

CREATING A VOLUNTEER BOARD OF ADVISORS

Due to their personal, financial and emotional investments, small food business owners often think they know best how to run their operation. However, they should not discount the value of using an outside perspective to grow and improve the business.

This external viewpoint needs to come from a structured source rather than families or close friends. Just as public corporations have boards of directors, small, private companies should consider an advisory group. This board of advisors offers several key advantages:

- They have a different perspective on strategic business decisions;
- They hold a company accountable for what it says it is going to do;
- They help advocate for the business and strengthen community ties; and
- They provide a broader circle of important business contacts.

A board should not be involved in day-to-day business decisions. Rather, it can be convened on a quarterly or annual basis. Advisors do not have fiduciary responsibility; they merely serve as a resource and sounding board.

Small-business owners follow these guidelines when establishing a board of advisors:

- The group should be no larger than four to six members. A small size ensures that each member feels a sense of responsibility

to and investment in the growth of the company.

- Advisors do not necessarily need food industry experience; it is more critical that they be interested and engaged in the business. Someone with a corporate legal background, financial experience or marketing expertise would be helpful for the board, but these backgrounds are not as imperative as the members' ability to be honest with owners.
- When recruiting volunteers, companies need to consider not only each person's ability to contribute to the conversation but also the way in which they may interact with the group.
- Owners should create a meeting agenda in advance and circulate it, along with pertinent information, to the board. They can use the meeting time as either a briefing, where advisors "hold their feet to the fire" if they are not sticking to forecasts, or as an opportunity to solicit advice on upcoming decisions.
- Companies can offer advisors free product or something similar as a thank you for participating. As an added benefit, board members get to know the products and can better act as word-of-mouth advocates for the company. ■

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