

FiOS1 News Long Island Money and Main\$street Interview Christa Laurie and William Lieberman

Topic: How To Find a Strategic Advisor to Help Grow Your Business

Christa Lauri -CL

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CL – Money and Main Street is back now with more small business advice in our CEO sit down and today we're welcoming William Lieberman to our show. He is the founder of the CEO's Right Hand and he helps entrepreneurs on Long Island grow their businesses from the ground up with his varied experience as a CEO and CFO. Welcome to our program William

WL – Thanks you Christa.

CL – So today we're talking about how find and use advisors to help grow your company and an advisory board. Let's begin with the simple value, the practice of using advisors in your opinion.

WL - So advisors bring an independent pair of eyes to problems that you're facing because they've been through the trials and tribulations of growing businesses themselves. And so they can help you see around corners that you might not have visibility on. And so they bring that to the table for you and help you through difficult times.

CL - You can actually draw on your personal experiences in this case.

WL - Absolutely, because I've been an advisor and I've use my own advice and I still have my own advisors.

CL – And what did you feel really help you in some critical situation

WL - As an example of we were going through very difficult financial times at my company and our advisors help us from a board perspective think through what are options and they even got on the phone with our bankers and helped us negotiate a deal the a bankers.

CL - Right, as all companies go there are lulls and they help bring you back up. Talk about the steps to building an effective advisory board. How do you determine the size and how to get it started?

WL – For most companies you want a small groups, so you want three maybe five people at the most. You want to leverage your network, people that know you and know your business. You want to go out and make sure that they're committed to helping you. So you want an interview them. You want to literally sit down, here my expectations of you as an advisor and make sure you satisfy their expectations as well. So for example, I had an advisor to tell me, “Hey, I’d love to be your advisor but I want to know you really going to listen to what I'm going to have to say.”

CL – Right

WL – That doesn’t mean you have to do what I say, but I want you to listen to what I have to say.

CL - And managing your advisory board. Obviously you want people to be committed, but it takes some foresight, you really need to set expectations I would imagine at the beginning. So walks us through that.

WL- Absolutely, so you need to say, “Hey, look, I want to meet with you once a quarter as a group. Maybe there will be in-between phone calls and things like that as needed. I’m going to pay you.” They should be paid some small amount of money or stock if you want to go to a stock, but that shows you're committed to them and make sure that they're committed to you. And then you want to have regular meetings, regular communications and make sure you keep them apprised of any important changes that happened to the business.

CL - Is there a certain size that your business needs to be for this to make sense?

WL- Typically once you get to about a million in revenues or more that's probably a good time when you really need to have a more formal advisory board but even before that, you can informal people that are mentors to you.

CL -And speaking of finances, what about compensation. Are all advisors compensated and what’s the average amount?

WL – So typically most advisors will do things for free just because they like you and they like to help, but if you really want to build a formal advisory board, you need to compensate them maybe thousand dollars a quarter or something like that, which is in the range of you know something that shows that you're committed but it's not too much money to really impact the business negatively.

CL- And you're managing your meetings now and you want to run them efficiently, so give us some tips and pitfalls to avoid, like obviously going to get an agenda out, you want to get materials out in advance, so walk us through the perfect first meeting.

WL- Absolutely, so even before the first I want to get everybody together just informally at a restaurant or something like that, just to meet each other. But at the first meeting definitely, here are my goals, is part of the agenda. Here's what I'm trying to achieve by having you as a team help me and make sure that that's very clear to them. And then you run a meeting, like you said, with an agenda and timing and you leave your cell phones at the door and all that good stuff, so that you really have an effective three, four hour discussion about the situations that you're facing.

CL- And then ongoing communication with these individuals is key but you obviously don't want to overload them especially those that aren't compensated and our giving you their time.

WL- Correct, so you know maybe an email here or there if you have an urgent question or something like that or a phone call, but absolutely you don't want to overuse your good will as it were.

CL - Alright it's always good to have you on Money and Main Street. Thanks so much for talking to us today. William Lieberman of the The CEO's Right Hand.