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The pulse of the SME sector

Advisory boards:
Take your business to the next level





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Level up your business with an advisory board

When it comes to accelerating business success, few actions are as impactful as setting up an advisory board. In fact, it would be fair to say that our clients with an advisory board tend to move further and faster in strategy implementation than those without.

With results like this, it begs the question: “Why doesn’t every business have one?”

In many cases, the cause stems from misconceptions about:

- what an advisory board is
- what they exist to do
- how to establish one

Whether you’re a start-up experiencing early-stage growth, or an established enterprise poised for expansion or the next stage of your journey, advisory boards can play a powerful role in helping you realise your potential.

Alongside the benefit of objective guidance, the involvement of experts across key business issues often results in time and cost savings beyond what you might imagine.

For example, consider a board comprised only of people internal to the business. At a board meeting, a key issue is discussed and a specific action decided. Afterward, consultation with the business’s accountant and lawyer reveals some serious issues with the decision, so it’s put on hold until the next board meeting in three months. If these experts had been involved as board advisers, the issues could have surfaced immediately, resulting in a more effective approach to the decision-making process.

Even for the most technically skilled or commercially minded business owner, running a one-person show is isolating and can constrain business growth to your own experience and capabilities. Even as the business expands and brings on staff, these tend to be technical specialists who may be unable or unwilling to provide strategically sound and candid advice.

This is where skilled advisers play a role unlike any other. They offer a way to look at your business without emotional attachment or blind spots – drawing on their own wealth of lessons learned, expertise, and valuable networks to fast-track your success.

Why do I need an advisory board?

From primary industry and property to manufacturing and technology, advisory boards offer value in all business contexts. In our experience, when the right people are chosen, business owners with an advisory board frequently tell us it's one of the best decisions they've made.

Because this value isn't always obvious from the outside, there are a number of assumptions that prevent other business owners from being able to say the same. Some of these assumptions include:

1 The cost is too high

Be it a start-up with limited capital or a family business on the precipice of growth, the question of cost is a fair one.

However, while asking people to contribute their time and expertise for the betterment of your business does come at a cost, it may not be as much as you think. The return on investment (ROI) and ability to better manage the risk of poor decisions is also likely to far outweigh the cost.

Advisory boards come in all shapes and sizes, as we will cover in this report. Engaging a single external adviser to meet with you monthly, or inviting them to join an existing board which meets every quarter, may be all your business needs right now.

Consider launching an advisory board with one or two advisers who you meet with once a month or quarter. Know what you want to achieve ahead of time, commit for a specific period, and view it as an investment rather than a financial impost.

2 No one knows my business like I do

It is true – advisers will never know your business like you do. But that's not their job. Their job is to combine the knowledge you share about your business with their business acumen and lived experience to provide an objective and unbiased perspective.

You can then leverage this perspective to make more informed, confident decisions. To test ideas before jumping into them, and consider pathways you may not even have known existed.

Consider easing the burden of keeping all the plates spinning on your own. Invite even just one adviser to gain a deeper understanding of your business and you may be surprised by the value you can unlock from the relationship.

3 I don't have time

Time. Every business owner's scarcest resource. But why? Is it because you spend so many hours working in your business that you have no time to work on it – and therefore take it to a level that doesn't require your attention 24 hours a day?

One of the greatest benefits of an advisory board is the efficiency and clarity gained by having advisers at the table when weighing up options and making decisions. An advisory board could be your ticket to escaping the cycle of riding the hamster wheel day after day.

Envisage what it could do for your business if you took one to two hours a month to sit with advisers and:

- a. Step back from daily operations.
- b. Gain a clearer, big picture view.
- c. Plan your next strategic move.

Consider the benefits to your business of engaging in proactive, strategically-focussed forward planning – even if it's only for an hour a month. The time commitment could be insignificant compared to what you get back.

4 I don't need someone telling me what to do

Despite what some business owners assume, an advisory board isn't there to be your friend, boss, or accuser. They're there to challenge you respectfully on things others won't, and help you see things you may not have noticed until the business hits a wall.

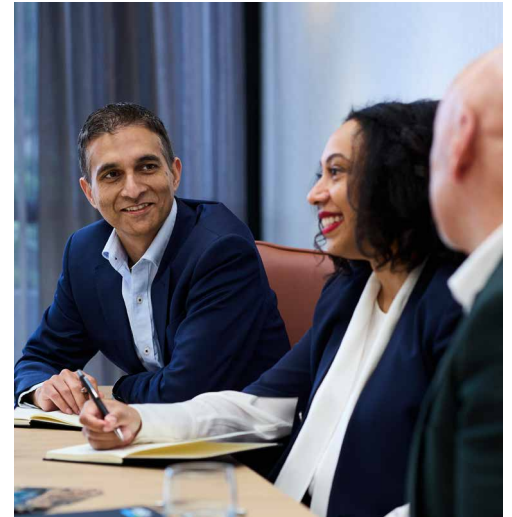
Most advisers will have the utmost respect for your role as captain, and you can always decide whether or not to take their advice.

It is worth noting, though, that without going into the relationship with an open mind and humble attitude, you're unlikely to get the full benefit that an advisory board can bring. Investors also pay attention to whether a business owner is coachable, even if your business ticks every box. If you're not willing to accept well-meaning feedback and talk openly, it can make it hard for advisers or investors to stick around.

Consider what it could do for your business to allow new and impartial perspectives, where the sole intention is to improve the business and the lives of those involved in it.

The true benefits of an advisory board

- Impartial, objective advice
- Balanced and right-sized guidance with strategy setting
- On-hand expertise
- Broader perspective on strengths, weaknesses, opportunities, and threats
- Faster, informed decision making
- Greater confidence and assurance
- Mediation during conflict or disagreements
- A trusted confidant for the business owner
- Support to unlock the business's full potential



Case Study:

SEAOAK Consulting

With a desire to build resilience and sustainability in the Australian agricultural sector, Ebony Greaves and co-founder Carli Davis launched [SEAOAK Consulting](#) almost two years ago.

"I wanted to do meaningful work that benefitted rural and regional communities and industries, including supporting the primary agricultural industries and commodities where I live in the rural Victorian High Country," says Ebony. "Carli and I have very complementary skills, which meant we could each manage different aspects of the consulting business. We established three pillars – sustainable agriculture, agri-renewables, and natural capital – and worked hard to develop a strong brand and reputation for ourselves."

After one year of operation, SEAOAK already had several clients and was establishing a strong name in the industry. Although the business was doing well, Ebony and Carli understood that many start-ups fail in the first couple of years and decided to establish a board of advisers to ensure they had the right support for the business to scale.

"It's important to recognise that no matter how experienced you are, there are limitations to that experience. We didn't want to make the mistake of thinking we could do everything, or that we knew everything.

"When we sought advisers, we looked for highly experienced people with diverse industry expertise who could help us establish our business strategy and processes, and build credibility quickly. For the highly visible type of work that we do, we needed a board that

could sit behind us and ensure governance and rigour so we could scale confidently and make an impact at an industry level. We also wanted a board that could help us understand and manage the risks of an early-stage venture, while guiding overarching operational matters such as team structure and the development of our growth strategy.

"Being a climate and sustainability advisory operating predominantly in the food and fibre sectors, our work is often industry-leading and nationally important. This alone helped us attract a number of highly skilled advisers, because the cause aligned with their own values. In the beginning, our board advisers joined on a volunteer basis, with the potential for future profit-share."

For start-up owners considering bringing on an advisory board, Ebony says it's worth thinking outside the box.

"If you're a start-up, you need to be able to show advisers that your business is solid and has good prospects before you approach them, otherwise you will be unlikely to attract experienced advisers. If you can't afford to pay them, try offering different incentives. Under a profit-sharing arrangement with some of our board advisers moving forward, we'll be focussed on scaling the business and their involvement will naturally be stronger given their stake in the outcomes.

"As a whole, I do highly recommend an advisory board if you're in the early stages of your business journey – you might just have to think outside the box a little to get the most value out of the board and ensure they remain engaged long-term."

When is the right time for an advisory board?

An advisory board can add value at any stage of business. Some owners see it as a constant and non-negotiable part of their journey, while others prefer to bring one in at certain stages when the challenges or opportunities at hand make outside perspectives and context especially useful.

Let us look at three key stages in the business journey and how an advisory board adds value.

1 Start-up

Start-ups can gain a lot from an advisory board, particularly when it comes to:

- decision making
- structuring
- networking
- preparing for investors

In the early days, this doesn't need to be a formal setup. It might be as simple as connecting with another business owner who has already been through similar experiences and can offer a fresh perspective on challenges you haven't faced yet.

If you don't have someone with commercial or financial acumen to lean on, a business adviser can fill that gap. RSM's business advisers often become the first step in a start-up's advisory board, offering practical advice and opening up their networks. The ability to connect our clients with complementary expertise as it is needed – such as R&D incentives, grants, tax specialists, business systems, and so on – effectively gives them an outsourced team on which to build a solid foundation.

This kind of foundation makes you far more attractive to investors who (once on board) may also want a seat at your advisory table to provide support and safeguard their investment.

2 Growth

As your business grows, your advisory board needs to grow with it. The skills and expertise that helped you reach \$1m turnover may not be the ones that get you to \$50m+. At this stage, you need people around the table who can guide you through challenges such as:

- rapid growth creating liquidity pressures
- raising capital and debt
- complex family dynamics
- strengthening governance, structure and processes
- entering new markets
- managing burnout

This may mean expanding a small advisory board or replacing skills you no longer need with ones that are critical now. Governance, risk and compliance often become central at this stage because, without clear processes, a few loose threads can unravel the whole operation.

Throughout any growth phase, advisers help create structure around decision making. Instead of "let's give this a crack", ideas are presented to the board with a robust business case so risks can be assessed, costs and ROI weighed, alternatives tested, and an implementation mapped out to ensure it can be commercialised effectively.

This structure is especially valuable in family businesses, where not everyone agrees on the best way forward. Running ideas through the board first helps weed out poor decisions before they cause damage, and gives strong ideas the backing they need to succeed.

3 Exit or succession

Ideally by the time you reach the exit or [succession planning](#) phase of your business journey, you'll already have one or more trusted advisers by your side.

With a thorough understanding of your business, its history and future direction, advisers can then support you by:

- working with you to develop an exit or succession plan
- preparing incoming leaders to take the reins
- mediating during the transition
- being a source of continuity after the transition

This is vital in a family business context, where succession planning can be very stressful and emotional. The ability to lean on advisers during this time is invaluable, and eventually gives you confidence to step out of the business and allow the new owners or next generation to take control.

Even in retirement, you may decide to continue as part of the advisory board so you can keep an ear to the ground and offer insight without carrying the full responsibility.

Case Study:

Employers Comp

Recognising the challenges businesses face with their workers compensation obligations, Alex Orfanos leveraged his expertise in legislation and business development to launch an online platform. This platform helps policyholders save time, save money, and reduce stress.

In 2018, Alex's vision became a reality with the launch of [Employers Comp](#). Intentionally starting small, Alex says his confidence to scale the business was strengthened through conversations with his business adviser, Patrick Flanagan at RSM.

"Pat had been my mentor for several years. After the pandemic eased, we discussed what it could look like to scale the business through investment. Pat guided me through the process, and I was able to secure funds which gave me the green light to take it to the next level."

Since then, the platform has grown from a minimum viable product servicing one state to a serious competitor operating nationwide.

"This required scaling our systems, staff, expenses, and everything else that comes with accelerated growth – and having Pat along for that journey has been invaluable. Last year we decided to establish a more formal advisory board and brought in additional advisers through Pat's network. Now we meet once a month for an hour to discuss

the business's current and future state. Pat has also connected me with specialists at RSM as needed, such as a grants specialist who effectively saved us a fortune with her advice."

In reflecting on the benefits of an advisory board, Alex believes that it has been a crucial factor in Employers Comp's ability to thrive, not just survive.

"Last year we were growing so quickly that it could have gotten away from us. The board recommended a strategic pause in growth for a short period, which turned out to be the best possible decision. Since then, we've been able to dial it up, and are now in the green again.

"I think the support of an advisory board is fundamental. Without it, you just get consumed by the muck and mire and lose that strategic view. The foresight is huge, and I have a deeper commercial understanding than I ever did before. The board listens to you, opens doors when you need them, offers solutions to problems, or simply lets you bounce ideas off them.

"As long as the board is functional, and everyone offers a different skillset and gets along, the value is unmatched. Knowing what I know now, I've recommended an advisory board to several entrepreneurial friends. The right board with the right skills for the right business is irreplaceable."





What type of advisory board is best for me?

One of the biggest misconceptions about establishing an advisory board is that it needs to be a certain size or structure. This couldn't be further from the truth. In fact, we typically find that very effective boards are formed from informal structures that may evolve and become more formal over time.

For example, a close relationship with one adviser morphing into a more formal relationship with multiple fit-for-purpose advisers. Or informal family meetings that start to include an adviser or two before evolving into a more structured board setting. Here are three types of advisory boards to consider.

1 Informal

An advisory board doesn't always need to start with a full lineup of experts. Often it begins with a single trusted adviser – someone with financial and commercial insight who can help you tackle challenges and identify opportunities.

In these early stages, the relationship might be as light-touch as meeting once a month for an hour. If you're open to discussing current issues, risks, goals and next steps, even that short window can make a big difference.

As the business grows in size or complexity, the need for more perspectives usually follows. New members might be added to cover functional gaps such as technical, human resources, risk management, or marketing expertise. A board with three or four people that still meets every month or so can be an effective step up while remaining relatively informal.

In family businesses, informal boards may include family members and one or two external advisers who meet regularly to discuss ideas and challenges. These external voices are particularly valuable as mediators who provide a sanity check for decisions and an impartial, balanced perspective.

The key (to any successful advisory board) is to choose advisers who are a functional match. Someone who only sits on \$100m+ company boards may not be the right fit for a

\$5m business, no matter how impressive their CV. Suitability matters more than status. The strength of any advisory board, even an informal one, rests on the capabilities of the chair and the mix of people around the table.

2 Formal

A formal advisory board is a step-up in structure and sophistication. It usually consists of several external advisers who meet with internal board members on a regular, scheduled basis.

At this level, the role of the board is not just to discuss ideas but to bring rigour, governance, and risk management into the decision making process. A business that wants to scale, strengthen its financial structure, or prepare for an exit will benefit from advisers who can identify gaps and help guide the systems needed to operate at a higher level.

Larger businesses, including family enterprises, may also establish an advisory charter. This sets out:

- the roles and responsibilities of members
- key objectives
- how the group will function together

When building a formal advisory board or reviewing an existing one, the focus should be on complementing the management team. For example, a technology company doesn't need its board filled with more technology experts. Instead, it benefits from commercial and legal expertise, risk managers, and governance specialists who can offer diverse insights and fast-track decision making by offering immediate clarity on key issues.



At this level, an advisory board is also about optics. Showcasing your advisory board on your website can demonstrate credibility to investors, regulators, competitors, and customers by showing that your business is being guided with the right mix of discipline and expertise.

3 Membership-based advisory boards

Membership-based advisory boards bring business owners together on a regular basis to share experiences and perspectives. The value comes less from detailed knowledge of your individual business, and more from the diversity of

thought in the room. Hearing how others have approached challenges creates a nice flow of ideas that can open up possibilities you might not see on your own.

The structured nature of these sessions also provides discipline, which forces leaders to step back from their day-to-day and reflect more strategically on their business. When the composition of the board is right, members gain genuine insight that translates into better decisions for their business.

For many business owners, these types of boards work best as a complement to existing advisers by offering new ideas and strategic insights rather than replacing in-depth operational advice.

Case Study:

Urban Legal

When Alyce Kliese was encouraged to join a membership-based advisory board, she wasn't quite sure what to expect. But the experience soon turned out to provide much more than she anticipated.

"I was an engineer turned lawyer, and while I had a deep understanding of both fields, my commercial experience was limited. My immediate impression of the board was very positive – hearing others share their challenges, I realised that even though they were different from mine, there was so much we could learn from each other.

"It was eye-opening to be in a safe space where everyone could be open and truthful. The board changes over time as people come and go, and what you learn from others might apply to you now, in a year, or even in 10 years. You can hold onto that knowledge and, when a challenge arises, remember what people said and how they handled it."

Now the owner of [Urban Legal](#) – a rapidly growing Sydney law firm specialising in planning, environmental, and local government law – Alyce says the advice gained through the advisory board has supported her business at every stage.

"When I decided to go out on my own, I was able to pick up the phone and call people I knew from the advisory board. It really does create a tight knit network that you can reach out to anytime and tap into that expertise."

For those thinking of joining or establishing an advisory board, Alyce says go for it!

"Join early, don't wait until you're in a crisis. Even if you know one day you want to launch your own business, an advisory board can help you understand what that could look like. There's so much you can extract and use to accelerate your own journey – I can't recommend it enough."

Advisory board pitfalls and insights

If you've never set up an advisory board before, or you have and it didn't work out, there are certain pitfalls that are worth being wary of.

These are the five most common questions or concerns we get asked about advisory boards.

1 I want to set up an advisory board. Where do I start?

The first step is to look within your own network. Many business owners start by connecting with people who've been through a similar journey and can share lessons learned.

It is important to remember though that what worked in 1995 may not work in 2025, and what's right for a heavy industry business won't necessarily suit a software start-up. Too often, we see business owners rely on casual connections or recruit advisers from the "big end of town" whose expertise doesn't match the needs of a small business. The closer the adviser's experience to your own industry and understanding of your growth stage, the more relevant their insights and networks will be.

A useful stepping stone can be to leverage an existing trusted adviser who acts almost like a concierge – connecting you with the right experts as your needs evolve.

2 I started an advisory board but the wheels fell off

This is one of the most common pitfalls. A board is set up, the first meeting happens, then life gets busy. Meetings become infrequent and, without structure and commitment, you end up having the same conversations over and over with no real progress to show for it.

The sad truth is that these advisory boards are often forced back into action when a difficult situation arises. So rather than being a proactive source for good, they become a reactive source that's always trying to fix messy situations. Had the discipline and structure been there from the beginning, the situation might have been entirely avoided.

The secret is consistency. Show up prepared, engage fully, and stay focussed on the goals. It is only with discipline that momentum can build and you can achieve the results and ROI you deserve – keeping in mind that you may not see immediate benefits, and it could take 12 months or more to truly assess the value and results.

3 My advisers aren't the right fit

The quality of your advisory board comes down to the quality of the people around the table. If the mix isn't right, the whole board loses value.

Sometimes, the issue is a chair who isn't the right size for the business. For example, a high flyer trying to operate in the SME world. Other times, it's a lack of alignment between what the business needs and what the advisers can actually deliver.

Advisory boards work best with advisers who:

- have scaled a business in a similar way
- exited recently enough to keep their insights relevant
- can open doors through their networks
- have connections that sit at a price-appropriate level

Add to that the right dynamics and chemistry, complementary skills and a shared understanding of your ambitions, and you've got a board that truly adds value. Without that, it's just a collection of titles around a table.

4 My advisers want me to do something I don't want to do

This is a surprisingly common concern. An adviser might review your numbers and recommend changes you're not keen on such as cutting staff, adjusting cashflow, or restructuring operations. Your first instinct may be to resist, feeling that they don't fully understand your business or their advice is too blunt.

But one of the greatest benefits of an advisory board is precisely this: they provide an independent objective view. They are not caught up in day-to-day pressures or personal attachments. Their role is to give an honest and experienced perspective, even if it's uncomfortable. Many business owners initially resist tough advice, only to implement it later and see definite improvement.

That said, you don't have to follow every recommendation blindly. Remember, they are the adviser and you are the final decision maker. A good adviser will respect your position and seek only to help, not dictate. If an adviser's input consistently doesn't feel relevant or accurate, it may be a sign that they're not the right fit. In this case, their place on your board can usually be adjusted or ended just like any professional service.

Balance is key. Respect your advisory board and consider all strategies and viewpoints, but also push back thoughtfully when needed. Explain why you see things differently, and that in itself can spark new ideas or alternative solutions.

5 Personal or family issues are making it to the board table

It is not unusual for business owners to share things with their advisers that they haven't even spoken about with family. Sometimes it's money, sometimes succession, sometimes tension at home. When that trust is there, you can let your advisers into your inner sanctum and the value of their support can make a real difference to your decision making.

You might also rely on your advisers to help broker difficult family conversations. The simple act of having an impartial sounding board makes it easier to resolve any conflict issues that family members would otherwise avoid.

All of these situations are completely normal, and are yet another reason why an advisory board is so helpful.





Empowering you
every step of the way

Advisory board success checklist

- Functional gap**
Advisers add skills or perspective your business lacks.
- Relevant experience**
Advisers have experience at a similar scale, stage, or sector.
- Cultural alignment**
Advisers share your values and understand your business.
- Goal alignment**
Advisers understand your ambitions and business vision.
- Sanity check**
Advisers provide objective perspective beyond in-house expertise.
- Network leverage**
Your advisers can connect you with relevant people and opportunities.
- Investment**
The size of your board is appropriate for your business.
- Commitment**
Everyone is prepared to show up and participate.
- Structure**
It is clear when you meet and what you discuss.
- Role clarity**
Responsibilities and limits are clearly defined.
- Flexibility**
The board can adapt as the business grows or needs change.
- Exit and succession insight**
There is experience or perspective for long-term transitions.

Case Study:

Independent Timber Supplies

Pat Steens co-founded [Independent Timber Supplies](#) in the early 1990s, building it from the ground up into a medium-sized enterprise. After his co-founder retired, two of Pat's sons decided to buy into the business, bringing with them their skills in building and engineering.

Now a diversified business spanning timber distribution and structural timber products, Pat's sons along with the company's general manager have assumed the day-to-day responsibilities, with Pat contributing at a strategic level.

"This business has been a huge part of my life so I was very happy for my sons to get involved. As with any family business, we don't always see eye to eye, so I decided to bring in Jason Hennessy from RSM as chairperson of our board.

"Having Jason involved keeps the board meetings relevant and focussed. He's more effective than I can be because he's impartial and brings to the table many skills that are so valuable in a board setting. He knows what the rules are, provides advice, and keeps the conversation on the

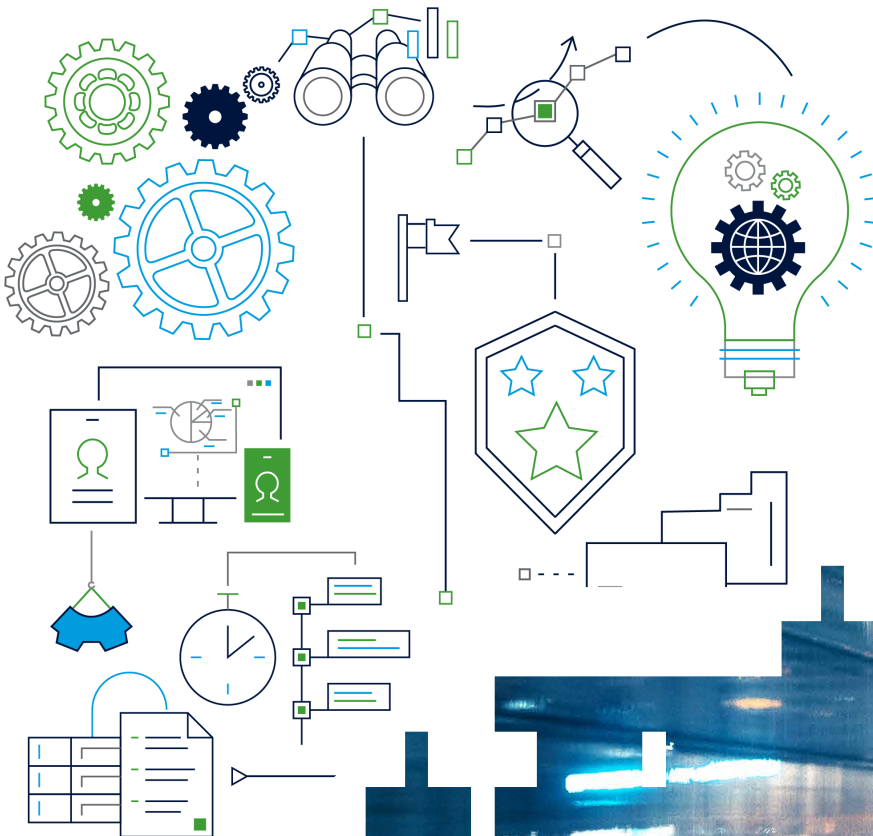
straight and narrow so we're always coming back to what's relevant and workable."

The Independent Timber Supplies Board meets every two months and comprises Jason as chair, Pat, his sons, their general manager, and their financial controller.

"I like that I can be involved in the discussion rather than controlling the meeting. We've been operating this way for over a year now – initially meeting every three months and increasing it to every two months more recently. We're definitely making ground. Board meetings are much more effective, though I'm looking forward to doing more and know Jason's involvement is absolutely crucial."

Of bringing an external adviser into the family board, Pat says it just makes good business sense.

"One thing about growing old is realising what you don't know. I think if you don't receive advice, even advice you know you won't heed immediately, you're missing out. In business, you have to keep things simple, get the right advice, make a decision, and go for it."



How RSM can help

For over a century, RSM's business advisers have helped our clients both establish and grow advisory boards that take their businesses to the next level.

We are fortunate to have incredibly vast networks, with access to specialists across every functional business area, nationally and internationally. This means our clients – from solo entrepreneurs to mid-sized family businesses or multinational enterprises – are able to leverage our deep financial and commercial expertise, and that of our networks as well.

Whatever the stage of your business, or your past experience with advisers, you can rely on us to:

- deliver insights and connections that create measurable value
- provide advice and expertise that lead to better decisions and outcomes
- unlock latent potential and capture value you didn't know existed
- offer support that drives action and real business progress
- bring the right expertise at the right time for tangible advantage

With 100% tailored support to meet the needs of your business, we commit to making every advisory moment count.

To learn more about RSM's advisory services, contact the business advisory team at your local RSM office.

www.rsm.com.au/contact-us

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