

2023-2025

State of the Market

Understanding the depth and impact of the advisory board sector





ABOUT US

The Advisory Board Centre is the professional body for the global advisory sector. Providing professional development, certification, research and advocacy, the Advisory Board Centre was founded to support and improve the effectiveness of advisory boards, including the professionals and executives who fulfil an advisory function and the organisations they serve.

[Find out more](#)



CONTENTS

Executive Overview	4
Report Highlights	7
SECTION 01 ADVISORY BOARD FOUNDATIONS	8
SECTION 02 ADVISORY BOARDS IN PRACTICE	15
01 Business Sector Advisory Boards	18
02 Corporatised Advisory Boards	25
03 Project Advisory Boards	29
SECTION 03 ADVISORY BOARD PROFESSIONALS	31
SECTION 04 ABOUT THE REPORT	40



THE WAVE OF CONTINUED GROWTH

The wave of adoption of advisory boards across all sectors of the market has left a new high-water mark. There exists a surge in the use of non-binding thinking systems that signal leaders are carefully and collaboratively navigating the future and how decisions are being made.

There is a long-standing tradition of leaders seeking wise counsel from trusted advisors. With the dawn of the twenty-first century, advisory boards have been elevated into the wider governance systems and is distinctive in two ways. First, the usage of advisory boards in the business sector has not receded, rather it continues to surge. This is providing business leaders with support to navigate growth cycles based on critical thinking, influencing sound decision making. Second, the rise of compliance and stakeholder expectations is creating a new agenda for governance in every corner of organisations requiring agile, fit for purpose advisory support. It's no longer a question of if an advisory board will add value, but rather how organisations will best implement and facilitate their advisory board to leverage value. This new phenomenon is broadening the tide of influence.

At a time of complexity, there is cautious optimism in the air, fused with hope and ambition. And it's an opportunity to have a different approach to thinking ahead – it's rethinking what we are ambitious about: purpose. Still, with uncertainty, one scenario decisions are not enough. In this new era of engagement it is essential that we change the conversations to maximise impact and purpose.

As the impact of this approach ripples through organisations globally, a theme is emerging, the increasing value of independence. This is neither novel nor new but the simplicity and power in collaborative thinking without a second agenda is proven time and time again.

Due to the broad application of advisory boards in all industries and organisations of all sizes, it has historically proven difficult to collectively represent the sector.

The creation and adoption of the best practice principles, that underpin all advisory board structures, has changed this and has gone some way in bringing an increased professionalism to the sector.

However, by reason of the breadth of use, a wide diversity characterizes the advisory board sector. This diversity is its strength.

The striking fact, given this widely diverse community is that their movement together reflects a collective response to positively impact the future. These leaders choosing to support other leaders seek to deliver on their purpose by sharing knowledge, networks, perspectives and an optimistic belief in the power of collective intelligence.

“...advisory boards
for the future –
it's everybody's
business.”

The research team at the Global Research Council and members of our community express gratitude for bringing this study together. The inaugural edition of the State of the Market Report released in 2019 was the first of its kind. Now in its third release, we can build on previous work and dive deeper, adding new layers of insight and broadening further the scope of our unchanged pursuit: to raise the standard of the advisory sector.

The underlying sentiment for 2025; advisory boards for the future – it's everybody's business.



Louise Broekman

Founder, Advisory Board Centre
Chair, Global Research Council
Head of Faculty

Best Practice, at Hand.

This report is a deep dive into a big sector. It explores the mega trends driving the demand for advisory boards and highlights the various applications across organisations. Finally, it goes beneath the surface to understand the many faces and motivations of the advisory board professional.

Where there is a lot of information at hand, we've added a few interactive features along the way to help you get the most out of this report. Check out interviews, discussion panels and reference materials and live the experience.

The Report Highlights on page 7 is a one-page summary ideal for webinars, discussion groups, and executive briefings.





2023-2025

State of the Market

REPORT HIGHLIGHTS

BUSINESS ADVISORY BOARDS

\$1.5m

Most common advisory board **starting point**

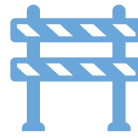
\$20m

Average size of business with an advisory board

\$40-70k

For paid roles, **annual investment** in monthly meetings with chair and quarterly with full board

CORPORATISED ADVISORY BOARDS



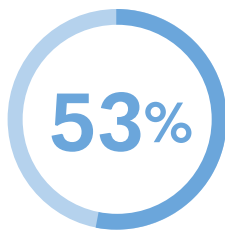
Governance board **constraint** is a key driver for increased use of advisory boards

Chairs need to manage the **risk profile** in a corporate setting



Board **recruiters** need to step in to source independent members

PROJECT ADVISORY BOARDS



of newly created advisory boards are **project advisory boards**



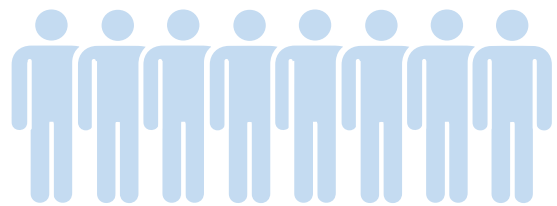
advisory board **sector growth** between 2020 and 2023



Most common duration of project advisory boards

3-18 months

ADVISORY BOARD PROFESSIONALS



+2.6m advisory board professionals **globally**



Ethics and credentials are **needed to protect** the sector's reputation

Average number of **engagements**



SECTION 01

**ADVISORY
BOARD
FOUNDATIONS**

What are advisory boards?

Advisory Board *(noun)* /əd'vɪz(ə)rɪ/ • /bɔ:d/

1. A structured, collaborative method for organisations to engage internal and/or external advisors.
2. A problem-solving model within a governance system.

Understanding the application of advisory boards

Adaptability of advisory boards to any operating environment requires careful consideration and identification of:

- The purpose of the advisory board
- The processes that will support the advisory board
- The people that will serve in an advisory capacity

COMMON CHARACTERISTICS

Certified Chair™

Clear Scope & Charter

Fit for Purpose Advisors

Structured Meeting Schedule

Problem Solving Conversations

Commercial Engagement of Advisors

COMMON TERMS FOR AN ADVISORY BOARD

Advisory Council

Advisor Panel

Steering Committee

Committee

Reference Group

Board of Advice

Project Board

Think Tank

How are they used?

Advisory boards as a thinking system, are used across the globe to navigate and rethink the macro environment. Designed to solve problems, its diversity in use and purpose is making it one of business leader's most useful and considered transition tools.

ADVISORY BOARDS IN CONTEXT



POLITICAL

Stakeholder engagement

Process & impact accountability

Geo-political environment

Social displacement & unrest

International trade & regulations



ECONOMIC

Economic development & sustainability

Business growth, innovation & investment

Business succession

Business turnaround

Globalisation & emerging markets



SOCIAL

Targeted community voice & vulnerable customers

Stakeholder economy & managing expectations

Portfolio careers & changing ways of work

Decision maker accountability



TECHNOLOGY

Different business models

AI & emerging technologies

Innovation & new business

Managing transitions

Investment priorities

Security

Ethics & censorship



ENVIRONMENTAL

ESG

Changing energy sector

Circular economy

Climate change & ecosystems

Sustainability



LEGAL

Health industry & aged care

ESG Regulations

Diversity

Director exposure

D&O & PI insurance

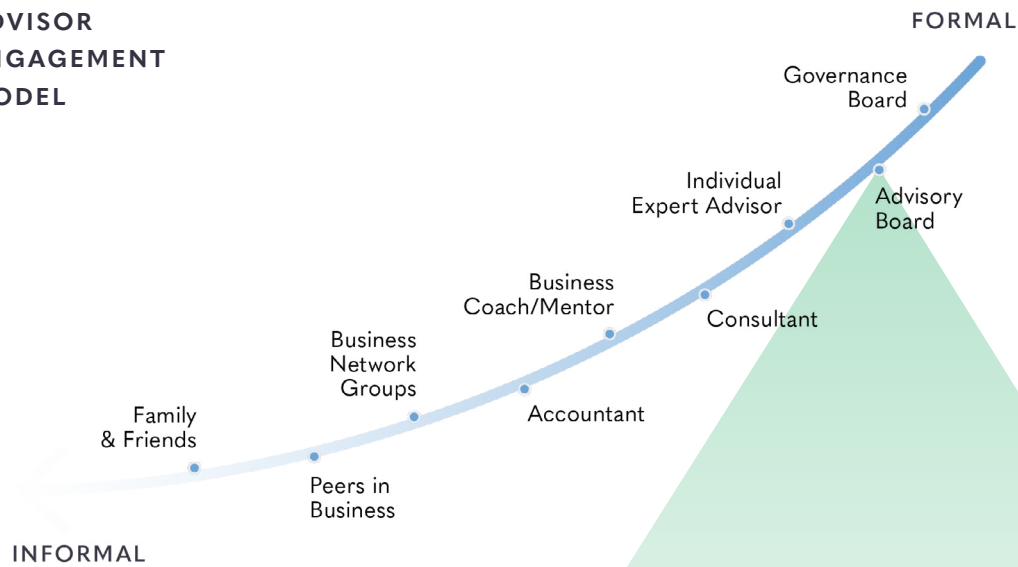
Navigating advisory in governance systems

Today's Landscape

An exploration of the practical application of advisory boards starts with mapping the options organisations use to engage advice to meet their strategic and operational needs.

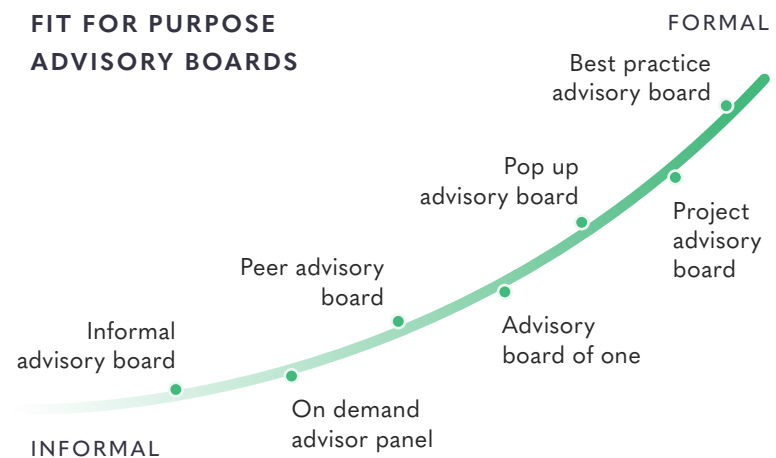
Throughout the lifecycle of an organisation, external advisors are engaged in informal and formal contexts.

ADVISOR ENGAGEMENT MODEL



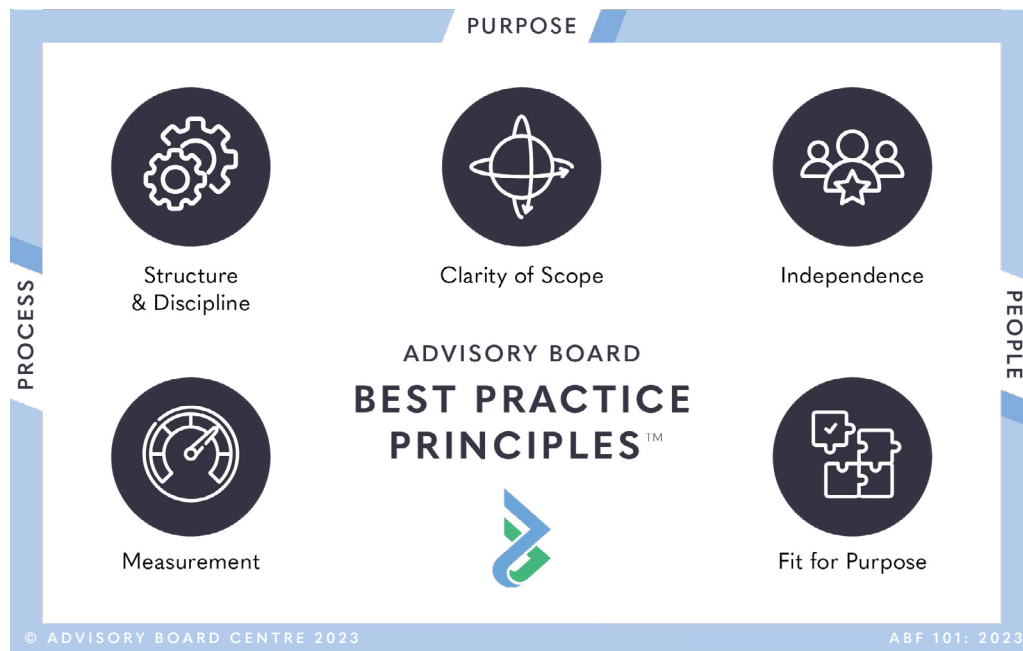
Research indicates that leaders are becoming more intentional about the transition from one method of engagement to another. Smaller businesses will often start their advisory journey with an independent chair, serving as a “sounding board”, with a formal advisory board evolving over time.

FIT FOR PURPOSE ADVISORY BOARDS



Best Practice Principles

The ABF 101: Advisory Board Best Practice Framework™ is a principles-based foundation for the global advisory sector. To maintain global currency, the ABF 101 is reviewed by an independent Best Practice and Ethics Advisory Board with broad representation from the sector.



Organisations are maturing in their approach to advisory boards. Historically the initial focus was on “who” will be on the board. Now leaders are re-evaluating the “how” to build or review their advisory board structures.

WHO IS INTERESTED IN BEST PRACTICE?



Organisations **implementing** an advisory board



Future advisory professionals



Current directors

70%

increase in the number of professionals and organisations using the ABF 101 since 2021.

MEGATRENDS

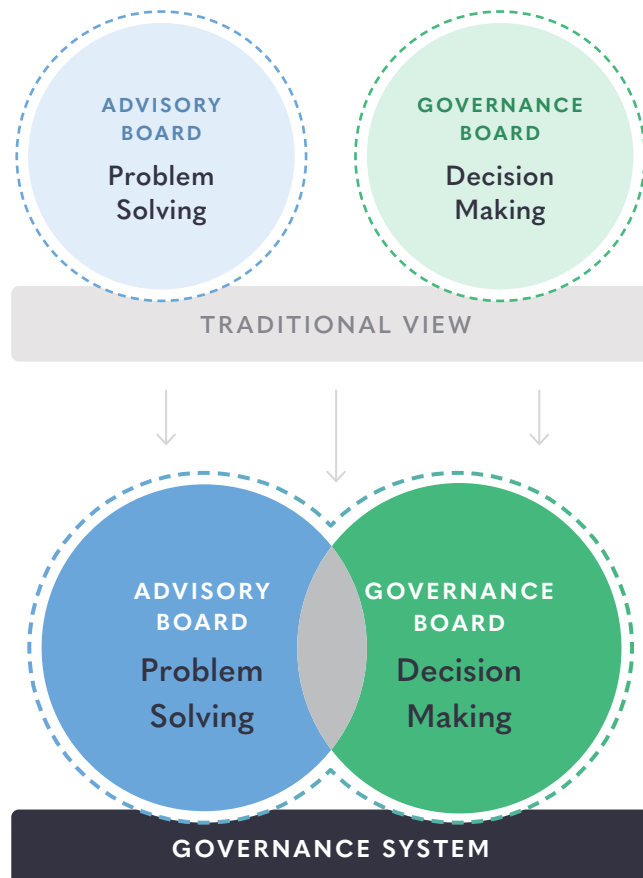
#1 GOVERNANCE SYSTEMS

In the simplest form, governance boards are created for decision-making. Advisory boards are designed for problem-solving. The trend is how these structure work together to create an enhanced governance system.

Increased utilisation of advisory boards and nonbinding committee structures a governance system requires a level of maturity within an organisational decision-making ecosystem.

Directors and leaders are adapting how and where organisations gain advice and align new structures to the overall governance framework to provide clarity, independence and risk management. Managing the expectations of all stakeholders is key.

This is not for the faint-hearted. Within governance ecosystems, its mission critical to map “the grey” areas of decision-making and the risk profile of the advisory board.



In uncharted territory, the role of an advisory board chair is to map, establish, facilitate and manage expectations to support robust governance systems.

MEGATRENDS

#2 THE STAKEHOLDER ECONOMY

Internal and external stakeholders are increasing their influence on organisational strategy and decision-making.

This extends beyond the traditional stakeholder engagement into a new paradigm of activism that can make or break the organisation and its leaders. From commercial applications of shaping product/service features, pricing and partnerships to a sustainability lens encompassing ethics, environmental and social impact – advisory boards can provide a valuable conduit for collaboration between organisations and stakeholders.

The increasing expectation of transparency, consultation and accountability are highlighting external impetus for advisory board adoption.

Regulated advisory boards, where organisations are mandated to establish an advisory board to comply with operating requirements in certain jurisdictions, are a clear indication of regulators seeing the value of adapting a wider view of overall governance systems. Strengthening the voice of the vulnerable customer through advisory board structures, such as those in the Aged Care sector, is one example of the flexible application of advisory boards to provide feedback rather than traditional advice.

There is also an increasing use of advisory boards to provide stewardship in investment decisions and independent perspective on issues that have broad impact across public and private sectors, such as climate change.

EXAMPLES



European Environment Agency

European Scientific Advisory Board on Climate Change

[Learn more](#)



Investor Advisory Board

[Learn more](#)



Australian Government

Australian Aged Care Operators Advisory Bodies

[Learn more](#)

SECTION 02

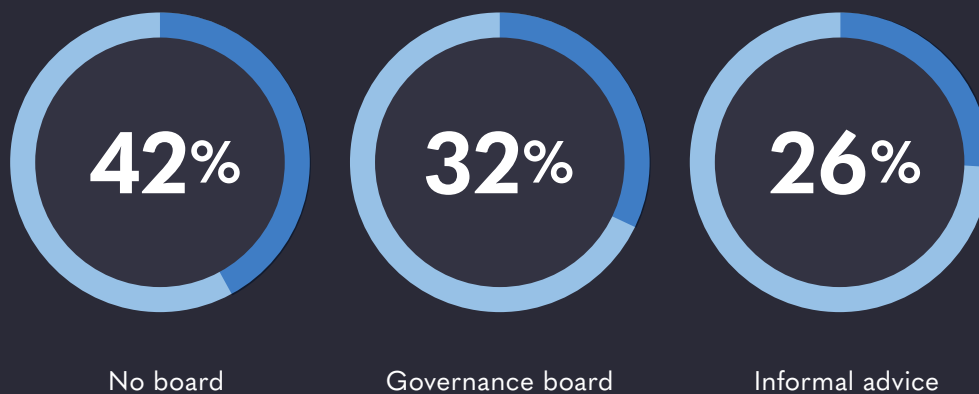
**ADVISORY
BOARDS
IN PRACTICE**

Market trends

The breadth and depth of the advisory board sector can be viewed in many ways. To gain a sense of market trends, a view through segmentation will provide a framework to understand their agile, flexible nature and how they are being used. We quickly see the infinite ways advisory structures are adding value. It also demonstrates the importance of applying best practice principles – Clarity of Scope, Structure and Discipline, Measurement, Independence and Fit for Purpose.

As organisations seek out new ways of gaining advice, exploring their specific objectives for selecting an advisory board provides insight into current market demand and identification of future trends. Smaller organisations, primarily owner or founder-led, are more likely to overwhelmingly express a singular driver for their advisory board – sustainable growth. For larger, more complex organisations, the establishment of a corporatised advisory board is a more nuanced combination of internal and external factors.

When starting an advisory board, organisations currently have:



Emerging trends

Three distinct types of advisory boards have been identified in the market, each with multiple possible variations in their tailored application within a specific organisation.

01 BUSINESS SECTOR ADVISORY BOARDS

Includes startups, scaleups, medium sized organisations.

02 CORPORATISED ADVISORY BOARDS

Includes enterprise organisations, listed entities, not for profit, universities, government.

03 PROJECT ADVISORY BOARDS

Includes organisations, any size, anywhere, seeking to focus on a specific need or purpose.

01 BUSINESS SECTOR ADVISORY BOARDS

The business sector, largely represented by private organisations, includes emerging and established businesses. Advisory boards are commonly engaged during a time of transition when there are challenges and opportunities for both the business and the owner. Confidence in decision-making is the key outcome. Where every business has a unique story, there are three common themes in the business sector that advisory boards support.

SUCCESSFUL ADVISORY BOARD STRUCTURES

On demand advisory panels

Pop up advisory boards

Advisory board of one

Preselection of advisory boards for investment

BUSINESS OWNER STORIES

MEDIUM

Developing leadership as a director and an investor

SMALL

Controls and delegation to normalise the business model beyond the owner

EMERGING

Normalise revenue and build the brand beyond the owner





Emerging businesses

Startups and scaleups traditionally use informal advisors and mentors. However, this is changing rapidly with on-demand advisory board structures and accelerator programs implementing quality advisory structures. Overall, 29 per cent of advisory boards in the business sector are in emerging businesses. Flexibility in structures are important as 45 per cent are volatile, where their needs change rapidly.

29%

of advisory
board market

45%

volatility rate

BARRIERS TO SCALE FOR EMERGING BUSINESSES

Delegation threshold

Network access

Business investment literacy

Execution gap

ETHICAL CONSIDERATIONS FOR EMERGING BUSINESSES

Roles of investors,
advisors and mentors

Independence

Conflicts of interest

Business Sector Structures

Established businesses are typically owner operator, partnerships, family businesses and high-growth potential firms. These are the largest market for advisory boards.

COMMON STRUCTURES



Two internal directors



Two external advisors



Independent chair

\$1.5m

Most common advisory board starting point

\$20m

Average size of business with an advisory board

\$40-70k

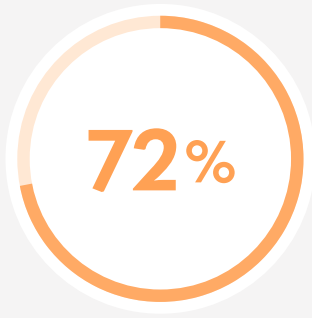
For paid roles, annual investment in monthly meetings with chair and quarterly with full board

66%

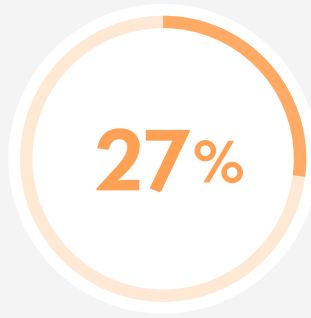
of businesses don't know what to budget for an advisory board



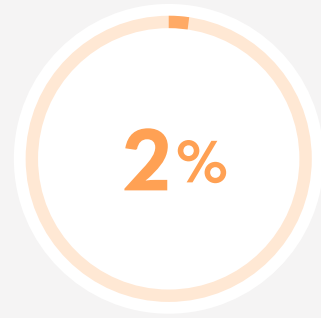
BUSINESS SECTOR REMUNERATION TRENDS



of advisors are **paid**



of advisors are **pro bono**



of advisors **compensated with equity**



85%

of owners have an **optimistic mindset** about the future when establishing an advisory board

ADVICE WITH NO BORDERS

Today, we are all connected and **virtual advisory boards** are here to stay.



68%

of advertised advisory board roles are open to **remote engagement**.

FOUR BIG AMBITIONS

Advisory boards draw in entrepreneurs and owners with big ambitions who are looking for change and **where better never stops**.

Business growth

Succession planning

Increasing asset value

Sustainability of business model

Business Sector Engagement

When seeking to establish an advisory board, businesses most commonly describe their business cycle as “growing”.

Once they commence their advisory board, the business cycle description shifts to “changing”. This indicates that organisations are seeking advisory support on managing transitions for sustainable growth. For owner-led businesses, this is often described as “surviving your own ambition”. Creating a trusted, psychologically safe environment based on support, rather than judgement, allows advisory board participants to be more open about the business challenges and knowledge gaps to navigate change.

INDUSTRIES ENGAGING BEST PRACTICE

Professional Services

Technology and Media

Health Care/Social Assistance

Manufacturing

Scientific/Technical Services

Agriculture

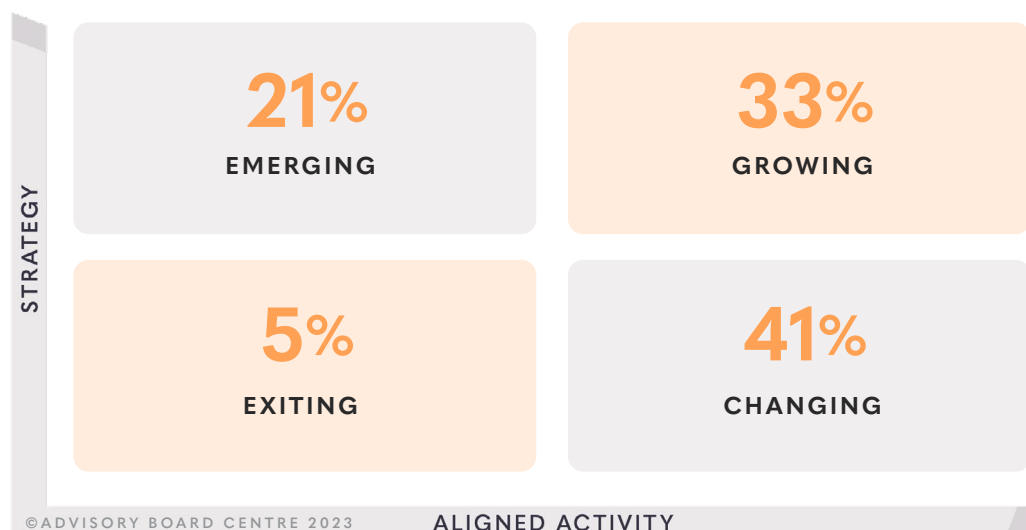
Construction

Education/Training



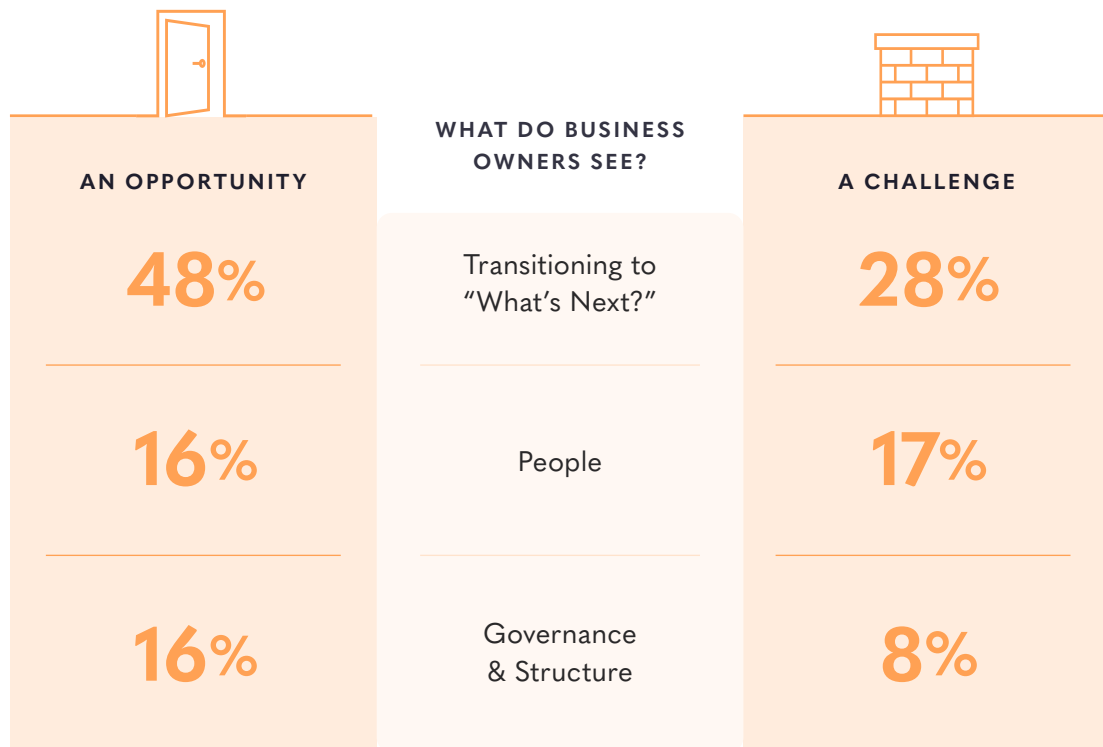
35% of the demand for best practice advisory boards are **professional services** and **technology** businesses.

ADVISORY BOARD ENGAGEMENT BY BUSINESS CYCLE

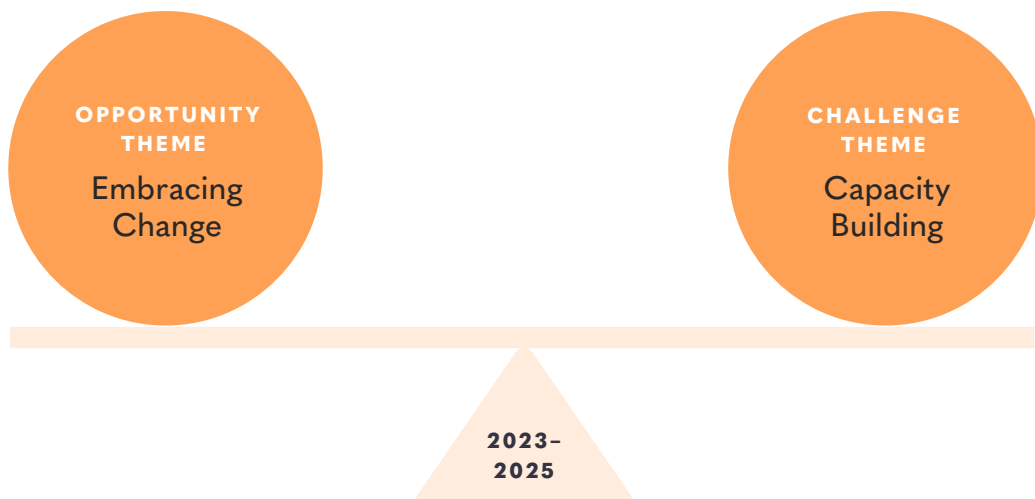


OPPORTUNITY OR CHALLENGE?

When evaluating priorities for an advisory board, business owners express three key recurring factors, which they may view as an opportunity or a challenge for their strategic goals. Understanding the context of how an owner views their priorities is key to establishing a fit for purpose advisory board that drives value for the owner and the business.



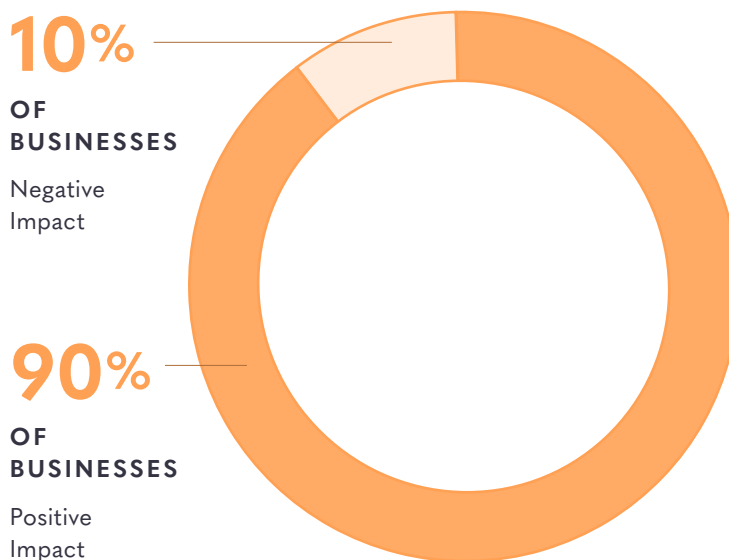
2023-2025 THEMES



Measuring Impact

As a professional body, the Advisory Board Centre maintains an unbiased view of the sector.

Real-time insight is gained from collecting quantitative and qualitative data measuring the impact of an advisory board. As advisory boards stand side by side with owners, every conversation supports critical thinking and improved confidence in the decisions they make. Measurement of advisory board impact ultimately is the measurement of alignment of owner expectation with their business.



REALITY CHECK

A crisis in cash flow is the most common trait of businesses with a negative impact from their advisory board. When evaluating business priorities, advisory board practitioners need to also evaluate the structure most suitable for the situation. Advisory boards are not the solution for all situations.

Measuring Alignment

Regular measurement of advisory board impact and alignment with business owner expectations is important. As business results change, so will the owner's expectations as it is not a linear journey. Advisory board chairs have a responsibility to carefully scope the advisory board and review its composition at regular intervals to understand factors impacting alignment.

02 CORPORATISED ADVISORY BOARDS

A corporatised advisory board is defined as an advisory board established within an organisation that has a well-articulated governance board structure. The advisory board can sit within or outside of the governance framework.

Organisations are seeking new ways to complement their existing decision-making processes by utilising advisory boards to gain new insights, feedback and expertise that may not be readily accessible within the organisation.

Within a corporatised environment, it is common to see multiple advisory boards in use in different contexts within the same organisation.

COMMON ORGANISATIONAL DRIVERS

INTERNAL

- Director constraint & liability
- Independent unbiased thinking
- Specialist expertise
- Diverse thinking and points of view
- Executive development & exposure

EXTERNAL

- Market insight
- Stakeholder engagement & feedback
- Stakeholder activism
- Regulatory requirements

CORPORATISED ADVISORY BOARDS IN PRACTICE

ESG

Change / Transformation

Customer

Cybersecurity

Diversity & Inclusion

Ethics

Innovation

International Markets

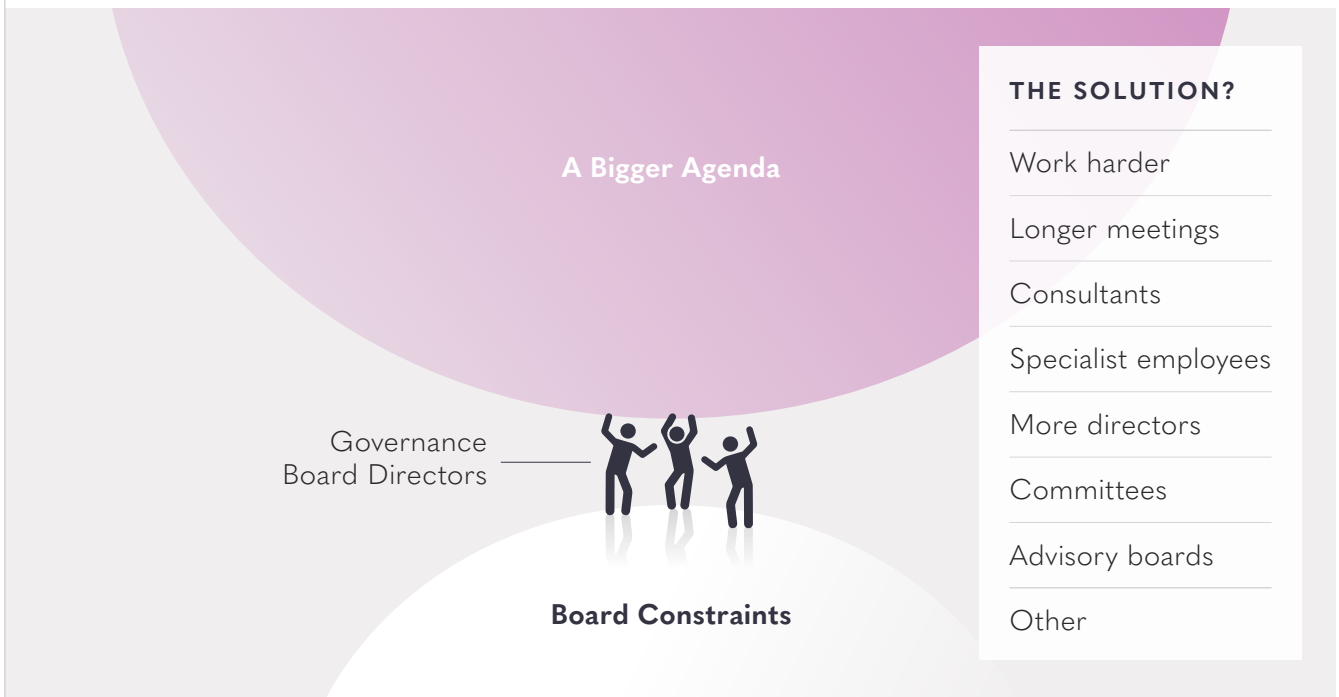
Mergers & Acquisitions

Next Generation

Supply Chain

Sustainability

THE GOVERNANCE DILEMMA



© ADVISORY BOARD CENTRE 2023

Corporatised advisory boards will continue to build as a bona fide business practice to enhance good governance through ethical and independent input, to safeguard directors, corporate executive teams; and to protect the social integrity of businesses, brands and people.

Organisations will continue to create specialised advisory boards within their ecosystem of governance. For example, committees will continue to adopt best practice to drive stronger consultative frameworks to drive stronger results and behaviour from committee members.

In this environment, boundaries are tested, and a lack of good governance will be exposed.

Adopting best practice will assist in providing transparency of purpose and role clarity internally and to the market for public organisations.

Board recruitment

Good governance of advisory board selection ensures independence, fit for purpose and resolve conflicts of interest. The board recruitment industry plays a vital role.

MARKET INSIGHTS

High Directors and Officers Insurance premiums create pressure on organisations and their directors.



Corporatised Structures

27

Clarity on the relationship between the directors and executives (decision-makers) and advisory board members (problem solvers) is critical to the effective establishment against the current facilitation and risk management of advisory boards in a corporatised environment.

New structure development requires careful mapping of the corporate ecosystem including the existing decision-making and reporting environment.

EMERGING ROLES

Advisory Board Manager

Supports the coordination and process management of advisory boards within the organisation.

Professional Independent Chair

Supports internal sponsor to navigate the establishment or review of corporatised advisory structures, including mapping against current governance framework, charter development and board structure. May continue to facilitate the board if required by the organisation.

ESTABLISHMENT CONSIDERATIONS

Executive roles

Purpose & objectives

Internal mapping & consultation

Protocol development

Pilot testing

Milestone review & adjustments

“An advisory board helps you to engage your executive. It brings the outside in. To inspire, to guide us, and to challenge us. It helped us to build our roadmap for the next 10 years. It is a great way to learn and bring inspiration inside the company. When things are said from someone outside the company it holds a lot of weight. It works on many different levels.”

Virginie Helias

Chief Sustainability Officer,
Proctor & Gamble



MARKET INSIGHTS

Within the ecosystem of governance, advisory boards have evolved to support governance board directors. Demonstrating both process and impact accountability provides directors with a framework for quality, non-fiduciary debate and rigor before decisions are made.

**EXAMPLES
OF CORPORATISED
ADVISORY BOARDS**



[See more examples](#)

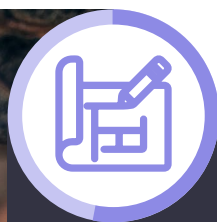
03 PROJECT ADVISORY BOARDS

Project advisory boards are unlimited in their use and are the most creative and exciting movement in the advisory board sector today.

A project advisory board is created to target advice for a time, location or strategic-based goal. Project advisory boards are typically limited by time and/or scope, commonly with a duration from 3 to 18 months.

THE BENEFITS

- ✓ Flexibility and focus for a tailored approach
- ✓ Clearly defined scope targets discussions
- ✓ Time efficient
- ✓ Cost effective
- ✓ Effective way to work with external advisors
- ✓ Pilot test a low-risk advisory board structure
- ✓ Energises and inspires internal teams
- ✓ Street smart professional development with real outcomes



53%

of newly created advisory boards are project advisory boards.

19% rise in project advisory boards since 2021





TARGETED ADVICE

- Market testing
- New business models
- International markets
- Raising capital

Why they thrive

Where market conditions are complex, project advisory boards thrive. It addresses gaps in internal mastery, assesses risks, explores innovation, and road tests the next step.

Gaining access to independent thinkers around a table for robust conversation and debate is a flexible way to access external support with diverse skills and current knowledge.

Talking point

Purpose driven project advisory boards have a sharp agenda with specific goals to target. Chairs need to shape the agenda and keep the advisory board to the point.

COMPANIES USING PROJECT ADVISORY BOARDS

AON



FUJITSU

Google

[See more examples](#)

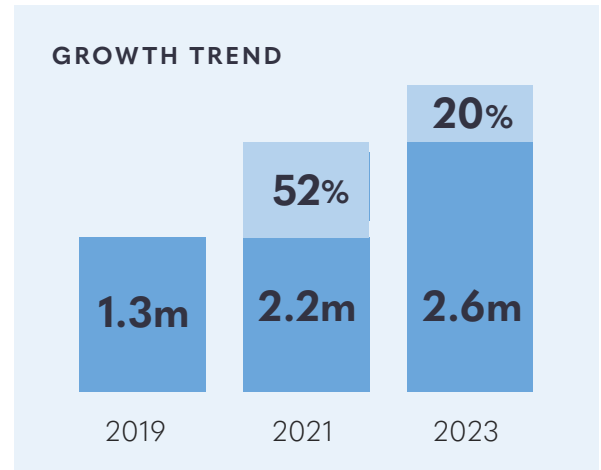
SECTION 03

**ADVISORY
BOARD
PROFESSIONALS**

Professional Snapshot

The global market of advisory professionals continues to grow, with an increase of over 20 per cent since 2021. This includes advisory professionals in firms, existing portfolio professionals increasing market visibility, executives and new entrants engaging in advisory boards for the first time.

Check global advisory board trends by market. [Learn more.](#)



Beneath the Surface

More than 2.6m LinkedIn profiles of professionals worldwide indicate being engaged with advisory boards as part of their current career portfolio. This does not capture the larger market of internal chairs and advisors – those executives and technical experts that actively participate in advisory roles within organisations.

Internal advisory professionals are more likely to describe their advisory engagement as a function of their current role, rather than a distinct engagement. They provide additional value and seek impact in an internal advisory capacity that is different to the other aspects of their role.



+2.6m

active
advisors

880k

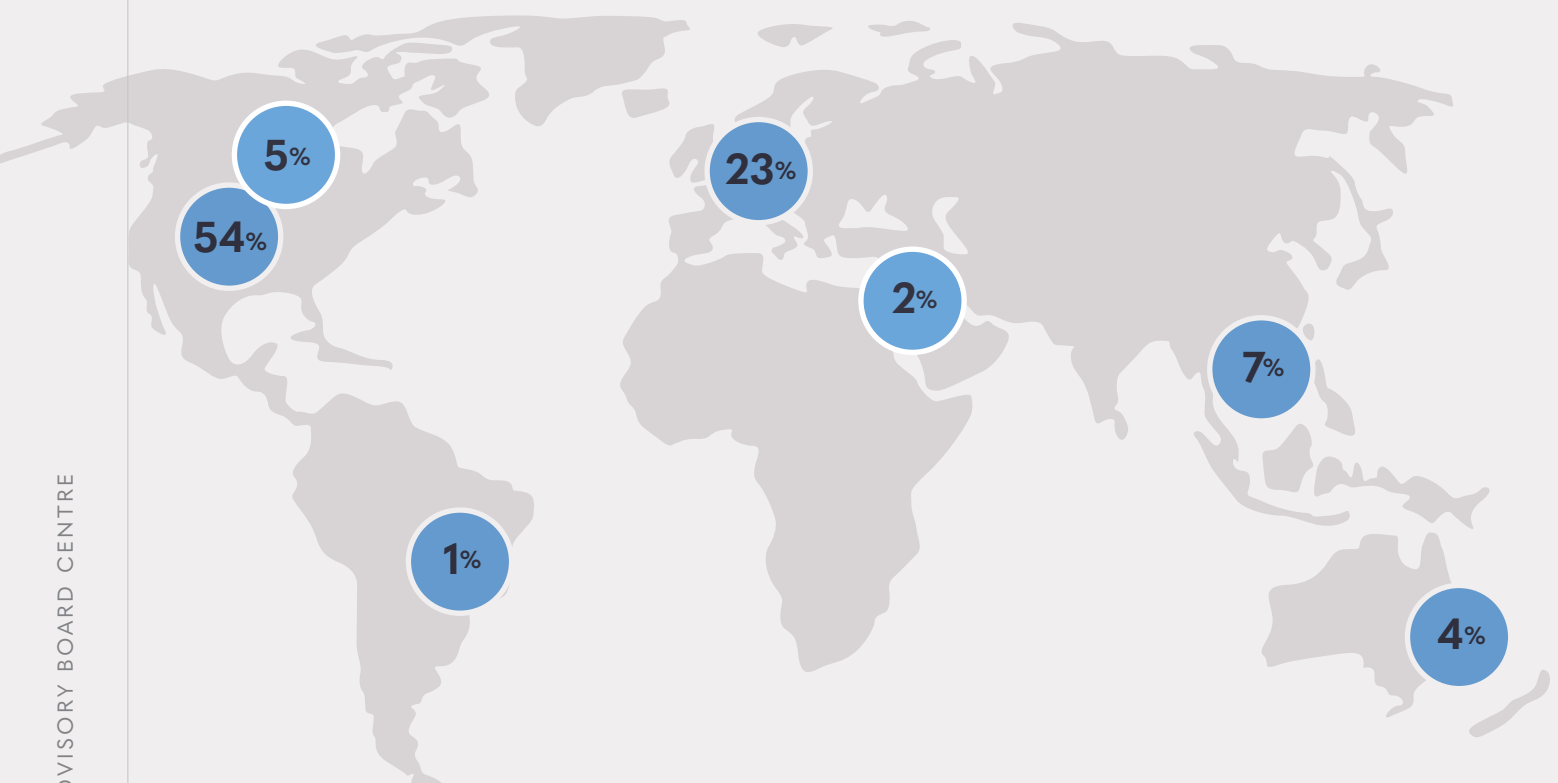
advisory boards
globally

20%

increase in advisory
boards since 2021

With growth, comes responsibility for reputation management of the sector. Ethics, frameworks and credentials are critical. So, too, is education to organisations and the broader market on best practice, including what advisory boards are and what they are not.

ACTIVE ADVISORS IN THE GLOBAL MARKET



Layers of the Profession

Where provided as a professional service, the advisory board profession has many layers for those who integrate it within their executive career. The depth of the advisory board sector is largely misunderstood and underestimated as it relates to the skill required to execute ethically and effectively. This is a latent opportunity for organisations to go beyond function and maximise impact.

30%

of advisory board professionals are **internal executives**, indicating a need for corporate professional development in best practice.

ADVISORY FIRM PROFESSIONAL

- Firm provides a broad range of services
- Advisory boards within the offering
- Invest in best practice to add quality, value and impact to clients

PORTFOLIO PROFESSIONAL

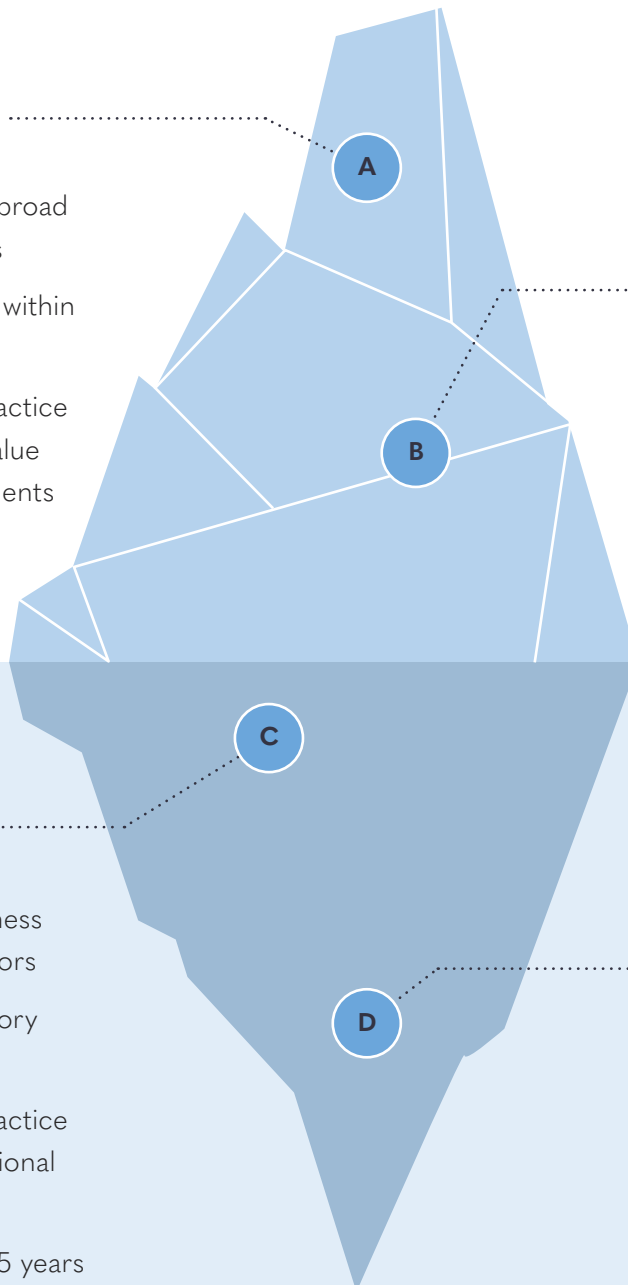
- Engagements across multiple organisations in multiple ways
- Active advisory board engagements in a portfolio

TRANSITION PROFESSIONAL

- Executives, business owners or investors
- Implement advisory boards internally
- Invest in best practice and own professional development
- Plan to exit in 3-5 years

INTERNAL CHAIR & ADVISORY BOARD MANAGER

- Full time executive
- Implement advisory boards internally
- Manage multi-purpose advisor engagements



The Portfolio Professional

Portfolio professionals are purpose driven and are often in a position to give back. This is demonstrated in the time made available in pro-bono work and the link between mentoring and advisory board roles.

What is a Portfolio Career?

A portfolio career is when an individual pursues more than one source of income simultaneously. Many call it their board career. Usually, the individual applies their various skills to different types of work including mentoring, consulting, advisory board and governance board roles, investment management and interim executive positions, creating a diverse portfolio of work and income streams. On average, they will have six engagements at any given time.

For many professionals, a portfolio career provides flexibility, variety, autonomy and earning capacity.

PAID PORTFOLIO ROLES

36% Advisory boards

25% Coaching/Mentoring

17% Consulting

13% Governance

6% Executive

3% Other

PRO-BONO ROLES

55% Mentoring

25% Advisory boards

20% Governance boards

FUTURE INTENTIONS OF PROFESSIONALS

67% governance boards

94% advisory boards



Most advisory board professionals work in **half day meetings**. Chairs are increasingly charge a monthly retainer.



75%

of advisory board professionals are **earning** whilst 25 per cent are pro bono.



6

engagements held on average in board portfolios.

Professionals in Demand

Historically, data from the business sector clearly demonstrates the demand for support in growth and transition, leveraging both professional experience and currency in skills. However, it is changing.

Facilitating the Better Board Conversation

The role of the chair is complex, challenging and deeply rewarding. Truly understanding how to shape and manage the agenda and create the right environment for the right conversations is a competency that requires careful development.

Organisations mostly recruit the chair first to establish or renew an advisory board. Once established, many different conversation types happen in any meeting. From generalist to specialist conversations, chairs have the responsibility to carefully shape the agenda and get the best from all those around the table. Having the foresight and insight into the consequences of desired and undesired outcomes requires skill to do it well.

EXPERTISE IN DEMAND

Business & Market Development

Marketing & Communications

Business Improvement

Finance

Entrepreneurship

Technology

SKILLS IN DEMAND

Strategic Thinking

Execution Skills

Decision-making Skills

Change Management

Communication

REALITY CHECK

With the rise of project advisory boards with purpose, we expect to see more demand for specialisations.

Innovation

Investment

Ethics

Sustainability

International markets

Social impact

Commercialisation

Capability & capacity building of talent

Data analytics

ADVERTISED ROLES

67% specialist

29% generalist

Advisor Influence

The Global Research Council continues to explore the relationship between problem-solving and better decision-making.

Receiving advice and taking it into consideration in a decisive moment requires a high level of confidence and trust. How much do the receivers of advice actually take on board? It's called the "decision shift" test.

From confirmation bias to ego-centric discounting, decision-makers may follow advice they may not like, if trust is earned and the advisor is well-intentioned. Ultimately, engagement is earned from demonstrated value. No value, no seat.

CONFIDENCE TEST

A receiver must have confidence in three things:

1. The advisor
2. Information
3. Their own ability to execute



“
No value.
No seat.”

THE POWER OF 3

When advice is compounded from three independent sources, greater benefits are gained. This access or accuracy gain can shift a satisfactory decision to an optimal one. Most best practice advisory boards start with a powerful combination of three independent sources – the chair and two advisors.

Networked Professionals in Demand

Business leaders traditionally seek referrals to new advisors from their networked connections. They also seek advisors who are deeply networked and current.

From 2020-22 professional and personal networks shrank by 16 per cent. Network shrinkage has serious repercussions. Professionals in every sphere need to be intentional about the currency and depth of their networks.

While the advisory market is maturing, the way in which organisations connect with advisory professionals is still largely dependent on network contacts, with most advisory roles not openly promoted to the wider market.

Strong networks provide a source of trusted relationships and powerful connections, but this must be balanced with the potential for conflicts of interest. There is the potential for a missed opportunity for an organisation to connect with those not a part of their current network.

A more formal approach to the recruitment of independent and qualified advisory professionals is emerging in the market. The executive and board recruitment sector will be increasingly used in this process.

CHALLENGES FOR GLOBAL EXECUTIVES AND EXPATRIATES

Building a local network

Maintaining their global network

Demonstrating and leveraging the value of their international expertise and insights

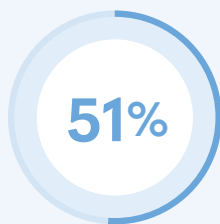


16%

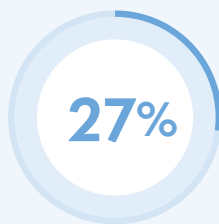
shrinkage in professional and personal networks from 2020–22.

NEW ENTRANTS

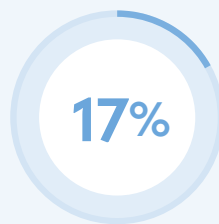
When professionals enter the advisory sector, expanding their networks is a key priority.



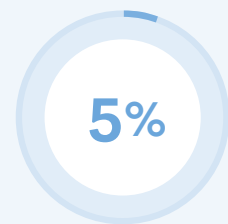
are networked in their industry



have deep and wide networks



are not up to date



are limited

Informing the Informers

Keeping up to date for advisory board professionals in a fast-moving market with knowledge redundancy is critical.

The Global Research Council conducts living research in collaboration with the advisory board community.

Within its own “thinking system”, this collaborative research is providing market insight into key market trends in 2023 including energy and carbonisation, aged care, ethics and models for customer and next-generation advisory boards.

5 METHODS ADVISORS USE TO KEEP UP TO DATE



LinkedIn and social media



Networks



Business newspapers

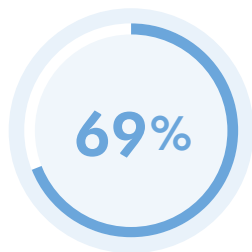


Podcasts

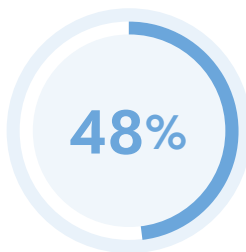


Targeted digital search

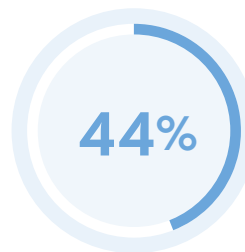
What support are professionals seeking to advance their portfolio?



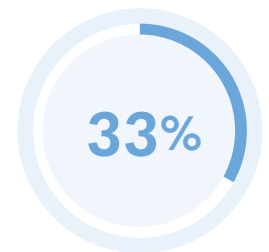
Certification & best practice professional development



Enhancing my profile & market positioning



Developing a global peer network



Market intelligence & opportunities

SECTION 04

**ABOUT
THE REPORT**

Definitions

The adoption of clear, consistent and globally applicable definitions allow for a common understanding of the advisory sector.

Advisory Board

An advisory board is a structured, collaborative method for organisations to engage external advisors. At its core, it is a “problem-solving model” and a “thinking-system”.

Best Practice Advisory Board

A best practice advisory board is a type of advisory board with an independent Certified Chair™, a Charter, structured meeting protocols and annual impact measurement.

Informal Advisory Board

An Informal Advisory Board refers to an Advisory Board consisting of volunteer supporters with a very ad-hoc style of discussion and no defined meeting structure.

Governance Boards

A Governance Board (also known as a Board of Directors or Statutory Board) is a group of individuals who are legally responsible for the governance, control, direction and management of an organisation. At its core, a Governance Board is a “decision-making model”.

Governance System

The ecosystem of governance boards and advisory boards working together.

Growth

Growth is the process of increasing in value, size, or importance over a period of time.

Sustainability

Sustainability is the ability to for an organisation to demonstrate good corporate citizenship by providing for the needs of the current generation, using available resources without causing future generations any problem with providing for their own needs. It includes (and not limited to) social, economic and environmental factors.

The report is designed to provide value to key stakeholder groups with an interest in advisory boards including: The global advisory community supporting organisations with strategic insight and foresight at a board level; Corporate entities leverage advisory boards to support governance agendas and decision-making cycles; Business owners and executives informing business confidence, the constraints and where advisory boards are adding value; and Government, funders, banking sector and industry associations understanding where and how organisations are seeking support.

REFERENCES

1. State of the Market biannual data collection of Business Growth Scores, Advisor Board Opportunities, Advisor Profiling 2023. Research Lead – Louise Broekman
2. Advisor Engagement and Rates Report; August 2022 – Louise Broekman; Advisory Board Centre
3. Psychology of Advice; April 2023 - Louise Broekman; Advisory Board Centre
4. ABF 101: Advisory Board Best Practice Framework™ - Best Practice and Ethics Advisory Board, Global Research Council; Advisory Board Centre – <https://www.advisoryboardcentre.com/our-research/global-research-council/>
5. Barriers to Scale, May 2020; Louise Broekman and Jan Easton, Advisory Board Centre
6. PESTEL Mind map of the Advisory Board Sector, 2023; Mark Veyret
7. Harvard Business Review – the New Rules of Networking, November 2022

How to Reference this Report

State of the Market Report 2023-2025; Global Research Council; Advisory Board Centre; Research Lead – Louise Broekman

NOTES

Advisory Board Global Market Analysis 2021 –

With the absence of direct information on the size of the advisory board sector globally, to gain insight into the size of the sector, a data sample was evaluated from LinkedIn of professionals working on advisory boards in 2019, 2021 and 2023.

Advisor calculation – A data analysis was conducted on LinkedIn Titles using two methods. Advisory board “current role” search. A validation test was conducted with 100 “current” roles in the Canadian market. This produced a 5% variability between the title “advisory board” and the actual current roles.

Advisory board calculation – The study of advisory board structures from 2018 – 2023 identified best practice for advisory boards which included three external roles on average for formalised advisory boards. This includes an independent chair and two external advisors. This calculation has been applied to the advisor calculation method.

IMPACT ASSESSMENT METHODOLOGY

A study of over 700 organisations from 2017 – 2023 was conducted utilising business assessments from Certified Chairs. Assessments include questions on the impact the advisory structure has had on the business in the previous period including revenue, profitability, productivity and business confidence.

EVERY ADVISORY BOARD HAS A STORY.



We want to hear yours.

The State of the Market report is an initiative of the [Global Research Council](#) to investigate how organisations and professionals are engaging with advisory boards. First produced in 2019, the State of the Market research findings in this report are based on surveys, case studies and market analysis to form a holistic picture of the global advisory landscape.

We would love to hear your experiences with an advisory board, in whatever role you play. These stories contribute to our living research agenda and deepen our broader knowledge of the sector.

To find out more about our research methodology and mandate, [click here](#).

GET INVOLVED.

Join a network for connection, opportunity and challenge.

Joining an advisory board is a serious commitment that takes dedication, discipline and ongoing education. But it's also your chance to make a real impact, to share your wealth of knowledge and ideas, and to help shape and influence future decision making.

44

THE GLOBAL RESEARCH COUNCIL

Within its sustainability framework, the Global Research Council creates linkages between academic research, industry know-how, professional and organisational case studies to support practical applications of knowledge.

The Global Research Council produces:

- Market Reports
- Discussion Papers
- Executive Summaries
- Practitioner Guidelines

This suite of world-leading resources supports advisory professionals to maximise their value and impact in the marketplace.

[Learn more](#)



CONTACT

+61 408 477 165

research@advisoryboardcentre.com

advisoryboardcentre.com