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INSPIRING LEADERS

GROWTH COMPANY OR LISTED ENTITY?

The Appeal of Board Advisor or NED Roles in Start-ups and Growth Companies over Listed Entities.

“In the realm of corporate governance, individuals with expertise and experience in specific fields are often sought after to guide and provide strategic direction to companies. Two prominent roles in this regard are Board Advisors in start-ups and growth companies or in listed entities. While both options hold value, this article aims to shed light on why being an Advisor in a start-up or growth company can be preferable for certain individuals.”

BY VOCASO

Start-ups and growth companies are known for their vibrant and dynamic environments, characterised by rapid growth, innovation, and agility. Individuals who thrive on embracing challenges and taking risks often find these settings invigorating.

They have the opportunity to work closely with visionary founders and management teams, contributing to the company's strategic decision-making process from the ground up. Such an environment fosters creativity, encourages novel ideas, and allows for quick implementation, making the role of a Board Advisor highly exciting and rewarding.



In listed entities, as an advisor you are part of larger Boards with diverse skill sets and often have a more limited scope of influence.

On the other hand, advisors in start-ups and growth companies can have a direct impact on shaping the company's trajectory.

They can actively engage with the founders and management, providing valuable insights and leveraging their industry expertise to help steer the company towards success.

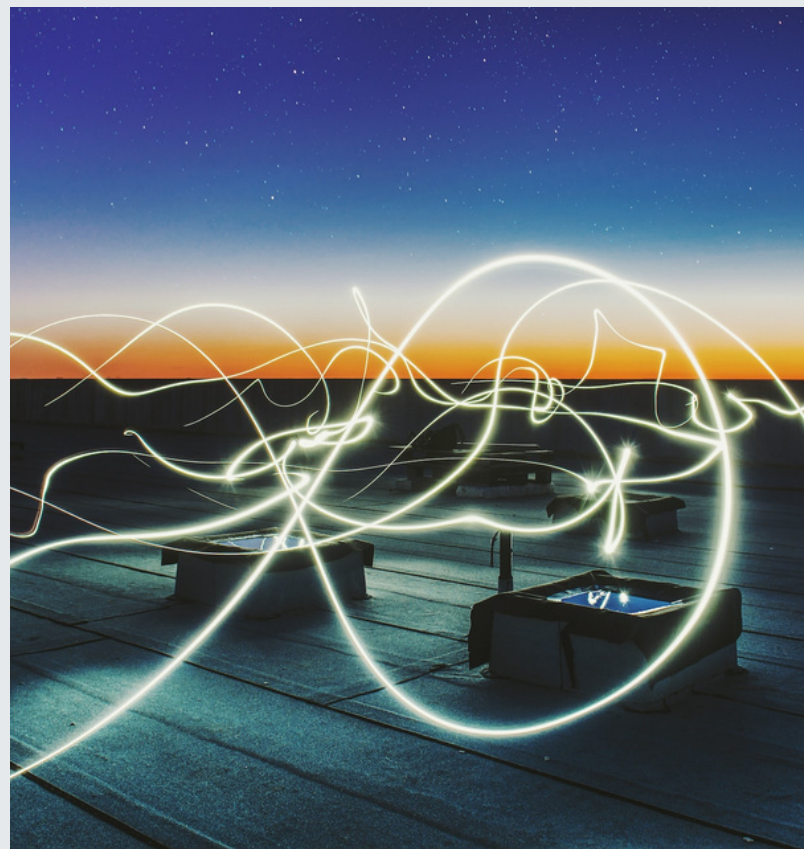
Board Advisors and NEDs have the opportunity to contribute at a strategic level and actively participate in critical decision-making processes, ensuring their insights and recommendations are heard and implemented.

Start-ups and growth companies are fertile ground for continuous learning and personal growth.

Board Advisors are exposed to a wide range of challenges, including market disruption, technology adoption, and scaling operations.

This environment allows them to stay at the forefront of industry trends, learn about emerging markets, and develop new skills.

Additionally, the close-knit nature of start-ups and growth companies often means that Board Advisors have direct access to all facets of the business, enabling a comprehensive understanding of the company's operations and providing invaluable experience.





Unlike listed entities, Board Advisors and NEDs in start-ups and growth companies are often offered equity ownership or stock options. This equity participation aligns their interests with those of the company's founders and stakeholders, fostering a sense of shared success. If the start-up or growth company experiences significant growth and ultimately becomes successful, Board Advisors can benefit financially from the appreciation of their equity holdings, providing a potentially substantial financial upside.

Listed entities often have more extensive hierarchies and complex decision-making processes due to their size and regulatory requirements. In contrast, start-ups and growth companies are known for their nimbleness and ability to make decisions swiftly. Board Advisors and NEDs in these companies enjoy greater flexibility in decision-making, allowing for quicker implementation of strategies. The absence of red tape enables them to respond rapidly to market dynamics and capitalise on emerging opportunities.



“While the role of a Non-Executive Director or Board Advisor in a listed entity is prestigious and offers its own set of advantages, being in an Advisory role in a start-up or growth company can be an appealing option for individuals seeking a more dynamic, hands-on, and impactful role. The opportunity to work closely with visionary founders, actively influence strategic decisions, learn in a fast-paced environment, benefit from equity ownership, and experience flexible decision-making processes are factors that make being a Board Advisor in start-ups and growth companies an attractive choice for those who thrive on innovation and entrepreneurship.”

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