.

A simple Google search will lead you to a number of different CEO Clubs in your area.

Introducing the Business Growth Clubs

My own business-coaching clients asked me to create such a CEO Club-style group program a little while ago. As a result, I now regularly run two such clubs in Sydney, called "The Business Growth Clubs".

These clubs have become a great support and success with all members agreeing that they are getting fantastic results and value from their participation.



I therefore have started to run regular, free information and introductory sessions for business owners who would like to explore whether being part of a Business Growth Club could be beneficial to them. Just follow the links below to find out where and when the next free information session will take place.

You can find more information about the Business Growth Clubs, their structure, format, benefits and criteria for membership here:

<http://newperspectives.com.au/club>

To register for the next free info session, please follow this link: <http://tiny.cc/growthclubinfo>. Your registration fee secures your spot and will be refunded straight after your attendance.

If you would like any other information or talk about your options, please feel free to contact me, Roland Hanekroot, on 0404 490 012 or email me at roland@newperspectives.com.au

Free Resources & Further Reading:

- Book: 'Mastering the Rockefeller habits' by Verne Harnish
- Book: 'Good to Great' by Jim Collins
- Book: 'Reality Check' by Guy Kawasaki
- Book: 'The Big Book of Small Business' by Andrew Griffiths
- Article: 'What is an Advisory Board?' on Entrepreneur.com
- Article: 'Top 10 Tips for Creating an Effective Advisory Board' by Gery Stengel
- Article: 'What is an Advisory Board?' by Bill Bubenicek
- Article: 'Where to find People to put on Your Advisory Board' by Susan Ward
- Article: 'Harness the Power of Advisory Boards' by Susan Ward



Roland Hanekroot is a business coach based in Sydney, and the founder of New Perspectives.

Roland focuses on helping his clients grow their business, make more money, find more time and, above all, have more fun in their business.

Roland is the author of the “Ten Truths for Business Owners” series of business books (see <http://thetentruths.com.au>).