



# Different Types of Peer Advisory Councils

*Understanding the different peer advisory councils is crucial to find the best type for you and your network. Let's dive in!*

## Some types to get you thinking:

- CEOs from various industries in your local area - In person
- CEOs from similar industries - Nationally - Virtual
- Presidents of large marinas - National - Hybrid
- Principles at Family Firms - Local - In person
- Female Executives - Local - In person
- Co-Founders of Tech Start-ups - Regional - Hybrid
- Faith-Based Entrepreneurs - Local - In person
- Young Professionals - Local - Hybrid
- CHROs from Healthcare companies with over 1,000 employees - Virtual
- CFOs from Global companies aspiring to do business in one foreign country - Global - Virtual
- Leaders from within one company - Local or National - In person or Hybrid
- CEOs planning Their Exits (/Succession Planning) - Local - In person
- Executives Planning Their Exits in the same industry - Regional or National - Virtual
- Manufacturing Clients of an Accounting Firm - National - Virtual

The above are all examples of business peer advisory councils (PaCs) or mastermind groups as many of you call them, and I promise you there are new types popping up every day.

I'd like to expand your thinking beyond traditional types of groups. This field has the opportunity to become more personalized and niche-driven. It's happening now on a small scale, in pockets. But make no mistake, there is so much more to this field than PaCs built around traditional CEOs,



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and I'd like to help you find your niche. How can you capitalize on your passion by creating, launching, and moderating a group around your passion? Let's work through these important details together.

## NICHE MATRIX

Category	Location		
	IN PERSON	VIRTUAL	HYBRID
ROLE/RESPONSIBILITY			
INDUSTRY			
GEOGRAPHY			
SPECIALTY			
CLIENT/COMMUNITY			
IN COMPANY*			

\*Limited combination with other categories

### What Types of PaCs Are Right For You?

*What peer advisory council do you want to moderate? Or maybe you're already moderating today and want to expand your business.*

Have you analyzed where your passion lies, where your expertise can be most helpful, and where you have connections to the type of PaC you aspire to?

If you think you know, take a gander at this list of real-life scenarios from my training academy business graduate for a few cautionary tales and potentially problematic ways of thinking.



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*Jim wanted to launch a PaC that consisted of construction-related business owners only. His father worked for a General Contractor most of his life, and Jim thought, why not. He knew something about the construction industry from listening to his dad talk about work at the dinner table. And it would be nice to talk to his dad about something they could have in common when he visited him, especially since his dad was retired.*

*Jim embarked on creating his construction-themed PaC of business owners together to meet in person locally. He was excited and couldn't wait to surprise his Dad about it after he got his first few members. Jim made a list of all the GCs in the area and all the related construction firms. He prioritized it by who he thought was the most prestigious by category like plumbing, electrical, architecture, etc. He then planned what he would say when he called, the why his council would be unique. He was so excited to start as no one else appeared to have this idea as a niche he could find anyway. It would be his biggest differentiator, and he couldn't wait to start.*

*Jim prioritized calling General Contractors first. He thought that if he got a General Contractor as the anchor member, all the other calls to the tradesman would be easier. His call to the first GC was a success. They were very interested, and basically, he had his first member! Jim thought, wow, this was easy; however, secretly, he wondered why. He soon found out why.*

*Jim started to make the following calls on his list, and after just two calls, he was hit with objections he had not anticipated. And he had no good answers. It looked like his idea of a construction-themed PaC was not such a good idea. But why? What were the objections?*

*Jim failed to consider that a General Contractor in a group of tradesmen like an electrical contractor, plumbing, concrete, excavation, roofing, etc., could not be possible. But why? Because GCs hire them as subcontractors. Or sometimes, the GC competes with them directly. A conflict of interest. Why didn't Jim see that? He thought the GC was complementary to the trades, but they are not. Why was the GC so keen on joining his group? Because the GC saw that they could get intel from the trades, they could be potential clients of theirs because getting good subs was such a tight market; the GC looked at being in Jim's group as a way to network. The wrong reason to participate.*

*Jim had to start all over. He had to call his first member, the GC, and tell him he couldn't be in his PaC. He sure didn't want to make that call. And now he looked like he didn't know what he was doing. Can he recover with the other trades that brought up his objections? Can he call them back and put his PaC together still with just the trades?*



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*But wait! Jim can recover from his misstep with the GC. But he doesn't know that; he doesn't realize there are options.*

Jim's PaC was not a bad idea. He just wasn't aware of the nuances. If he had been aware, he would have saved time, money, and embarrassment and still be able to accomplish his dream and passion around putting the right-fit members together for his themed PaC.

### **But how?**

General Contractors are competitors if they operate in the same geography. They are competitors by possibly bidding on the same jobs and using the same subcontractors and resources. General Contractors can benefit from being in a PaC with other GCs, but they have to be geographically non-competitive. So Jim could do a virtual group of GCs in other locations. He can also put his trade niche PaC together, but it has to be without a GC as a member.

What is essential is thinking to throw the nuance of any niche PaC you're considering. You do not want to get to a place where you launch a group and find a conflict or a significant gap that inhibits full participation because you have the wrong member or members involved.

### **The 7 Most Common Types of PaCs**

I've been doing this for nearly two decades, and I've identified seven types of peer advisory councils that have consistently succeeded. There are probably others, but if you like the idea of moderating PaCs and have a wide range of interests, and you haven't found a single topic that excites you more than others, this may help narrow your options.

*You can also be a maverick.*

Every day, graduates from our training academy find new niches to explore, such as Kit, a Licensed Partner passionate about private equity companies.

He was a partner in a research-based consulting firm that focused on relatively obscure, niche sub-segments for private equity groups, family offices, and other private investors. But, as Kit knows, private equity firms in general are far too broad. He was particularly interested in heads of operations at private equity firms. Why? Because the operations leader faces common challenges. They are not in competition with one another, as other leaders in a private equity firm would be. For example, business development. But with operations, they have a common goal. To get the best return on investment from their acquisitions of similar companies. How to leverage systems, integrate cultures and people, and not lose clients, talent, etc. Kit's PaC with



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operations leads had an overarching principle which is the strategies around putting an effective, high-functioning council together.

Let's dive into each category, including its advantages and disadvantages, to determine which maybe the right fit for you.



ROLE/POSITION

## #1 | ROLE / POSITION

### MEMBER SPECS

*CEO, Business Owner, President, CFO, Senior Leaders, Key Executive, CIO, CHRO, etc.*

## DECISION POINTS

Do you love working with leaders of a specific type?

Do you have experience as one of these leaders or have you worked/do you work with them?

## ADVANTAGES

- This category can include all industries, which means there's broader market to pull from.
- Pursuing leaders as group members tends to be a relatively easy sell because they make the decision or have budget or profit-and-loss responsibility.
- This is the most common and well-known category. Most people come to it already understanding it because they've heard about it and/or know people who have participated in these PaCs.
- Members have a tendency to easily think they're with true peers because they have the same title. While this isn't actually true, their belief makes it easy for them to join.

## DISADVANTAGES

- Differentiating yourself is critical to succeeding among the competition because this is the most common PaC. You can do this with a different agenda, tools, and your expertise. If you thoroughly think through these components, there's no disadvantage.
- Matching members by title only isn't sufficient and doesn't result in a group of true peers.



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INDUSTRY SPECIFIC

## #2 | INDUSTRY SPECIFIC

### MEMBER SPECS

*Operates in a specific industry (e.g., marine, manufacturing, technology, construction, accounting, law) and there's no conflict between/among the industries represented.*

### DECISION POINTS

Do you understand something about the industry?

Do you know the terminology, the common challenges, the pitfalls, and the trends?

Are there industry levels to consider? For example, Marine 2020 or Auto 2020

Does geography matter? For example, if doing a construction PaC, and it's made up of General Contractors, then geography will matter as GC's usually cover a large geography, at least the entire city they are operating from. This is necessary to avoid conflict of interest. But if it's a trade-themed group that comprises a plumber, electrician, roofer, architect, paver, excavator, builder, an accountant with a focus on construction, interior designer, landscaper, painter, etc., then you can have a PaC close in proximity.

### ADVANTAGES

- Shared commonality in lingo, industry terms, contacts, and customers. Reduces the need to educate on industry nuances.
- Share financial data or metrics that can lend to true benchmarking
- Industry trend analysis, discussion, and observations are relatable to all and can lend more insights than if observed independently.
- Adds to the level of conversation by being more specific and targeted and, many times more effective and valuable. For example, conversations around bonding or working with subcontractors or project management.
- Common challenges shared can lead to sharing of successful solutions that have been tested by someone else already
- Industry knowledge, resources and connections shared. There is a higher level of



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opportunity to help each other leverage specific knowledge that directly impacts others. Example: We use this specific project management software, not the others, because of XYZ. I know someone who might be a good fit for your job opening, or I know of a project being released for bid.

## DISADVANTAGES

- Groupthink can emerge. What is the definition of groupthink in the context of PaC's? It is when the council has accepted "its the way it is" for common challenges or ways of doing business. It's a belief that there can't be a solution, so just accept it, work around it, or ignore it. Since it's a problem for everyone and has been forever, there must not be a different solution. There is no creative thinking or innovations that could be a disruptor.
- Meetings, after some time, can get stale because the conversations can become so similar. With too much commonality, bringing in new ideas, changing the format, and pushing the envelope on performance will help keep things fresh.
- Should have a full PaC to combat groupthink and diversify ideas. In a purposefully small group, groupthink can go deeper. If your industry is too limited or you meet in person, it can be hard to get new members.



GEOGRAPHY

## #3 | GEOGRAPHY

### MEMBER SPECS

*Operate globally, has global interests, and/or face specific challenges when operating globally or entering a specific country they want to expand globally.*

## DECISION POINTS

Do you have a comprehensive awareness of global nuances such as hurdles related to language, differences related to culture, and differences related to business practices?

Are you willing to have meetings virtually, either regularly or occasionally, to accommodate members who are frequently on the road or who live in various time zones?



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## ADVANTAGES

- Can be a very powerful group that creates change beyond their own organizations, global change, or a direct impact on a country. Example: Your PaC is an organization that wants to learn to do business in Africa to impact health conditions there. They share a common cause and mission.
- Usually, this type is directly aligned with strategic initiatives inside the organization making the PaC a very important part of their strategy. A result is a long-term member for you.
- You have an opportunity for the members to be resource connectors for each other and directly find resource connectors for them. I talk about what a resource connector is in Chapter 9, Retaining PaCs and Members Long Term.

## DISADVANTAGES

- Being truly global with members in different time zones makes it difficult to find a time for a meeting that isn't in the middle of the night for someone.
- Getting the members to truly bond and be vulnerable with real issues and who also may have different definitions of what meaningful relationships look like.



FAMILY FIRM

## #4 | FAMILY FIRM

### MEMBER SPECS

*Privately-held family firms. Could be any industry. The criteria are the company is majority owned by the family, and the family is in primary control of the strategy and leadership.*

## DECISION POINTS

Do you genuinely have experience or knowledge of family firms' intricacies, challenges with succession, etc.?

You must love and understand this type, or it could be frustrating having a PaC focus.

Are there enough family firms geographically close to begin a local in-person council, or will you have to be virtual?





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## ADVANTAGES

- The way their personal and business intersect is unique. There will be endless situations for help from their peers, and their peers will have plenty of stories and perspectives, on both the personal and business levels.
- They find relief in discovering they're not alone in their challenges.
- They're typically very private and don't discuss their business with anyone outside the family circle. Building trust takes time with their advisors like accountants, lawyers, and bankers. Participating in an environment of confidentiality is a breath of fresh air for them.

## DISADVANTAGES

- Family Firms have business and personal challenges that other firms don't have. Since there's a tendency to be very private, there may be a reluctance to be vulnerable in a meeting. Vulnerability is vital for the best insights and issues to arise and be discussed deeply.
- There can be an initial reluctance to get involved in a PaC as it could feel like sharing dirty laundry.
- It can be frustrating to make decisions that appear to pit what's right for the business against what's right for the family. The result is often either indecision or Band-aids, neither of which address the root problems.
- They have difficulty getting all family members on board (which makes group decision-making challenging). Do know that once they get past this they enjoy engaging with other families, and work in this category can be very rewarding!
- Getting the family to choose one member to participate and represent them can be difficult. The key is to work with the entire family first to get them comfortable with the concept, the benefits to them, and how participation by the one family member supports the whole family.



**SPECIALTY**

## #5 | SPECIALTY

### MEMBER SPECS

*Woman-owned businesses, Men, Women in Technology, Investor, Religious, Exit Planning-Succession, Fast Growth, etc.*



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## DECISION POINTS

Do you have a direct connection to the specialty, either through belief, experience, or knowledge?

Do you have an affinity for helping this type of member succeed? You must love and understand this type or it could be frustrating to focus your PaC on it.

## ADVANTAGES

- It can be enriching to work closely in a specialty you share with.
- Relevant conversations around common topics that, if you are not a similar type, members will not be able to relate to. For example, a parent running a business trying to balance being a parent vs. a CEO would not get great insight from members who are not parents of the same involvement as that member.
- Bonding can be quicker and easier because of this common personal connection.

## DISADVANTAGES

- When discussing business challenges or opportunities, tunnel vision can occur. For example, women-only groups whose clients, vendors, or competitors include men may overlook men's perspectives and insights because their voices are not heard. This can be mitigated by moderating groups in which you are significantly different from the members, such as being a man running a women-only group.
- These PaCs frequently have blindspots that must be addressed through the use of guest speakers, strategic roundtable discussions, or guest leaders. For example, religious organizations may expect other business owners to operate ethically in the same way that they do, or they may be misaligned in their values and decision-making. That may become obvious, and you must acknowledge and address it in some way.

**Combo types:** These are combinations of one or more of the above types. For example: CEO (Position) + Family Firms / Woman only + Geography / Industry + Global (Geography) / CEO (Position) + Exit Planning - Succession (Speciality)

## What is trending?

The pandemic necessitated improved collaboration methods. Furthermore, there is a shift in business to grow profitable services such as advisory services, as well as a need to retain clients through more meaningful relationships and gain new clients more quickly. The peer advisory industry can serve as a vehicle for implementing these strategies.

The last two categories are examples of this. This is a new way of thinking for most, so let me explain.



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**CLIENT/COMMUNITY**

## #6 | CLIENT / COMMUNITY

### MEMBER SPECS

*Any organization with a large community of customers whom they interact with regularly or on some recurring basis can expand that relationship exponentially*

By creating and moderating their peer advisory councils made up of their clients only. These internal PaCs will tremendously impact the organization's strategy and results. How? I'll answer that with an example to illustrate the concept with a more in-depth understanding.

We are finding accounting firms need to increase their advisory services where margins are higher to compensate for the commoditization of traditional services that generally had acceptable margins.

Also, new competitors are emerging, offering these traditional services at no cost to lure clients to their firms. Additionally, partners are retiring, and transferring relationships can be tricky for newer partners. And last, how do they retain the best clients and grow simultaneously? Because securing new clients is costly and time-consuming. Building trust and a relationship that will eventually translate into revenue take a lot of effort. And how do they get to know their existing clients better and strategically and develop a stronger bond? One that allows them to serve the client more personalized and proactively.

### THE SOLUTION

Peer Advisory Councils to the rescue. A mechanism (remember that point earlier?) to accomplish their strategic initiatives. PaCs strategically created with any of the above classes will enable the accounting firm to build deeper relationships, offer a unique differentiator to their clients, increase advisory services, and gain new clients.

This happens because the firm can participate as an advisor in the actual PaC or take a more arms-length approach and host the meetings only with interaction with the members before the meeting starts, regardless of in-person or virtual. They can showcase their expertise by sharing knowledge at appropriate times throughout the year or briefly at each meeting. Learnings from the meeting, as desensitized by the moderator, can be shared to help the firm address common client challenges and opportunities.

And last, if prospects are included, it's a no-brainer that eventually, they become a client when



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surrounded by other clients of the firm and have regular interactions with the firm.

This concept works for any organization, like an accounting firm with clients or a community of relationships that can benefit from being in a PaC with other clients. Industry, position, and family firms classes are the most common PaCs niches to start with.



IN-COMPANY

## #7 | IN-COMPANY

### MEMBER SPECS

*Company's employee of the same position across multiple divisions, or senior level managers representing different functions.*

An internal PaC is ideal for a company with a complex organizational structure. The PaC would be made up of their employees in order to improve collaboration and problem-solving of complex challenges and opportunities that require different perspectives and insights. The methods used in the structure of a meeting about the nuances of strategically putting together a PaC make this concept work.

A few industry organizations have tried this concept and have failed. Did they fail because of not following the nuances?

## Types of PaCs: Levels of Practice/Experience

When it comes to business councils, which is also true for hobbyists, different levels correspond to the amount of practice/experience a person has; matching them with those of similar experience is important.

Levels are also relevant to classify PaC's further. There's no such thing as a one-size-fits-all council. I find it helpful to think about three levels; your niche might have even more. Keep in mind that your niche might also be complete and launchable without discussing levels.

1. **Entrepreneurial** - usually consist of new organizations and leaders or even serial entrepreneurs. I will also include solo entrepreneurs or those running their business as a lifestyle business versus a legacy business. Common characteristics are their companies



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are still developing their internal structure, proof of concepts of their products or service offerings, heavy focus on growing revenue, and building processes. Their time is spent primarily on day-to-day tactical activities. A good rule of thumb is their time has split a ratio of 75% + on tactical work vs. 25% on strategic. The point is heavy tactical and very little strategic thinking.

2. **Growth** - usually consists of more established companies and leaders past the entrepreneurial phase. They have a solid business model and are now concentrating on scaling and growth. They're often concerned with expansion in their industry, gaining market share, or diversifying. The company typically has a strong foundation, structure, and client offerings, and the leaders are both tactical and strategic at a ratio of 50/50 versus the 75/25 split above.
3. **Strategic** - usually consists of seasoned, mature leaders who think strategically. The business is mature in many ways or large enough to have progressed to more complex, sophisticated, higher-level business practices. It's not uncommon to find both mature lines of business as well as new lines of business within the company. And the ratio is flipped from 25% tactical to 75% strategic.

As a professional trying to determine the right peer advisory council for you, the levels above will assist you in determining the level of sophistication in your members that you desire to work with.

### Step One to Starting Your PaC

Overall, think about what type you would excel at moderating because you are knowledgeable or passionate about that type. Then determine if virtual, in-person, or hybrid. Once you answer those two decision points, you are ready to plan to put your peer advisory council together.

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