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The Alternative Board enters Milwaukee market to offer advice to small businesses

The Business Journal of Milwaukee - by [Becca Mader](#)

When Tom Duffey had financial questions about Plastic Components Inc., his plastic injection molding company in Germantown, he used to seek advice from an accountant or attorney.

That advice came at a price that added up quickly over time, however.

Lately, Duffey has been relying more on what he considers an equally valid and less costly sounding board called **The Alternative Board**, a peer advisory group that meets monthly. It brings together business executives from different noncompeting companies to discuss, and share advice on, financial, personnel and management issues confronting their businesses.

The Alternative Board, a trademarked franchise available in communities across the country, is taking off in the Milwaukee market as a result of two area businessmen, Alan Wallach and Yan Newenhouse. The Alternative Board concept is part of a Denver-based franchise that Wallach, an attorney and executive coach in Whitefish Bay, and Newenhouse, a business consultant and former banker in Cedarburg, have introduced to area businesspeople by holding informational sessions at local banks, insurance companies and chambers of commerce.

"Even though the businesses may be very different, the issues and problems they face really aren't that different," said Mark Meloy, president of First Business Bank in Brookfield, which has held five introductory meetings at its office. "This provides a key sounding board to help make business decisions."

Seeking board members

Wallach and Newenhouse are franchisees and oversee the boards in the greater Milwaukee area. Wallach holds the franchise rights for northern Milwaukee and Waukesha counties. He oversees two TAB boards and plans to create six more. Newenhouse's franchise rights cover most of Ozaukee and Washington counties, where he has started two boards. He began holding meetings in June. Wallach began holding meetings in January.

Wallach and Newenhouse each have held informational meetings to gather prospective board members, and have interviewed interested business owners. Participation in the boards is by invitation only and decided by the meeting "facilitators" -- in this case, Wallach and Newenhouse.

Each board has four to 12 members and meets monthly for three to four hours, depending on the type of board. "President" boards, designed for companies with annual revenue of less than \$1 million and between five and 10 employees, meet for three hours. "Strategic" boards, which are geared toward companies with annual revenue exceeding \$1 million and have 10 or more employees, meet for four. At each meeting, board members present a challenge or opportunity they or their businesses are facing. Fellow board members then offer suggestions and advice. Issues addressed typically include business financing, marketing, sales, and succession planning.

Between meetings, Wallach and Newenhouse hold one-on-one coaching sessions with each board member to follow up on issues raised at the meetings, make sure they implement strategies to solve the problem or challenge and prepare them for the next meeting.

The TAB concept was created in 1990 by Allen Fishman, former president and part-owner of Tipton Centers, a St. Louis-based electronics firm. Fishman took Tipton Centers public in the late 1980s and in doing so he gained ideas and support from his company's board of directors.

Following his early retirement in 1987 at age 45, Fishman worked toward developing a board of directors that small and midsize companies could access.

Since the company began granting franchise rights in 1996, more than 100 franchisees have bought into the concept. Franchisees have at least 10 years of senior management experience and pay between \$9,900 to \$39,900 in franchise fees. More than 2,000 business owners are board members. Officials at the national office of The Alternative Board hope the concept will expand into 500 markets across the United States over the next 10 years.

Objective, diverse advice

A growing number of small business owners are interested in The Alternative Board because of the benefit an alternative support network provides, said Jason Zickerman, franchise president. Facilitators, such as Wallach and Newenhouse, have found it to be a good use of their business background and extension of their consulting practices. Members, especially business owners who might not have the financial wherewithal or time to establish and oversee their own board of directors, view The Alternative Board as a less expensive option,

Newenhouse said.

For a privately held company, a traditional 12-member board may cost an owner as much as \$6,000 a meeting, Wallach said. With The Alternative Board, members pay between \$250 to \$600 in monthly dues.

Duffey, who sits on a strategic board, said the structure has benefited his 35-employee business more so than if he went to a trade association, where he could get advice only from fellow manufacturers. As his competitors, they would likely be less than open in providing advice or suggestions that would help his company, he said.

"As a small business owner, one of the things you are looking for is objectivity, but meaningful feedback as well," said Duffey, who was introduced to the TAB idea through First Business Bank, where he is a customer.

Since joining, Duffey has been advised by Wallach and other board members to change his focus from his company's daily operations and invest more time into growing his company through sales and marketing.

Trade associations are still valid options for business owners, Newenhouse said. But The Alternative Board presents a different outlet. Each board member is required to sign a confidentiality statement that allows for a more open exchange of ideas.

One of the key advantages of The Alternative Board's structure is the diversity of companies and industries, and the experience its board members represent, said board members, Wallach and Newenhouse.

"It is like a breath of fresh air to have someone from different industries give you their view on a problem and how they solved it," Wallach said.

That cross section not only provides members different perspectives on an issue, but also gives them an appreciation for other industries, Duffey said. In Duffey's group, for example, his peers include a restaurant franchise owner, a title insurance company president and a real estate leasing agent.

In addition to the feedback at each meeting, members also are offered services such as private coaching sessions, and access to business advice through a hotline. Each month the Denver franchise publishes a "Tips from the Top" newsletter, which compiles business tips and strategies from facilitators and board members.

For their companies to benefit from The Alternative Board, Duffey said board members must approach it with a certain mindset.

"You have to be willing to commit to help the other members," Duffey said. "If you go in there and just want people to help you, but you are not willing to make that similar effort to help them with whatever experience or insight you might have, then you shouldn't be a part of the group."

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