

Customer Advisory Boards

Industry Trends and Best Practices

Introduction

Source: "Customer Advisory Board," Ignite Advisory Group.

Customer Advisory Boards (CABs) play an important role in effective corporate management. Assembling every six months to one year, CABs:

- Increase understanding of how the company's products and services benefit customers
- Increase understanding of how to best close product or service gaps and voids
- Validate strategy and gain feedback for new ideas and product development
- Gain internal alignment on customer perspective and go-to-market plans
- Deepen relationships with top accounts
- Increase market intelligence on competitor strategies
- Strengthen customer advocates

Best Practices:

Source: "Growing Trend Among Small Business Owners: Customer Advisory Board," INC.com.

- Give the customers on your board the majority of talk time during each meeting and keep your own presentation down to only about 20 percent of the allotted time. This tactic increases the customer engagement and provides you with more information than if you had dominated the meeting.
- Prepare for each CAB meeting, including planning the agenda, content, and materials as well as further time to recruit more members to the board.
- Create a CAB scoreboard so you can quantitatively track the results of these CAB meetings. Measurements might include customer referrals, new leads, and average customer spend.
- Consider a professional facilitator for these meetings so you can focus on the conversation you are having with the customer members but ensure that the meeting stays on target with the agenda that was created.
- Create an actionable plan from the meeting results, including deliverables, a timeline for implementation, responsible parties and ways to track those deliverables.
- Engage with CAB members throughout the year rather than just waiting for formal meetings. While you may meet once a year, you can consider quarterly calls or video conferences. You may also let your CAB members know that they have an open line of communication at all times to share their thoughts.

CAB Meeting Agenda Creation:

Source: "Customer Advisory Board Agenda Creation," Ignite Advisory Group.

- What do you want customers to learn about your company?
- What will your customers want to learn from each other?
- What does your company want to learn from your customers?
- Find a meaningful theme to integrate content

Trends:

Source: "The Evolution of Customer Advisory Boards," PCMA.

- More of a focus on the DMO becoming a "conduit to the local intellectual capital in their destination"
- More significant role than ever in shaping a destination, from its branding to how it handles a specific crisis
- Larger role in helping to get the ball rolling on challenging projects

CABs versus Focus Groups:

Source: The Geehan Group

	Customer Advisory Board	Focus Group
Customer/ Participant	<ul style="list-style-type: none"> • C-level, senior executive, decision makers; 10-25 members 	<ul style="list-style-type: none"> • Marketing product managers/users; 8-12 attendees
Input/ Perspective	<ul style="list-style-type: none"> • Advice on strategic direction, industry trends; discussions on business challenges/ priorities 	<ul style="list-style-type: none"> • Tactical/incremental feedback on a very defined subject
Type of Meetings	<ul style="list-style-type: none"> • Ongoing program/customer engagement • 1 -2 day face-to-face meeting • 2 meetings per year; between meeting con calls 	<ul style="list-style-type: none"> • One-time meeting • 2 hours-½ day face-to-face, phone or web
Dialogue	<ul style="list-style-type: none"> • 2-way collaborative 	<ul style="list-style-type: none"> • 1-way responsive
Impact	<ul style="list-style-type: none"> • Mid- to long-term 	<ul style="list-style-type: none"> • Short-term

Recap:

Customer Advisory Boards allow for two-way communication between senior level executives to better understand how companies' services benefit the customers. The most effective CAB meetings meet multiple times each year and stay in contact during off-meeting times. During these meetings, the facilitator must keep the board focused and on task to see the best results.