Blog Post on Initiating and Building an Advisory Relationship (Unpublished)
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The Startup Advisor

Most startups can benefit greatly from the assistance of advisors, and will seek out advice from experts in their field and subject matter experts related to their business and entrepreneurship generally. The power of this advice is that as little as 15 minutes of an expert's time can save you countless hours and lots of money and mistakes. In many cases, they already know how to do what you need done, and have likely done it several times.

This post is specifically targeted to working with actual Advisors who provide regular and valuable advice through investment of their time in you and your business. Some companies will have a different type of advisor to add external credibility or drive public relations - perhaps a luminary or celebrity - who spends little or no time providing advice and with whom there might be no regular contact. This post does not address that type of advisor.

An Advisor is a Customer

When you reach out to a prospective advisor, you are asking them to give you their time, for free, to help you with your business. More than that, they have to spend time getting to know you and what you are trying to do so that they can help. Time is the most valuable asset to most of these people – they have lots of opportunities to invest their time in work, family, sports, hobbies, volunteering, etc. Think about when you are asked for your time for free – is it a valuable asset to you? As an aside, this is what makes Customer Development so hard, and why it is so important to be addressing an extreme need or a grand opportunity – otherwise who will pay any attention?

Most efforts to engage an entrepreneurial Advisor fail before they start. Entrepreneurs, excited about their ideas and working hard on them, presume that everyone else should be just as excited as they are and eager to jump in. Not so. The entrepreneurial Advisors you want are not sitting on the couch waiting for someone to call them. Most will be turning down requests for advice on a fairly regular basis, and trying to screen those that they provisionally accept before they commit their time and engage. Student entrepreneurs who in many cases may not have jobs, families and other obligations have become notorious for undervaluing other's time. If you treat your prospective Advisor as a customer from minute one, you will set yourself up for success.

Your goal is to engage the Advisor as a customer for your product - which in this case is a startup. You need to understand why they will buy - what is the Advisor looking for in you and in your business. You can use customer discovery to understand their motivations and what they want out of an advisory role, and then engage them in an organized and professional manner such that they re motivated to continue to work with you. You do this first by **respecting their time from minute one**, and showing them how you will use a **small amount of their time to generate lots of value** through your own hard work. The Advisor is a customer, and you need to put yourselves in their shoes and get them to buy in on you first, and then to buy in on your business – they will evaluate you personally based on what you do from the first point of contact.

What might an Advisor customer want?

There are as many motivations as there are people - and each Advisor is an independent human. In my experience, Advisors have displayed a predictable set of drivers for being willing to take some of their personal time and advise companies and/or students on startups. Often Advisors will engage with one of these goals in mind, and develop others, as they get deeper into one or more relationships. The main menu of drivers I have seen across a large set of entrepreneurial Advisors include the following:

1. **Desire to give back** what they have to offer to those younger or less experienced than them and to make a difference, often at the schools from which they graduated, in the communities in which they were raised or live, in their industry or areas of passion, etc.
2. **Interest and experience in entrepreneurship and business** - love of engaging with new companies and projects - desire for variety and excitement, especially when they have been in the same role/industry for a long time or are retired or otherwise not in their own business.
3. **Desire to see their expertise put to work and to see value created** - they want to see you take their advice, do something useful with it, and come back having created value with it. This is how an entrepreneurial Advisor creates value – their knowledge and expertise leveraged with your operational execution.
4. **Desire to learn** - about an industry, a market opportunity, entrepreneurship and/or the world, often when they are in between entrepreneurial ventures and looking for the next big thing.
5. **A sense that they are a part** of helping get a business started or making it successful, regardless of individual financial impact on them. They want to feel like part of the team – they want to feel like a founder.
6. **A manner of sourcing and evaluating prospective new investments**, possibly in the companies they advise. This could be an equity investment or it could be an investment of time, such as signing on as an executive or board member. Accelerators are built largely on the model of the mentor/investor.
7. **A business.** For some, Advisory Services becomes a consulting business, where they invest their time advising a small set of

companies, and collect equity and/or cash, creating an income stream or investment portfolio.

In the spirit and practice of Customer Development, don't assume what your Advisor wants – **listen and ask**. If the Advisory relationship progresses productively and feels right, make sure you let them know how valuable they are and how much you are getting out of the relationship, and ask them what they are getting out of it and what they would like to be a part of in order to meet their needs.

The First Outreach

How do you show a prospective advisor that you respect their time from minute one?

First, if you can, get an introduction from someone they trust. This is a way of pre-qualifying yourself - it is an indication that you have been screened by someone they know, and it is a worthwhile investment of their time to speak with you. If you are a student or can leverage an alumni network, this can serve as a de facto introduction and get you access to people who might otherwise be unreachable - a great way to leverage the investment in your education. If you can't get an introduction, then reach out to them directly.

Second, make sure you do your homework in advance - on the prospective Advisor and on your market. Have a good enough understanding of the market space you are asking about by reading and doing some research - including anything the prospective advisor has already written on the topic. Make sure you do some Customer Development beforehand, so when the Advisor asks how many customers you have spoken with and what they said, you'll be able to answer convincingly. Research the advisor – what have they done, what are they interested in, what do you share in common (why is it that you want their advice)?

Third, in your initial outreach:

1. **Be very brief** – once sentence that describes what you do so that anyone can understand it, a bullet list that describes what you would like to discuss with them, **specifically**, and an easy way to schedule a quick call. Respect their time by not asking them to read a long, rambling e-mail and then download an attachment. A note that says "I want to get your advice" or "I have some questions" is not specific and actionable - **what specifically do you want to ask?** If you can't write this clearly and concisely in an e-mail, then you are not yet prepared to have a good advisory call. If the answers to your questions are available by Googling them, then you are about to waste your prospective advisor's time – go back to do your homework again. This first outreach sets the tone and an advisor's view of you.
2. **Show them that you know their time is valuable**, and you won't waste it. Ask for a very short call – usually 15 minutes. Don't ask for longer, or lunch or coffee, unless you have an existing relationship, a very good introduction

or a common bond. Asking for too much time will significantly lower your conversion rate – it is evidence that you don't understand your customer. More time comes later as the relationship is built. That said; if they offer up more time, take it. If they can only meet at the airport between flights, meet there.

3. **Be responsive.** Respond within 12 hours to all communication - regardless of how long it takes an Advisor to communicate with you. Your urgency should be extremely high - it is your business - and you want to demonstrate this. At the same time, you would not expect an advisor's urgency to be as high as yours at this early a stage, but if they respond to you within 15 minutes then you should adopt their customer standard.

The First Call or Meeting

How do you begin to hook a prospective entrepreneurial advisor on your first call?

1. Send the advisor another ***short*** e-mail 24-48 hours before the first call, and prior to every other call or meeting that follows. You want to show them that you value their time, and you are treating them like a customer. Your mutual value proposition is to get the most value from their time, and you will be working hard all the time to generate that value. The pre-meeting e-mail should have just 2 or 3 bullets on what specific questions or issues you want to address with them, and can have a copy of a short executive summary or pitch deck attached to provide context. Again, specific means "I want to understand the most effective ways to use Facebook to acquire new customers for my app, and what tools, partnerships or advertising companies I should be speaking with – I am setting up meetings now." – NOT – "Social Media Marketing." This should be no more than can be covered successfully in the meeting length you have scheduled.
2. **Show up on time for the call or meeting that you scheduled**, regardless of whether the Advisor does. It's like the Doctor's office – the customer's time should be treated as most important. Many people who ask for time for advice show up late to the first meeting they schedule, sealing in advance that it will be their last meeting.
3. **Introduce yourself and your business briefly, tell them why you have contacted them, and then do a lot of listening.** You should have a short pitch (45 seconds or less) on yourself and your company that you use every time you introduce yourself – use that. Tell they why you think they might be able to give you advice that would help you, thank them for their time, ask a question, listen, and take notes.
4. **Respect their time.** Keep the call or meeting on track and manage the time so you can wrap up and discuss next steps within the scheduled time.
5. **Make sure you have follow-ups that you will complete.** You should define a set of follow ups, based on the advice you received, that you describe at the end of the call, commit to, and follow up on.

6. If the Advisor offers anything - an introduction, an article - anything - it is **your** job in your follow up to bullet out those offers you would like to take advantage of and provide them in your follow-up communication. At this stage, you need to manage the prospective advisor and the communication path.

7. **Follow Up** with a short e-mail thanking them for their time, laying out your follow-ups, letting them know when you will provide those follow-ups, asking for their offers per the above. This is the work that gets you to a second meeting – if you follow through on what you say you will do when you say you will do it, and you can demonstrate value, then you are on your way to an advisory relationship.

The Second Call/Meeting

You get the second call by doing a great job on the first call and then following up swiftly and professionally. Everything described above on the first call applies to the second – but the critical thing is that you **actually did the work you said you would do in the time frame you said you would do it - you used the Advisor's expertise and got something useful done.** For example, your e-mail would note that you did the customer development work with 20+ customers, that the notes from that work are attached, and you are asking for their time to help you understand and analyze it to decide what to do next. You have already done your analysis, which you provide for them to critique.

This completes the loop at least once – you asked for a small amount of time, did a lot of work before and after to maximize the value of that time – then followed up as promised. This begins a positive spiral that will tend to draw the advisors in, if they have the time and interest and they like you and your business.

In my experience, almost half of the entrepreneurs I speak with do not follow up properly after the first call. Instead, at some point in the future, they ask for yet another meeting to get feedback on new set of questions, without addressing anything that they did as a result of the last call. This demonstrates that they are unable to use the advice to create value. This will often cause the advisory relationship to wither because the entrepreneurial advisor will perceive it as poor investment of their time.

Repeat and Formalize

When this process works naturally - the Advisor has the time and is engaged, and the entrepreneur values and uses the advice - then the process will often repeat naturally, and you will find more frequent contact and advice. At some point, typically when the company is formed, it would often offer the advisor a small equity position in exchange for the ongoing value they will provide, and the relationship would be formalized. Based on the motivation of Advisors, there could be many alternative structures and incentives. Your legal counsel and fellow local entrepreneurs can help you understand what is standard in your industry and region for these types of deals. Over time, advisory relationships can grow into deep friendships and can become personal mentors. It takes a long time and a lot of investment to build a mentorship relationship, but he best mentors I have had have had a profound impact on my life.

It is your job to evaluate the quality of the advice

Before you get too excited that Dr. Jane or Jim Famoussuccessfulperson has agreed to be your Advisor, you need to do your due diligence. There is a ton of bad advice to be found out there. Most smart, successful, experienced people I know readily admit that they are often wrong. Even with good advice, you will often find conflicting counsel based on the individual experiences and personal bias of each entrepreneurial Advisor. Entrepreneurship is not accounting – there are many answers, and most lead to an experiment likely to fail.

Do you like the advisor? Do you trust them? Have you had a good experience with them so far? Do they seem to be able to bring you the value that you need? Do you understand what motivates them – did you ask? Can you afford them, and will they agree to give you what you need?

It is the entrepreneur's job to sift the good from the bad and choose what advice to take. Don't make decisions based on one data point, especially one not yet proven or trusted. Don't swing your whole business back and forth based on each piece of advice you receive. Don't make advice and status the goal - collecting more luminary advisors and touting their affiliation - instead test their advice to see if it helps you to build your business.

The Academic Setting - Advice to Advisors Serving Students

Many of my friends and colleagues are now involved in teaching or mentoring student entrepreneurs, and ask for my advice in these areas. For many years now, I have limited my advisory work to my student teams and to my student alumni who are starting companies. I work with about 80 entrepreneurial teams a year across Johnson, Cornell Tech, and eLab – with mid-career and senior executives, MBAs, graduate students, undergraduates, scientists and others - and they regularly use all of my available advisory time.

I have developed a view of my students as both customer and product. On the one hand, they are making a large investment of time and money for the education that we are contracted to provide. In the customer sense, they are due a level of service and focus and they are entitled to our advice regardless of whether or how well they put it to use. On the other hand, they are here with the expectation that we will teach them how to be in the real world – in this case how to be an entrepreneur and innovator and how to actually get things done - that is why entrepreneurship classes exist. In this sense students are a product – and if by inaction or overemphasis on customer satisfaction we don't teach them by example how to properly use and respect an Advisor, we will have failed them in an important respect.

It is tricky to find the right balance, and there is often some friction. I will often give advice with the exact same language, format and directness that I would to any non-student entrepreneur. Students can view this type of direct communication – normal and expected in the startup world - as harsh or even mean if they have not experienced direct feedback before. Many of the students I teach have always been told how wonderful and exceptional they are – and I agree – but it turns out that being wonderful and exceptional does not translate directly into early entrepreneurial success. Execution is far more important. If students don't experience these challenges in the safe place that is the classroom, they may not be prepared for it when they are sent out into the market. It is often helpful to give the challenging feedback by e-mail before a call or meeting, giving the team an opportunity to digest it, and then using the call or meeting to address any concerns on the message.

The issue of training students to value an Advisor's time is also important. I have chosen a formula that has worked well with most students. First, I try to make it easy to schedule with me to show students what I mean when I say make it easy – students can select and book a time online at their convenience. I encourage scheduling in advance, which will be essential for most early advisory relationships.

Initially I schedule 15-minute meetings in order to set the discipline of respecting time and being efficient. I provide this document to students and tell them that this is the best way to work with me. I ask that students provide the information notes above by e-mail in advance, so that I have time to prepare for the call rather than react to surprises. I will often initiate an e-mail exchange prior to the call or meeting if I do not have information from the students. If they do not, then I make sure that I suggest a set of follow-ups that they complete in the near future, based on my expertise.

When students do not show up on time for the meetings they have scheduled, I let them know that I was there waiting. When they don't provide questions in advance as requested, they get less value from the call and I remind them of that. When they don't follow up and instead ask new questions, I take them back to the last set of follow-ups. I try to experientially teach each team how to engage an Advisor, while respecting them as a customer.