

Woodbury: Farm Family Business

Hire a Different Kind of Adviser



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[Bio](#)

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When you think about the key advisers to your family business, the people who help you through important decisions and implementation strategies, who comes to mind? Your accountant, attorney, lender, investment adviser or insurance agent are a few of the professionals that offer technical advice as your business grows. But as your organization becomes more professional, there emerges a need for a different kind of advice -- and therefore a different kind of adviser.

Over the years I've watched peer groups and advisory boards form to bring business owners perspective from the trenches of business leadership. Groups of business owners spending time with one another can serve as a sounding board, reduce the sense of loneliness, create awareness of latent or impending business challenges and offer credibility to certain problem-solving approaches.

But who should you put on your advisory board? Here are several categories of non-traditional advisers to consider:

1. Business owner, same industry.

Putting another (non-competitive) business owner with a similar business on your advisory board helps you see how someone else has solved comparable problems in a different way. I've known growers who use totally different land acquisition, input purchasing, equipment and staffing strategies but are equally successful. Seeing how another leader comes at their opportunities and threats can help you rethink your own solutions. It also offers reassurance that you are not alone in facing your challenges. Someone else has faced the same issues and solved them in a different way, which can be inspiring to your efforts.

2. Business owner, different industry.

A business owner from a different industry can be helpful in challenging some of your basic assumptions about your business. For example, a construction business owner might challenge a farmer's strategy to own equipment versus leasing it. A business owner dependent on a sales force might help you rethink how you interact with current and potential landowners. A technology business owner might offer great insight about how you use and manage the data generated by your farming activities. A retail business owner might offer new ideas on how to better connect with the consumer. The point is that someone who runs a totally different business -- and your process of educating them through an advisory board -- can generate fundamental questions about how you operate, and provide creative solutions to challenges both big and small.

3. Bigger business owner.

Regardless of whether your adviser is from inside or outside the industry, consider someone who owns or leads a relatively larger business. They have already solved some of the specific problems you face as you become more professional. For instance, they may have gone through the process of hiring a full-time chief financial officer, and you may just be arriving at that need. They may have created human resource strategies and policies that you will require to attract a high-caliber staff. They may have already experienced various legal challenges, dealt with regulatory hurdles, transitioned banks, or negotiated contracts that you are just beginning to face. Their advice and opinions may save you significant time, energy and money as your organization continues to grow and improve.

4. Academic.



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Bringing someone onto your advisory board from a university setting can be helpful in understanding the trends, issues and strategies from a broad range of business and industries. A professor or researcher who has studied drivers of industry change and business best practices, or who can apply statistical frameworks to key decisions, or who can point to case studies of other organizations, can be a tremendous resource. Due to their training, they can also ask lots of questions about why you manage your business a certain way, helping you rethink and freshen your approach. [more...](#)

5. Consultant.

Another type of adviser is a consultant who works in a specific area of the business, such as risk management, public relations, business strategy or finance. I would differentiate here between hiring them as a consultant, where you engage them for particular projects, and putting them on the board, in which you ask more generally for their opinions, advice and connections. As a board member, they can sometimes speak more freely, and disagree more strongly, than if they are on your payroll for specific consulting projects. They can offer sage advice about strategy based on their years of in-depth work, but are not bound by a relationship in which they are trying to manage the implementation of those strategies.

Starting an advisory board can be an exciting endeavor for the energy and accountability it brings. Instead of jumping right in, however, spend time thinking through the perspectives that will be most beneficial to your family and business. The return on your investment will be better if you have the right advisers.

See DTN's Minding Ag's Business blog for related Q&A on building a board of directors at <http://goo.gl/...>

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EDITOR'S NOTE: Lance Woodbury writes family business columns for both DTN and our sister magazine, "The Progressive Farmer." He is a Garden City, Kansas, author, consultant and professional mediator with more than 20 years of experience specializing in agriculture and closely-held businesses. Email questions for this column to Lance@agprogress.com

(MZT/AG)

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