



Why every CEO needs a peer advisory group

Tips for choosing a group that helps you grow your business and advance your leadership



VISTAGE



Why every CEO needs a peer advisory group

As CEO, you receive no shortage of advice. Senior staff, paid advisors, spouses — they all have opinions about your next move. But how much of that advice comes from people who fully understand your situation and who have no agenda? Who can you turn to when you have decisions that directly affect your leadership team or the future of your business?

When you're facing the big decisions, it can feel lonely. In fact, many CEOs struggle with isolation, according to a study by Stanford University and The Miles Group. More importantly, the study revealed that nearly two-thirds of CEOs do not receive outside leadership advice.

This is risky when you consider the impact isolation can have on your business decisions and the success of your company. CEOs

who don't have access to outside perspectives from the right people can make uninformed decisions that imperil the success of their companies.

The consequences can be dramatic. A pivotal study from The Ohio State University showed that 50 percent of companies fail due to management's flawed business decisions.

Stephen Miles, CEO of The Miles Group, stated, "Even the best-of-the-best CEOs have their blind spots and can dramatically improve their performance with an outside perspective weighing in."

That outside perspective can help you, as a CEO, avert disaster and substantially grow your company. And one of the best ways to gain perspective is to understand how you can leverage a peer advisory group in decision-making.

What is a peer advisory group?

In a nutshell, a peer advisory group is a forum for fellow executives to come together and tap into each other's insights and experiences to solve their challenges, learn and grow.

That's a broad definition, however. Peer advisory groups can vary greatly, from how often they meet and who moderates them to who participates and how confidential they are, for example.

Consider, then, the advantage you gain when you're more selective, more strategic and more structured in how you engage your peers. That's the benefit that top CEOs and business owners experience when they engage a diverse group of their peers strategically, on an ongoing basis. In these group settings, CEOs help one another grapple with their toughest challenges and identify and pursue their most promising opportunities.

We'll show what traits to look for in groups as you seek that competitive advantage in decision-making. We'll also explain how being part of the right group can help you improve your decision-making, and how it can ultimately spur faster company growth than that of your competitors.

3 essential elements to better decision-making

1. **Instinct:** Listening to your gut reaction to a situation or stimulus
2. **Judgment:** Applying data and experience to analyse a situation
3. **Perspectives:** Seeking external expertise that can expand, influence or change your point of view

As a CEO, you've got the instinct, and you're already using your judgment. A peer advisory group can help you gain an outside perspective.

Understanding different levels of peer engagement

There are a number of ways you can engage with peers as a CEO and business owner.

Approach 1

Connect with peers individually in person or online. These people may be acquaintances or people you've never met and with whom you exchange information or share a common interest on LinkedIn or at business gatherings.

Approach 2

Network online or at events in a more selective, purposeful attempt to advance personal and professional interests.

Approach 3

Work as a member of a homogenous team to bring a high level of excellence to achieving a common goal. This would be akin to participating in a tiger team on special projects.

Approach 4

Collaborate with a group of fellow CEOs from diverse industries to help each other tackle tough business decisions, achieve lofty organisational goals and grow as leaders.

Compare these types of engagements to see which ones will help you make the best decisions for your business.

	Approach 1	>	Approach 2	>	Approach 3	>	Approach 4
1. What is the goal?	Exchange information		Extend your reach, pursue individual goal (ex. job)		Achieve a collective goal		Achieve a specific individual goal
2. Who are your peers or how are they selected?	Unvetted		Lightly vetted, e.g., granted admission into an industry event		Homogenous (from the same team, organisation or industry)		Diverse (peers from outside company and/or industry)
3. Is it safe to share confidential information with your peers?	Not safe		Low to moderately safe		Moderately safe		Highly safe and 100% confidential
4. Does the group have a leader or a moderator?	Little to no leadership		Low to moderate leadership		Moderate to high leadership		Highly structured with a designated group leader
5. Is participation required?	Optional participation		Optional participation		Mandatory participation		Mandatory participation
6. Are you held accountable?	Little to no accountability		Little to no accountability		High accountability		High accountability



All types of peer interactions serve a purpose. However, as a CEO, consider where you want to put your focus when you have high-stakes decisions and limited time.

Under those circumstances, engagements **Approach 4** is likely to prove most beneficial and accelerate your growth. Confidential advice from a diverse group of CEOs helps you solve specific problems. This type of engagement provides you the outside perspectives, structure and rigor that will help guide you in better decision-making and spur leadership growth.

These qualities define a peer advisory group, in which you tap into the insights and experiences of your peers to learn and grow. Now let's take a closer look at each of these qualities.

The 5 factors of a peer group that help you accelerate growth and decision-making

- 1. Set criteria for membership.** You'll want a group of peers who have applicable experience and unique perspectives that can help you make informed decisions. The diversity of insights that come from outside your organisation or industry can be particularly helpful. Joining a peer group also requires a healthy dose of personal reflection to determine whether you are well-suited for a group experience and whether you will bring value to your group.
- 2. Create a safe environment.** To have deep conversations about significant intellectual and emotional issues requires an environment that regards confidentiality as sacrosanct, and where you never feel you're being judged. The more senior your rank, the safer and more confidential the environment you'll require.
- 3. Use a moderator or leader.** Whether a group is led by a member or a professional facilitator, maximising the potential of any group depends on leadership. It's not just about developing relationships with individual members; it's about developing a high level of cohesion and a culture of collaboration among group members. The more advanced your peer engagement becomes, the more you'll need a skilled leader at the helm.
- 4. Foster quality interaction.** Having a safe environment is an essential first step. However, group members must also feel assured that there are proven strategies and processes for addressing tough challenges and identifying promising opportunities. Having structure can create more sophisticated interactions, which in turn improve the experience of the group.
- 5. Be accountable.** When you are in a team similar to those described in Approaches 3 and 4, group members don't tell you what you should do. Instead, you tell them what you plan to do. Once you do that, you not only own the solution, but your fellow members will also expect you to do what you say you'll do. This level of group accountability cannot be overemphasised.

How Vistage peer advisory groups work

You now know what qualities to look for in a peer advisory group. The next step is to find one.

Vistage offers a comprehensive approach to peer-to-peer coaching that helps executives and business owners like you make better decisions. We have a proven framework that has been our core formula for more than 60 years. In fact, when we mapped Vistage member companies against similar size companies in the Dun & Bradstreet database, we found that our member companies grew 2.2 times faster.

Here's how Vistage peer advisory groups work:

High-integrity CEO peers who offer unbiased feedback

We match you up with a private peer advisory group of 12-16 high-caliber executives from non-competing industries. Your peers will have a comparable level of accomplishment, hold a similar role in the organisation as you and run companies of about the same size.

Like you, they are willing to check their egos at the door and willingly share insights and expertise. All of them must abide by membership terms that include a commitment to confidentiality and full participation in all meetings. At Vistage, we encourage personal accountability to oneself and the group.

A coach with years of real-world executive experience

Each group has a Chair, a coach who guides the peer advisory group and provides one-to-one mentoring for each member. All Vistage Chairs have real-world experience, either as C-suite executives or as business owners. And they have overcome challenges similar to yours during their careers. They are neither junior trainers nor laymen in the organisation.

All Chairs attend our award-winning learning and development programme before working with our members. They also receive ongoing educational opportunities from Vistage throughout their tenure.

Structured meetings with 100% confidentiality

Meetings take a roll-up-your-sleeves approach to help you solve your challenges. Our proprietary issue processing helps members clarify their issues and identify solutions effectively and efficiently. Discussions are candid and strictly confidential.

Additionally, the Chair invites a subject-matter expert to each groups meeting, where they conduct interactive workshops. They bring new insights that challenge traditional thinking.

Global network and events that provide even more perspectives

You have access to industry and interest-specific networks that connect you to our 23,000 international members online and at in-person events. These networks supplement your peer advisory group and are a great resource for you as you seek help with specific challenges and to expand your network.

What makes Vistage different is our unwavering commitment to helping leaders make effective decisions — the ones that lead to real transformation.

“Vistage has helped us to grow over 25% over the last two years, we’re having record years for sales and profits. In addition, we’ve introduced lean processing into our business, saving £100,000 per year.”

Jon Hardwick
Managing Director, Grafton International
Vistage member

Learn what a Vistage peer advisory group can do for you at

vistage.co.uk