



# Vistage / TEC: Peer Advisory Groups an Invaluable Tool for SMB Owners

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When small business owners have questions about how to propel their business forward, it's not always clear where to find answers. Consultants are expensive, employees may have other priorities and industry groups may not have resources to help.

Business peer advisory groups may be the solution for some SMB owners. These groups consist of experienced professionals offering their peers a sounding board, a wealth of knowledge and no objective other than helping each other succeed.

As fourth-generation owner and president of **120-year-old Garvin Industries**, an electrical manufacturing company headquartered outside Chicago, Bart Garvin struggled to grow his business. Then a friend introduced him to a business peer advisory group called Vistage.

Company revenue was around \$4 million when Garvin joined his peer advisor group. Over six years later, it's almost five times that amount. Garvin, who's still a member, says the group provides an independent lens through which he views his company.

"Because we're all human, every business owner or CEO has multiple blind spots," Garvin explains. "Those blind spots often give us distorted perception of truth inside our company, and it's all based on our past experiences. [The group] forces me to step outside my business and be intellectually honest about my blind spots so I can change them."

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Lisa Reisman was also introduced to Vistage / TEC (TEC is a acronym for *The Executive Committee*, and is the name of the organization in some areas that Vistage operates.) through a friend and has attended for years. She's the co-founder and managing director of [Azul Partners](#), a B2B media company in Chicago. For Reisman, the benefits are clear: "Getting outside feedback, having an outside sounding board and being exposed to ideas that are outside of my industry that could be applied to my business and my industry."

Reisman says she also values the mentorship from group members possessing more experience. For example, many members in her current group have bought and sold companies — something she hasn't done much of yet — so she's grateful for their shared insight and perspectives.

[Vistage / TEC](#) is the largest for-profit company offering business peer advisory groups. The groups are confidential and professionally facilitated by highly trained individuals, often former CEOs. NerdWallet recently interviewed Vistage / TEC's CEO, Leon Shapiro, to learn more about how the company works and why peer advisory groups are so powerful for small business owners in particular.

## **NerdWallet: How did Vistage / TEC get its start?**

*Shapiro:* Vistage / TEC started back in 1957 in Wisconsin. A gentleman by name of Robert Nourse was out of work. He got together with a group of executives; they sat around a table and realized the value they brought to each other as business owners, and facilitated that group meeting every month. From there, it really spread throughout the United States, and today is in 16 countries and has almost 20,000 members around the world.

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## **What types of advisory groups does Vistage /TEC offer?**

All of the groups conceptually do the same thing; all are founded on the same principle. The different flavors, if you will, relate to four segments: first the CEOs, leaders and owners of larger businesses, then CEOs and leaders of smaller businesses — perhaps in the \$1 million to \$5 million revenue range. The third segment is all of the key direct reports to these executives, then the fourth is all the trusted advisors to the ecosystem; the lawyers, accountants, service providers, etc.

## **Who facilitates these groups?**

They're all facilitated by what we call our chairs, or chairmen, who are independent contractors that are schooled in the Vistage / TEC process; there's a very particular process. They go through ongoing learning and development at least six times a year, if not more.

## **We heard Vistage / TEC also offers one-on-one mentoring sessions with the chairs; is this available to all members?**

It's available to everyone; it's priced and packaged into programs differently. So for example, our flagship program for CEOs consists of them attending monthly meetings and also meeting for two hours a month with their chair on an individual, one-on-one basis, so that gives them opportunity to deal with specific, individual issues. It's also a great opportunity for the chair to work with someone and perhaps encourage them to bring their issue to the group meeting, which is where all the power of Vistage / TEC happens.

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## **Can someone stay in a Vistage group indefinitely?**

There is a natural graduation point, typically when you sell your business, retire, or if you're a CEO and you move on to do something else. But our average member sticks around for over five years. And if they make it past the first year, they typically stick around seven and a half years, so they're very long-term members in the group.

## **What are some of the benefits small business owners can experience from meeting with a Vistage group?**

As a CEO or small business owner, you really don't have any place in the world to go to get objective advice given to you by people who don't have any interest or connection in the outcome. So from your management team to your lawyer to your accountant to your family, everyone you interact with does so in a very caring and positive way, but has a connection to the outcome. A peer advisor group is the one place where a trusted group of 15 of your peers whose only vested interest is in helping you become a better leader, solve your business problems, take advantage of opportunities, in a very direct and open way. They don't hold any punches, but at the same time, they're there for you as a support network.

Really, you feel accountable to them and they feel accountable back to you. You're likely to use this information, the benefits of their experience. I mean, 15 other people with 10, 20 30 years of experience under their belts — you're much more likely to use that in a meaningful way and feel accountable to the group. And in fact, part of the process is that when an issue is processed or the group helps you, you commit to a set of actions that you choose, and commit to bringing it back to the group and letting them know what you've done. It tends to be very, very effective.

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## **Do small business owners often experience quantifiable benefits from participating?**

Absolutely. The performance of companies in Vistage far outweigh the performance of their peers. [Vistage / TEC later provided us with results of a survey by Dun & Bradstreet showing Vistage / TEC member companies outpacing annual growth at comparable companies by more than six percentage points, over a four-year period.]

## **What are other member benefits in addition to peer meetings and one-on-one sessions?**

At every monthly meeting, half of the day is dedicated towards an expert speaker. We have close to 1,000 experts in a speakers bureau, so groups book these speakers. Those are experts on very specific business issues—marketing, how to deliver presentations, to work/life balance issues. Every year in each region we hold events for the entire region...we put together a full day event with expert speakers, content, and interaction between members. There's also an online content library, webinars and more.

## **There are many other smaller, niche peer advisory groups available. What makes Vistage a better choice?**

I think there is value to certain niche groups. They do bring very different value than Vistage brings. The magic of Vistage / TEC is in a 58-year-old, tried and true process with chairs that are incredibly experienced and continue to develop and hone their skills every year, year in and year out. Really that complete perspective coupled with a very rigorous process in safe environment of a group has proved to be unbelievably successful.

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We also are establishing membership networks for some of the very reasons that people have other needs. For example, people in the manufacturing industry—we have probably 1,000 plus members in Vistage that are in manufacturing and need to interact with other people in the manufacturing industry on industry specific issues that are separate from being a CEO and just leading company. So we facilitate those member networks as well. Those are both online and in person. For example, in Chicago at a big manufacturing event several months ago, we had close to 100 Vistage attendees there who got together at the much larger manufacturing event.

## **Must members meet certain criteria to join?**

Yes, they do. There's a selection interview process that takes place, because at the end of the day, everyone needs to make sure that there's a fit between the prospective member, the existing chair and the existing group. You wouldn't want 14 CEOs of \$100 million businesses and someone who's just done a start-up and has one person under them. So there's a very good process of mutual selection.

## **What are the costs associated with joining?**

Members pay a monthly fee that ranges between \$1,000 to \$1,300. Most people think of it as an annual ongoing fee.

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## What's your best advice for small business owners?

Find a group of peers; it's the most powerful thing you have going for you as a leader. Vistage isn't so much a place you go to have your questions answered, but rather a place you go to have your answers questioned.

TEC is a acronym for *The Executive Committee*, and is the name of the organization in some areas that Vistage operates.

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