



Clear benefits from joining peer boards

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Last week, I told you how I was invited to sit in on the meeting of one such group, an Oakville, Ont., chapter of The Alternative Board, a Colorado-based group that manages peer boards across Canada and the United States. Although these meetings are strictly confidential, I was allowed to observe the process on behalf of the Financial Post as long as I didn't name names.

The first hour involved basic leadership coaching and member updates.

After that, things got serious. Facilitator John Womack (the only participant I'm allowed to name) asked his members what progress they had made in the business plans they've been working on for the past month.

Howard looks guilty: His plan called for a 10% sales increase for this year. So far, he's been struggling just to stay even. He's been working on introducing some new products, but the launch has been delayed. And he's been meaning to work with his partners to complete a shareholder's agreement, but no one has had time to sit down and get 'er done.

There is no criticism from Howard's peers. They've been here before. Peer groups are about dealing with business as it is, not just as it should be. Ricardo, a manufacturer, jumps in to help.

He offers to send Howard a copy of his own shareholder's agreement. Ironically, Ricardo then admits he hasn't had time to finish his marketing plan, and he thanks Womack for sending a template to help him get started.

Fred, who runs a printing firm, admits he's fallen behind on some strategic initiatives. The past few

months have been tense: Customers' budgets are shrinking and he's focused 100% of his attention on sales. These days, he says, "it takes two new customers to make up for the loss of one." His peers are sympathetic. In fact, they're eager to solve his problems.

Given the digital revolution, they advise him to shift his perspective from thinking he's in the printing business to realizing he's in the image business.

"Advertising isn't just printing anymore," Anton says. "You may want to look long term and ask yourself, 'where is the printing business really going?'," Ricardo says. "Maybe it's time for you to think about all kinds of media, not just printing." It's not clear whether Fred finds the feedback useful. He's heard this stuff before: "I'd love to have time to be the visionary and come up with all these ideas, and not do sales every day." Anton admits he still doesn't have a business plan, "for many reasons, some valid." Womack gives him credit for coming to the meeting anyway, "knowing he would be razzed about it." But there is no razzing: knowing they are all being held accountable makes people much more tolerant of others' failures.

Steven, who is in the home-renovation business, admits he hasn't been keeping his business plan up to date.

Marketing expenses are running higher than forecast, and so are employee errors, which result in costly delays.

But he's been meeting with a sales consultant Womack recommended, and he hopes things will turn around soon.

Although he's a little off track, Steven says having a business plan is essential.

"I have something to compare my results to, and a way to measure whether my promotions are working." He nods respectfully when Womack encourages him to dig in and adjust his plan to reflect current realities: "Get it ready for the next quarter." Ricardo admits he has fallen behind on a customer-retention program that was supposed to launch six months ago. He offers the familiar excuse: "There's been no time - we just have to sell." Sales cycles are lengthening, and security products are becoming more complex. "You need to retrain your salesforce," advises Steven. "No," says Ricardo. "I need to fire them." Clearly, Ricardo has to sit down and focus on how his industry is changing, too. "It's okay to revise your business plan," notes Womack. "It's why this work matters." Heads nod as everyone realizes the old management mantra no longer applies -- somehow, they have to work both on their business and in the business at the same time.

After the meeting, Ricardo admits before he joined the group, he was skeptical about the benefits of TAB.

When he first got a direct-mail letter from Womack, he thought it was "some off-the-wall religious group." But after talking to people in the program, he realized peer coaching is the solution he was looking for.

"Being entrepreneurs gives us a licence to procrastinate," Ricardo says.

Knowing you'll be held accountable for doing what you commit to isn't always enough to get the work

done, but at least you always know what you should be doing. Of all the benefits of peer groups, this may be enough.

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