

The Voice of the Customer

Running Successful Advisory Boards

'Business, that's easily defined – it's other people's money'

Peter Drucker

In any business, time spent understanding the changing needs of customers is time well spent. It is more likely to result in people spending their money with you rather than someone else. And it is more likely to keep them spending when economic times are hard.

However, engaging in genuine listening and discussion around needs, perceptions, concerns and opportunities is difficult and time-consuming. How can you ensure that the 'Voice of the Customer' is really heard and impacts your business direction? And how can you ensure strong and consistent customer engagement in the development of your products and services?

Running panels, forums, surveys or focus groups are the traditional mechanisms for capturing customer needs. The latest development of this format in the B2B space is the high impact 'Customer Advisory Board' or CAB. This approach is proving particularly effective in fast-moving services markets, driven by technology innovation, globalisation, new applications and the need to build loyalty with corporate accounts.

A CAB is an elite panel of committed customers who meet and exchange views on a regular basis to advise and influence at the highest level as trusted partners to the business. Given that 80% of revenues will come from 20% of customers, more and more companies are now using this format of engagement for continuous customer relationship development.

Running a CAB that works for your organisation requires careful planning and precise execution. So how do you go about ensuring reciprocal value is delivered on a sustained basis when key customers meet with a preferred supplier? Here are some insights.

Membership

The elite character of a CAB is created by an invitation-only membership of around twenty people. Each CAB member needs to be treated as an individual within the framework of the group, and that means understanding how their industry or business differs from other members. Representation from different sectors often helps to stimulate valuable discussion. Clear rules and expectations on commitment, confidentiality of discussions and membership selection, described in a formal Governance document, are also essential 'enablers' of fruitful meetings and interactions. An exclusive web-portal for advanced development proposals can also help reinforce this elite status.

Continuity

It is important to maintain the continuity of CAB membership as far as possible on both supplier and customer side. As a meeting of peers, this will lead to more fruitful and transparent discussions on subjects that really matter and trust will develop. Amidst changing corporate responsibilities and career moves, continuity can be a challenge. While rotation of membership on a staggered basis is necessary – 2 years is a normal period of tenure - a continuous 'core' of active members who make positive, consistent contributions also needs to be maintained. This commitment to the process usually develops over time as the value of each meeting builds.

Re-Assurance

Members of any Advisory Board need re-assurance. They need to know that their preferred suppliers are delivering what they have committed to develop and are innovating at the speed with which the market is moving. And they need a safe place to test their own assumptions about change. The well-structured and governed CAB can be this place for them.

Joint Projects

One of the best ways of engaging with CAB customers on a continuous basis is through themed projects which are jointly designed to deliver specific benefits. These may be focused on operational, product development or strategic issues. As part of a CAB, joint projects can therefore create the context for good quality quarterly or half-yearly face-to-face-meetings which report progress as well as tackle new issues.

Mutual Learning

When CAB customers do get together, meetings need to integrate a learning rather than pure teaching agenda so that everyone attending can test their own perceptions of issues in a neutral, risk-free setting. If a CAB is merely seen as another selling shop, then it will falter. If it has the real objective of trying to build long-term relationships and loyalty, then it can succeed. The hidden motivation for customers to meet with peers is the opportunity to explore how others have tackled what are often the same problems.

Customer Focus

The need for a supplier to step into their customers' shoes is vital and ongoing. Often, daily operational pre-occupations mean that the amount of time devoted to customers' longer term ambitions is squeezed. One of the commonest mistakes is to use customer engagements only as a means of testing products and services that are already in development. A CAB is a good way of sharpening the focus on listening and learning.

Communications

Gaining access to senior executive time will always remain difficult and therefore each communication must be valuable to both supplier and customer – offering information and insight which can be readily assimilated. Timely and well presented communications by email, weblink, IM or even text can therefore have impact provided there is a strong personal relationship in place. Is this too obvious? Perhaps not since it is a lesson too often ignored.

Follow-Through

We all need less information, more communication. And that also requires thought. The stakeholders in any business relationship will be many and varied across different corporate departments on both customer and supplier side. This demands a pro-active approach to engaging with all parties – sales, marketing, technical support, product, operations – before and after any events, and ensuring relevant information from meetings is conveyed in a timely way and in a form in which it can be used. Commitments made at CAB meetings need to be followed through since this will clearly demonstrate how important the 'Voice of the Customer' is to the overall strategy and marketing mix.

Conclusion

The art of creating meaningful conversations between supplier and customer is an ongoing exercise which needs to be continually re-evaluated and refreshed. Any company looking to build, revitalise or simply re-structure its relationships with major accounts needs to consider carefully the value of an elite Board as one of its most powerful instruments for building loyalty and capturing needs. The time and effort invested in making a CAB successful will be time and effort well spent. The payoffs can be measured in terms of increased penetration into accounts, increased wallet share, extended longevity of contracts, trusted exchanges on innovation and overall lower cost of sale for new products and services.

SCS & Associates is a customer and market development consultancy which will help you create, develop and maintain strong customer relationships through high quality Customer Advisory Boards. We can work with you to define objectives, build meaningful meeting agendas, qualify and select Board members, establish rules and governance, conduct surveys, design and deliver effective communications, facilitate events, consolidate feedback and interpret insights.

Call us to discuss how we can help you develop the relationships with your key customers.

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