

URL: <https://stvp.stanford.edu/clips/advisory-boards-and-operating-plans>

Serial entrepreneur and Calera Founder Brent Constantz creates amazing advisory boards and regularly updates company operating plans. By doing both of these things, even the craziest of ideas can gain the credibility needed to gain momentum and thrive in the business world.



Transcript

I learned another important lesson.. And I'm learning it over and over again in anything I do.. When you come up with crazy ideas, you have to gain credibility no matter how good the crazy idea is.. And so, what I have always done is assemble fantastic advisory boards.. In Norian, I had an advisory board with the president of the American Academy of Surgery, the president of Orthopedic Research Society, the most famous endocrinologist on the planet, people like that who could back up everything we're doing, work with us.. Some of them would come in-house and work with us for a long period of time.. The other thing, and this would probably be the most valuable thing I learned in all these experiences, is I learned how to craft an operating plan for a company.. And this is a plan that's put together by the company with not just a classic mission but objectives, goals that have lives of three or four years.. And under each goal, there'll be milestones with date and an action that we would accomplish every quarter.. And every quarter I take most of the company off-site and we'd make a new quarterly operating plan..

And then, we'd stop planning and go do it.. It has been, in all my companies, incredibly effective in terms of accomplishing things and moving things fast and having everyone bought into it and assign accountability to everybody.. An operating plan ended up being a very important thing.. Norian teed up their S1 in 1996.. When a company gears up to go public, especially in the days that we have now with Sarbanes-Oxley, you can't be a startup anymore.. You're going to be living in a completely different world.. Everything about a company changes when you try and take it to public.. Norian ended up getting acquired.. Something that happens when you tee up a public offering is you're ripe for acquisition.. When you have a lot of cash in the bank and you've got a great company, that happens...