What is the value of a strategic advisory board? V3

What is the purpose of this article?
This article enables a discussion regarding the value of strategic advisory boards for CEOs. The audience for this article is focused on the CEOs of a for-profit businesses.

This article does not provide tax, legal or financial advice. Your next steps must be based on your own research and fact-based analysis using current and relevant information.

AI did not write this article. 100% human written.

What are the critical learnings in this article:
1) CEOs need advisory boards to increase their cognitive abilities and address the challenges of CEO isolation.
2) CEOs who can benefit from a strategic advisory board have the cognitive humility and flexibility to unlearn fundamental knowledge, experience, facts, beliefs, and decision-making processes.
3) CEOs who cannot benefit from a strategic advisory board are unable to change their fundamental thinking.
4) After a successful strategic advisory board meeting, the CEO leaves emotionally and intellectually exhausted. Fundamental learning/unlearning is similar to physical training – improvement is painful and exhausting because muscles are being created.
5) Valuable strategic advisors can challenge the CEO's fundamental assumptions by asking paradigm shifting questions.

Why do CEOs need advisory boards?
CEOs need advisory boards to increase their cognitive abilities and address the challenges of CEO isolation.
1) The CEO can discuss their issues and concerns a psychologically safe space. Advisory boards may disagree with the CEO, in a safe space.
2) The CEO can increase their cognitive capabilities by drawing upon the current, relevant, knowledge and experience of the advisors.
3) The CEO can improve the quality of their recommendations and decisions resulting from advisors challenging the CEO's thinking.

What are the different kinds of advisory boards?
There are many kinds of traditional advisory boards plus the rare strategic advisory board.
Traditional advisory boards have domain experts with current, relevant knowledge e.g.
1) External warning board. Making the CEO aware of changes occurring in the world.
2) Introductory board – doing introductions for the CEO to potential customers, suppliers, employees, and investors.
3) Expert board – a group of experts providing answers to the questions posed by the CEO

A strategic advisory board helps the CEO change how they think, learn, and unlearn. A strategic advisory board is not a replacement for experts with current relevant knowledge.
There are some cases of a CEO creating an advisory board comprised totally of AI personas or having at least one member of the advisory board being an AI persona.

How are CEO advisory boards different from consultants?
Consultants provide fact-based analysis while advisory boards provide judgement.
1) Consultants may do fact-based analysis and provide recommendations to the CEO.
2) Consultants may implement solutions.
3) Advisory boards do not do fact-based analysis nor do they implement solutions.

What is the value of a strategic advisory board?
Strategic advisory boards help the CEO think differently by learning new mental models and unlearning old models.
1) The old mental models were a success in the old world. The world has changed. New models are critical.
2) CEOs cannot learn new models by being told what the new models are. The CEOs need to develop new models, and unlearn old models, with the help of the strategic advisory board.
3) Fundamental learning and unlearning can only happen with neurological changes to the CEOs brain – changes to neurons and the interconnections among neurons.

What are the characteristics of a CEO who can benefit from a strategic advisory board?
CEOs who can benefit from a strategic advisory board have the cognitive humility and flexibility to unlearn fundamental knowledge, experience, facts, beliefs, and decision-making processes.
1) They need cognitive humility – able to admit, in the safe environment of the advisory board, that their knowledge and experience are limited and fallible. They can accept that their deepest beliefs may be wrong.
2) They have cognitive flexibility, able to unlearn what made them successful in the past.
3) They are comfortable saying “I don’t know”. person
4) They don’t view their perception of their self-worth to being the smartest in the room.
5) They don’t try to strongly defend past decisions. They don’t punish themselves for being wrong.

What are the characteristics of a CEO who cannot benefit from a strategic advisory board.
CEOs who cannot benefit from a strategic advisory board are unable to change their fundamental thinking.
1) They view any contradiction to their beliefs as a personal threat rather than a learning opportunity.
2) They confuse company performance with personal self-worth.
3) They cannot alter plans when presented with new facts – they do not accept new facts, as facts.
4) They have severe cognitive rigidity.

What does success and failure of the strategic advisory board look like after 12 months?
Success may look like:
1) At least one major flawed initiative was stopped due to new insights.
2) Significant changes made to the strategic plan before the strategy is presented to the fiduciary board.
3) At least one major implementation ran more smoothly.
4) The CEO left advisory board meetings emotionally and intellectually exhausted. Fundamental learning/unlearning is like physical training – improvement is painful and exhausting because muscles are being created.

Failure may look like:
1) The CEO made minor changes to major initiatives and decisions.
2) The advisory board was focused on deep details of minor issues
3) The CEO left each advisory board meeting “feeling good”. The meeting was pleasant with no difficult action or outcomes for you. This meant that little learning/unlearning occurred. Just as if the CEO left a private training session, not tired in the slightest, heart rate never changed, etc.,

Who should be on the CEO’s strategic advisory board?
Your advisory board has an extremely diverse background. Potential members could include those who;
1) Have excellent listening skills.
2) Can challenge the CEO’s fundamental assumptions by asking paradigm shifting questions.
3) Can be patient during the CEO’s neurological restructuring process. The advisor understands the biological implications of cognitive unlearning
4) Can leave their egos behind – and not try to prove how smart the advisor is.

Who should not be on the CEO’s strategic advisory board?
Do not have people on the CEO’s strategic advisory board who want to give advice rather than help the CEO learn and unlearn. Don’t have people such as:
1) Retired executives who have out-of-date functional and industry knowledge.
2) Having a dominating, narcissistic personality.
3) Avoiding conflict. Fundamental learning and unlearning requires intense uncomfortable debates.
4) Friends and allies who lack the courage to not support the CEOs points of view.
5) Professional services providers who may have biases to sell you major projects or be concerned about the financial implications if they upset you.

How can the CEO deal with the conflicting advice they’ll get from their strategic advisory board?
The onus is on the CEO to make decisions and not just ask for 100% consensus from the advisors. Some of the ways for the CEO to deal with conflicting advice are:
1) Being able to describe conflicting options in their own words.
2) Seeking out the best components alternatives.
3) Resisting the biological pressure to reject conflicting data.
4) Describing how they will make a decision and how/why the board and C-Suite will support the decision.
5) Taking notes.
6) Sleeping on the discussion and making critical decisions the next day.

What are your next steps?

1) Define the words/concepts you're using, in a glossary. I've seen major confusion when the same words mean different things to different people.
2) Have the functional and industry expert been able to successfully address the CEO's issues?
3) If the CEO still has issues, does the CEO still need to address those issues?
4) Determine which type(s) of advisory board are needed.
5) If considering a strategic advisory board, assess the phycological and cognitive capabilities of the CEO.

What further reading should you do?

1) Norman Doidge, "The brain that changes itself", Random Penguin Books, 2007
2) Jacqueline Brassey, Aaron de Smet, Michiel Kruyt, "How to learn and unlearn in a volatile world", Harper Collins, 2022
3) Is the human expert panel concept obsolete? Koor & Associates
   https://koorandassociates.org/creating-business-value/is-the-human-expert-panel-concept-obsolete/
4) What is learning? Koor & Associates

https://koorandassociates.org/creating-business-value/why-have-your-minimized-your-talent/