

## SMALL BUSINESS

## Valuable Tips, for Free

*Volunteer Adviser Groups Offer Advice in Tough Times*

BY SARAH E. NEEDLEMAN

CitySquares Online Inc. saw sales start to decline dramatically in late 2008 as some of the local-search-engine provider's customers could no longer afford its advertising services.

So the small business turned to its board of six volunteer advisers—experts in areas such as sales, marketing, finance, entrepreneurship and venture capital—who suggested expanding the Web site beyond its northeast footprint.

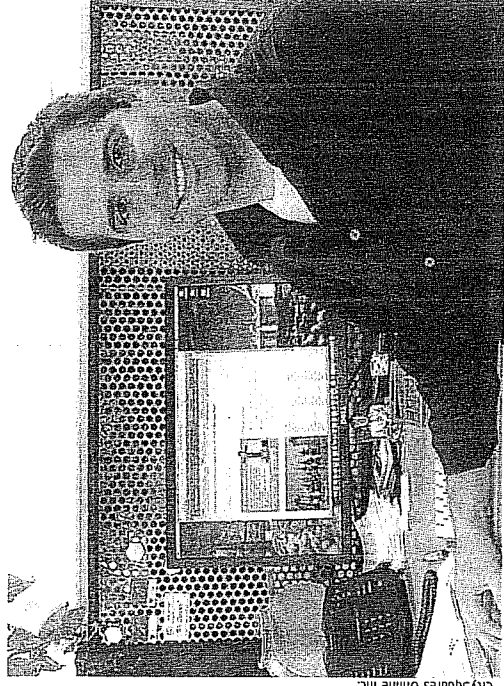
CitySquares now has four national-advertising customers, up from zero a year ago. Last month, the search engine saw roughly two million unique visitors, compared with 500,000 in September 2008. “The advisory board helped us come up with a plan” and “ultimately arrive at safer shores,” says Ben Saren, co-founder of the Boston firm.

Some small-business owners say their firms are surviving tough economic times thanks in part to advisory boards they regularly turn to for fresh perspectives and support. Yet a number of organizations that pair up small businesses with these volunteer-adviser groups say they haven't seen more firms take advantage of their programs since the recession began.

Athena International, a Chicago nonprofit, runs an advisory-matching program for women small-business owners. It is offered through local chambers of commerce in 30 U.S. cities and most don't charge a fee. So far this year, the program has attracted about the same number of small businesses as it did by this time last year, says Dianne Dinkel, president and chief executive officer of Athena; she declined to disclose the exact figure.

Ms. Dinkel says demand for advisory-matching programs might not be increasing because some business owners are too proud to accept help. Others may be uncomfortable exposing proprietary information to outsiders, though confidentiality agreements can help ease such concerns, she says.

There can also be much work involved in establishing unpaid advisory boards on top of identifying and recruiting members. “You have to choose very carefully,” says Dennis Ceru, an adjunct professor of entrepreneurship at Babson College in Wellesley, Mass. A small business might want the sage advice of a retired executive, paired with the experience of a professional who is tapped into cur-



CitySquares' Ben Saren says advisers have been helpful in the recession.

rent market trends, particularly in industries such as technology or fashion. Common tasks include outlining goals, defining term limits (usually for two or three years) and scheduling meetings.

Advisory boards differ from formal boards of directors because they only provide advice and entrepreneurs “don't necessarily have to take it,” says Mr. Ceru.

Professionals are often willing to serve on advisory boards without pay because the jobs offer a chance to network, learn and give back to their communities, says Maria Coyne, who oversees an advisory-matching program for women entrepreneurs offered by KeyBank NA in Cleveland.

Flip Brown, owner of **Business Culture Consultants**, a management-consulting firm in Burlington, Vt., last year agreed to become one of five volunteer advisers to **True Body Products**, a maker of unscented natural soaps in Richmond, Vt. “I get to help someone realize their potential,” he says.

Some entrepreneurs show appreciation by offering stock options, free products or donations to advisers' favorite charities. They also cover dining and travel expenses for when meetings take place, says Ms. Coyne.

**Dog Day Afternoon Inc.** in Orlando and Sanford, Fla., is one of just 25 firms participating in an advisory program offered for free through the University of Central Florida's Small Business Development Center, which says it has about 250 advisers willing to volunteer their services. Owner Emily Schlansky says she signed up last November because her doggie-day-care business was starting to lose customers and incur credit-card-

debt for the first time after 10 years of steady growth.

Ms. Schlansky says Dog Day Afternoon was assigned five advisers with expertise in finance, online marketing, traditional marketing, sales and operations. The group suggested surveying the firm's customers and tweaking marketing strategies. Following that tip, Ms. Schlansky discovered she had more senior-citizen clients than she thought and launched a “bark mitzvah” party on a Sunday afternoon to appeal to kids, grandparents and their pooches. “We got a lot of new customers out of it,” says Ms. Schlansky, who previously only hosted an annual party for young, single dog owners.

Scott R. Gingold says he created an unpaid advisory board last year for his 18-year-old market-research firm, **Powerfeed-back**, by tapping his network. The board includes three retired marketing and research executives, a serial entrepreneur and a media professional who meet monthly over lunch or dinner on the firm's tab.

Mr. Gingold says his initial goal was to find out if the company should invest in updating its technology to be on par with a growing number of competitors. Mr. Gingold says the advisory board shot down the idea because it would have forced the company to raise its rates for clients and reduced its profitability. Instead, they recommended beefing up the consulting side of the business.

Mr. Gingold says **Powerfeed-back** followed that advice and is now performing well, with revenue up 18% from a year ago.

“We could have made a turn down a one-way street,” he says. “Our advisory board kept us from doing that.”