



## Next Generation Advisory Boards: A Trending Solution for Bridging the Tech Talent Gap

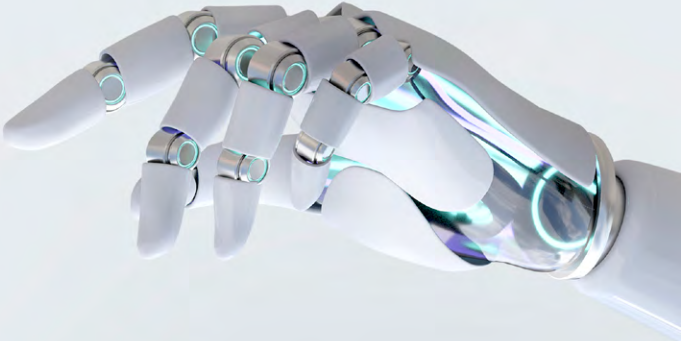
In an era where technology evolves faster than corporate strategies can adapt, organizations often focus on how to attract technology expertise. While technology dangles the offer of unprecedented growth and innovation, navigating this landscape requires more than just traditional wisdom—it demands a specialized compass, and vast expertise and talent to deploy.

Enter the **Tech Advisory Board** - an existing concept that is fast becoming a contemporary answer to age-old challenges around receiving cutting-edge technology guidance without relying on a new roster of technology leaders. A tech advisory board provides non-binding strategic guidance and expertise in the digital and technology domain. They typically feature industry experts, thought leaders, and professionals with deep knowledge of technology, market trends, and emerging technologies. Meeting several times a year, a tech advisory board is there to help organizations navigate the complex digital landscape, develop effective digital strategies, target companies for acquisition, and stay ahead of the competition.

This paper delves into the rising phenomenon of tech advisory boards, why they might become the vogue among leading organizations, and how to effectively institute them to ensure your business remains at the cutting edge of the digital age.



# Why set up a tech advisory board?



There are many benefits of having a tech advisory board. These benefits generally fall into three main categories:

## Embracing technology

### Tackling disruption

The advisory board's non-binding advice allows organizations to explore new strategies without the constraints of traditional decision-making processes.

## External connectivity

### Accessing wider networks

Advisory board members provide access to a wider network, facilitating strategic partnerships, collaborations, joint ventures, and greater market presence.

## Talent management

### Filling skills gaps

Advisory boards bring perspectives and skills that the organization's current board and leadership team may lack or not fully grasp.

### Supporting digital maturity

The advisory board enables firm-wide technology goals by guiding digital transformation and long-term technology projects.

### Introducing new perspectives

An advisory board supports strategies for getting ahead of technology disruption and finding innovative solutions to organizational challenges.

### Succession planning

Advisory board members gain valuable experience that could make them future candidates for the organization's board.

### Enhancing agility and transformation efforts

Advisory board's flexible nature allows for quick membership changes, making it easier to bring in new expertise or address specific challenges.

### Providing a learning forum

The advisory board acts as a learning forum and sounding board for innovative ideas, fostering a culture of innovation and continuous learning.

# Who could sit on a tech advisory board?

A tech advisory board should be more than a group of chief technology officers. Bringing together people with a variety of digital expertise will make the advisory board more effective.



## Technology company leaders

A CEO or senior general manager of a technology organization would bring commercial leadership and an understanding of the technology ecosystem.



## Chief information or technology officer

A technology executive can bring an understanding of the functional technology landscape, from architecture and infrastructure to data and cyber security.



## Chief digital or product officer

A digital executive can help understand technology use cases, both internally for automation and efficiencies and externally for customer engagement and revenue generation.



## Founder or scaling start-up leader

A digitally-native leader can bring the agility and vision to stay ahead of the market during periods of rapid technology development.



## Research and development lead

An expert in ideating, incubating, and scaling new products can advise the organization on how to maximize the value of technology investments.



## Single issue expert

A best-in-class mind, often dedicated to a single area of expertise, can support your approaches to cyber security, data, analytics, AI, and more.



## Technology investor

Someone who knows how to acquire technology can advise on strategic moves to bolster proprietary knowledge.

# How to set up a tech advisory board

Establishing a tech advisory board follows other leadership recruitment processes, but requires careful attention. Spending time laying the foundations will ensure you build an effective committee.

## Define the purpose and structure

### 1. Determine strategic imperatives

- Determine the strategic roadmap and objectives for your company.
- Identify the challenges and opportunities the tech advisory board will address.
- Clarify the digital focus areas, such as transformation, artificial intelligence, robotics, tech productization or monetization, cybersecurity, etc.

### 2. Determine the governance model

- Assess the existing governance structure and determine how the tech advisory board will fit in.
- Integrate the tech advisory board into the overall governance of the business.

### 3. Gain leadership buy-in

- Gain board and business alignment before forming the tech advisory board to ensure strategic effectiveness.
- Assign an 'anchor chair' within the board of directors to ensure focus and drive a targeted agenda.

### 4. Define success for the board

- Agree on a clear mission and objectives for the tech advisory board at the outset.
- Define the scope of the advisory board's guidance and decision-making authority.
- Establish the cadence and timing of meetings and expected contributions from board members.

## Narrow the focus

### 5. Define the mix of talent on the board

- Define the ideal profiles and expertise needed for the board members based on the company's digital strategy.
- Consider areas of expertise, such as AI and analytics, data management, cybersecurity, digital, architecture, M&A and investment, and tech strategy.

### 6. Candidate selection

- Conduct a thorough search for candidates with the requisite digital expertise and mindset.
- Evaluate candidates based on their proficiency in the required areas, passion for the business, chemistry with existing employees, and ability to engage with the corporate board and executives.

## Complete the search

### 7. Make an offer and begin onboarding

- Communicate the roles and expectations to the selected candidates, including their responsibilities and the management structure of the tech advisory board.
- Introduce new candidates to key members of the business.

### 8. Create a collaborative culture

- Foster a spirit of openness and collaboration within the tech advisory board.
- Ensure buy-in from the executive leadership team regarding the value of the board's advice.
- Maintain regular contact between planned meetings to keep advisors engaged and involved.

## Onboard and maintain

### 9. Review, evaluate, and adapt

- Continuously track the efficacy of the tech advisory board to assess its impact.
- Reassess the skills matrix and candidate pool to identify any further skills or backgrounds needed.
- Avoid common pitfalls, such as under-commitment, straying into execution and strategy, and lack of integration with the rest of the organization.



# Organizations embracing tech advisory boards

## BP

- **Context:** To continue to transform, change and innovate at pace and scale, bp created an Innovation and Engineering function overseeing digital and technology, engineering, and venturing. bp sought to supplement this by building a digital advisory board to provide guidance on digital opportunities, solutions investment, and platforms.
- **Composition:** The board was comprised of board directors and bp's executive team, as well as external technology leaders and investment professionals.

## Capgemini

- **Context:** Capgemini built an advisory board to source new ideas for development, acquisition targets and deeper understanding of emerging technologies including: data, AI, cyber, blockchain, IoT, 5G, as well as non-tech factors, including investment opportunities, brand, regulatory influences, corporate governance among others.
- **Composition:** The board included both large and small scale technology CEOs, technology officers and innovation leaders, and investment professionals.

## Johnson & Johnson

- **Context:** Johnson & Johnson formed an advisory board for Robotics and Digital Solutions, advising on technology and data science to innovate everything from AI-powered disease assessment to robotics-assisted surgery, tackling real-life healthcare obstacles with digital solutions—revolutionizing care for all.
- **Composition:** The board was comprised of R&D and innovation experts, robotics experts, and medical professors.

## Innogy

- **Context:** Innogy Innovation Hub created an advisory board to provide strategic advice and guidance to the leadership team and strengthen the Innovation Hub's market position, seeking leaders with expertise in technology digital leadership.
- **Composition:** The board included investment professionals, computer science professors, and technology and digital leaders.

# Common pitfalls to avoid in setting up a tech advisory board

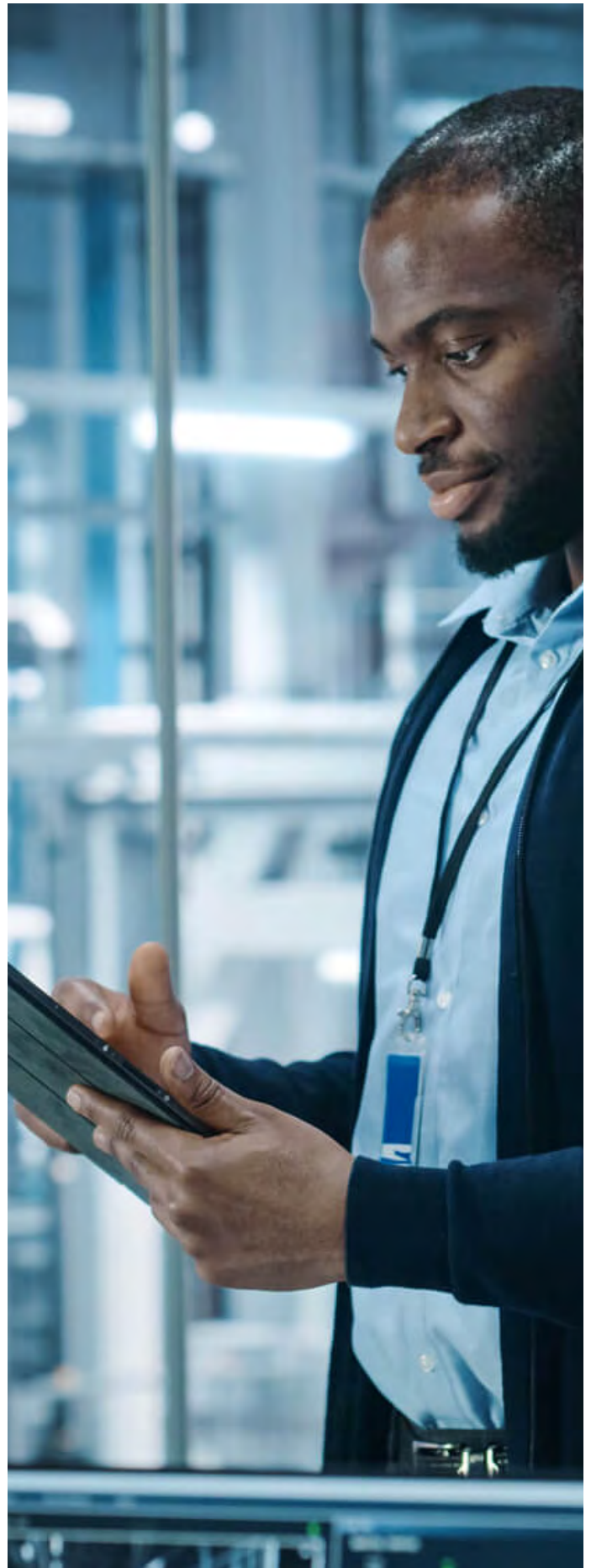
As with structuring any new role or group, there are several pitfalls that can be avoided through careful planning.

## Problem with the set up

- **Lack of clarity:** The board is unclear on the objectives, purpose, and engagement expectations, leading to disengagement and wasted time.
- **Straying into execution:** The board oversteps into a managerial role, attempting to direct, execute or manage day-to-day operations, rather than maintaining an advisory position.
- **Conflict with the board:** The board of directors and advisory board disagree. The CEO has not communicated how advice will be balanced and managed.
- **Feedback mechanism:** Regular updates, progress reports, and feedback sessions, and opportunity for transparent communication with the business have not been structured.

## Problem with the candidates

- **Weak chair:** The Chair of the Advisory board is not driving engagement between the members or with the business.
- **Lack of diversity:** The board is too homogenous in terms of expertise, experience, functional skillsets, age, gender, or ethnicity.
- **Under commitment:** Time commitments set are either unrealistic, not being adhered to, or the Advisory board may not feel adequately compensated for their time.





# Questions to ask yourself when setting up an advisory board

If you are considering creating an advisory board for your organization, it's important to consider the purpose, and how the board will connect with the business.

## Purpose

1. What is the **strategic roadmap** for your company, and where do digital and technology play the largest role?
2. What are you hoping to **achieve with the tech advisory board**, and what part will they play in this strategy?

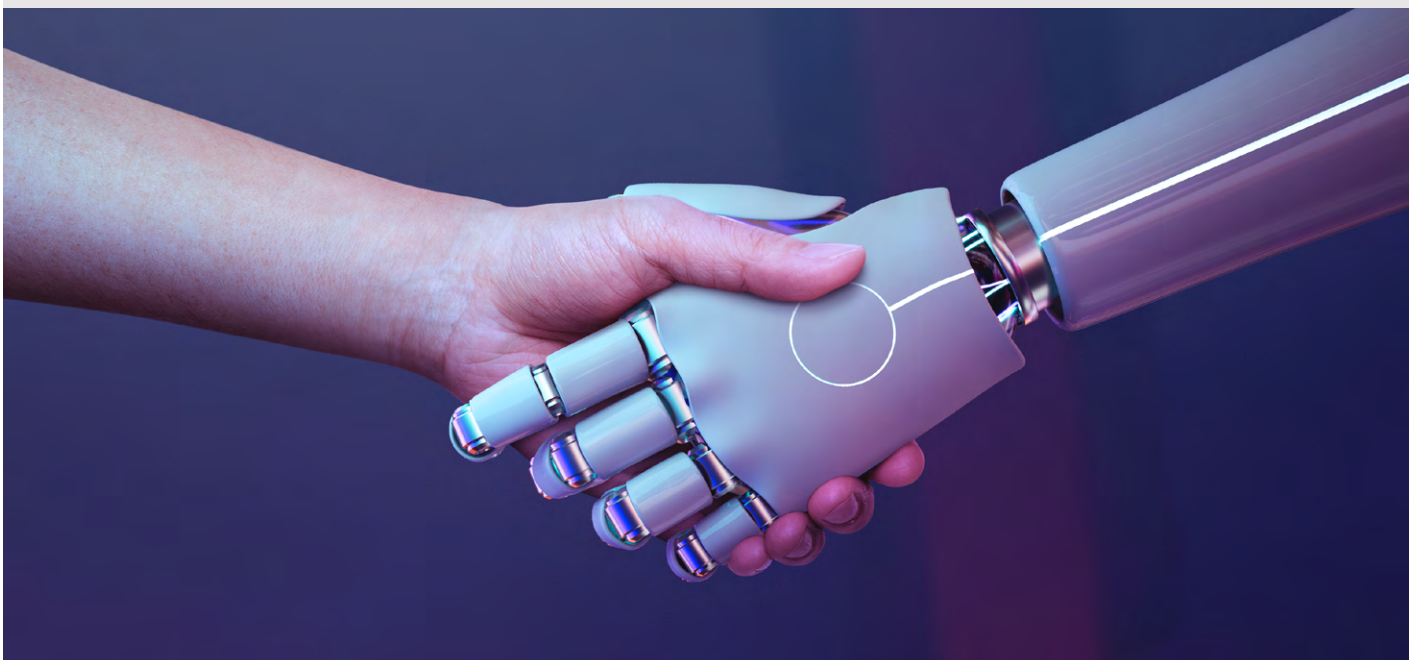
## Connectivity with the business

3. Who from the business will have **access** to the tech advisory board?
4. What will be the board's mode of **engagement** with the business? For example, will there be an "anchor chair" within the board of directors?

5. How will the **insight and guidance** of the tech advisory board be **disseminated** across the organization?
6. How will **conflicts** be managed, either within the advisory board, or between the advisory board and the business?

## Operations and process

7. **For what duration** do you envisage the advisory board will be in place?
8. How frequently will the advisory board **composition change**, and how will you review this?
9. **Where and when** will the advisory board meet?
10. How will the members be **compensated**?





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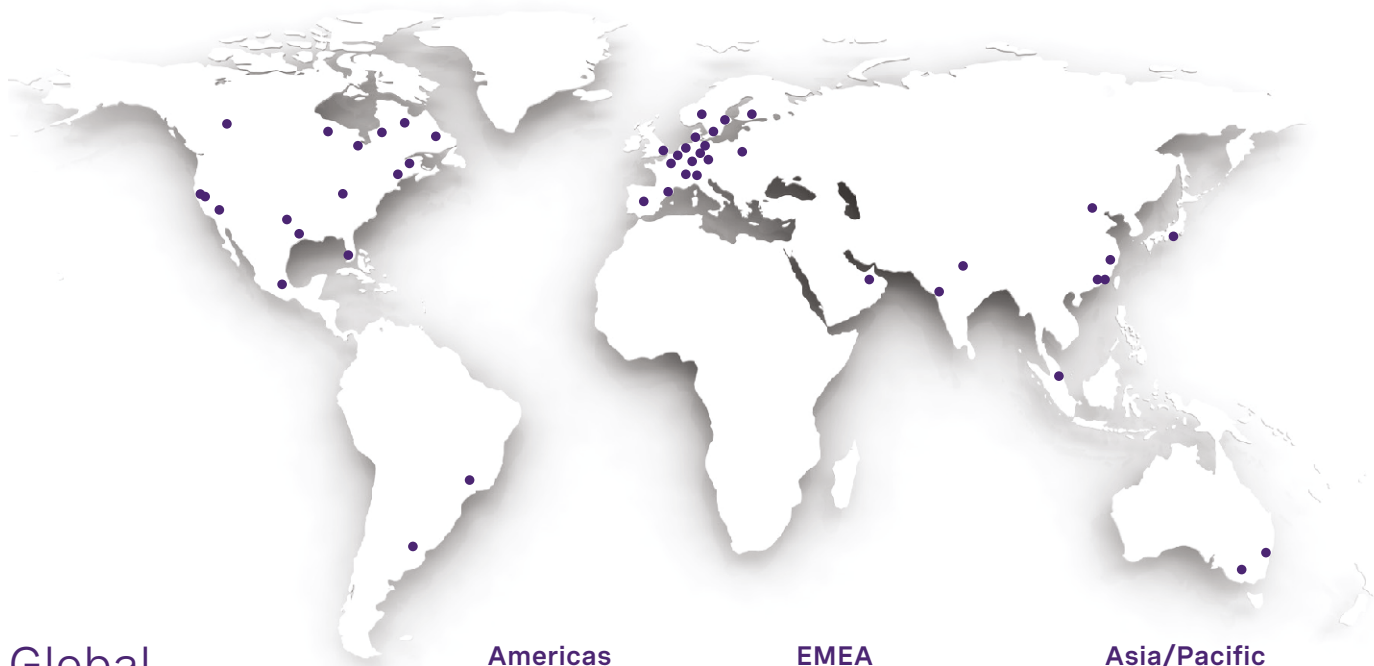
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# About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 600+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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