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Eyes on business

Experienced board gives you a leg up

Group of advisers can open doors, help you plan company's future

**Premium content from Sacramento Business Journal - by Larry Mandelberg,
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So let's get straight to the point — the economy sucks for most of us, economic stimulus is passé already, and with all the doom and gloom being spouted throughout the media, I feel compelled to do my part to “stimulate” as well.

Therefore, the title of this column has changed from Got Growth to Eyes on Business, and I commit to writing about topics that are informative and relevant to our regional business community.

This month, my focus is on the single most effective thing you can do to improve your business instantly: assembling a board for your company.

The Best Competitive Advantage

Any competitor with the right motivation and funding can sell the same products and offer the same services as you. They can buy a building right next to yours. They can copy you in virtually every way except two: They cannot duplicate your staff, and they cannot duplicate the input you get from your advisers.

Advisers can provide instant value inside your business while remaining a mystery to the world outside. No amount of money can buy access to a group of experienced businesspeople that know your business and are willing to work together in its best interest.

The competitive advantages you can enjoy from this type of group are boundless and have often been the difference between surviving and thriving, particularly in tough times.

Brains, Brawn and Bucks

Whether advisory in nature or formal, the benefits of a board are many and the drawbacks are almost nonexistent. If done properly, a board will bring experience and wisdom that can only come through years of labor, trial and error.

Don't assume you are the first person to ever have a problem, any problem, or that you have to figure out how to solve it on your own. There are plenty of people that have been there and done that. Ignoring that body of knowledge is a failure of leadership on your part.

Because they will have your best interests in mind, board members can open many doors that otherwise might be locked for you. They can identify sources of cash and potential clients. What better way to market your business than through a group of people who have volunteered to help you make your business better. By simply being a good company you will create a pride of association that can expose your business to a limitless number of people in an infinite variety of environments and situations.

This one you might not like, but it's true: The simple act of making yourself accountable to an external group of knowledgeable businesspeople will drive you to make better decisions.

As I spoke to people in my network about using a board, the subject was a hands-down no-brainer — absolutely! The topic they all wanted to talk about was how to create one.

Roger Akers, principal of Akers Capital, says, "Goal setting, fundraising, business development, organizational development; all can be facilitated by the correct board."

Board Building

There are two key points I want to make on the subject of creating your board. First, you do not have to spend money to have a board. It's nice to reward your board with cash, but it's unlikely you can afford to pay them for their time and knowledge, so don't try. Just feed them.

Many companies pay stipends to their board members, but most privately held and nonprofit organizations do not. The reward for these board members comes through your success (achievement of goals) and expanding their network through the work they do for you.

The other key is to give your board the utmost respect when they give you their time and wisdom. Be prepared to listen, and act on their advice. Be careful, and select your board members wisely.

One of the many subtle benefits of a board has to do with culture, which has become more prominent in recent years. As time passes and we boomers retire in greater numbers, it will become even more so.

Having a board helps set the cultural tone for your organization. A good board, one that is collaborative, functional and action-oriented, will help you and your organization operate in the same manner.

The point I am trying to make is quite simple. Every business operating without a board, whether advisory and informal or a formal board of directors, is racing in army boots against competitors in running shoes. You simply cannot compete as effectively.

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