



## Picking Up TABS and CABS

By Laura Patterson

The competitive environment makes market and customer intelligence extremely critical for any company. Yet many small to medium sized companies cannot afford to regularly conduct primary market research, and while secondary research can be helpful it isn't always on the topics the C-Suite are grappling with.

What can a CEO or a company's leadership team do to affordably keep a pulse on the market and stay in tune with customer needs and wants?

Create **customer** and **technical advisory boards** - CABS and TABs. These boards, which are comprised of outside experts, can provide the necessary insight company's need into broader issues and critical forces affecting the market.

### The Value of CABS and TABs

CABS and TABs improve your company's probability for success by providing affordable access to people who can help you quickly and regularly understand issues driving decisions. CAB and TAB participants can provide both strategic insight into market requirements as well as product feedback. By listening to CAB and TAB participants you can gain important information needed to create more competitive solutions and delivery greater business value to both existing and prospective customers.

### When to Use CABS and TABs

Advisory boards enable a company to stay in touch with requirements and perceptions. So CABS and TABs are well suited when a company needs to validate new products and feature ideas, uncover competitive information and learn about future technology, business plans and strategies. CABS and TABs enable a company to identify and resolve strategic performance issues, gain a better understanding about the industry, and additional insight into business, technology and product trends, preferences and challenges.

The selection of members and management is the same for CABS and TABs, the different is the type of member and the focus of the board. Technical Advisory Boards (TABs) are exactly that; boards that can provide technical and technology insights and feedback, especially

around technology trends, feature sets and tradeoffs and technical competitive intelligence. Therefore it's imperative that members have technical expertise and competence. Customer Advisory Boards (CABs) are generally comprised of people who can provide a broad perspective around business and market issues. Therefore, CAB members need to have business acumen and be interested in watching and learning about global economic, business and market issues.

### **Creating a CAB and TAB**

It is important to keep the purpose of the advisory board in mind when creating the board and selecting membership. This is not about putting your close friends on a board who will tell you what you want to hear. This is about having a group of people who can provide you with the insight you need into broad business and market trends and issues, areas for performance improvement, and other key information you need to make strategic and tactical decisions and develop competitive strategies and products.

The following five steps will help you create a board:

- 1.** To create a board, decide the mission and purpose of the board. As mentioned earlier, boards provide an affordable way to do market research so it's common for a board mission and purpose to be research related. As a result the mission is often focused on capturing market and business trends, market needs, technology and business plans and investments and validating business and product decisions. As a result, the purpose of the board is to help ensure your direction is in line with the market.
- 2.** Once the mission and purpose is clear, invite 12-15 individuals who match your target markets and ideal customer demographics and whose input will help you gain market and competitive insight. Avoid having people on the board who compete with each other.
- 3.** You want to invite people who can provide input into requirements around business practices and product capability. You will need to invite more people than who will actually participate because not everyone you invite will be able to become a member. Your goal is to have at least ten members.
- 4.** Extend a personal invitation by phone and in writing to each person asking them to serve a 1-2 year term on a board for purpose of providing candid feedback. Indicate they will need to meet in person at least two times per year and no more than quarterly and whether travel expenses will be paid. You will want to set up your board so that both new and established members are on the board at the same time.
- 5.** Clarify that the information being shared and learned is often sensitive and confidential. Therefore it is important to invite only people you can trust and whose advice you value. Select people who can provide informed opinions.

## **Running a Board**

Running a board takes effort and investment. While less expensive than conducting primary research, there are still costs associated with boards. Without focus and management, the board will go idle and disintegrate. Companies are often tempted to have an engineering/product or sales person manage their boards. This is a mistake. Sales people are about selling and CABs and TABs are about listening. CAB and TAB meetings are not sales calls. Nor are they about persuading these people about the value of your product. CABs and TABs are about listening, keeping a pulse on the market, and gathering valuable input. Therefore, select someone from marketing or the management team to run and manage the board.

Each board should have a documented mission and a set of published guidelines, meeting dates and agendas. Meeting dates, logistics and agendas should be published at least two months in advance to allow members to manage their schedules and travel and to prepare for the meeting. Because you are looking for informed opinions and input, encouraging members to prepare feedback and input to agenda items can be very helpful. Minutes from meetings should be recorded and distributed. The information between the board and company should be an exchange. While the company is gaining valuable market, competitive and product input, the company should send relevant company, industry, and economic information to board members.

Internal meetings should be held to review the minutes and make decisions. While boards provide an informal way to conduct market research there should be a formal process around running and managing the board and its members.

## **Meeting Management**

Remember the meetings are input sessions. In a way, each meeting is a mini focus group. As such, invest in a third party to facilitate the meeting. Meetings can be held on site or at a neutral setting, such as a hotel conference room and last anywhere from a half day to longer. Each meeting should include introductions and a review of the agenda. Board members should then be given an opportunity to present the information they prepared relevant to the agenda. These may include presentations regarding market issues and trends, their own business challenges and strategic and technology investment plans, and new business initiatives and success factors. This way not only does your company benefit from the advisory board, but each of the board members learn from each other. Following these presentations, the facilitator should then commence a general discussion around the agenda topics asking specific questions designed to gather particular input. Common board topics often include discussion around product roadmaps, technology, market and economic trends, quality service and support, competitive analysis, and best practices.

The company should be prepared to provide meals, the facility and the facilitator's compensation and costs. It is up to each company to decide whether they will pay board members travel expenses, such as airfare and lodging.

*Why use a third party?* A third party helps avoid creating a bias. While not intended, having someone from the company lead the meeting and discussion can inadvertently lead the conversation in a particular direction. In addition, a third party suggests an environment designed to capture board views and options and presents the perception of openness. A good facilitator should be able to capture the highlights from the discussion, document key findings and provide recommendations for action.

Input from boards can and should have significant impact on your company, therefore, upper management should welcome an opportunity to interact with their CAB and TAB members. They should demonstrate appreciation for the time investment members are making by hosting and participating in dinners, luncheons and feedback sessions. For advisory board members to feel their contribution is valued, we recommend that the company quickly communicate what action they are taking as a result of the meeting.

## **Conclusion**

CABs and TABS provide a valuable and affordable way for companies to gain strategic insight and feedback and understand the issues driving customer's and prospects business requirements and decisions. Knowledge gained from board members' input can help a company of any size keep a pulse on the market, create competitive solutions, establish strategic and product priorities, and determine ways to deliver more business value.

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