

# Satrix Solutions EBook



## The Essential Elements of a Successful Customer Advisory Board



# How to design and execute a Customer Advisory Board program that fosters long term partnerships with customers.

## Introduction: Key Considerations for Planning a Customer Advisory Board

Customer Advisory Boards (CAB) provide an ideal opportunity to tap directly into the opinions, perceptions, and sentiment of your important customers. They are also a terrific forum to test new ideas and gain rich competitive intelligence - insights that will help guide the strategic direction of your organization. While the benefits of a well-run CAB are significant, standing up a program can be daunting. They require senior executive involvement, extensive planning, and the requisite experience to avoid common pitfalls. There are several important considerations, including:

- Who should be invited?
- How do you maximize attendance?
- How much will it cost?
- When should planning begin?
- Should meetings be online or in person? If the latter, what locations are best?
- What will the agenda include?
- Who should assist with the design, planning, and execution?

When properly implemented, a Customer Advisory Board program can be the source of significant benefits, not to mention the experience of your company's business leaders listening intently as some of your most important customers share their views on what they like about your products, services, people, and what they hope to see improved. That direct link to the voice of the customer is invaluable. This EBook will cover the key elements for building and maintaining a thriving Customer Advisory Board. If you have any questions or would like to learn about our extensive experience in the design and implementation of Customer Advisory Boards, [contact us today](#).

## Client Success Story

Establishing a Customer Advisory Board is a long-term commitment, and one that comes with risks as well as substantial rewards.

What are these rewards? Let us share some details from a client we have been working with for several years. This \$2B market capitalization company initially invited approximately 20 customers to participate in its inaugural CAB meeting. Over a several year period, those customers:

- Had a retention rate of 95%, significantly higher than the overall company rate
- Purchased additional products and services at a rate of almost 2x the broader customer base
- Served as references for dozens of new business pitches
- Agreed - nearly across the board - to provide testimonials, speak at customer events, and participate in company sponsored marketing campaigns
- Served as beta customers for several new products, providing valuable enhancement suggestions before widespread release
- Were the source of at least a half dozen significant process improvement recommendations the company implemented, which ultimately improved the customer experience for thousands of customers

## The Customer Advisory Board Charter

The first step is developing your Customer Advisory Board Charter. The Charter should detail the goals of your CAB program:

- What does success look like?
- What are the benefits to your company?
- What's in it for your CAB members?
- What are the terms of CAB member participation?

This will allow for full transparency on what you expect from customer contacts who agree to participate and the consequences if they fail to live up to their commitment (often a removal from the CAB).

### Inviting Customers to Join Your Customer Advisory Board

The Charter will be one of the documents you send to the customers you are hoping to recruit. But who exactly should be invited to join your Customer Advisory Board meeting? This is one of the most important considerations and can have a profound impact on the success or failure of your program.

Invite the right people, and the discussions will be robust, constructive, and strategic. Include a few of the wrong people on your CAB, and the conversations could become contentious, get derailed, devolve into tactical conversations, or be dominated by just a handful of loquacious individuals – all of which can be a recipe for disaster.

### Recommendations for Who to Invite to Your Customer Advisory Board

#### 1. Invite people from customers who represent a good sample of your broader customer base.

Generally speaking, this means different size companies that span different verticals. An exception should be made, however, if your customers in different industries (for example) have vastly different needs or requirements in doing business with you.

We will address agenda setting later, but the discussion topics should be relevant to all (or nearly all) the people in the room.

#### 2. Invite individuals who are in similar positions, with similar titles.

For example, if the ultimate decision makers for your offering are Chief Marketing Officers, your CAB members should largely be senior Marketing professionals. If there are Chief Operating Officers in the room, or Marketing Managers, you risk having discussions jutting off in different directions by people who have very different perspectives.

#### 3. Invite people who are vocal, thoughtful, strategic, and have shown themselves to be constructive when offering suggestions for improvement.

Those who tend to be more introverted, confrontational, or domineering can alter the tone and dynamics of your meeting.

#### 4. Invite customers who have experienced varying degrees of success with your company.

That diversity will help you in the long run, although we would suggest staying away from customer accounts that have signaled they may soon terminate their relationship.

#### 5. Invite people who have enough experience with your company to provide meaningful input.

If they are too far removed, they will only be able to offer generalities. If they are too new, they won't be able to speak knowledgeably about the impact your offering has (or hasn't had) on their business. They don't have to be your "day-to-day" contacts, but make sure they are close enough to offer helpful feedback.



#### Tips for Organizing Your Invitation List

Now that you have these important considerations in mind, it's time to dig into the customer list.

Export the contact list from your CRM (or wherever it is stored) and start filtering. Remove new customers, customers at risk, very small customers, very "high maintenance" contacts, etc.

Target customers that represent your ideal relationship, those that have a more "active" engagement with your company,

customers that are spending a lot, or have the potential to do so, and customers with contacts who align with the desired traits mentioned above.

As you get close to finalizing your list, it's time to add one more important filter. Consider whether it may be problematic to have representatives from competing companies in the room. For example, if you invite the CMO from both Coke and Pepsi, they may not feel comfortable sharing feedback that may disclose something perceived to be competitively sensitive.

### Final Invitation Factors

For your final step, you'll need to get other people inside your company involved. That's because final decisions should never be made in a vacuum. Every person who touches these accounts should be given an opportunity to "vote" on whether the customer and specific individual in mind is a good fit.

Invite opinions from Sales, Customer Success, Professional Services, Account Management, etc. Optimally, you will have universal agreement on the 20 to 25 individuals selected to join your CAB.

## Why Customers Join CABs

Let's review several reasons your customers may want to join your CAB. These include:

1. The chance to influence your company's future strategy, roadmap, product/service offering, positioning, etc.
2. Having a direct link to the leadership team of a company that provides a product or service they rely on.
3. The ability to provide input that will strengthen your offering and enhance the value they receive from working with you.

Remember, the voices represented on your CAB are some of your most important relationships. If they are important to you, that likely means they see value in your offering.

## The Customer Advisory Board Invitation Letter

Aside from the expectation that their feedback will ultimately help you deliver a better experience, your Customer Advisory Board members will also have the chance to network with peers. In the following paragraphs, we review the unique opportunities afforded to them so you can better tailor your invitation letter.

Spending a day or two with professionals in a similar role, facing similar challenges, can be an appealing notion. If you are planning to meet CAB members in person, your Advisory Board will almost certainly include a social event or two, and members of the CAB's we've implemented have consistently identified the networking opportunity as one reason for their enthusiasm following an event. Make CAB members aware of this benefit.

You should also promote high-level discussion topics in your invitation. Be sure to include an agenda item or two that engages the group in discussions about their goals, the roadblocks they face, industry trends, etc. These conversations may not provide your company with specific suggestions to refine your offering, but gaining a deeper understanding of what your buyers are thinking is always a good thing; and they will appreciate hearing from their peers as well.

CAB members will also enjoy developing deeper relationships with members of your leadership team - tell them about this exposure. They may already interact with your senior sales and service personnel, but giving them an opportunity to converse with your entire C-suite (most of whom should be in attendance) will build their confidence in your organization. They will also feel more comfortable raising concerns or issues with your senior team and hopefully make you aware of potential problems before it's too late.

### Selling Other Customer Advisory Board Perks in Your Invitation Letter (For In-Person Events Only)

While these are the primary benefits to your Customer Advisory Board members, let's not overlook some other reasons they may welcome the opportunity.

If you are planning in-person meetings, where you hold your event will be a draw for many. Our clients often rotate the

location of their meetings, selecting higher end hotels in areas that offer nice amenities.

Dinners at a popular restaurant, tours of a local landmark, golf, massages, a boat ride along the city coastline – these are all great social events our clients have offered in conjunction with their CAB's. Sure, this increases the cost, but this is also where new relationships are established, deals are made, and serious goodwill is generated. This perk doesn't exist for virtual meetings but there are still creative things that can be done to show your appreciation for your members' time.

Finally, unless your customer contact is a member of several CAB's already, it is likely they will be quite flattered by the offer to join yours. Whether they agree, or politely pass up your invitation, they will undoubtedly appreciate the fact that you've handpicked them to participate. These are exciting elements of the CAB that your prospective members should be made aware of in the invitation letter.

### **Additional Points for the Customer Advisory Board Invitation**

Armed with the messaging above, we recommend getting a small group together internally to draft your talking points for the phone or in-person invitation and to craft your formal Customer Advisory Board invitation letter. Representatives from Marketing, Corporate Communications, Sales and Service are usually involved.

Be sure the Customer Advisory Board invitation letter:

#### **1. Speaks to the “what's in it for them” notions addressed above.**

The CAB's that realize the greatest ROI are run by leaders effective at leveraging the group as a tremendous resource, without over-burdening the members.

#### **2. Outlines the time commitment you will expect of your CAB members.**

When inviting prospective members, be clear about the time commitment involved. If your meetings will be in-person, it is common to hold two CAB events a year – which typically run over a two-day period (including social activities). Virtual

meetings are often shorter – ranging from a couple of hours to half-day events. Because they are shorter, the frequency can be increased to quarterly if warranted.

You may also want to tap into the group between meetings to test ideas or get more immediate feedback on important initiatives. Of course, you don't want to fatigue these customers – they have important responsibilities of their own – but we recommend you tell them to expect their commitment might be a few full days per year.

If prospective members are reticent to dedicate that time, you should thank them for their candor and indicate they are not a good fit. Having just a few customers that miss meetings or

### What are the risks of forming a CAB?

The concept of sharing feedback that may influence your products and services is likely to compel some of your customers to join your Customer Advisory Board, but it also comes with significant risk.

Imagine a decision maker at one of your most important customers setting aside their work-related responsibilities to spend a day or two with your leadership team.

Let's assume the meeting agenda is robust, the discussions yield feedback that is constructive, and your team walks away with several action items that, when enacted, would undoubtedly enhance customer value.

Then, nothing happens.

If the suggestions offered by CAB members aren't acted upon and those in attendance experience no improvements, they will be less likely to take time out of their busy schedules to attend.

It's easy to see that such a scenario might result in you harming the very relationships you were expecting to strengthen with the CAB program. Therefore, if you are not committed to seriously considering the input provided, we strongly recommend you hold off on launching your Customer Advisory Board until there is widespread agreement on how your company will act on what you learn.

cannot otherwise actively participate for the full tenure of their membership (often two years) can stall your CAB program or lead to its demise.

## Building an Effective Agenda

Candidly, this is where many companies struggle. A Customer Advisory Board that doesn't feel productive to your CAB members can result in declining participation, which will hinder the success of your program over the long run.

Considering the significant investment (in time and money) you've made in planning, logistics, travel and entertainment, and more – there is certainly a lot at stake. This makes it more critical not to overlook the importance of the Customer Advisory Board meeting agenda.

When building your Customer Advisory Board meeting agenda, we recommend generating two versions – one entirely for internal company use, and one your CAB members will see. The internal version is more comprehensive and will include details such as:

- Who will moderate or facilitate each session (assuming you don't bring in an expert facilitator)
- What you would like to learn from each topic discussed
- Questions you will use to tee up the conversations

The internal agenda can also include notes and reminders for your company representatives. This ensures everyone is on the same page well before you get in the room.

The agenda your CAB members will see is much more succinct and includes times, session titles, and possibly a brief description of each topic. This will help your CAB members understand how the day will play out.

You should plan on sending this version of the agenda a week before your meeting, so your CAB members can start thinking about the topics and gather any information they may need to offer meaningful insight.

## Customer Advisory Board Agenda Topics

Customer Advisory Board agenda topics can be identified in a variety of ways – but nearly all should meet the criteria of – “what's in it for them?”

In other words, your topics should focus on how your company can improve the customer experience, how you can offer more value, how you can evolve with the needs of the market, and more.

If large parts of your agenda focus on how your company can win more business, grow faster or message more effectively, you will lose your audience. It's ok to have one topic that focuses on content that's a bit more self-serving, but it should be a small part of your overall agenda.

Finally, include your CAB members in the agenda setting process. Call and ask them what they feel is worthwhile to discuss or what is top-of-mind for them regarding the relationship. Or, send them an online survey asking for suggestions. Also, ask them about their priorities or goals over the next twelve months, as it could uncover topics that relate to your company's value proposition going forward.



### Tips to Keep the Meeting on Track

Once Customer Advisory Board meeting topics are established, it's time to develop the actual agenda. Based on our experience designing and managing Customer Advisory Board programs on behalf of our clients, we recommend your company:

#### 1. Start each CAB meeting with introductions, rules of engagement, and your objectives.

Set expectations with strong and passionate statements that convey the importance of the meeting and its value to your company.

Be disciplined in how you facilitate this session. Give CAB members clear instructions and a specific time limit when introducing themselves. We've all been in meetings where people aren't offered guidance beforehand and introductions can drag on well beyond the time allotted, forcing the facilitator to cut time from later sessions.

Finally, some people on your Board may be traveling from different time zones or tired from activities the night before. We recommend kicking things off in a fresh or interesting way to elevate the energy of the room. Get people to stand, show a quick video, play music, or “gamify” the process to begin the day on a high note.

## 2. Review improvements your company has made based on previous customer feedback.

After introductions, it's time to share your progress. If this is your first CAB meeting, you can speak to positive changes you expect will resonate, based on customer survey data or other feedback endeavors your company engages in. If you've already had a CAB meeting, you should highlight the prominent themes from a prior meeting, and be transparent about the progress you've made addressing frustrations or concerns shared.

Note - this is the only part of the agenda during which your company representatives will do most of the talking. The rest of the meeting should center around eliciting feedback from your customers, while your company representatives practice "active listening."

## 3. Keep your CAB meeting strategic - avoid the minutia.

Your CAB is intended to be strategic, not focused on the tactical elements of what you do or how it's done. For example, if you have a software platform or application that is important to your customers, focus on your longer-term vision or roadmap for the product, not on specific features that may be missing. If CAB members get too far into the weeds, re-direct the conversation.

Remember, this is not a user group or product counsel. Your senior level customer contacts will disengage if the discussion gets too focused on trivial details.

## 4. Include meaningful activities to keep CAB meetings engaging.

Try to include at least one activity in your agenda that involves a brainstorming session. In the past, we have split our client's CAB members into three groups and asked them to create a wish list for the company's offering.

Another idea is to ask members to allocate "money" you've given them to a list of enhancements. Each team can then present their thoughts to the entire group and engage in discussions about the decisions they made. In addition to being an effective way to see how your customers think about your offering, it serves to change things up a bit and can re-energize the meetings.

## When to Bring in a Meeting Facilitator

The person facilitating the meeting should be comfortable with the various methods of keeping things on track, on time, and on point. If the discussions get sidetracked, too in the weeds, or too negative, you will need someone who is skilled at correcting for these issues without alienating your customers.

Poor meeting facilitation can result in sessions running long, not eliciting feedback that is valuable, or - worst of all - frustrating your customers as they look back at the event as a waste of their valuable time.

Another alternative is to have Satrix Solutions design and manage your entire CAB program. We have extensive experience executing very successful CAB programs, including skilled facilitators who will ensure the meetings are well run.



**Bottom line: don't overlook the importance of bringing in an expert facilitator.**

## Logistics for In-Person CAB Meetings

When planning your Customer Advisory Board, it's important to not overlook the location for your meeting. We recommend that companies select a location your Customer Advisory Board members will find both nice and convenient. This doesn't mean it needs to be at a five-star resort close to a major airport, but asking them to fly to a secondary city (often via a connecting flight), then driving an hour to a mediocre hotel will surely not be well received.

Don't forget to think about the meeting room space. It should easily accommodate the size of your group, with seating arranged in a way that promotes conversation. We've found that a large "U-shape" conference table works best for our clients. Try to find a room with good lighting (preferably natural) and all the equipment you will need for the meeting, including a projector, recording devices, and possibly a couple of flip charts for notes or other purposes.

When it comes to scheduling post meeting social activities, be sure they are relatively close to the resort. A 45-minute bus ride back to the hotel after dinner can result in a late night and result in tired CAB members the next day.

We also suggest that you consider recording the entire meeting. This way, nothing is lost, and your colleagues can focus on the conversation instead of taking notes. If you chose to record the meeting, be sure to check with your CAB members in advance to ensure they are comfortable with doing so. It is essential you receive candid, unfiltered input from your customers. Anything that might inhibit that is problematic.

## Taking Action after the Customer Advisory Board Meeting

The final ingredient to a successful Customer Advisory Board program also happens to be one of the most important. Simply, it focuses on the question - “What happens after the CAB meeting has concluded?”

If you’ve followed our recommendations thus far, it is a near certainty that you received immensely valuable feedback and suggestions from some of your most important customers.

As with any voice of the customer program, it is vital that your company takes the appropriate steps to capitalize on what you’ve learned or validated. While this may seem obvious to most, this step is neglected all too often.

The following are suggestions that should help:

### 1. Review the CAB Meeting with Your Colleagues

Get your team together for a “post mortem” within a few days after the meeting. Discuss what everyone heard, what the near-term and long-term priorities should be, and schedule a series of meetings for the team to convene over the following few weeks to dig in.

It’s also valuable to reflect on how the day went and what can be improved upon for the next meeting.

### 2. Ask Customer Advisory Board Members for Feedback

Prepare a brief survey to send to the customers in attendance. The survey, which should go out within a day or two of the event, can request feedback on the discussion topics, accommodations, logistics and their perception of the value of the event.

It’s also a good idea to inquire about what your CAB members feel your company should focus on. Chances are, they heard or expressed several things that would constitute a wish list for your team to consider. Give them one final opportunity to convey what they think your priorities should be.

### 3. Be Sure to Thank Your CAB Members

Send a thank-you note to CAB members within a week of the event. The note shouldn’t just thank them for their time and valuable feedback, but highlight some of the key takeaways from the day’s conversations.

Your customers won’t expect you have everything detailed or an action plan completed so quickly, but sharing some high-level bullets that identify what your team will focus on over the coming months would be well received.

### 4. Create a CAB Championship Team

Assemble one or two internal teams of mid to senior level people who are empowered to address the prominent themes from your CAB meeting. Try to staff the team with folks passionate about service excellence, and who are known to be change agents who can get things done.

It’s also beneficial to include a person or two familiar with process improvement, root cause and change management strategies. Have them develop project plans for each initiative and require them to report back on their progress on a regular basis.

### 5. Don’t Forget to Follow Up with Customer Advisory Board Members

Identify a cadence for updating your CAB members on how your internal activities are progressing. Your updates can be by email, conference calls, web meetings, a formal letter, or even a web page that only CAB members have access to.

Be sure to include those who were in attendance as well as those who are part of the CAB but couldn’t attend due to a conflict. Many companies strive to update CAB members every month or two, so the lines of communication are kept open. Waiting until the next CAB meeting to share what you’ve accomplished is not optimal and may cause your members to question your commitment.

Use the CAB as an opportunity to strengthen relationships and provide clear evidence that your company greatly values customer feedback. Doing so should create extremely loyal customers that will help your business in a variety of ways.



### **Tips to Execute a Virtual Customer Advisory Board Program**

If you are just launching your CAB, or considering how to proceed with your existing program, going 'virtual' is likely a consideration.

As business travel has been curtailed due to COVID-19, your members may not be able to or interested in meeting in person. While there are some disadvantages with virtual CAB's, they should be just as valuable if you plan appropriately. Here are a few things to consider:

It may be wise to limit CAB membership to a smaller group of members. In a virtual setting, we recommend no more than 10 to 12 attendees. The larger the group, the more challenging it will be to keep everyone engaged and involved.

Consider giving attendees some materials in advance so they can formulate their thinking and be better prepared to contribute. Familiarize them with the agenda topics and reading materials a week or more in advance.

You'll also want to rethink how to keep your members engaged for the entire meeting. Even though your meetings will be virtual, continue to think of the CAB meeting as an exclusive forum to gather industry thought leaders' feedback, challenges they see coming, and ideas on how your organization can help them solve problems and deliver more value.

Each session of the meeting should clearly communicate the objectives and what you are trying to learn from members, and the questions you'd like answered. Additionally, limit each session to 45 minutes or so, as people tend to get distracted during longer sessions.

#### **Using Technology to Run Your Virtual CAB**

Effectively leveraging your virtual meeting platform technologies through video, chat, and real-time polling will also keep your members active and engaged.

Use video conference software that has a gallery type feature that allows all participants to be seen. This will help to keep people engaged and reduce the risk of multitasking among members. Utilize virtual software features like chat and "raise your hand" to signal when someone would like to comment.

If your company previously included travel and lodging for CAB members, consider allocating some of that budget on gifting members high-definition webcams and computer microphones. This will ensure a professional level visual and audio experience for all involved. It will also be beneficial if you are recording the event - this allows for better documentation and retains the discussions for others in your company who would likely benefit from hearing what was said.

#### **The Virtual CAB Time Commitment**

As discussed, you will likely want to reduce the length of the event to a 2 to 3-hour meeting. If you do so, you can also consider increasing the frequency of the meetings to have them quarterly (for example) instead of the semi-annual in person CAB meetings most companies have. As long as the content is considered interesting, and your customers trust that their feedback is used to drive positive change, most will happily set aside a few hours every three months or so.

With the shorter time allotment, you'll want to be diligent about staying on schedule. It's OK to 'park' discussions if they are starting to go off track or you're running long for that session.

As with any CAB, try to keep answers and statements by company representatives brief and on point. A good way to ensure this occurs is to establish a moderator/facilitator for each meeting. The moderator ensures rules of conduct are maintained and that people do not talk over each other. In a virtual environment, it is practically impossible to moderate and participate as an equal at the same time. It is best to hire a consultant for this, much like you would for an in-person CAB event.

#### **Making Your Virtual Customer Advisory Board a Success**

Following each meeting, you should review, prioritize, and establish an action plan with your team; and subsequently, share the timeline for when you plan to accomplish each action

item in a detailed analysis or report with your CAB members. If you increase the frequency of meetings, more effort will likely be required to demonstrate and share progress at the start of each subsequent virtual meeting. This is vital as CAB members will disengage if they do not see progress.

While virtual interaction cannot fully replace the quality of face-to-face experiences, these additional elements in place and a slightly revised list of objectives, will help you maintain the momentum of your CAB program.

### **Final Thoughts: Quantifying the ROI from your Customer Advisory Board Program**

Now that we've covered the determinants of a successful CAB program, there is one final recommendation we would like to offer. If you have been deliberate in your planning and execution, your Customer Advisory Board should be a meaningful source of revenue for your company. Therefore, it's important to devise ways to quantify the return on investment (ROI) of your CAB program.

Satrix Solutions research shows that ROI can take several different forms. Specifically, our clients have seen those CAB members:

- Increase spending at a faster rate than non-CAB members, on average
- Churn at a much lower rate
- Serve as references more often
- Refer at higher rates
- Participate in Marketing activities more frequently, such as developing case studies, offering testimonials, or speaking on your behalf at events
- Agree to test new services or products before they are more widely released to the market
- Provide more thoughtful and detailed feedback on your offering, value proposition, strategic vision, etc.
- Share more competitive intelligence they've heard or otherwise been exposed to

While the time you spend with your CAB members will undoubtedly help to strengthen your personal relationships, the program should also help to drive quantifiable business benefits.



**Measuring the impact of your CAB will serve as undeniable evidence that the investments you make are driving real value.**

### Customer Advisory Board Checklist

When executed properly, your Customer Advisory Board provides a unique opportunity to listen to the voice of the customer. To ensure a successful Customer Advisory Board program, don't forget to:

1. Establish a clear objective
2. Plan meeting logistics accordingly
3. Invite the right customer contacts
4. Ask about what matters most
5. Share what has been accomplished
6. Quantify the impact

## ABOUT

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Customized partnerships are executed by our expert practitioners and are underwritten by trustworthy data, robust reporting, and objective recommendations that guide continuous improvement. Our deep analytical capabilities and dedication to service excellence means clients experience greater cultural adoption along with increased satisfaction, retention, expansion, and referrals. These powerful outcomes drive profitable revenue, which lead to higher valuations in the public and private markets.

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