No business is too small to benefit from having an Advisory Board and an Advisory Board is such a powerful management tool that no small business should be without one.

Think about the last time you met with other business people and had a open discussion, sharing your ideas and concerns. An Advisory Board is a formal version of this process.

Unlike a one-time or casual event, your Advisory Board is composed of people with a genuine interest in your business and a desire to see it do well. As I said in [External Management Resources In The Business Plan](http://sbinfocanada.about.com/cs/businessplans/a/bizplanmanage.htm), you can think of an Advisory Board as a management think tank. Your Advisory Board members will serve as a sounding board, a source of ideas and expertise - and give you honest advice.

More than anyone else, your Advisory Board will be on your side. They will be people with no axe to grind who want to listen to you and advise you. Above all, they'll want to contribute to your business's well-being.

Where, you might wonder, would you find such paragons? Just look around you. There are many recently retired executives and managers who might be interested. Other business people and vendors may also be good choices. Aim high. Choose people you admire that you think you will be able to develop a relationship of trust with. There's no harm in asking, and you may be pleasantly surprised when they accept.

Two to three people is sufficient for an Advisory Board for a small business. They will be expected to meet with you (usually on a quarterly basis) to discuss and advise. While being an active part of your business is payment of a sort, you should also pay your Advisory Board members by hosting an upscale lunch each meeting, or by paying each Advisory Board member an honorarium each time.

You will also need to prepare for each meeting of your Advisory Board by preparing an agenda which you'll need to distribute to your Advisory Board members ahead of time. (Include any related materials necessary.) Perhaps more difficult, you need to be prepared to be completely open and frank with your Advisory Board, sharing both your hopes and your fears. They won't be able to advise you properly or well if you hold back.

An Advisory Board is an especially valuable management resource for small businesses. No single person can know everything, and ad hoc, on the fly advice can be worse than none. An Advisory Board that meets regularly gets to know you and your business and can provide the management expertise you need to avoid shoals of mistakes and set your business on a true course.