



CYBERSECURITY
SPECIFIC

ADVISORY BOARDS

GUIDE BOOK

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Who this book is for

This eBook is written for cybersecurity CEOs where the company provides a product or service to the industry. I've also included a section for those who want to become board advisors. While much of this is relevant to all industries, this book does not focus on large organizations that need a cybersecurity presence on their board. That type of role is going to be important, as the SEC now requires boards to report on their governance capability, i.e., if you don't have that expertise on your board, you need to add it. That role will require a separate type of skills and is relevant to a audience, so I have not covered it in this guide.

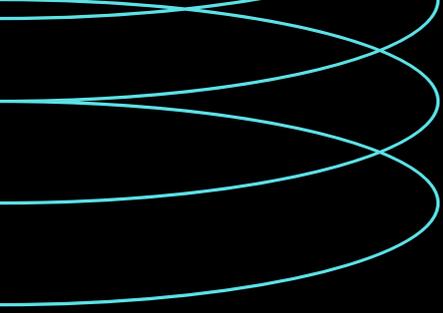


YOUR SITUATION

Perhaps you are a growing cybersecurity business, looking to take your business to the next level. You may have raised a seed round or be even more advanced. But you are looking for the advice and structure in your company that allows you to achieve those goals. A board is something that you think would add value, or you see other people doing and getting value from. Because efficiency and time-management is important, you want to get this right first time. Understanding what type of board you need, what type of person and how to maximize their value is essential. To help with this, I've created some resources in addition to the book.

THE FIRST THING

Deciding what type of board you need is the first thing you need to do. I've broken down the types as there are several. They are all slightly unique and are applicable to businesses at various stages of growth or funding. Each type has a different role and set of responsibilities.



Types of Boards

TRADITIONAL BOARD OF DIRECTORS

A board of directors is a committee that takes responsibility for setting the overall direction for the company. This board is sometimes referred to as a non-executive board as these individuals will not be employed as executives in the company. For clarity, this group is referred to as a non-executive board throughout the guide so as not to confuse them with other groups. They are a separate group of people who have oversight over the senior leadership team who are operating the company every day.

Their role is to represent the interest of the shareholders and ensure the company is being managed in accordance with their goals. This is the type of board that you would create as you take on outside investment. Many investors will require a seat on your board if they are providing you with funding. This is ultimately who the CEO reports to and who would vote to replace them if that became necessary.

There is some legal risk with assuming this role. A non-executive director can be held liable for company misdeeds if they were aware of what was happening, or if they should have reasonably known and had been negligent in their oversight. While this is unusual, it is worth keeping in mind that this risk does exist. As a result, they tend to be well compensated for assuming this risk. 2023 data suggests the average salary is \$78,336. If they are an investor this compensation is in the return they expect to receive.



EXECUTIVE BOARD

An executive board is made up of the highest-ranking executives in the company, including the CEO, CFO, and other top executives. This board is responsible for making decisions about day-to-day operations and implementing the company's strategy.

You may not yet have all the roles that a larger company would have as this depends on what stage of growth you are in. Companies often don't appoint a COO or CMO until they are more established. People may have Head of, Director, or SVP titles rather than C-level titles. You may not think of your leadership team as an executive board at this stage. This eBook focuses on boards that are external to the executive board, or management team, so even if you would not consider that you have an executive board, there can still be some value in adding additional external advisors.

ADVISORY BOARD

This is the type of board the book is mostly focused on. This board is made up of individuals who can provide advice and suggestions to the leadership team. It's a wide-ranging group with the opportunity to meet the needs of the company and the CEO. It is usual to set a period of time that members serve for making this board one that can change and grow over time. It can be run alongside a board of directors, or in place of them. Their role and their focus are not the same as a board of directors. Their goal is to assist the CEO in achieving business goals.

They are not concerned with protecting their investment or that of other shareholders. They have no legal duty and cannot be held liable for any mistakes made by the company. The suggestions they make are non-binding and they don't have control over the management team. As a result, these people can be hand-picked by the CEO to make sure they deliver the most value.

There are many ways to structure an advisory board depending on the purpose you want the board to have. This may also change and evolve. You may want these individuals to provide market and product advice. You may want them to provide advice on running the business, with experience across all business departments. You may want them to advocate for you and to help you grow, either through action or advice. This type of board has enough flexibility to be able to achieve those aims.

CUSTOMER ADVISORY BOARD

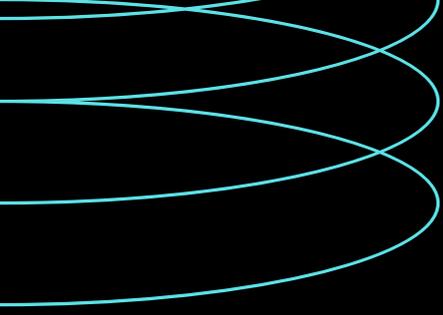
A customer advisory board tends to be product led, rather than business led. This type of board can be valuable for growing organizations that already have either a strong internal team (executive board) and/or strong external advisors. This type of board can guide companies mostly on product development and product market fit. They may also offer advice on the development roadmap, suggesting which integrations they would value as an example. They may also contribute to marketing and sales, guiding the company on how their messaging fits with the problems they are experiencing.

Covered further throughout the book, this board is most likely made up of customers. However, there are openings in this type of board for non-customers. This can be most relevant for early-stage companies, or those where there may not yet be enough customers to create a board from.

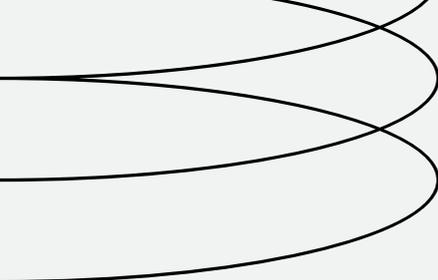
Because of the nature of the advice this type of board will offer, they have a different level of interest in the business. This group is interested in how the product can solve their problems as a customer. Their advice is not binding and not focused on the wider running of the business. They do not have any control over the executive team, apart from it being smart to listen to your customers!

The type of information this group will receive will be limited. It might make sense to share with them your product roadmap and any development considerations you have. But you get to choose what you share. Sharing new marketing materials for their feedback or giving them early access to something valuable might make sense. However, it would be unusual to share any detail on finances, hiring, or funding.

I have found that these definitions are not clearly understood. Many companies, and individuals, combine these roles or expect that those they appoint can perform all of these functions. Getting clear on what you expect your board to do and to help you achieve is an important first step.



Why do you need
a board?



It seems that boards, especially advisory boards, and the existence of board advisors have grown in popularity over the past few years. As is human nature, we tend to look to others and replicate what we see around us. With an explosion in the number of cybersecurity start-ups, it makes sense that there is an increase in advisory boards. But stopping to question whether or not one is required before spending time and money implementing one makes sense. Now you've reviewed the types of boards you could create, consider if you are at the right stage to implement one by thinking about if these are issues you are facing in your company.

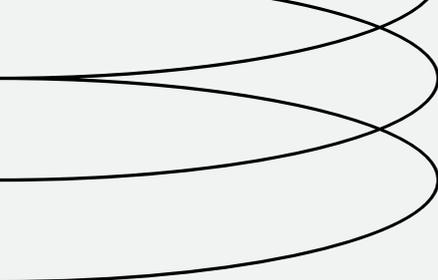
YOU'VE TAKEN INVESTMENT

One of the key reasons for an increase in the number of advisory boards is the prominence and need for VC money to grow a successful cybersecurity business. It is incredibly difficult to build a product-based business without some investment. Even if you have managed to do that, it is also difficult to acquire customers without a significant sales and marketing budget and so raising capital is almost ubiquitous in the industry.

Once money has been raised, those investors will want a seat on your board, and you would create a typical non-executive board. While their voting rights will vary based on their level of investment and the type of investor they are, raising money necessitates the need for you to create a board.

THEY BRING ADDITIONAL SKILLS

One of the key reasons is that you can gather extremely experienced and knowledgeable people to help you. If you structure your board effectively, you can gain expertise across all areas of your business. This expertise would either be expensive to hire or unnecessary. Depending on the stage of your business, it is unlikely that you will need experienced people who you would invite to your board. You can supplement strong leadership within your business, with a board that can give specialized, strategic advice as needed.



INDUSTRY EXPERTISE

Particularly true for customer advisory boards, or product advisory boards, you may find that board members can bring industry ideas and value to your company. The alternative to this would be hiring external analysts, paying for market research, or finding product-market fit through your sales efforts. Having a board to advise you on market conditions and needs, can cut the time spent on this process dramatically.

As one company I work with expanded into a new industry, they formed a customer advisory board for the purpose of understanding the needs of this group. This industry is used to having specific features in the products that they buy. Understanding what features were a dealbreaker for their target customer, enabled this company to introduce them and subsequently gain new customers quickly.

YOU SEE VALUE IN THEIR ADVICE

If you are not being forced to have investors sit on your board, the next most common reason to implement one is that you value the advice and guidance an individual could provide to you. If this is your first start-up, then taking advice from someone in the industry who has successfully achieved the goals you have for your business can be invaluable. I have undertaken a board role for this very reason. Having successfully founded, grown, and sold a recruitment business, I now advise another company who are looking to do something similar. In my role with them, I have been able to share many of the obstacles I came upon, how I overcame them, or what I would go back and change.

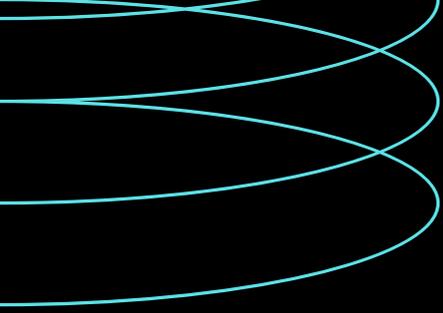
Being able to learn from the experiences of others is a key reason for implementing a board. While it may seem that this is most relevant to someone starting their first business, founders who are on their second or subsequent business are likely to implement a board far sooner in my experience. Having realized how hard growing a company can be, they understand the value of having additional advice and people to lean on.

RUNNING A BUSINESS IS LONELY

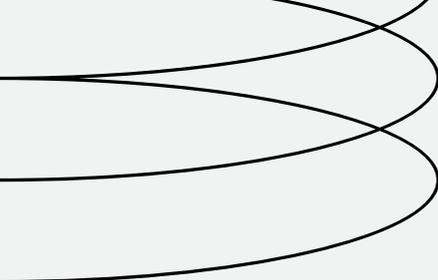
Even with a co-founder, it can be lonely running a company. Your employees will rarely understand every aspect of the business and therefore can't share in your decision-making as fully as you might expect. Your friends and family will rarely understand the challenges you are facing. And your investors, while aligned with your goals, may not be the people you wish to confess to that you are struggling.

Having an advisory board here can be helpful. If you have found people who have similar experiences they will most likely have experienced some of the challenges you are going through. They will also understand the emotional rollercoaster of running a business and may prove to be a valuable asset when you need some support with decision-making.





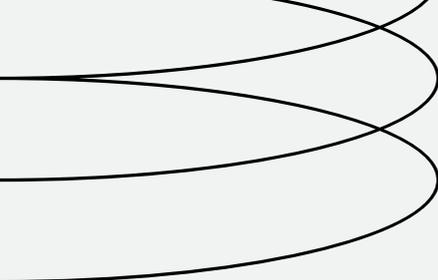
When is the right
time to create a
board?



This may be a question you have. You may think your business is too small to start a board. Or that your business is at such an early stage a board would not be valuable to you. Or the opposite, that you are now too advanced to benefit from one. You may be thinking that you don't have the time to invest in starting and managing a board. You may be concerned about your next investment round and what that will mean for the composition of a board.

There may be some good reasons to delay forming your board regardless of the type. An impending investment round is a good reason to delay. If you know that you will be raising a lot of money in the next year, or are at an advanced investment round, you may want to wait until that is complete. Investors will most likely want a space on your board and having to add them shortly after it is formed can be an unnecessary complication for the sake of waiting a few months. They may also have other people to recommend joining who would be transformational to the company, that you may not have been able to reach yourself.

Most importantly, if you are going to offer equity to board members, then waiting for the next round will make this less complicated. You don't know exactly what your cap table is going to look like after a raise and so it may make sense to wait. You will know what you can offer without causing yourself any issues. And you will have had a recent valuation that allows you to communicate the value of those shares effectively.



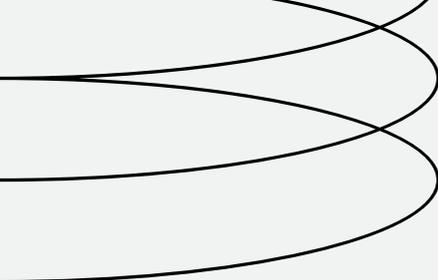
NEVER TOO EARLY

I have worked with companies who create their boards as soon as they created their companies. These CEOs were serious about their ambition to grow their companies and smart enough to realize outside help could enable them to do that.

At this stage, I would recommend keeping your board small. You don't want to spend too much time with advisors, which might happen if you have a large number of people to keep up to date with. At the start of your company, you need to be spending as much time as possible working on your business and executing your plan. Getting your business plan right and getting help to keep you on track can make the difference in whether or not you succeed, but this cannot be all your time.

If you are concerned at this stage you don't have enough employees or customers to have a board of advisors, I would disagree. This can be a great opportunity to have individuals with extensive experience that you would not otherwise be able to hire. You could have access to more advice than your competitors at this stage, allowing you to take advantage of your superior knowledge. The additional benefit is that you can appear to be a bigger company at an early stage by having your advisors appear as employees. This can help your credibility when trying to sell your product.

I would suggest at this stage of growth, you look for people with experience in small businesses, preferably start-ups. There are some ideas on how to find people with this experience later in the book. People with experience in areas that you need advice in who have only worked in large companies may not fully understand the restraints that come with being a start-up. They may also not understand how to start processes from nothing and how to ensure the processes are relevant to your size of business. I have seen several times people in these roles try and implement a big company process, with big company spending, that is too excessive for a start-up company. I have worked with people who expect to be able to purchase expensive software for a back-office task and have no idea how to implement that process without it. They didn't consider that the cost of that would far outweigh the benefit to a smaller company but assumed that was the only way it could be done. Not only is that bad for the company, but those individuals also become frustrated as they feel their advice is ignored.



NEVER TOO LATE

There is no reason it would be too late to set up your board. It may be that your company is well-established and doing well. You may be hitting all your growth targets. But there are always areas where things can be improved. And you can always make more sales. Bringing in outsider's view when things are going well could give you a new perspective or information you wouldn't be aware of.

While this can be a time when people can get complacent, you may also feel that you have everything working well and aren't open to changing anything. A board typically does not force you to change anything. They advise, not compel you to act. When things are going well, keeping an eye on what could change externally to you is an important thing to do.

WE DON'T HAVE ENOUGH CUSTOMERS

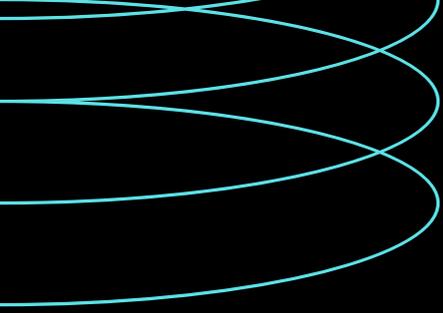
Not having enough customers isn't a reason to not form an advisory board or a customer advisory board. This is discussed later in the book but you can add people to this type of board that are potential, rather than current customers. Bring in people who would be your ideal customers so you can learn from them and have them grow with you. You can keep this board flexible so that you can add and change members as you need to.

SO WHEN IS THE RIGHT TIME?

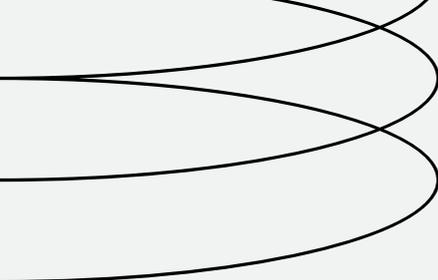
I believe the right time is as early as possible. This allows you access to people you can't afford to hire. It gives you the benefit of being able to shape your business plan with excellent advice. And importantly, it can help you reach product market fit earlier as you can hear from people who you would want to buy from you.

What might change based on timing is how you structure a board. You might want more people who can advise you on your product early on but those who can advise you on sales a little bit later. Keeping the board small early, allows you to have this flexibility in bringing people on and letting them go.

The right time for a true non-exec board might be a little later and is likely dependent on your funding situation. I would suggest \$2-5 million in revenue is a good time to consider this type of board if you have not been required to create one earlier. At this point, you most likely have enough in your business that is working and you may be considering your next stage of growth. This is where you can benefit from having senior people, in specific roles that may be more senior than you need as a permanent employee. However, if sales are growing very rapidly, I would consider waiting until you are post-\$5 million and after your next fundraise, for the reasons mentioned above.



What should I look
for in a board
member?



If you have decided that implementing a board is going to add value to your business, your attention will likely shift to who you would like to invite to join. You must understand the type of board you want to implement at this stage. These are the things you will need to consider.

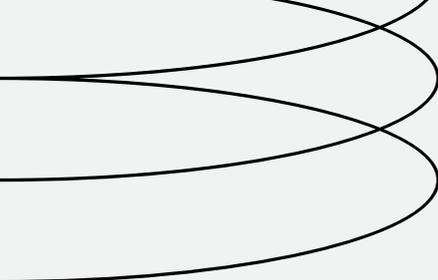
FOR A CUSTOMER ADVISORY BOARD

The aim of this board is to obtain customer feedback and customer advocacy. As the name suggests, it typically includes existing customers, but if you are pre-revenue, you may still be able to have a customer advisory board. This just changes the people who you wish to include.

If you have customers, consider which individuals in those customers are most engaging and who you would most enjoy working with. It might be tempting to invite the person who works for the biggest brand name but if this person does not align with you, this is not likely to be the best scenario. You need to align your personal values as well as your vision for the board itself so that the process can run smoothly. In addition, large company employees often have to gain approval to take on such roles which might delay you getting started. This is not to say that you shouldn't invite someone from a large brand but to consider these factors rather than automatically making them the top of your list.

As well as looking for the individuals from your customers you would enjoy working with, also consider how they will interact with others. One function of a customer advisory board is to discuss the product with new customers, typically at your quarterly events. For this reason, you are looking for a current customer who can articulate the value of your product and is happy interacting with others at these events. It's also important that they can be relied upon to attend your meetings, something that isn't as obvious as it may seem. If they have a history of moving or canceling meetings, consider their reliability as a factor. If you are relying on them to be present and interact with others in the group, you need to make sure this is something you can expect from them.

If you do not have enough active or suitable customers to invite, consider inviting people who fit your ideal customer profile that also meet the personal requirements you have for those individuals. This might be someone reliable, engaging, knowledgeable, and articulate whose values you align with. If they also happen to hold a senior role in a business you would hope to work with, they might be a strong candidate for joining your board.



FOR A NON-EXECUTIVE BOARD

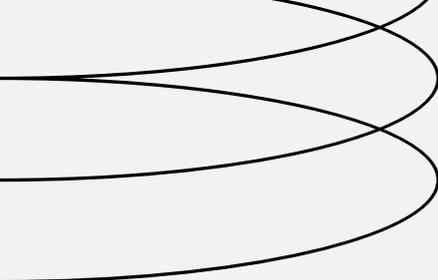
The aim of this board is to provide advice on all areas of running the business and is the type of board where I have seen the most issues with who you appoint. A typical mistake I have seen is appointing people who would be more suited to a customer advisory board joining as a non-exec. The issue arises when their experience is not holistic enough to add value to the agenda this type of board would discuss.

The type of individuals most suited to this board would be people who have experience as a founder or CEO. They may also have been COOs, CFOs, or CROs and they typically have gained experience in multiple departments of a business. For a cybersecurity business, it is of course helpful to utilize people who have previously worked in cybersecurity and there are a significant number of people that have experience in both cybersecurity and running a business.

This is an area where you need to consider the board as a team and appoint members based on their strengths. Consider your strengths from previous experiences and look to appoint people who can complement you. You most likely want to have someone with a strong background in finance, someone with an HR background, and someone with a sales or marketing background. If you can appoint more, then looking for people with experience in all the areas your business is likely to need can help you create an incredibly strong group of people; ultimately leading to a better outcome for your company.

A key consideration for this board is what your fundraising journey is going to look like. Those with experience in this area can offer helpful advice on your pitch deck and in shaping the story of your company. Having introductions to contacts they may have in VCs or PE companies can be incredibly helpful. Many investors are overwhelmed with the number of decks they receive and gaining an introduction is often far more successful than doing cold outreach. Having board members who have successfully exited similar businesses is going to help your fundraising efforts considerably.

If fundraising is a consideration, you may also want to consider the location of your board members. Many of the larger funds are based in the US, especially in California. If you are not based in the US, appointing American-based board members can super-charge your efforts here as their simple proximity often means they have more of these people in their networks. This can also be helpful when considering the subtle cultural differences that arise, even with a language in common.



FOR AN ADVISORY BOARD

The aims of this type of board can differ but this is likely to be the type of board you would implement for product, industry, and market advice. This group do not need to be customers, although you might hope that they become vocal advocates for you. This is the type of board where considering the public profile of your board members is most important. Appointing people with industry experience will be most relevant for this type of board.

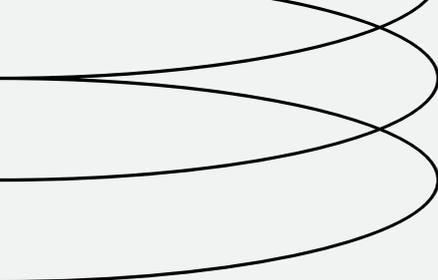
Here, you can look at people who have large industry followings and who are well respected by their peers. While their profiles may add kudos to the business simply by having them join your board, you will want to consider how much more value they can add. Considering if they can contribute to revenue generation, and if that is something they are comfortable with is important here and requires clear communication from the start. I have seen this work best when expectations for the number of introductions and any social media activity is written into the agreement. You may feel that a conversation suggesting that these are things you value is sufficient although this leaves a lot of room for interpretation and mismatched expectations.

You will also want to consider how this group complements each other. If you are looking for people with industry experience and a public profile then consider how these people may work together. In cybersecurity, people often have a subset of experience in one area. They may also have experience in a specific sector where they have worked in a cybersecurity role. You may want to find people who have worked in alternative sectors to gain different perspectives.

This type of board does not require people to have specific roles or advice on individual features of the business. It also doesn't preclude that so if you feel that as a CEO you have a weakness in one or two aspects of running a business, you could support this via this type of board by appointing people with those strengths. This can work well alongside a team of people with broader industry experience.

Do they have:

- Relevant industry experience
- The ability to provide valuable advice on product development
- The ability to provide insight into the industry
- A significant public profile
- A large following on social media
- Experience as a Founder, CEO, or other C-level roles
- Specific experience in an area of running business
- Complementary experience to other board members
- A willingness to advocate for the business to others
- Values that align with yours



FOR ALL TYPES

One of the things you need to consider is the motivation someone has for joining your board. If they are an investor, their motivation is pretty obvious, but if you are asking someone without a financial incentive, then this may vary.

They may be looking to gain additional experience, to give back to the industry, be financially motivated, or motivated to do something that they enjoy. Understanding from the start what their reasons are can help you considerably when deciding if they are going to be a fit for your company. If they want to gain additional experience in a business but you are looking for them to be an advocate for your company, then you need to decide if this is a mismatch or something you can both compromise on. Finding out what this is as simple as asking them why they are interested in the position but it's for you to make sure you have asked the question.

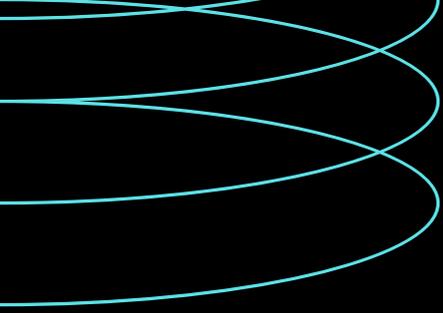
IDEAL BOARD MEMBER PROFILE

Much like an ideal customer profile, it can be helpful to have an idea of exactly the type of person you would like to join your board. There needs to be some coherence in the group for you to see value. Consider a company forming a customer advisory board where their customers are in a range of industries. It's possible that all the customers do not value the same things, making it hard for the company to understand what would be truly valuable. Deciding early on what factors would make a board member ideal could mitigate this issue.

It might be that different industry experiences enhance the performance of the customer advisory board. The group may be united in the challenges they face and find it easy to share their knowledge as they are not working with competitors. You need to decide what will be relevant for you.



Check out this template to help you create a profile for your ideal board member.



How to compensate board members



Knowing how to financially incentivize your board members is important and may be the difference in delivering the results you are hoping for. This is particularly true if you are expecting your board members to make introductions for you.

DON'T

Not all board members are paid. Some are happy to be gaining the experience, either for their current role or for their future career. This is where understanding their motivations is important as it will help you decide if remuneration is appropriate. In cybersecurity especially, there has been an increase in the number of people looking for board advisory positions. They understand that this experience can lead to future lucrative roles and that the roles themselves are not always easy to obtain. Gaining that first position with no salary may give them the experience they need to be offered future roles with earning potential.

You will need to consider, however, if they are likely to deliver the best results for you. Once they have that position, are they going to prioritize your meetings if they aren't being paid for their time? Are they going to arrive prepared and take time to do any necessary reading or research? This is going to make them far less likely to be invested in the success of your business. They are also less likely to make introductions for your business, as they will protect the value of their network.

BENEFITS

Suited to customer advisory boards in particular, you may want to offer product discounts or additional features to the companies that these individuals work for. This is a good retention technique, as well as providing value back to those who participate. They are also gaining the ability to have input into your product and company roadmap, hopefully, better tailoring your product to their needs.

It is common to not remunerate the individuals on a customer advisory board as they are there as a company representative, rather than because of the value they bring as an individual. Providing some benefit to the company rather than the individual in these cases may be more appropriate.



CASH

Paying someone for their time is a common way to remunerate board members. Board positions in large companies can be especially lucrative and many people in cybersecurity may be considering these as a future career option. In cybersecurity, cash payments can be small, or similar to hiring a senior leader.

Paying someone for their time or expertise is suitable for all board types although lends itself better to a non-exec board. I have seen payments range from a few hundred per month to a few thousand, depending on the experience of the person. Some companies may offer cash payments based on days or hours worked, rather than a monthly retainer.

RESULT-LED PAYMENTS

If you are looking for introductions to clients you may want to use an introduction agreement. This would remunerate them for making introductions that lead to sales, or perhaps just per introduction. I like these types of agreements as they make it very clear what the expectation is. These are well suited to advisory boards which have a high number of industry professionals but may be less suited to customer advisory boards.

This can of course be combined with cash payments or shares.



Take our salary survey here to inform future research on compensation.

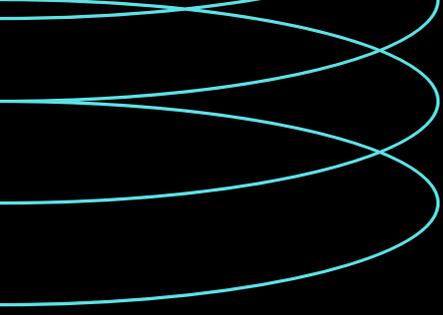


SHARES OR OPTIONS

Shares are becoming a typical way to remunerate board members in cybersecurity. This can be instead of, or in addition to a salary. Applicable to most board types, you should expect prospective members to ask about shares. This can work well for both parties. It incentivizes board members to contribute to the growth of the company and aligns them closely with your goals. For board members who are used to seeing large fundraises and exits in cybersecurity, it offers the potential of a much larger pay-day than if they accept regular payments now. It also delays the need for compensation which can be important when the company is in an early stage or a growth stage.

These agreements are also a good way to provide clear metrics on your expectations. If you use an option agreement or vesting schedule in particular, you may be able to add requirements they have to meet for these to vest. Of course, take professional advice on these agreements to make sure they best meet your needs.

Offering shares requires some careful planning, particularly if you plan to raise funding in the future. You need to be clear about what percentage is allocated for current and future board members to make sure you don't give more away than you intended. You should also keep in mind that future investors may want you to appoint new board members and you may need some share allocation for those people. Additionally, keeping your cap table as clean as possible will make your life easier when you come to raise money. Shares are a good option, as long as you have planned these things in advance.



How to manage your board members



While hopefully much of this advice will be obvious, I have seen several situations where CEOs have not managed their boards effectively. This ultimately creates either more work for the CEO longer term or limits the value that the board can provide.

The easiest way to manage a board effectively is by having clear, regular communication. What you will communicate, how, and how often should be defined when the board is created. This is particularly important for advisory boards as they can deliver a multitude of outcomes.

The things I would suggest you define are:

- How often the board meets
- How often you will send them updates
- Whether or not you will communicate financial results, and if yes, how much detail
- What influence does the board have and what can they expect from you when they make suggestions
- Exactly what type of advice you hope they can offer
- If you expect them to make introductions for you and how this will be monitored

ADVANCED INFORMATION

Sending updates and detailed company information in advance of a board meeting is usual, and incredibly useful. This allows the board members to review the information in detail and in their own time. Board meetings can then be used effectively, with insights, suggestions, and outcomes being discussed rather than wasting time on updating them.

However, as a growing business, preparing this might not be something you want to spend a considerable amount of time on. Consider what you can realistically produce in a small amount of time. It may be as simple as an email. In my experience, sending an update in advance has made for more effective board meetings.



APPOINTING A CHAIRPERSON

Typical for a non-executive board, you will have most likely appointed a Chairperson. This puts the responsibility for managing your board meetings onto them. They will likely have strong experience in chairing these types of meetings. They may also help you with managing the board in general. Hopefully, they will also be guiding you on what updates the board is expecting, giving you some additional accountability for your overall strategy.

However, the company and board is still yours. You will want to have your own communication with board members as they will be providing you with advice.

CUSTOMER SUCCESS BOARDS

If you have clearly defined the role of this board, then this group can be easier to manage. You may also have support from your marketing or customer success teams with this group, particularly in providing them with product or company updates.

You need to ensure that this group has strong, regular communication that is in line with the expectations you have provided to them. They are your customers or desired customers first. How you treat them here should be the same as you would treat them in a sales process, and they will expect that too.

Having a clear definition of this role from the outset is important, however. Make sure they know if you expect them to introduce the company to others and any limitations you have on what advice you are looking for. Miscommunication in these areas could lead to issues and reduce your revenue.

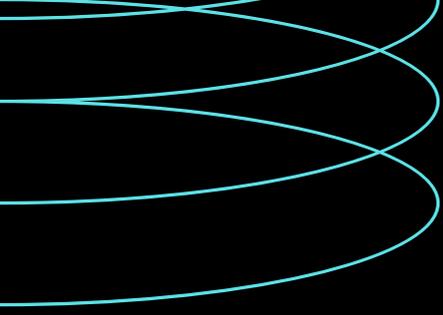
Having a Chairperson for this group can still add value as they may be able to ask questions that you can not. Imagine you want to discuss a new feature and how you intend to price that feature. If you as the CEO ask the group, “are you willing to pay for this feature” it may come across as though you are trying to sell it and gain commitment from them. If your Chairperson asks, it is more likely to be taken as a request for feedback.

ADVISORY BOARDS

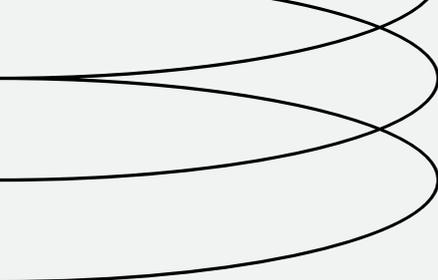
This is the type of board where the most issues can arise with managing them and any board meetings. If you have not been explicit about their role and what you are looking for, these meetings can quickly become unproductive. If you are asking for industry insights, sometimes these insights make take a tangent that is not relevant and the meeting can become unproductive. Finding a way to stop this, without stifling expression and missing out on something useful is something you will have to work on to ensure.

This can be mitigated by appointing the right people to your board. People who have experience at a senior level hopefully know what is relevant to communicate and know when to move on. Appointing people who align with your values and deeply understand the company mission can also help with this. Be prepared to remove any board members quickly if this is not being met.





Getting the most out of your board



Once you have formed your board, you want to make sure you are getting the most possible value from working with them. As well as ensuring strong communication, there are some additional things you can do to enhance this experience.

GET TO KNOW THEM REALLY WELL

Understanding their strengths is important for getting the most out of your advisors. While this can be relevant for knowing what part they play in your board, it can also be helpful in understanding where they might be able to add additional value.

Consider a scenario where you need some extra insight into a prospective client. If you know that your advisor has worked there previously, then you might be able to ask them to give you some guidance or help with that sale. We often know where people work currently but don't give much thought to their previous employers. But you will only be able to do that if you have taken some extra time to understand their history.

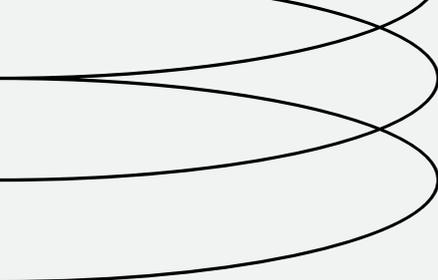
This can also be useful when considering their wider connections. Are they in any associations or networking groups that might mean they are connected to someone useful for the business? What does their spouse or partner do? Perhaps they work for a company that might be able to provide services to your business. What investors did they raise money from previously? This might be useful if you are fundraising.

COMMUNICATION

Setting clear expectations from the start can help avoid issues but this can also help you maximize the value of your board. You can be clear on what you expect but also what happens if those expectations aren't met. It's also an opportunity for your advisors to tell you how they feel they can contribute.

If they say that you can call and ask ad hoc questions, then believe them! Most people joining boards are personally invested in helping the company succeed. You will most likely find that they are happy to be consulted.

Typically, those who want to join a board are motivated, ambitious individuals. They have undertaken this work because they believe in you and your business and want to contribute to your success. Enable them to help you to the best of their ability.



KEEP YOUR MEETINGS FOCUSED

If you have provided the board with a business update in advance then you can limit the amount of time you spend on providing updates. And while you may have many areas you would like to get their input on, if you can keep the meeting focused on just two or three areas, you are likely to see better results.

Hopefully, you have appointed people with strong experience who are capable of making quick, informed decisions. A board of directors will be experienced at covering a large number of topics quickly. This means they can give you advice on particular areas quickly and succinctly. However, they also have a great deal of knowledge, and getting them to go into depth on just a few issues will likely add more value to you than covering multiple topics quickly.

The same is likely true for advisory boards and customer advisory boards, although these individuals may be less experienced in contributing to board meetings. Additionally, in any large group meeting covering one topic may take longer than expected. Keeping the meeting focused on a limited number of high-value topics can allow for a greater contribution from all the participants. It will also stop people from feeling that they have not had a chance to contribute or that you are rushing them to finish their discussions.

ASK FOR WHAT YOU NEED

The simplest thing to do is ask for what you need. You may need to get comfortable with being honest about where you are struggling. But if you can do that and be open about what you need support with, you will likely find that your board is willing to help.

This also means not being afraid to ask for support in between your standard meetings. You may want to stipulate how often you will call upon them over their tenure, and this can be especially important depending on how you have chosen to remunerate them. Assuming you have contracted some options to talk to them more regularly be willing to call and ask for help if you need it.

If there is a business issue you are struggling with, your board should be the first group of people you ask to assist you. This could be something simple, like needing a referral to a recruitment company. Or it could be something more complex like your pricing strategy. Whatever it is, consider first if your board might have the answers you need.

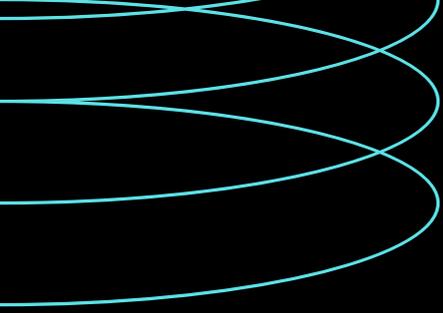


EVALUATE THEIR CONTRIBUTION

As with almost everything, you need to measure performance to know if it is working effectively. It probably isn't appropriate to evaluate their performance with them (unless you have some issues to address, in which case this is absolutely appropriate). But what is appropriate is to have in mind your expectations and to consider quarterly if they are meeting those expectations.

Hopefully, they will be meeting your expectations and the time you have taken to reflect can be used to consider where you might be able to gain additional value from them. For example, have you had a one-on-one catch-up with them recently? Have you asked their insight into a non-urgent but important business question? Taking a few minutes to review how things are going might open up new opportunities for you both.

If they are not meeting your expectations, consider if you are allowing them to meet them. Have you been available to speak with them or contacted them? If not, this is your opportunity to improve your communication. If the issue is bigger than this consider if this can be addressed with a conversation. If a board member is becoming a distraction and you can not resolve the issues, I recommend finding a way to ask them to leave the board as soon as possible. Issues tend to compound and your board should solve problems for you, not create them. Simply, it is not worth you spending additional time with people who are not moving you closer to your goals.



Avoiding conflicts of interest



There are a few conflicts that might arise amongst advisory boards. This will come back to the two key points, what type of board you have and how good your initial agreement was.

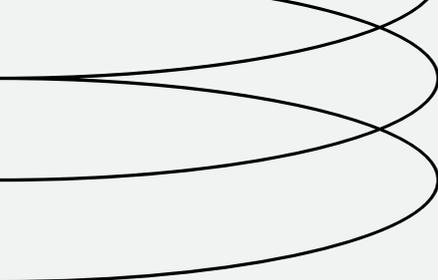
SERVING ON COMPETITOR BOARDS

One of your key concerns may be that a board member could also join the board of a competing company. In cybersecurity, someone with specialist knowledge might be in demand from several companies in a similar area.

I have faced this issue twice. I was invited to join the board of a company who were developing a product very similar to the one sold by my main employer. Ultimately we decided this conflict was too strong. The second time, I was invited to join the board of a company that was similar to another one I served on the board of. Both companies had some concerns but as we discussed where the issues might arise, we could not find any likely situations where there would be a conflict. The level of detail that would represent an issue was not the level of detail I would be involved in as a board member. The conflict of interest was very easy to dispel with some strong communication over expectations on all sides.

The main thing to consider is what information your board will have access to and how a competitor could realistically use this. Losing staff members, intellectual property or customer data are the main areas your competitors can take advantage of. It is highly unusual but not unheard of for competitors to plant employees or board members with this intent. Often, your board will not be discussing this level of detail which reduces your risk. And you should of course do your own due diligence on each individual to further reduce that risk.

If this is a concern you can write into your agreements that they may not join the board, or work for a company, that competes in the same categories as you do. If this is what you want to do, then you may want to ensure that your compensation levels take this into account. However, you may also want to consider that customers and prospective customers are also able to share product intelligence with your competitors too. Consider if what you are risking is worth missing out on appointing a useful person to your board.



COMPANIES THAT COMPETE WITH OTHER BOARD MEMBERS

More likely with a customer advisory board, although not exclusively, the possibility that board members from companies that compete with each other may arise. Cybersecurity has a wonderful advantage because sharing our intelligence with our competitors may make us all secure. Our competition is the threat actors, not each other. However, not everyone will see it that way and people may feel uncomfortable if a competitor of theirs joins the board.

Strong communication can help avoid this. If you are adding someone to the board that competes with an existing board member, talk to them in advance. If this is an issue, you can then decide who stays or if there is another way to deal with the issue. Being mindful of who you are adding each time will be important.

USING YOUR PRODUCT

It makes sense that if someone wants to join your board, they believe in your product. If they believe in your product, it also makes sense that they would buy it should the need arise. While this is the expectation from a customer advisory board, for other board types this may be a tricky area. It is most challenging for that individual, rather than you as a company.

I have experienced this as my company buys services from a company I serve as a board member for. This agreement was in place prior to me joining either company and I have been very transparent with everyone involved about my connection. The relevant people have also been told how I am remunerated so they can be assured that I am not recommending the company for my gain. The process has been competitive and I am comfortable that I am acting with integrity.

I was once told by a CISO that he only worked with companies he served on the board of and he requested to join our board if we wanted him to work with us. I quickly declined. I am sure this happens and for a company looking to win business, this might be tempting. I would have serious concerns about adding someone with that mindset to the board of my company.

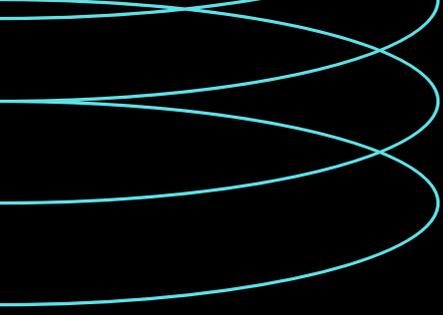


A board member is a trusted position and you should be confident that the person will represent your customer well. In this situation, it made me question not just his integrity, but that of the companies he was a board member for. His reputation tarnished everyone he worked with.

If a board member is in a position to purchase your product or services, you will undoubtedly have some advantages. They will be able to give you intelligence on the buying process, criteria, and feedback. Encouraging them to follow their internal process, bringing in other people to protect their integrity, and making a competitive process will help maintain your relationship and reputation in the long term.

THEIR REPUTATION IS YOUR REPUTATION

You may appoint people because their industry reputation is so strong and their connection with your company is a benefit to you. As in the example above, this can also work the other way. There have been some high-profile cases in cybersecurity where well-known people have seen their reputations decline. It will be for you to decide if you would want to continue working with them but I would ensure you have the ability to remove them within your agreement. You can decide if there are situations in which they would forfeit their shares in your business or not, but you should have the ability to terminate the working agreement.



Boards and diversity



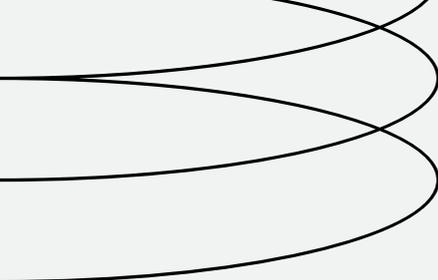
It is well-reported that cybersecurity lacks diversity, gender diversity in particular. There has been a recent increase in the number of women joining boards, driven in part by the 30% club. This demonstrates that there is no shortage of qualified women to join any type of board you may create.

Cybersecurity may have a higher representation of neurodiverse individuals and representation of different ethnicities is in line with the general population. If your board does not represent this, consider how you could change that to be more in line with the industry. These individuals are not hard to find, although that may require some intention on your part.

Less talked about is the age profile of the cybersecurity industry. Reports suggest that the industry is slightly older than the general population. A board will likely have an older average age as these roles are suited to people with extensive experience. You may also want to consider if actively adding one or two younger board members can give you alternative perspectives that will be useful to you. While they might not have as much experience as older board members, they may bring new ideas or perspectives that could give you a competitive edge.

Ensuring diversity at all levels of your organization may not be at the top of your priority list when you are scaling your business. However, it really should be! Numerous studies have shown that diverse teams perform better and have better business outcomes. You may also find that investors are increasingly asking for diversity statistics on your business as they recognize it as a strength for the company.

Creating a board is an amazing opportunity to ensure some diversity within your company. In my experience, smaller companies often have better diversity than larger companies. However, in my experience this is either accidental, or because just 2 or 3 employees can change your representation from below to above average. Ensuring diversity on your board can be more intentional. I have joined a board where they were very vocal about wanting to add a female perspective as they were concerned they may have some group think with the team they had started to assemble. They intentionally added different perspective, with great results.

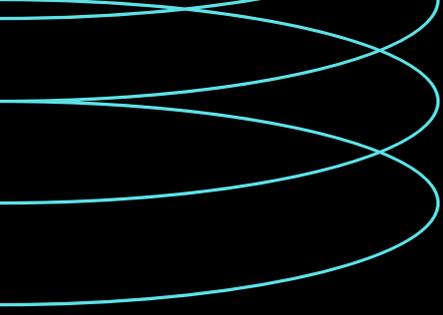


This is the time when the issue of appointing people because they are diverse, rather than because they are the most experienced candidate typically arises. Consider your board as you would a sports team. You would never add someone to a sports team that couldn't play just as you should not add someone who doesn't have relevant experience. But sports teams commonly add players who complement the team dynamics even if they are not the strongest athlete. Adding a diverse perspective may make that person the most suitable.

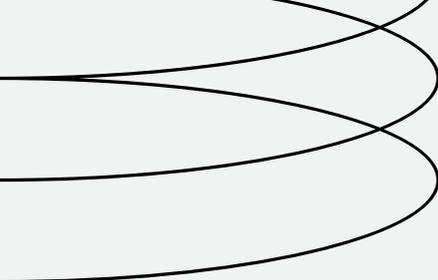
Having a diverse board should help you to make better decisions and offer a range of perspectives. We have already spoken about the importance of having people with experiences across several areas of a business join the board, but having people with a range of life experiences and perspectives can add great value. For example, many women in cybersecurity groups will provide female candidates with perspectives and insights into the industry that male candidates may not be getting. This may help you be aware of new trends or introduce you to groups of people outside of your network.

An unintended consequence of having a diverse board may be seen in your recruitment efforts. As a woman in cybersecurity, I look at the leadership team of a company when deciding if I would like to work with them. I recommend others do this when I speak publicly about diversity in cybersecurity. Building this into your board may mean that you attract more diverse candidates at all levels of your business.

While you may already have some a diverse leadership team, it is common that when you started your company you worked with people you already knew. For a whole range of reasons, this often means we work with people who look and think like us and have similar experiences. There is some value in this and there are some who encourage it. While I believe that having diverse perspectives early will lead to stronger businesses, if this is your situation, you are not alone! It may also be tempting to do the same when you create your board. You will want people that you know and trust which may lead to a homogenous group of people. I would encourage you to be more intentional and look outside of your networks if they are not already suitably diverse. A board is a fantastic opportunity to increase the perspectives you are exposed to and you should capture the opportunity that you have to do this.



Where to find people



This will depend on the type of board you are implementing and your network. These types of roles are rarely advertised and ones that attract a high number of applicants. This can be time-consuming and it is difficult to appoint someone to such a trusted position from an advertisement alone.

YOUR CUSTOMERS

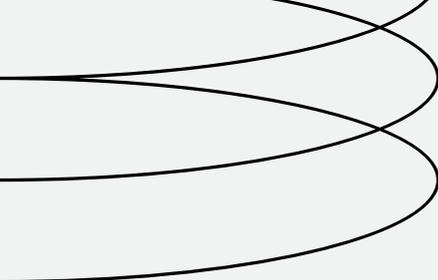
If you are implementing a customer advisory board, the answer seems simple. Appoint your customers. However, for smaller businesses, this can create some challenges. Common objections I hear are that the company may not have a large enough number of customers to build a board from. They may be concerned about how the board will grow and change over time if customer numbers are small and if this can hurt the perception of the company.

If this is a challenge you are concerned about, then you have a couple of options. The first one is to expand the scope of the board to include non-customers. This group can be flexible which offers a couple of benefits to the company, as well as solving that problem. Firstly, this increases the number of people who are engaging with you as prospective customers. Secondly, this is an additional benefit to the permanent members who gain additional networking.

The second option is to make your customer advisory board from people who match your ideal customer profile rather than active customers. Over time, hopefully, they become customers and the group naturally can shift its focus.

THE WISH LIST

If you do not have any obvious candidates in your immediate network, I recommend making a wish list of the people you would have join your board. Base this either on required skills, people you respect, or their profile. Then consider who you know who might be able to introduce you to them. If you can't make a connection, simply reach out directly. They might not all say yes but nobody is going to be insulted to be invited to a position such as this.



YOUR NETWORK

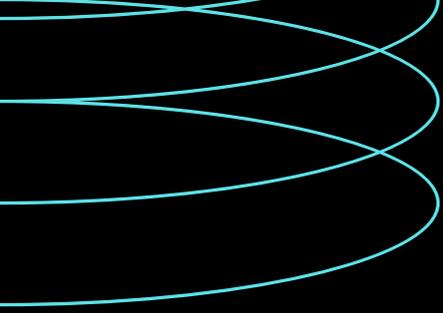
The most obvious place to start is with people you already know, or who you may be connected to. Perhaps there are some obvious people you have worked with before that you trust and respect. Or a search through your LinkedIn contacts might reveal previous connections who have gained relevant experience that you are looking for.

Your network may also be a good place for referrals. Asking others who they would recommend or who has helped them is a great place to start. The skills specific to cybersecurity boards are not always things that are easily found with keywords. Often, it requires you to know their story or be told it, to understand how they will add value to you. Many of these roles are never advertized for this reason.

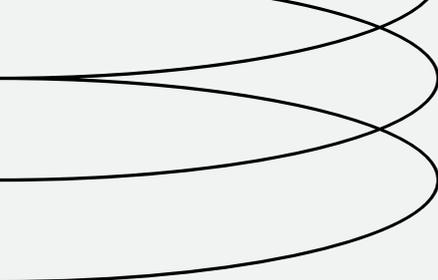
SPECIFIC JOB SITES

While generic job sites are not a great place to advertise for board members, there are sites for board member jobs. A quick google search can reveal some examples. These can operate more like a membership than a job board, providing additional advice on this process. These are good options if you are looking for specific experience that you can't source from your network, or perhaps if you want to diversify outside of your network.

These sites typically charge prospective candidates a fee to join. This is why they provide additional services and a membership model; in some countries, it is illegal to charge hiring managers and candidates for the same thing. They are also taking advantage of the boom in the demand for advisory board roles. Get references from people who have had success with one of these platforms if you are considering this option. Not all of them offer a good service and they may not have enough cybersecurity candidates to be relevant.



How to find advisory positions



Closely related to where CEOs need to look, you may be wondering how you find these roles for yourself. Even if you are considering a customer advisory role, how do you go about being invited to these roles?

TELL PEOPLE YOU ARE INTERESTED

This is the most powerful thing you can do and yet it's often overlooked as we are used to keeping our goals to ourselves. Make sure you tell as many people as possible that you are interested in these types of roles. This could include announcing your intentions on social media although also take advantage of conversations you have with people in person. You never know where their conversations are going to take them, and with who. By making sure as many people as possible know that you are interested in these roles, you maximize the number of people who might bring your name up when asked for a recommendation.

There are many ways you can do this. I often end meetings by asking the other person if there is anything that I can do for them. This is the perfect opportunity to tell someone that you are considering advisory roles. If you find people don't ask you this in your meetings, start asking the question yourself and most of the time the other person will return the question.

You may also find that the opportunity arises naturally in a conversation. Perhaps you are talking about long-term goals or other companies. A comment such as "I'd love to be an advisor to a company like that" can go a long way in starting the conversation. The more you do this, the more naturally it will come.

JOB SITES

There are some job sites for board advisors. Many of the board advisory roles you see advertized will ultimately direct you to these sites where you need to pay a membership fee to have access to the positions. They make some strong claims about their success rates and seem to be successful as businesses, suggesting that they do make some successful appointments.

I have not used these so I can't say with any certainty if they are successful or not. However, I have not had good feedback from people I know who have used them. I also believe that many of these positions will not be advertized and that building trusted relationships through your industry network will yield better results in the long term.



NETWORKING

Networking is my favorite piece of advice for career growth at all levels. You are never going to regret building your network and it can be useful for a range of problems. When it comes to searching for board advisory roles you will want to consider networking with people already in board advisory positions. Reach out to them and ask for 15 minutes so they can tell you what they think is important to be successful in the position. This will allow you to let them know what you are good at and that you are interested in these roles. Of course, not everyone will agree to a call but many will. You will be surprised how few people reach out and ask for something directly.

You will also want to network with CEOs and COOs who may be in a position to hire you. I would consider asking them for 15 minutes to tell you what they consider valuable from a board advisor. This can help shape your personal value proposition. It will also build your network amongst people who might hire you, or refer you to their peers.

One other thing to consider about networking for your career is how you can help others. I set aside 1 hour per week to speak with people in the industry who ask for my advice. Often these are people relatively new to the industry. I do what I can within that hour each week to speak to them, offer them my thoughts, and make any introductions that might be helpful to them. I truly believe that paying it forward, and treating others how I hope to be treated is beneficial for the long term.

ACCELERATORS

There are several cybersecurity accelerators around the world. Some are government funded and some are for-profit, taking a percentage of the businesses that they admit. Most are working with relatively small budgets and are always looking for volunteers to provide feedback to companies or to deliver masterclasses. Working with businesses that are looking to scale, these are good places to network with companies and CEOs that may look to create advisory boards in the future.

Even if they do not lead to advisory roles, your involvement might have some benefit to a future position. You will learn a lot about what scaling companies care about and what problems they have. This can be useful, especially if you have not worked in a smaller business before. Scaling companies have some unique problems and seeing other companies overcome them can be useful. These opportunities also give you a chance to shape the industry and hone your advisory skills while doing so. It can be frustrating to offer advice without being in a position to ensure or even see the delivery of those plans. This can allow you to offer your best advice, knowing that you are not as invested in seeing it come to fruition.



BE CLEAR ON WHAT YOU HAVE TO OFFER

If you are senior enough to be considering these roles, then you will have something to offer that a company can benefit from. But you will need to be very clear on what that is. This means being very clear about what you are good at but also, where this might meet the need of a scaling company. Consider what previous experience you have and how this might solve a problem the company could be facing.

I have scaled small businesses and am very aware of the stages of growth and where new problems can arise. I am good at leading sales teams and marketing. I am aware of what is happening in the industry. I have sold two businesses and have experience in this process. I have launched businesses in the UK and the US. I am not a technical cybersecurity professional. I do not have any depth of knowledge of relevant legislation. I do not have product development experience.

I am very clear that the problems I can help solve are around growth. How to grow, and how to scale your operations effectively around that growth. But I am equally clear about what problems I do not solve. This means it is very easy for me and a prospective company to ascertain if I am a good fit for them or not.

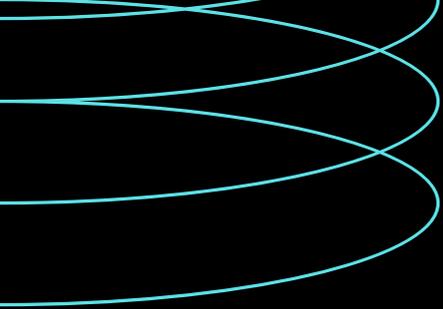
Consider what this means for you. Often scaling businesses are mostly concerned with growing through sales. They may also be concerned with their market; making sure they do not miss good marketing opportunities or chances to innovate. Finance and raising money are another area that I see scaling businesses struggle with often.

BE CLEAR ON WHAT YOU WANT

Your motivations for taking these roles may be varied but be very clear about what you hope to get out of it. Use this to set your boundaries on what you will accept as compensation and how you expect to work. This is no different from a full-time job. At some point in the future whoever you work with may be asked for a reference on you. You need to ensure that you are set up for success in these positions, as much as you would in any other role.



[Download a board member
resume template here.](#)



If you have enjoyed this guide, you can download your checklist to start your board in 30 days here.





Karla Reffold

Karla has experience running businesses in recruitment, ecommerce and cybersecurity. With an international network in cybersecurity.

In 2020 she joined Orpheus Cyber as COO. Orpheus is a threat intelligence company with a SAAS platform that helps organizations with external attack surface management and vulnerability prioritization.

Karla is a judge for The Cyber Security Awards, The National Cyber Awards and The American Cyber Awards.

In 2022, Karla was a finalist for Entrepreneur of the Year at the Women in Cybersecurity Awards, and a finalist of Woman of Influence at the SC Awards. Karla was included in SC Magazine's Top 50 Women in Security in 2019.

In addition to this guide, she has a podcast, The Capital Tea, where she interview board advisors.

If you would like to discuss how Karla can support you as a board advisor, please contact her via her website.

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