



What do you need to know before starting a peer advisory council business?

Starting a business, Peer Advisory Council (PaC) can be a valuable tool for entrepreneurs and business owners. However, before diving in, it's important to understand the purpose and structure and the benefits and potential challenges that come with it. This article will provide an overview of what you need to know before starting your own PaC.

The many benefits and reasons to start a peer advisory council (PaC) are personally and financially rewarding. As a moderator, you will experience immense satisfaction from simply watching a CEO, in a single meeting, transform from harboring a high-stress level to relief, all because of the insights from fellow peers. You will see CEOs make unprecedented changes and advances in their businesses due to the feedback and confidence from their peer group meetings.

Creating peer advisory councils makes a difference in the lives of many, particularly the local community in which they reside. How? When CEOs have a peer advisory council in their arsenal, they create healthier, growing businesses that enable more opportunities for their employees and their families, leading to a stronger community in which they live and give back.

There are more reasons to start a Business peer advisory council. If you answer check yes to these questions, then you have “your” [personal why](#) in doing so.

- Would you like to leverage your business expertise and help CEOs of privately held companies unlock their full potential?
- Are you interested in a business model that helps you capture a predictable and ongoing revenue stream?
- Would you love to leverage the business relationships you have cultivated over the years?
- Would you like not to have to sell new clients continually?



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- Would you like to create a business that can be financially rewarding in a relatively short period?
- What if you could sell your business for 1-1.5 times its revenue or even have someone run it for you?
- Are you energized by working with people who want to learn and continually challenge you to learn?
- Would you like to run a [recession-proof](#) business that is proven to experience its most significant growth during times of uncertainty, giving you peace of mind?

What experience do I need to start a PaC?

Ever experienced trying something that looked easy, but when you tried, it wasn't easy? You were surprised. You found out there were hidden nuances that made it more of a science and an art both. The same is true when it comes to starting a business peer advisory council.

To be successful, you need to have a particular set of skills and a lot of experience. The more of the things on this list you have, the better. And if you don't have one, that's okay. They can often be filled in other ways, like hiring someone with that experience. Don't give up on peer groups because you don't have the skills listed below. It just means you'll have to make up for it in that area, which is possible.

Check how many of these you agree with:

- Past experience being a CEO or senior-level leader with P&L responsibility
- Experience facilitating meetings
- [Ability to listen](#) and not play the role of "consultant"
- Have worked with or are working with your target market or type of members who would be in your PaC
- Already have a business that has clients that this concept compliments
- Ability to be persuasive to sell to your prospects
- Are connected in the business community you wish to have a group (s) whether virtual or in-person
- Enjoy building something new and putting teams together

What are the risks of starting a peer advisory council?

The most significant risk of starting a peer advisory council is not starting a peer advisory council.



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What do I mean?

The biggest issue in this industry is the failure to launch. The inability to put a group of non-competing business owners together with synergies that are true peers. Remember my comment earlier? It looks easier than it is? It is not wise to venture out on your own and think you can just do it and figure it out along the way.

It's no different than any profession. There is a reason there is certification, training, and education required to be proficient. This industry is the same. Do not risk your reputation, time, or money without getting educated and developing a plan for putting together, running, and maintaining a peer advisory council.

What are the nuances of these risks?

- **Risk #1: The inability to assemble a group of usually 10-12 members.** A group of 5-6 is not sustainable, and staying at that level is risky. One missing member of a group of 5 impacts more exponentially the quality of the meeting versus one missing member of a group of 10. This holds true as well for when a member terminates, particularly unexpectedly. Eventually, a small group runs its course because the level of experience and insights is limited.
- **Risk #2: The organization's quality.** If you are joining a franchise or any other organization that has upfront fees to go through training. You will want to screen their success rate with their program, how they increase the odds of your success, what is the level of continued support and overall match of culture and values with yours.
- **Risk #3: You don't have the time upfront required for the heavy lifting to get started.** Getting a group off the ground will take some time upfront. I've estimated that it takes nearly 200 hours to learn the industry, prepare your model, market, sell, and get a group up and running. A full schedule with other activities or work doesn't allow extra time to start your group and will not produce success.
- **Risk #4: Can you be persuasive?** You will be selling yourself, along with the concept of a business peer advisory council, why they should join a group as well as why your group. This is not to be a hard sell. It is an emotional sell. Being a great moderator of the meetings is essential once the group is put together, but if you can't persuade CEOs to be part of your group and why you'll never get to moderating.



How Much Does It Cost to Start a Business Peer Advisory Council?

The costs to start a group vary significantly in your time, level of effort, and investment. All three must be considered in making a good decision and the right one for you.

Decisions that impact the cost to start a peer group are:

- Do you want to own your group or work for someone who owns it?
- How much time do you have to devote to starting a group?
- Do you believe you already have the prospects to start a group?
- Do you need marketing support to help build a group?
- How much money can you afford to invest?
- When do you need to see an income from starting a group?
- How important is your brand or/and being associated with a brand already in this industry?
- How much is ongoing support necessary for you?
- Is your goal to run this as a business or a hobby?

Your answers to these questions determine your investment. If you have all the time in the world to educate yourself, take an online class, and can afford to make some mistakes while relying on your brand, then it can cost <\$1,000, not including your time.

If time is money to you, you must work with a company with an established track record that can provide you with a road map to success. If you wish to start a business that you own, the charges can range from \$5,000 to \$80,000, with continuous yearly fees ranging from \$6,000 to \$30,000+. The fees are made up of franchise fees, license fees, or commission payments.

In theory, the more you pay for training and support, the more time you save and the bigger the return on your investment. The idea behind a franchise or licensing program is that you are paying for a proven model with continuing assistance and a community to learn from, which increases your chances of success. As a result, you will save time and money by avoiding mistakes, launching a group faster, and making money sooner. And you're the one who owns it.

Another factor playing into your decision is whether you want to own your group or be part of another organization where they own your group. Still, you are responsible for putting it together. Financially you are then paid a commission for running the group.



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Questions to Ask Yourself to Find a Right-Fit Model

ASK YOURSELF ... **HOW IMPORTANT IS**

Rank: 1 = Low * 5 = High

<i>earning a high return on your time</i>	1	2	3	4	5
<i>marketing and sales assistance</i>	1	2	3	4	5
<i>it you are associated with a proven model vs. go it alone</i>	1	2	3	4	5
<i>being part of a team of peers vs. alone</i>	1	2	3	4	5
<i>owning your groups vs. working for someone</i>	1	2	3	4	5
<i>it for you to have a quick start</i>	1	2	3	4	5
<i>it you don't make mistakes</i>	1	2	3	4	5
<i>it you build something you can sell, or pass on as a legacy?</i>	1	2	3	4	5
TOTAL SCORE:					

The higher your score, the more aligned a franchise or licensing model is. The lower the score, the more a training program or building a group under an organization is the right fit for you.


Other start-up costs to consider:

If you are already not in business for yourself, then you will have costs to establish yourself properly, like

- Legal fees to set up your entity
- Liability insurance to protect you
- Website (can be included with some franchises or licensing programs)
- Other: URL, marketing materials, etc.

Ready to Launch a Peer Advisory Council of Your Own?

Now that you know what model would suit you, investigate it and schedule calls to learn more. Meeting the organization is crucial. You're interviewing for fit. They should also interview you. They'll ensure you're qualified for their program if they care about your success. If not, beware.

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