

By Mike Gospe

***How well do you know the business issues driving your customer's decision process? Without this bit of strategic insight, your company's vision may fail to take root or a well-intended product may turn out to be irrelevant or difficult to sell.***

You can greatly improve your chances of succeeding in today's marketplace if you focus your efforts on addressing the business issues that face your key customers. Consequently, it is more important than ever that you know "the voice of your customer" and that you use this knowledge to create competitive solutions that deliver real business value. A well-run Customer Advisory Board (CAB) can be a highly effective tool to gain feedback on strategic priorities and company direction while solidifying relationships with top customers. *(This same approach works equally well when addressing partners and suppliers, not just customers.)*

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

A CAB is a business-level focus group – a sounding board for your CEO and executive team to test ideas 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 facilitated meetings 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.

#### **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.

#### **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.

#### **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.

#### **Invest in a facilitator.**

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

#### **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 that you set an agenda that is sincere and that the attending executives are willing to entertain counter points of view. The basic research rule applies: Don't research something that you're not willing to change.

## Customer Advisory Boards: *Listening to the “voice” of your customers*

### Planning your CAB

It's never too early to start planning. Once you've set the strategy for 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 valuable 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. ✦

### About the author



Mike Gospe is one of the founding members of the KickStart Alliance. [KickStart Alliance \(www.kickstartall.com\)](http://www.kickstartall.com) is a team of senior marketing and sales leaders who assist companies of all sizes to develop and execute a variety of marketing and sales programs. Mike's leadership has been put to use at companies like HP, Sun, NetIQ and Aspect Communications, Venture Capitalists such as Norwest Venture Partners, and a host of startups. Mike has authored several articles on marketing techniques, and is a frequent speaker with several VC and marketing forums on the topics of positioning and sales development. He holds a BSEE and an MBA from Santa Clara University.

© Copyright 2005 KickStart Alliance. All rights reserved

---

## Strategic Partnering - KickStart Alliance and CommPros Group

### **KickStart Alliance: CAB facilitator**

KickStart Alliance provides the expertise and management for running highly professional advisory boards that augment and enhance your strategic plan. As the facilitator for your event, we ensure that your attending executives and customers gain significant value from their participation.

Benefits of an effective advisory board include

- **Increasing revenue opportunities** by validating your current business strategy and product roadmaps;
- **Gaining insight** and feedback on solutions that will provide value to your customers; and
- **Strengthening relationships** with your most strategic customers and improving the likelihood of retaining them.

We will maximize the impact of your advisory board. Our methodology and facilitation style has been put to use by companies such as HP, Sun, Ariba, Aspect Communications, and many others. Let us show you how it can help strengthen your customer relationships and become a strategic tool for helping you to make the most informed business decisions.

Please contact Mike Gospe at (650) 464-7662 or [mikeg@kickstartall.com](mailto:mikeg@kickstartall.com) for more details.

### **CommPros Group: Marketing Operations partner**

Today's marketing departments need to operate like fully accountable businesses. Our marketing operations services, **Infrastructure Accelerator** and **Performance Leadership**, are designed to increase marketing effectiveness. We also deliver outsourced programs to lean marketing departments, enabling high-value initiatives to be launched and maintained. Our programs include:

- **Customer Reference Power** - Pipeline-building services to identify customer advocates to support sales and marketing opportunities.
- **Mindshare Builder** - Public, analyst and investor relations services to help secure a strong, enduring corporate reputation.
- **Demand Driver** - Lead-generation and lead-maturation services to secure qualified leads and accelerate sales.
- **Content Creator** - Writing and production services to deliver effective marketing materials.
- **Supplier Selection Relief** - Front-end services to take the hassle out of locating new marketing suppliers.

Please contact Gary Katz at 408-243-7881 or [gary@commprosgroup.com](mailto:gary@commprosgroup.com) for more details.

