

# Publications

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## Shelf Space: The CPG Advisor Conundrum: Great Fit, Wrong Expectations

It sounds simple enough: a CPG (consumer packaged goods) startup wants to grow its retail footprint, and engaging an industry advisor seems like the answer. And the founder thinks they've identified *just* the right advisor for the job. The advisor says they love the startup. They believe in the product. They're convinced that they can help the founder's baby scale into a full-grown exit.

A match made in heaven — until they talk numbers.

The advisor is guided by a desire to own a meaningful piece. For argument's sake, they want 5%. They promise the world. They've been told: "don't undervalue what you do."

The CPG founder is guided by sound principles. They're thinking of giving a quarter-point — maybe a half. They point to data, saying only 10% of pre-seed advisors received 1% or more in equity in the last year.<sup>1</sup> They've been told: "in no world should any advisor get 5%."

Who's right, here? How much equity should a CPG advisor get?

### Asking the Right Question is Key

What will the CPG advisor do? It's the first question we ask when founders bring us this dilemma.

Almost every time, founders respond with an impressive list of the advisor's credentials, retail connections and industry credibility. But that's not the question. So we ask again: what will this advisor *actually* do?

Before a CPG founder walks away from a promising advisor over a pre-programmed definition of "too much equity," or an advisor ditches an opportunity for some equity because they're ready to "do everything and anything," it's worth slowing down — and talking deliverables.

### Related People

- David Cykiert
- Zack Strange

### Related Capabilities

- Venture Capital & Emerging Growth Companies
- Consumer Products & Luxury Goods

## Define the Work Before Dividing CPG Advisor Equity

Too often, these conversations get stuck on percentages before they ever touch expectations. But equity isn't just about the number; it's about the work. When structuring advisor agreements for CPG brands, founders and advisors need to align on what's actually getting done, when and how it will be measured.

That means defining deliverables and their chronology, and answering questions like:

- How do we measure success?
- Is success the only path to vesting?
- How does one success unlock the possibility for another?

If founders and advisors can talk through these questions honestly, then the founder can reduce the risk of overpaying for an uncertain result, and the advisor can reduce the risk of not feeling appreciated. We can increase available CPG advisor equity by tying it to meaningful and measurable value-adds.

In other words, the equity doesn't just feel more fair — it *is* more fair.

If you're wrestling with approaching the founder–advisor equity balance at a CPG startup or just want to talk through what's fair, **Shelf Space is open**. Use the short form to reach out, and we'll follow up to schedule time. No pressure, no pitch — just a conversation.

<sup>1</sup> <https://carta.com/learn/startups/equity-management/advisory-shares/>