

# How to Create and Execute a Customer Advisory Board

A Guide



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## Introduction

Creators of new products and services don't get close enough to customers. They think they know enough about the problem and about customer processes around the problem to forgo constant customer iteration. Creators want the freedom and independence to create their vision, and to solve the problem as *they* see fit. This leads to products getting created in a vacuum. The result of creating new products and services in a vacuum, based only on the creator's own vision and value for a new product or service, is that most of these new products, services, and companies don't succeed.

We're not wired to create new things intimately with customers. How do I know? Because there are already countless books, volumes of research, and terms like Product Market Fit (although I dislike this term and much prefer Customer Product Fit) meant to warn us against creating anything new without customers as part of the process. And yet, most new product and services get created with little to no customer involvement because customers (i.e., people) are complicated and messy. So complicated and messy in fact, that we will go out of our way to not have them at the creating table.

What if customers disagree? What if customers don't like your solution? What if customers say they won't use it? What if customers say they won't pay for it, or at least to the level needed? And so on.

We would rather create something in a vacuum with little to no customer involvement because they might not agree, might not like it, or might not want it. The very people that need to want it are kept out of the creation process because they might have a perspective, the only perspective that really matters frankly, that is different than that of the creators. Yes, this is insanity, but it happens every minute of every day somewhere.

Creator's ego, and the need to protect it, outweighs the logic and rationale to have customers involved in creating new products and services. Too often creators would rather protect their egos and be unsuccessful than to create with customers involved and be successful. This is how powerful the egos of creators can be. They will operate against what they know is best and will increase the odds of their new product or service being unsuccessful to protect and reinforce their own ego and need to be right. Product creators often want to *be* right at the expense of *doing* right.

So, if we're not wired to want to create closely and iteratively with customers, then how do we overcome? We must put a framework in place that facilitates customer intimacy before, during, and after creating a new product or service – a customer advisory board. A formal process of engaging with customers, or potential customers, throughout a product or service's creation.

This eBook is intended to help you understand the purpose and value of formal customer advisory boards. It will also provide guidance on how to implement and execute them.

Note: Customer represents current and potential customers.

## Chapter 1: What is a customer advisory board?

A customer advisory board (CAB) is a strategic council comprised of key customers and stakeholders. The intention of a CAB is to provide regular feedback, direction, and insight to company management on the customer experience and need.

By formalizing this group, regularly scheduled meetings will force product creators to consistently test and retest new ideas as they progress in the creation process. This allows for quick feedback and eases the ability to change direction if needed.

### *Why you need a customer advisory board*

By convening a CAB, an organization is able to develop a deeper, clearer understanding of the problem facing their customers. Products should not, and frankly cannot, be created in a vacuum. At least successful ones, that is. This will often lead to a product that has flaws or does not adequately succeed in achieving the intended result.

Product creators have a vision for a solution to a problem, and that's great, but even the best vision is pointless if it's not implemented by customers in the end. This means that you will likely not succeed if your vision does not align to the experiences of others. Hence, the need for customer insight enters.

A product is not created simply to be added to a resume or company library as an achievement. It's created to solve a problem and to create value for customers, and in return increase the value of the organization that has created it. This is not easy either. There is an inherent risk in developing a new product – the man-hours and investment dollars that go into the research, architecture, design, development, testing, and deployment phases, etc. This is a lot of time, money, and resources that need to be committed to create a new product. By aligning the needs of the customers to the roadmap of the product, you are shoring up the chances of its success in the end.

It is simply a matter of fact that customers will only use your new product if it makes their experience easier, faster, or cheaper. Otherwise, there would be no incentive to change. So, convene a CAB to ensure your product is practically useful and valuable, and not just another idea.

A customer advisory board can give you an in depth look at many of the following topics:

- What are your customers' pain points?
- What other products do your customers use?
- How does your product compare to your competition?
- How can you capitalize on an emerging trend?
- How can you position yourself for a competitive advantage?
- What are your customers' priorities?
- What would your customers be willing to spend more for?

## Chapter 2: How do customer advisory boards add value?

A customer advisory board will add value to your product and your organization in many different ways. One important thing to remember is that products are not created overnight. Will your customers have the same needs in 6 months? Will their priorities shift before you have a completed product?

A CAB enables you to adapt to the changing tides of your customers. The world is a turbulent place, and your customers are no different. The regular meetings of a customer advisory board give you, as an organization, the ability to be proactive instead of reactive.

The quick feedback from these meetings will allow you to understand if a feature is no longer a priority, or even not needed at all anymore, before you sink a large number of resources into it. Be quick and open to change during the creation of a new product and you'll ensure in the end that it's a current solution to the current problem. This also gives you the ability to stay ahead of any organization in the same space that didn't receive these touchpoints along the way.

A customer advisory board is an important factor in helping inform strategic decisions at turning points for your organization and its new product. Many leaders, consultants, and specialized firms get paid a lot of money to provide strategic insight at these moments due to their importance for the health of an organization. A CAB gives you this information straight from the source. At the end of the day, an organization succeeds or fails based on whether or not they are providing value to customers, so ask your customers directly what it is they value. How's that for strategic insight?

Another benefit of a customer advisory board, that many people might not be aware of before they initiate one, is its potential to produce customer loyalty. Relationships are a key to success in every business. No matter what industry you operate in, on a functional level you succeed through strong and meaningful relationships.

When customers are asked to participate in a CAB, they feel valued. As an organization you're letting them know that you care about your relationship and trust their feedback to determine the direction of your product. This increased loyalty will not only increase the chances that they turn into, or remain, customers of yours, but also that they will refer future customers to you. This sets up your organization in a favorable position because not only will the CAB increase the chances that your product is successful, but it also increases the number of customers that you will have with future products, all of which increases your revenue. Essentially, when done right, a CAB can transition your customer interaction from being only on an as-needed basis, into a long-term, judicious relationship.

One of the final ways that we at AWH have found that customer advisory boards add value is the opportunity that it presents to get feedback, even if it's indirect, on how you're marketing yourself as a company – and if you're doing it well.

The conversations that you'll have throughout the entirety of the CAB process will provide valuable insight into how you should be positioning yourself in your market, as well as how you

can re-position your organization as it relates to your competitors. This is because your CAB is going to give you an outside perspective as to what makes your company and your product unique, which you should highlight because it's what differentiates you from competition in the market.

A well-run CAB will be able to provide insight and value to not only the product that you're creating, but to many other facets of your business as well.

## Chapter 3: Is a customer advisory board right for me?

Throughout our experience with customer advisory boards at AWH, we've found that most businesses and leaders receive a lot of value from them.

One of the main questions you might need to ask yourself is, "Am I close with my customers?" There are some companies that, by the nature of their work and their product, are close to their customers on a regular basis. Perhaps for this small group of cases, formalizing a CAB wouldn't be necessary.

However, we typically find that a customer advisory board is a beneficial undertaking for most companies. As the last chapter explored, a CAB is going to bring value to many different levels of your business and its product. The ability for a CAB to steer an organization into the right direction is invaluable, partly because it's a two-pronged approach. Before you put resources behind a decision, it validates certain findings and hypotheses and invalidates others. Your resources as a company will be much more strategically allocated when you've received confirmation from its eventual marketplace.

Great products aren't great products because of their intrinsic ingenuity. They're great products because they solve a problem and maintain a large user base that increases your company's revenue. A CAB can zero in on that focus, and as a result, we highly recommend it to our clients at AWH.

## Chapter 4: Identifying the right customers

Once you've decided to start a customer advisory board, it's important to identify the customers that should be involved in it. This is one of the most critical steps in the planning process, because even with perfect preparation on your end for the meetings, it would be useless to ask the right questions to the wrong people.

One of the main factors that should be considered is that customers should be selected to participate based on their ability to represent a particular market segment that you need. This is going to depend on the product that you are creating, but it's important to have a diverse group of customers representing different segments. Ideally, each customer should be significant enough to be a gauge for that segment. This will allow you to gain more valuable insight that isn't narrowly focused or niche.

Also, as you're creating your customer list and checking off different market segments, make sure to understand their relationships as well. You might want to avoid inviting two highly competitive companies from the same market segment because it could be detrimental to purpose of the meetings. Remember, CAB meetings are supposed to be in depth conversations about the plans, problems, and visions of the participants – competitors may be wary of discussing too much in front of each other. This will retract from the flow and value of the conversation and lower the quality of your council.

Another factor to consider when identifying the customers that you want to ask to participate in your CAB is how much value *they* can derive from it. A CAB is a reciprocal board. You are not just squeezing information out of your customers. You are providing an experience for them to have a hand in determining the direction of your product, and a platform for them to voice the struggles and future direction of their own company.

With this in mind, just because someone might be a good customer, doesn't mean they are correct for the CAB. You need to be strategic in your decision making. This includes aligning your participants with what you intend to get out of the process. Your goals for the CAB will determine who is, or is not, a good participant. In addition to this, you also need to think long-term while you're identifying participants. For example, maybe there's a relatively new customer that brings only a small amount of business. At face value, they might not be a target for your CAB. But remember, you need to be strategic. Is there an opportunity there for that small deal to blossom into a large deal down the road? If so, they can still be an important ask, as a CAB can be a critical relationship building tool to secure future projects with them.

Once you've identified the customers you want to ask to participate, it's also important to consider which individual you're inviting from each company. When considering this, don't forget that the intention of a CAB is to create a product and vision that will align with your customers' needs in the future. In order to achieve this level of insight from your participants, it's important to invite executives that have a broad, high-level, and long-term view of their organization and market segment. This ensures that your CAB will produce high-quality insights.

It's also important to make sure that there is a similar status and seniority level among the participants. This is critical to the flow and depth of each meeting because there needs to be genuine peer-to-peer interaction in order to derive valuable feedback. And don't forget, this also means that there needs to be an executive from your company involved in facilitating the meetings to make sure that it is an intimate and engaging environment. This will also be the individual responsible for handling follow-up communications.

*What if I don't have any customers?*

It's certainly easier to begin planning a customer advisory board when you have a list of customers to choose from, and as a result, many businesses without customers or current product users will choose to forego a CAB altogether.

At AWH we've seen this happen for a few reasons. Many people without current customers are fearful of product denial. We've seen businesses in this situation not want to pursue a CAB because they are worried that future customers will not like, or not want, the vision they have for the product they're creating. As a leader this is a fear that you must overcome. At this point it should be clear – that dissenting feedback from participants is the sole purpose of a customer advisory board. When you place this fear and your ego aside and give future customers the chance to disagree with you, it might invalidate the trajectory of your product plan. You can't hide from this. Sure, it takes humility and flexibility, but it will inevitably create a much stronger product.

When you want to start a CAB but don't have any customers, consider the process more like a skilled sales activity. Engage potential customers through insightful reach out and be okay with rejection. People will choose to not be part of your CAB, but with the right tactics and thoughtful communication, you can secure participants for the board and potentially build future customers that are familiar with, and invested in, your business.

## Chapter 5: How many customers?

The number of customers that you invite to your board is important and will dictate how well the program runs. Add too many people and you risk the conversation not going deep enough, or bouncing around too quickly, as well as your customers feeling like their time isn't worth it if they are not given adequate time to provide in depth responses. Don't add enough people and you risk the conversation being stale, stalling out, or getting too narrow of a view on the market that isn't holistically representative.

With that said, the number of customers that you add will always be a subjective decision. There is no concrete answer. It's going to depend on the size of your business, your type of business, and your product. Typically, though, we've found that between 5-10 customers tends to be a good number. By staying in this range, you're able to hit many different verticals and markets, without bogging down the group. It also facilitates an experience that flows well and provides different viewpoints without sacrificing the intimacy that is required. Making sure that everyone is able to fully participate is an important aspect in building the group. As with the entire CAB process, the number of customers should be strategic and intentional. The customers that you select need to feel special and hand-picked (because they were).

One last important factor in determining the number of customers you invite has to do with your own business/team. Are there certain people from your team who must participate? This needs to be decided in advance and solidified because you should never outnumber your customers. This will change the dynamic of the group in a way you don't want. Remember, you're there to listen more than speak. This fact will be degraded, and you'll signal the opposite to your customers if there are more of you than there are of them. By gathering the correct people, in the correct number, the chances of the CAB being successful are greatly enhanced.

## Chapter 6: How do I invite customers to participate?

Remember, when identifying customers for your CAB, it is crucial to invite a diverse group of businesses that will represent multiple different markets and use-cases for the product that you're creating. Depending on the size of your business, this can include covering different countries if that's applicable to your product but should also span the different verticals along which the product is used. Once you've done this, it's time to actually send out the invitations.

One thing to keep front of mind when preparing invitations is that you need to be tactful in the number of invites you send out. If you invite a ton of customers, and they all show up, that's not good for anyone. In fact, it's detrimental to the CAB because you'll lose the intimacy that a smaller group provides.

A great way to prevent this from happening is to tier your customers in your preparation process. This breakdown should be representative of the value proposition that you have established when identifying customers to begin with. Create a top tier to start with. This should be the list of your customers, and the correct number of customers, that you would have in your CAB in a perfect scenario. Base this on the value proposition that was stated earlier as it relates to your specific business and customers. If each of these customers say yes, your CAB would be a diverse, intimate, high-value board. It's unlikely, though, that every customer in your top tier is capable, or willing to participate. This is where the second a third tier of the list comes in. After you begin with invites to your highest tier, work down into the lower tiers on an as-needed basis if respondents are not able to commit.

In the actual sending of invitations, it's important to be strategic. You want your customers to feel special - like they were handpicked. An important step in making sure this is the case is to have a senior level executive, the CEO or similar status for your business, be the one to actually send the email. This can prevent the request from appearing as spam or inconsequential and illustrates to your customers the significance of the endeavor.

The email also needs to have the right tone and language to encourage participation. After all, this is a large commitment that you are requesting from your customers. You don't want the CAB to come off as a product pitch, or a pageant of your newest features. Let your customers know that their voice is important. Highlight and showcase the value that the CAB will bring to them. This is a chance for them to discuss the future of their business, and to have a hand in determining the future of yours. Make it clear that you genuinely want to listen and learn about their business and their needs in order to get a better understanding of the market and your relationship. It can be helpful in your email to offer to jump on a short phone call and answer any questions they might have before they commit or decline. It comes back to the fact that you want them to feel heard and valued.

And finally, the timing of your invitations is important to get correct. Invitations need to be sent well in advance, preferably a couple months ahead of time. Optically, it also presents to your customers that this isn't being haphazardly thrown together, but rather diligently planned, which will help validate the value proposition to them.

Sending out the invitations is a critical component of a CAB because it's going to set the tone for the process and determine who shows up. If you can get this right, you're well on your way to deriving great insight into your product.

## Chapter 7: Should I compensate participants?

At AWH, we typically feel as though participants should not be compensated for being a CAB member. It's important to remember that this is not a focus group. This is a recurring, strategic council convened to produce high level knowledge transfer that is reciprocal in its value creation. As such, compensation is not needed. Adding compensation could actually change the relationship dynamic that your customers have with the CAB. By paying CAB participants, it can shift the dynamic away from mutual, peer-to-peer interaction, and give customers the perception that they are only supplying you with what you need. This is another reason why it's important to begin right away in communicating the value that your customers will derive from participating.

You could potentially consider providing a small gift to your participants if you're so inclined. We recognize that it's a nice way to thank your customers for their commitment to the process, their open and candid discussions, and their impact on the future of the product and your company. Although, it's not necessary. The CAB in and of itself should be providing enough value to compensate your customers for their time.

If you decide you want to provide a small gift to your participants, it's important to keep the planning of it to a minimum. It can be easy to have the planning and brainstorming of gifts quickly take away from your time internally to discuss the actual strategic priorities of the CAB. Logistics can become a hassle once you need to procure and ship the gifts as well. Remember the objective, and make sure any conversation around a gift is short and sweet.

Keep in mind, there's also the fact that while many of the participants of your CAB might be appreciative of the gesture, certain companies, especially those in the government, will potentially have strict rules about accepting gifts that can change your plans.

At the end of the day, gifts can sometimes be problematic. If not done well it can send the wrong message to your customers. So, it remains a personal decision as to whether or not your company will consider sending a gift to your CAB members, but just like the CAB itself, a gift is best done well, or not at all. We're confident that you can eliminate this aspect from your CAB process and still be successful. Remember, at the end of the day, the creation of a product that benefits the future of their company is the best compensation of all.

## Chapter 8: Executing a customer advisory board

The execution of a customer advisory board is a well-thought out, strategic plan. You can't just show up to a meeting expecting to have an open conversation with your customers. A CAB is a program with a series of intended outcomes.

With this in mind, it's important to establish an internal steering committee for your CAB as you begin the process. This can include many different people depending on the size and structure of your business, such as the Head of Product or Customer Success. Include people with close ties to both the product and your customers, who also have the high-level insight to determine the strategic direction for your organization. Right away, this internal committee needs to establish the goals that you want to achieve from the CAB. What's the mission? Having this in concrete terms and written out so that everyone is on the same page is important to the successful execution of your customer advisory board.

As you get closer to the first meeting, you need to develop an agenda. It's important to have a structured plan in place in order to get what you want out of each meeting. This ties back to the goals you established. This can become a balancing act between structure and flexibility. You need to have a plan in place that ensures you get what you need, but you also don't want to jam pack an agenda so tightly that there's no room for natural conversation amongst the members. These are high-level professionals with valuable insight into their organizations and their markets. Sometimes the best information can come from a tangent that you weren't expecting the conversation to go down. Be flexible enough for this to occur, but then don't be afraid to steer participants back to the intended conversation. Striking this balance requires someone from your team who is capable of leading thoughtful conversations.

The conversations are valuable for you and your customers. When developing your agenda, make sure that the content is customer driven. You can't forget that the process needs to be reciprocal in order to have the best outcomes.

One way to do this is to survey your customers as part of your preparation process. By agreeing to participate they've shown that they want to be involved, and a pre-meeting survey is a great way to pull out some of the information that they want to talk about. You can provide your customers with some of the questions that your internal team has developed and see what strikes a chord with them. Their answers will give valuable feedback as to what's important to them, and this will help you with your agenda. One great way to tease this information out is by having them also rank the questions in advance after providing their answers. Look for trends within the responses and rankings and use it to guide your agenda.

Keep in mind too, though, that your customers may have some pressing issues to discuss that didn't come up within your internal planning committee. Your questions should not be the end all be all. Instead, also leave an "open" option on the bottom of your survey for the participants to write their own topic or question. Again, any trends that you find among this is new information for your team to understand and can help you prepare your final agenda for the meeting.

As the CAB meeting approaches, you should assign a single person from your team to own the agenda. They will be responsible for ensuring that the agenda is ready to go and that the meeting stays well structured.

Once you're in the meeting you should be mindful that it's called a customer *advisory* board for a reason. The word advisory is important. You have convened the group to get advice from your customers. This means that you should spend more time in the meeting listening rather than speaking. This is how you learn, and this is how you acknowledge to your participants that you genuinely care about their insight. It's through this process, and your prepared agenda, that you create a sense of a shared future, which is helpful in building more meaningful relationships with your customers. Also, don't be afraid to prepare breakout sessions for a CAB meeting if your team feels that will be a better way to dissect feedback from your customers on a certain topic.

The questions that you've prepared for the meeting should be well thought out in order to meaningfully drive a thoughtful conversation. You do this by carefully crafting questions that use what you learned from the pre-meeting survey and adhere to the goals of the CAB that you've established. This will be different for each company, but some types of questions that you can ask include the following:

- How is your business currently changing?
- What is the biggest roadblock to your business' success?
- How can our product help you succeed as a business?
- Is there a gap in our support or service to you that needs to be filled?
- What are your goals for the next 12 months?
- Do you feel like we've set you up to succeed with our product or on our platform? How can you be better equipped?
- Which other products do you frequently use? What do you like about them?
- Are there products or services that you use that can be better integrated?

After you've wrapped up the CAB meeting, it's important to debrief with same internal team that was established to prepare it. During this session, there are some important questions to discuss in order to keep the customer advisory board on track to hit your goals.

First, how did it go overall? Was the agenda too rigid or too sparse? How was the flow of the conversation? Did your customers seem engaged throughout the meeting? This will help you understand if you need to tweak your questions. Maybe the need to be more specific, or maybe you need to have fewer questions to allow for more discussion on each one. Analyze the CAB so that the next meeting will be an improvement.

After you've debriefed on the structure and flow of the meeting, it's also important to analyze the feedback that you've received. What did you learn? Did you get what you were aiming for? If not, then you're able to adjust your strategy for the next meeting in order to better align the results with your goals and mission.

Continuing with this idea, your business should now have a vast amount of feedback and insight, even from just the first meeting. This is incredibly valuable to the future of your business and the

product, but only if you do something with it. That means you need to go through and validate the feedback that you received. What stands out? Was there anything that doesn't align with your organizational goals? Then you need to prioritize the feedback as it pertains to your business. Is there anything that has the greatest value proposition or return on investment? Were there any major trends that need to be addressed quickly in order to deliver an in-demand product to the market?

It's also important to differentiate between who is a power user of your product, and who are typical users. A clear understanding of this will be useful in determining which feedback to prioritize because certain features or needs might not be prevalent among the majority of users. Performing this analysis will allow you position your business more competitively in the market, and the understanding that it gives you will strengthen your future CAB meetings by allowing you to make necessary tweaks or dive into certain issues further.

Finally, after each session of your customer advisory board, it's important to follow-up with your customers. Thank them for their feedback, summarize any key-takeaways if necessary, and remind them of the next meeting. This gives you another touchpoint with your customers to keep them in the loop, make them feel valued, and continue to build your relationship.

Once the CAB is officially complete, it becomes especially important to close the loop. Let your customers know that you're grateful for the time that they invested into your business and be sure to announce any product updates to them. This allows them to see that their time was worth it, their feedback was received and acted upon, and allows you to get the word out about your update. A successful CAB will change your business for the better, but it needs to be a strategic effort that is planned from beginning to end with a constant hands-on effort to keep it on track and aligned with the goals that were established.

## Chapter 9: Does it have to be formal?

If you are going to create a customer advisory board, it needs to be formal. This is both for you and your customers. It needs to be formal for your business in order to extract the best feedback across the course of the program. Like we mentioned earlier, this means plans, analysis, and structure. It also needs to be formal to signal to your customers that the time that they're investing away from their own business will be worth it, and that you're taking the program seriously.

You can't simply schedule a meeting with your best customers and call it a CAB. That would be a meeting. A customer advisory board is a commitment by you and your customers to identifying the future direction of your business, and theirs as well.

It was mentioned before that the word advisory in the name is important. Well, so too is the word board. This is a board because it's a serious program, a strategic council devised to plan for the future. This is not simply a user group, or a sort of customer appreciation event. Those can all have their time and place, but a customer advisory board is a high level, recurring council of leaders who understand intimately what's happening not only in their company, but in their industry over both the short and long term. A CAB cannot be quickly thrown together like one of those other events might be. It requires foresight and detailed planning.

A customer advisory board is developed to build a vision that will better serve yours and your customers' needs. As such, your customers have an expectation that they will get value out of it. With that in mind, it's necessary to take the program seriously yourself. The formality will also benefit you once act upon the feedback you've received because there will be a structure that keeps everything organized. So yes, a customer advisory board needs to be formal for both you and your customers.

## Chapter 10: Business to Business (B2B) vs. Business to Consumer (B2C)

Customer advisory boards are traditionally run through businesses operating in the Business to Business (B2B) space. The relationship between B2B businesses and their customers lends itself well to the dynamic of a CAB. Honestly, this guide has been written mainly with the idea of a B2B CAB in mind, but that doesn't mean that a Business to Consumer (B2C) business can't also create one.

The relationship dynamic is inherently different between businesses and customers in the B2B and B2C environment, and that means that the dynamic of the customer advisory board must be different as well. You can expect to receive less explicit feedback, and more directional feedback in a B2C CAB.

In order to understand the slight differences between the two, it might help to think of a customer advisory board for a B2C business more like a focus group. Remember though, it is *NOT* a focus group – this is just to provide nuance. Similar to a focus group though, your B2C CAB should aim to hit key demographics and get them to participate, but unlike a B2B CAB, the participants are often not current customers.

So, diving further into a B2C CAB – what are the important differences between it and a focus group? The main difference that is hopefully clear by now, is that the B2C customer advisory board is much more structured. This means that it's a recurring program and becomes much more intimate and involved. A focus group will typically be a one-time event with people far removed from you and your product, often having never heard of it or used it. When it's over, participants of a focus group are paid for their time and never heard from again. A B2C CAB contrasts both of these points. The customer advisory board will give ownership to the participants throughout the process. As a result, it will be more likely to create actual customers by the end of the program. Also, just like with a B2B CAB, a B2C CAB should not pay the participants. This alters the dynamic of the group and their relationship to the product.

With a thorough understanding of the principles of a CAB laid out in this guide, and recognition of the slight nuances here between a B2B CAB and a B2C cab, you can successfully run a customer advisory board in either environment.

## Chapter 11: Setting expectations

Part of the success of a customer advisory board has to do with you and your customers being on the same page. This begins with setting expectations for the group; expectations around what they can expect to get out of it, as well as what is expected of them by participating. It should be reemphasized that this is a recurring program, and not a one-time meeting. As such, expectations are necessary to clearly outline the commitment.

In your early internal planning meetings, you should put together a contract or charter that will be the guiding document for the program. This document should be created well before you ever get around to discussing an agenda as it will be framework that keeps everything glued together. As you are sending your invitations, this document should be sent along as well in order to clearly represent to the customer what they would be agreeing to. You should illustrate the goals for the customer advisory board, the commitment and expectations that attendees must be willing to meet, and the value that the customers will derive through their participation.

One of the most important expectations to lay out is the attendance requirement. In order to run a successful CAB, participants should not be allowed to delegate their attendance. This will set a bad precedent for the group, and others will think they can follow suit. The customers that you have selected were selected for a reason: their expertise, their vision of their company, and their understanding of their market. By allowing less qualified people to take their place it will diminish the quality of feedback that you get because there will be less strategic people in the room. Not only that, but it will diminish the value of the CAB for all of the other participants as well due to a degraded level of conversation. This can quickly snowball and erode the purpose of the customer advisory board. For this reason, it is necessary to set the expectation that by agreeing to participate in the CAB, your customers agree to be present for every iteration of the program.

Setting expectations clearly and early will signal to your customers that you're taking the process seriously. It will also provide context for what they can expect from the program. One of the worst outcomes of a CAB is your customers being disappointed or feeling like their time was wasted. Setting expectations is your way of letting everyone know exactly what they're signing up for, and as a result, creating a better chance of ending the program with satisfied customers and stronger relationships. Expectations aren't enough on their own, though. You need to be ready to enforce them in order to keep the program running smoothly for everyone involved.

## Chapter 12: Becoming actual customers

One of the benefits of a customer advisory board is the ability to build loyalty with your current customers and ensuring their patronage into the future, as well as securing prospective customers into your pipeline. Keep in mind though, that a CAB is not a ruse for selling your product, nor is it a focus group to simply prioritize features. It is a genuine, strategic engagement about the future of you and your customers businesses in which you listen more than you speak. With that in mind though, it is certainly true that the transition from a CAB member to a customer is easy. I mean, you will be able to create exactly what they want and need.

This means that at the end of the program, your product will be, in a sense, customer funded. The value-proposition for what you're creating is going to directly connect with potential buyers, and as a result they will commit to you and the product because it's a solution that they need as soon as possible. Without their tactical input throughout the CAB, this wouldn't have been nearly as possible.

The most glaring transition into actual customers, though, comes from the relationship that you will be able to build and mold throughout the program. You are entrusting this select group of customers with the responsibility of helping to steer the direction of your business. As a result, they feel valued and become invested in the success of the product and business that they're advising. This happens not only on a professional level, but also, due to the frequent touch points and genuine conversations throughout the CAB, on an emotional level as well.

By building a close-knit group of advisors, if done correctly, you're in turn creating a group of brand ambassadors. It's likely that the enthusiasm and intimacy that your customers feel for your success and your product will radiate out well beyond the board to other buyers. Nothing in life is static, but as long as you continue to nourish those relationships, it's likely that you will leave your CAB with a group of highly loyal customers who are much less likely to shift to your competition.

## Conclusion

Many companies will forego the wealth of insight and knowledge that can be attained from a customer advisory board because they don't want customers to disagree with their vision or invalidate their product plan. The best leaders, and the most successful businesses, will set aside their ego for the greater good of the product.

You might have the resources to build the product. You might have the highly skilled team necessary to create something that doesn't exist. You might have a vision for the next great product. But none of that matters if your customers don't buy it. The customer is always right – it's a cliché as old as time, but perhaps it's time to listen.

A customer advisory board requires tactful planning and analysis to be successfully pulled off, but the outcome can be game-changing for a business. Don't build that next product from an ivory tower, but rather do so from the ground up. By bringing in customers to the creating table, the path to a successful product will rise into view, and the chances that it ends up on the long list of failed products will greatly diminish.