



[www.kickstartall.com](http://www.kickstartall.com)

## **Are you getting strategic insight from your best customers? Customer Advisory Boards help you validate and refine your product direction**

*by Mike Gospe*

Many companies are now beginning to discover that a Customer Advisory Board (CAB) can greatly help them develop, validate, and enhance crisp business strategies. In addition, CABs are being used to test and evaluate everything from product directions and value propositions to marketing plans. With a solid understanding of the drivers and priorities of your most strategic customers, you will be much better positioned to deliver sustainable competitive advantage while maintaining customer loyalty.

If you are a company with more than \$50M in annual revenue, you should have a customer advisory board. Your competitors do. This article gives you the basics of what you need to know in order to get the most out of your CAB.

### **What Is a Customer Advisory Board?**

The CAB is not a product focus group made up of users who debate specific features or use cases. Instead, a CAB is a business-level focus group made up of senior executives whose decisions guide the direction of their company.

The CAB is a sounding board for your CEO and executive team to confirm business drivers, test new value propositions, and preview business plans with leaders from your most strategic customers. This representative group of customers (ideally 8 – 12) meets two to three times during the year to offer advice on your products and company direction. These meetings, facilitated by a seasoned professional facilitator, are a great way to validate that your company vision and product direction is in sync with your customers' technology and business plans.

### **Getting the Best Results from Your CAB**

The CAB is an important part of any marketing plan and should be considered a must-have event for any business. Properly run CABs are different from every other type of customer event. Here are a few tips on how to make yours successful.

#### **1) Invite only your most strategic customers to participate.**

An advisory board is made up of your best customers – representatives of the 20% who provide you with 80% of your revenue. By having a board comprised of the "20%" you not only find out how to get more customers like them but also how to keep them coming back. The main reason many boards fail is because they are made up of all types of customers, not just the 20% who make up the core of the business. In this improper case, the feedback is random and difficult to rationalize. Also, avoid

inviting competing customers within the same market segment, as competitors will be leery of discussing their challenges in front of one another.

## **2) Don't treat the CAB as a sales event.**

Often times, sales management will want to treat the CAB as an extended sales event. Do not let this happen. There are other formats and events for sales reps to be directly involved with their customers, demo products, and negotiate deals. The CAB is a business-level focus group designed to discuss, debate, and provide honest and direct insight and feedback on industry trends, business drivers, customer issues, and market opportunities that face your company. Treating the CAB as a thinly veiled sales event to a captive audience will be viewed as an unwelcome use of their time. They will likely not return to the next CAB meeting.

## **3) Set the right agenda.**

Begin with the end in mind: what vital information do you want to receive during the CAB? Be focused. Many times, companies try to force too much information into the CAB meeting, turning it into a five or six hour lecture from product managers with little time for discussions with customers. Instead, the best CAB sessions are made up of 80% facilitated discussion between the customers, with the executive team politely listening. Agendas may include topics such as:

- Confirmation and prioritization of business drivers affecting the customers' business
- Market trends and expectations
- Analysis and discussion regarding your company's go-to-market plans

## **4) Invest in a facilitator.**

Customers often complain that CAB sessions hosted by a company executive are highly biased because they overtly drive the customers to a seemingly apparent conclusion. Using a professional facilitator can help create an unbiased atmosphere and a safe environment for customers to voice their views and experiences.

The best professional facilitators are familiar with your industry and have experience as a business executive. Thus, they are able to quickly connect with your executives and customers. In addition, you should expect a professional facilitator to help you develop your entire CAB program in addition to facilitating the actual event. Look to him or her to help you set the most effective agenda, prepare appropriate pre-CAB and post-CAB communications for the customers, and analyze the effectiveness of the meeting.

## **5) Be prepared to act on the information you collect.**

Although the CAB is an input and feedback session, not a decision-making body, customers will be eager to know what actions you will take based on the discussion. It is therefore imperative those executives set an agenda that is sincere and that they are willing to entertain counter points of view. The basic research rule applies: Don't research something that you're not willing to change.

## **Planning Your CAB**

It's never too early to start planning. (As a rule of thumb, you will want to have a runway of 8-10 weeks prior to the event to plan the details.) Once you've decided on using CABs as part of your overall marketing strategy, use your CEO and executive team to make the initial invitation to your best customers. Aim high, with

expectations of getting senior decision makers to participate.

CABs are an important element of your overall business and marketing plan, providing invaluable insight into your customers and what makes them tick. And, actually asking them for this information builds loyalty and commitment from the board members. You now have a team of dedicated customers dealing with you regularly, keeping an eye on your business, and helping you keep an eye on your competitors.

**KickStart Alliance: Your CAB facilitator**

KickStart Alliance provides the expertise and management services required to support your management team and maximize the outcomes of your CAB events in the US and Europe. As the facilitator for your CAB events, we partner with you to ensure that your executives and customers gain significant value from their participation and that they leave these meetings exciting and invigorated. To learn more about how our services can help strengthen your customer relationships, please contact [Mike Gospe](#) at (650)464-7662. You can also visit us on the Web at [www.kickstartall.com](http://www.kickstartall.com).