

Advisory Board Toolkit

Improving decision quality and
organisational performance

Introduction

An advisory board is one or more people who bring relevant experience and insight to help an organisation learn, navigate issues and improve decision-making. They offer different ideas, perspectives and possible solutions to support better outcomes.

High value advisory boards consistently focus on three anchors:

- **Decision quality** – strengthening thinking and judgement
- **Behaviour** – how people engage, challenge, and contribute
- **Culture** – trust, respect, and stewardship

Used intentionally, advisory boards can be powerful thinking partners for owners, executives, and boards.

This Toolkit and its accompanying checklists is designed to help you decide whether an advisory board is appropriate, establish it well, use it effectively, and review or conclude arrangements as needs change.

Disclaimer:

This toolkit should not be used or relied upon as a substitute for professional advice.

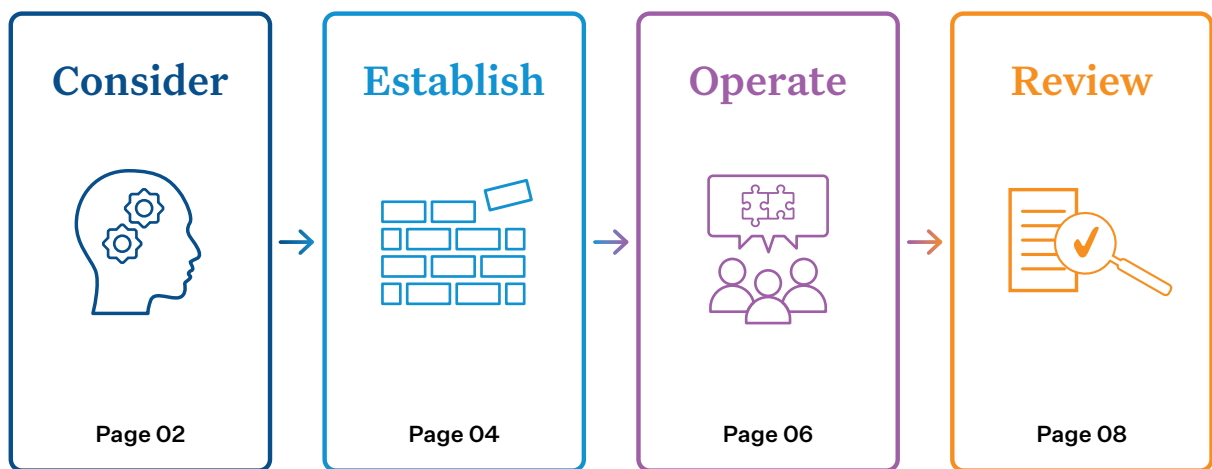
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About this Toolkit

The Toolkit follows the **four stage advisory board lifecycle**:

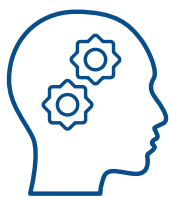


Organisations may move through these stages at different speeds and may revisit earlier stages as circumstances change. Use the sections of the toolkit that are relevant to the stage you are at.

Across all stages, three guiding questions apply:

- **Why** do you need an advisory board – what are the goals?
- **Who** should be involved, and how do they contribute?
- **How** advice is prepared, explored, and used safely?

Advisory boards that work well clearly separate advice from decision-making, pay close attention to how people behave, and build a culture where constructive challenge is encouraged.



Consider – Is an advisory board the right tool?

The **Consider** stage helps determine whether an advisory board is appropriate for your organisation at this point in time.

This stage focuses on:

- clarifying why an advisory board is being considered
- assessing readiness to receive challenge and advice
- confirming that an advisory board is the right mechanism

Time spent here reduces the risk of disappointment and role confusion later.

What an advisory board is (and is not)

An advisory board is a group of independent people who support owners, leaders, or boards by **improving the quality of thinking and decision making**.

Advisory boards:

- provide advice only
- do not make decisions
- do not direct management
- do not hold governance authority
- do not replace a board of directors

Understanding this distinction from the outset is essential.

Why are you considering an advisory board?

Organisations commonly establish advisory boards when:

- the business is growing or changing
- decisions are becoming more complex
- independent perspective would improve confidence
- specialist capability is needed on a flexible basis
- leaders feel isolated or overloaded

Advisory boards add most value when there is a genuine appetite for insight and challenge, not when they are used to validate existing views or shift responsibility.

Are you ready to be advised?

To get the most value from an advisor or advisory board, the advice seeker needs to be willing to:

- share information openly enough for meaningful advice
- listen to different perspectives
- accept challenge without defensiveness
- retain ownership of decisions

The right arrangement for your needs

Before proceeding, consider who needs the advice and what they need.

If you need to be told what to do or get technical advice input only, it may be best to engage a specialist consultant / expert advisor (eg accountant, lawyer, IT specialist).

Here are some different suggestions for setting up advisory arrangements.

If you (eg a business owner or a CEO) want to learn from the expertise of someone who has been there, a mentor or advisory board of 1 may be useful.

If your organisation needs a range of ideas to help with ongoing problem solving, consider having an advisory board.

If your organisation needs short term help on one issue, consider a specific task advisory board or working group.

If a current board of directors needs some help to work through issues, they could decide to have an advisor to the board or an advisory board for the Board of Directors.

Choosing the right mechanism protects both the organisation and those you engage.

Behaviour and culture matter from the start

An advisory board's value depends as much on behaviour as expertise. Even at this early stage, consider:

- openness to constructive challenge
- respect for different viewpoints
- how trust and relationships will be built

In Aotearoa New Zealand, effective advisory boards are relationship based and tikanga aware, supporting robust challenge while protecting mana.

Before moving to **Establish**, you should be able to clearly articulate:

- why you want an advisory board now
- what you want advice on and what is out of scope
- what success looks like over the next 12–18 months



Consider checklist

Is an advisory board the right tool, right now?

Purpose

I can clearly explain *why* I am considering an advisory board now

I have identified 2-3 strategic issues or decisions that would benefit from advice

I understand what I do **not** want an advisory board to do

Readiness

I am prepared to share information openly enough for real advice

I am willing to be challenged without becoming defensive

I want better thinking, not someone to make decisions for me

Tool fit

I have considered alternatives (mentor, consultant, project group, board)

An ongoing advisory rhythm is appropriate for my situation

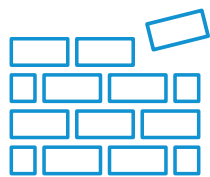
Boundaries

I understand that advisory boards advise only

I am comfortable retaining decision making authority

Pause if:

- expectations are vague
- I want validation more than challenge
- the real need is governance or management support



Establish – Set it up well

The **Establish** stage is about putting clear foundations in place. Strong establishment protects both the organisation and its advisers and creates the conditions for value.

Define expectations

Before approaching potential members, be clear about:

- why the advisory board is being established
- where external challenge will add most value
- what success looks like over a defined period
- what is explicitly out of scope

Aim to clarify the expectations of the advisory board before engaging members.

Establish roles and boundaries

From the outset, be explicit that:

- advisory board members provide advice only
- the advice seeker retains decision making authority
- advisors are not directors and do not carry governance responsibilities

Clear boundaries reduce legal risk and protect role clarity.

Appoint the chair

Most advisory boards benefit from an independent chair. The chair is often recruited first and may be involved in finding other advisory board members.

An effective advisory board chair:

- facilitates balanced discussion
- keeps focus on purpose
- encourages constructive challenge
- maintains role boundaries
- creates a safe, respectful environment
- works closely with the advice seeker

Select the right people

It is important to select a balance of individuals to join your advisory board and ensure robust but constructive debate.

When selecting members, consider:

- skills relevant to current needs
- ability to challenge thoughtfully
- qualities such as curiosity, humility, and preparation
- group dynamics and chemistry

How advisory board members behave and the qualities they have is as important as the knowledge and skills they bring. Be alert to behaviours that could undermine effectiveness, such as dominance or directive tendencies.

Design how the advisory board will operate

Agree in advance:

- meeting frequency and rhythm
- preparation expectations
- information sharing
- how advice and actions will be recorded

Advisory board meetings are often workshop style and future focused. Meeting records should clearly distinguish **advice provided** from **decisions made**.

Confirm practical arrangements

Also clarify:

- appointment terms and review points
- confidentiality and conflicts of interest
- compensation or reimbursement, if applicable

Before the first meeting, ensure there is shared clarity on purpose, roles, expectations, and ways of working.

Compensation for your advisory board members will depend on who is recruited and how involved you need them to be. A number of options exist such as voluntary (no monetary compensation), pay per meeting, a monthly or quarterly retainer, equity in the business or a combination of these. You need to select the right compensation option to fit your business.

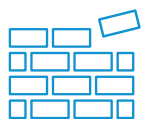
Resources:

[Establish – Advisory board purpose examples](#)

[Establish – Advisory board chair qualities and requirements](#)

[Establish – Advisory board example candidate selection matrix](#)

[Establish – Advisory board member agreement](#)



Establish checklist

Are the foundations clear and safe?

Purpose & scope

The advisory board's purpose is clear and agreed

Scope and out of scope areas are explicit

Success over a specific time period is defined

Roles & boundaries

Advice ≠ decision is clearly understood

Roles (sponsor, chair, members) are defined

Accountability sits in the right place

Chair & people

An effective chair has been appointed or identified

Members are selected for contribution and behaviour, not status

The mix of skills fits the organisation's current needs

Ways of working

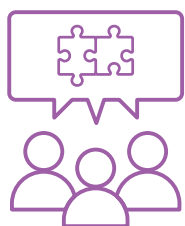
Meeting rhythm and preparation expectations are clear

Advice will be recorded distinctly from decisions

The advisory board's place in the wider governance system is understood

Pause if:

- boundaries feel uncomfortable to articulate
- strong personalities are likely to "run the show"



Operate – Use it well

The **Operate** stage is about disciplined, consistent practice. Effective advisory boards are deliberate in how they prepare, engage, and follow through.

Focus on the right conversations

Advisory boards add most value when discussions:

- focus on future decisions
- explore options and tradeoffs
- test assumptions and risks
- broaden perspective

They are not management forums.

Prepare well

Before each meeting:

- share relevant information in advance
- clearly identify where advice is sought
- provide sufficient context and constraints

Use an agendas, work plans and briefings to help advisors prepare for the meeting.

Maintain advice discipline

During meetings:

- advisors offer insights, questions, and options
- decisions remain with the advice seeker or board

The records of advisory board meetings should include suggestions, options, and ideas. They should not tell the advice seeker what to do. Use appropriate minutes, action summaries and reporting dashboards to track the advisory board's activity and advice offered.

Pay attention to behaviour and dynamics

Effective advisory boards are characterised by:

- respectful challenge
- active listening
- balanced participation

The chair plays a critical role in managing dynamics and maintaining psychological safety.

Follow through

After meetings:

- capture key insights
- clarify next steps
- review progress

Make sure the insight from your advisory board leads to action.

Resources

[Operate – Meeting agenda example for Advisory board](#)

[Operate – Action summary example](#)

[Operate – Reporting dashboard spreadsheet](#)



Operate checklist

Is an advisory board being used well?

Focus

Meetings focus on future looking issues and key decisions

The advisory board's purpose still guides agendas

Discussions add perspective, not just reassurance

Preparation & meetings

Information is shared in advance

Members come prepared and engaged

Meetings are structured, focused, and participative

Advice discipline

Advisers offer insights, options, and questions — not instructions

Decision making authority remains clear

Records capture advice, not decisions made by the advisory board

Behaviour & culture

Constructive challenge is welcomed

The chair manages dynamics and participation

Trust, respect, and mana are upheld

Follow through

Key insights and actions are captured

Progress is reviewed

The advisory board's impact is visible

Pause if:

- meetings drift into operations
- advice is not acted on or revisited
- challenge has diminished or become unsafe



Review – Assess, refresh, or exit

Advisory boards are not permanent structures. The **review** stage recognises that needs change.

Know when it's time to review

Review may be appropriate when:

- the original purpose has been met
- the organisation enters a new phase
- conversations lose relevance or challenge
- a governance board is being established

Exit options

Options include:

- refreshing purpose or scope
- changing membership or chair
- adjusting how the board operates
- concluding the advisory board

Exiting well

When exiting individuals or concluding arrangements:

- be clear and respectful
- acknowledge contributions
- protect relationships and reputations

Handled well, exits demonstrate good stewardship.

Resources

[Review – Thank you letter](#)



Review checklist

Is it time to refresh, reshape, or conclude?

Relevance

- Is the advisory board's original purpose still relevant?
- Does it continue to improve decision quality?
- Have the organisation's needs fundamentally changed?

Value

- Do all members remain engaged and prepared?
- Are conversations still challenging and useful?
- Does the advisory board add clear value?

Composition

- Does the mix of skills still fit this phase?
- Does refreshing membership feel possible and normal?

Options

- We have considered refreshing purpose or scope
- We have considered changing membership or chair
- We have considered concluding the advisory board arrangement

Exiting well

- How will you ensure any exits are respectful and transparent?
- How will you acknowledge contributions?
- How will relationships and reputations be protected?

Sense check

- Is this advisory board still the right tool for where we are now?
- If not, exiting or reshaping is **good stewardship**, not failure.



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