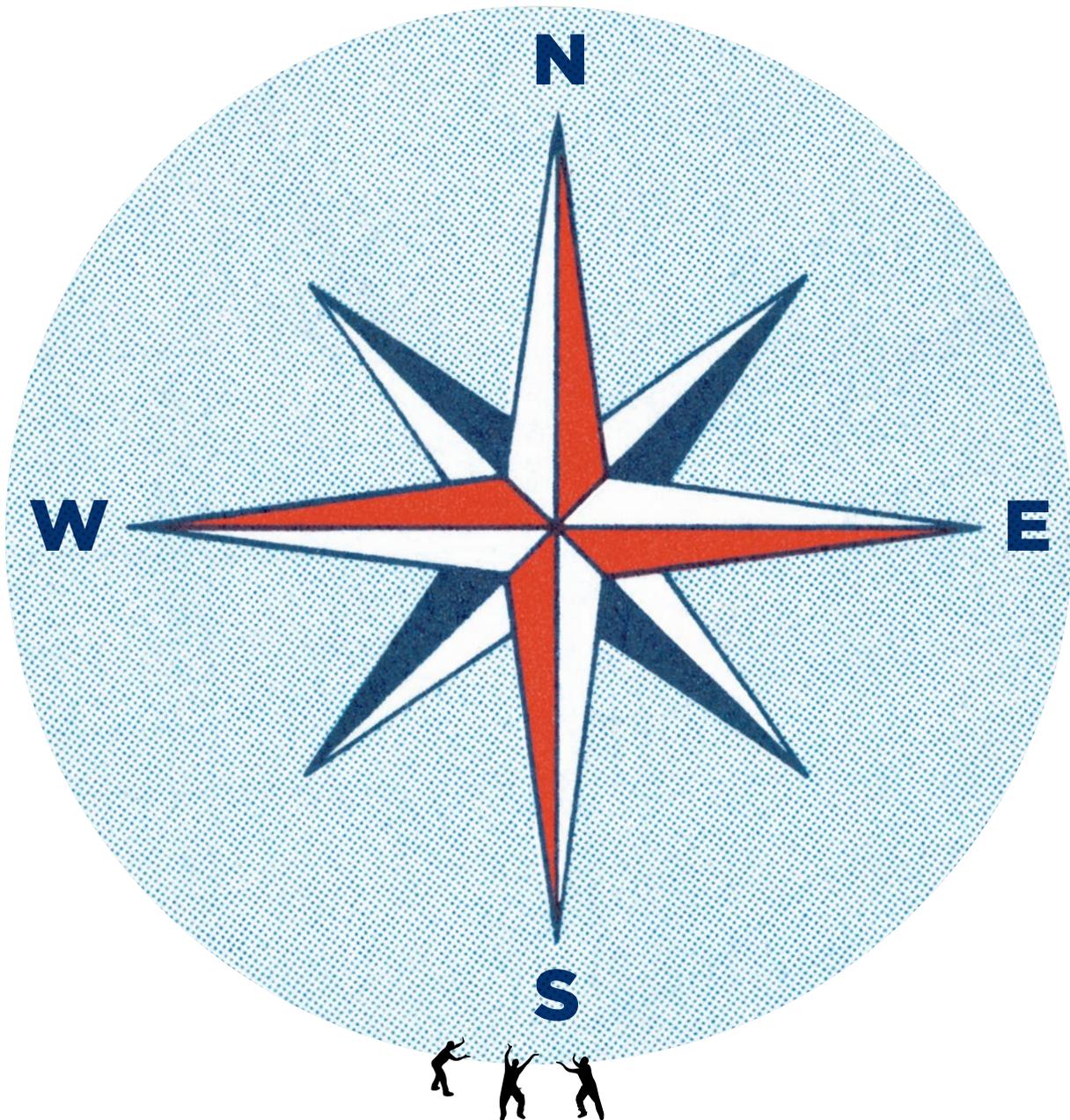


# Advisory Boards as a Leadership Asset to Your Organization

BY LISA SIVY



Advisory boards are an under-utilized asset that nonprofits and corporations can incorporate into their leadership structure to help maximize the organization's overall effectiveness.

When creating an advisory board or council for your organization, it is important to set forth a charter from the beginning to establish the mission and governance of the group. A charter will not only manage the expectations of the participating advisors, but also ensure that this body does not erode the effectiveness of the organization's Board of Directors and executives. Governing documents should consider what, if any, responsibility and authority your advisory board will have. Typically, they are not authorized to vote on matters under consideration, nor are they held to the same legal fiduciary responsibilities as the Board of Directors. Assuming those critical steps have been taken, let us examine the mechanics of the advisory board.

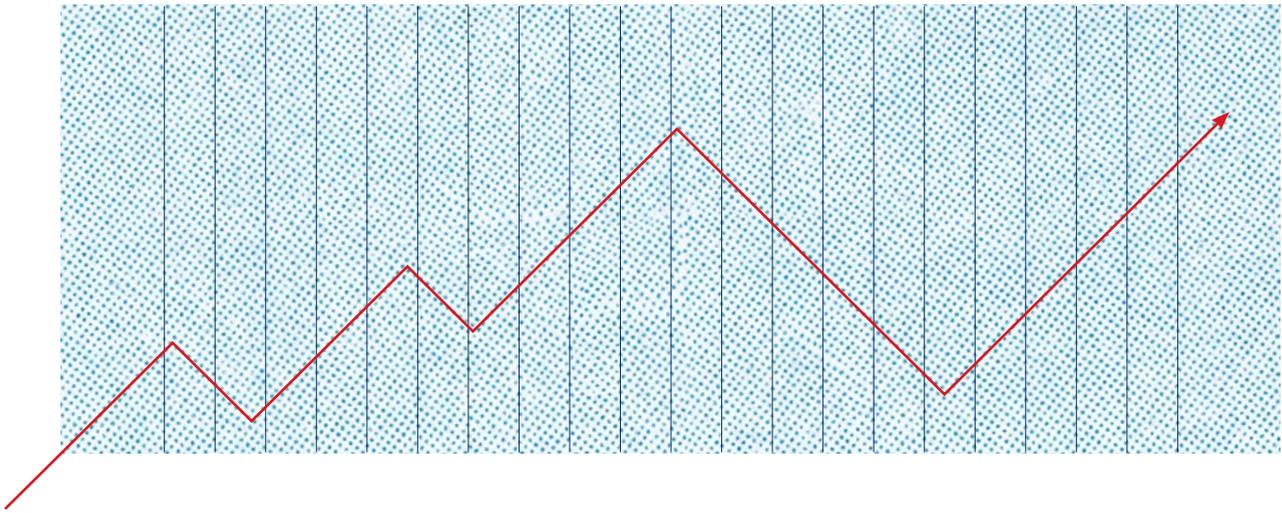
#### Who should be part of the advisory board?

Many organizations with strong leadership can benefit from an advisory board. They have the ability to provide your Board of Directors and staff members with guidance and expertise on issues as well as marketplace trends from an outside perspective.

Some beneficial questions for the advisory board to consider include:

- What are the emerging issues that we need to consider as we plan for the coming year, three years, etc.?
- How can we address these issues?
- How do we continue to stay relevant and in the forefront of donors' or customers' minds?
- Who else is competing for your time and money?
- What do you see as the trends in giving or in our industry?
- How might these trends impact our current programs or products?
- What, if any, adjustments do we need to make to future programs or products based on these trends?
- What causes/products/trends are compelling to you?
- What should we be thinking about operationally?

As a nonprofit example, many Junior League locations have established a Community Advisory Council that meets roughly twice each year in order to discuss set topics relevant to that particular community, e.g., homelessness amongst young mothers.



### Who should be part of the advisory board?

Much like the Board of Directors, an advisory board offers an additional opportunity to assemble a panel of industry and subject matter experts, philanthropists, outgoing directors, and potential board candidates who are willing and able to share their expertise. The advisory board is ideal for interested parties or individuals who have a particular knowledge set but limited availability. That being said, it is also a good placement for someone whose skills would not prove relevant on a consistent basis in board meetings or overlap with the expertise of a current director. An advisory board would be an ideal venue for an outgoing director to continue contributing their experience and tenure once they have completed their board term(s). In fact, consider whether the director would be willing to chair. In some cases, sitting on the advisory board provides a method by which to screen potential board candidates and would allow you to assess any mutual interest. Examples of advisors include representatives from government agencies, education, and your agency partners for nonprofits; vendors, suppliers and other partners for corporations. Referring to the Junior League example, their typical council is comprised of Executive Directors (or other leaders) from the league's various community partners; a representative from government offices, such as the Mayor's office; leadership from corporate sponsors; and past board members and/or presidents.

Finally, an advisory board would be a fulfilling way for individual contributors to share their knowledge and passion for your mission when they cannot meet financial commitments required at the Board level. Requesting advisory board giving provides the opportunity for your organization to reach 100% financial participation from leadership, but can be nominal in comparison to that of the Board. Conversely, an advisory board can offer a significant donor a mechanism to provide their expertise as to giving trends and emerging social issues when perhaps their skill set and/or availability does not align to your needs on the Board of Directors.

A word of caution on the use of "experts" and "expertise" as terms — do not undervalue the knowledge of someone who is a full-time philanthropist. These special individuals are often very well-versed as to emerging social issues and competitors in your marketplace because they are frequently approached for financial support.

### When should my organization hold advisory board meetings?

The advisory board time commitment must be manageable and appealing. It should not equal that of the Board of Directors, nor should it become a burden for the staff to prepare and facilitate. Assuming your board and committees meet on a quarterly or monthly basis, the advisory board should meet no more than

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one to two times a year. An exception to this would be an unexpected issue arising, which would merit an ad hoc convening of the group. Ideally the meeting schedule would be set such that the output from the advisory meetings would be considered as an input to the board meetings, particularly in the strategic planning cycle. In other words, the advisory meetings should not occur in the same week or month as the board meetings, or in close proximity to the beginning of the strategic planning process. Appropriate cadence and ample lead time will enable the staff and directors to best consider and utilize the output of the advisors as an input to the annual update of the strategic plan.

### How will I effectively use my advisory board?

As you consider an advisory board and think through the logistics of developing and implementing this new body, explore the following concerns:

- How do they contribute?
- How do they augment the work of the staff and board without eroding the effectiveness of either?
- How do they stay informed about the organization and the board's progress on the issues you ask them to consider?

It is necessary to establish a line of communication between the staff, the Board, and the advisory board. Distribute the Executive Director/President's<sup>1</sup> and Chairman's Reports and Board meeting minutes as they occur, respecting any confidentiality restrictions. Determine whether an advisory board representative will give a report at the Board of Directors meeting(s). Additionally, it is wise to ensure at least one director, in addition to relevant staff, are present for the advisory meeting to ensure that the advisors feel their time and input is valued, respected and heard.

With thought and planning, you can incorporate an advisory board into your overall leadership structure to maximize your organization's effectiveness and make it a rewarding experience for all.

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<sup>1</sup> This is intended to refer to the senior-most staff person's report and the head of the Board of Director's report, or the relevant titles for your organization.