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Anatomy of a Successful Customer Advisory Board Program

By Mike Gospe

Last month, NFI hosted its inaugural Customer Advisory Board meeting at the Four Seasons in Dallas. Twelve customers, each representing a top tier brand, traveled across the country to attend a robust 1 ½ day interactive discussion on the future of their supply chain. When the meeting adjourned, relationships had been strengthened and insights had been gathered that would shape NFI's future roadmap. The atmosphere was electric, with conversations buzzing about a renewed sense of partnership and collaboration, with hope and expectations for driving their businesses, and perhaps the larger industry, forward.

Sponsoring the CAB

The spark that ignited NFI's Customer Advisory Board program was triggered several months ago during an executive offsite where company leaders brainstormed business initiatives for the new year. As a fully integrated supply chain solutions provider, NFI has a rich history of customer service spanning more than 75 years. Even so, with the economy awakening from recession, the last thing they were willing to do was to rest on their laurels. Janet Flores, senior VP of Sales, introduced the CAB program as an innovative way to grow relationships with key customers while gathering important feedback on product direction. She shared her past experiences with CABs with the executive staff, and Nancy Stefanowicz, senior VP of Human Resources, picked up the mantle to run the initiative. Together, Janet and Nancy held the vision of their CAB and what it could mean for nurturing the business relationships with their most strategic customers.

Yet as the executive offsite concluded, some members of the executive staff were still uncertain. Questions remained: Would customers be willing to attend? Would we learn anything? Is this really a good use of time and money? Rather than continue to debate the merits of the CAB internally, some out-of-the-box thinking was required. Janet and Nancy asked each of the questioning executives to reach out to a few customers and ask them directly. The response from customers was unanimous: a resounding "yes!" In fact, these customers expressed eagerness to participate with their peers to tackle strategic issues shaping their evolving supply chains. If NFI was willing the host the CAB, these customers were willing to come. And with that, NFI's CAB initiative took root.

Building the CAB program

Designing a CAB strategy: A CAB program is unlike any other type of customer interaction. Its primary goal is to engage strategic, forward-thinking customer executives in a discussion on market trends and business drivers, while being ever mindful of the implications that will shape and influence the host company's business strategy, product plans, and go-to-market activities. The CAB is a source of directional guidance as well as a sounding board. As such, it should not be confused with a board of directors (as a governing body), nor as a product focus group (as a feature-oriented user group), nor a sales pitch. This is key because the specific agenda topics, facilitation style, and execution timeline will be anchored to support the program strategy.

Preparations for the inaugural CAB event began 10 weeks prior to the meeting. Several "working sessions" were held to decide upon the appropriate topics to cover and to rank those questions that NFI was most interested in posing to its customers. Over the next several weeks, a CAB program was designed that included the following details:

- CAB program objectives
- Ground rules for NFI executive interaction
- Criteria/profile for selecting the appropriate CAB attendees from a list of designated tier 1 customers
- A ranked list of topics for agenda consideration
- Key questions per topic
- Draft agenda for the inaugural meeting
- A CAB attendee communications plan (including a pre-CAB survey)
- Venue and date options

Tuning the content: With a draft agenda in hand, the next step was to run it by the CAB attendees and solicit their feedback. This served multiple purposes: to engage CAB members prior to the meeting so they feel they are part of the agenda-setting process; and to get some initial feedback on where each customer stood regarding key topics and questions that would be raised. This step helped to avoid surprises while ensuring the agenda was top quality and highly relevant to everyone.

The final step was then to conclude the content. Above all else, content is king. Customers will forgive an uncomfortable hotel or a bad meal, but they will not forgive a poor agenda. NFI embraced the following guidelines in setting their agenda:

- Follow the 80/20 rule, where customers speak 80% of the time; host company presents only 20% of the time
- Topics are selected based on their relevance to the customer
- No "sales pitches" allowed

The final agenda followed the outline illustrated in this blog post.

Interacting with customers

Customer interaction began the day NFI executives reached out to customers to ask their opinion about joining their CAB. A combination of telephone calls and email follow-up was used with high success. But the interaction did not stop there.
Of poorly run CABs, the most common complaint from customers is their feeling that they haven't been heard. NFI worked diligently to engage with customers often before, during, and after the CAB to avoid any chance of customer disappointment.

- A pre-CAB survey invited customers to respond to questions about the agenda, as well as provide topics and questions they wanted to pose.
- Two events (golf, tour of the new Dallas Cowboys stadium) were offered prior to the CAB meeting, as opportunities to welcome customers and make or renew acquaintances.
- A reception and dinner formally welcomed everyone, with an ice breaker designed to invite attendees to share a bit about themselves.
- An agenda developed to engage every customer in a balanced conversation that promoted learning between the customers as well as the NFI executive staff.
- An evaluation form was distributed to all attendees prior to adjourning the meeting, thereby ensuring the timeliness of 100% participation.
- "Thank you" emails that were distributed immediately after the event.
- And finally, a full executive summary offered to customers a few weeks after the event that would be used as a tool to keep the dialog moving in the months between now and their next CAB meeting.

3 reasons why this CAB was successful

Within 48 hours of adjourning the meeting, Janet and Nancy received many notes of thanks from customers. Upon reflection, the key to NFI's success can be linked to these 3 primary reasons:

1) **Executive sponsorship and enthusiasm for a world-class CAB.** This was the first CAB held by NFI. It was natural for the executive team to be skeptical at first. But once they heard from customers that they wanted it, they became believers in the promise of what a CAB represents. Success or failure of any CAB is largely a self-fulfilling prophecy. When executives get behind the idea, get excited about engaging with customers, get behind the investment in both time and money this requires, success is guaranteed.

2) **A set of topics that engaged the customers.** When CAB agendas are nothing more than a series of talking heads, customers get bored. The perfect

CAB meeting engages customers long before the meeting begins. NFI's CAB was no exception. Beginning with the executive outreach and pre-CAB survey, the focus was always on the customer and how they see their world and the future of their supply chains. For each agenda topic, the style of discussion required only a few slides to set up the conversation. Then the facilitator guided the customers in an interactive dialog that provided rich insights and perspectives.

3) **A flexible agenda.** You never know when an "aha!" moment will arise requiring a shift in the agenda. In response to NFI's discussion on "potential future services," some unexpected insights arose. While NFI drafted the agenda, they also considered various paths the discussion might take. In this case, a potential new service obvious to the NFI team turned out to be important to only a few of the customers. Recognizing the niche segmentation, a revised line of questioning, imperceptible to the customers eased into play. This happened so smoothly because NFI had considered all discussion paths and was prepared.

In the final CAB evaluation forms, customers ranked this CAB meeting as "better than most". The balance between networking opportunities with peers and deep discussion was ideal. The goals of the inaugural CAB meeting had been met. As folks adjourned, customers and NFI executives linked up to schedule follow-up meetings. Most importantly, every one left energized and ready to continue the dialog.

About the Author

Mike Gospe leads KickStart Alliance's marketing operations and Customer Advisory Board (CAB) practices. His roll-up-his-sleeves approach to CABs has been used by hi-tech, medical, pharmaceutical, and logistics companies for the past decade. For more information on CABs and other marketing best practices, please visit Mike's book and blog: Marketing Campaign Development. Mike's methodology and best practices are also being used by San Francisco State University's College of Extended Learning course where he teaches the course "Essentials of Integrated Marketing."

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