



## **Bridging the Gap: Engaging Your Customers in Intelligence Gathering**

By Laura Patterson

In an environment where marketing budgets are being shredded, pipelines are shrinking, and the pace of change is faster than a speeding bullet, one would think that the gathering, analyzing, and applying of market and competitive intelligence would be among a marketing organization's top priorities.

Why? The idea behind competitive and market intelligence is that when applied properly, it helps a business create competitive advantage. And who couldn't use a competitive advantage in these times?

And yet, many companies—regardless of size—are no longer making the necessary investment in primary market research. In a recent survey by MarketResearchCareers.com, buyers said they expected their research budgets to be cut by an average of 9.5 percent, reversing a 20-year trend of spending increases. They anticipated use of syndicated research to fall from 81 percent in 2008 to 75 percent in 2009. A global study conducted by AdMedia Partners also found market research was one of the areas seeing the greatest decrease in spending.

So what options do you have to affordably keep a pulse on the market, staying in tune with customer needs? There's actually a very affordable one every company can and should be pursuing: the establishment of customer and technical advisory boards (CABs and TABs, respectively). Comprised of outside experts, these boards can provide the information your company requires.

### **The Value of CABs and TABs**

CABs and TABs improve your company's probability for success, providing affordable access to people who can help you quickly and regularly understand issues driving decisions. CAB and TAB participants can provide both strategic insights 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 deliver greater business value to 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 glean additional insights.

The selection of members and management is the same for CABs and TABs; the difference is the type of member and the focus of the board. Technical advisory boards are exactly that—boards that can provide technical 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 are generally comprised of people who can provide a broad

perspective around business and market issues. These members need to have business acumen and be interested in observing 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 best customers or those customers with whom you have exemplary relationships with on a board. You are not looking for people who will tell you what you want to hear. The following five steps will make the process much easier:

1. First, 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 so forth. 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 are 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. Also, you'll 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 10 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-no more than quarterly-and note whether travel expenses will be paid. You will want to set up your board so that both new and established members are on at the same time.
5. Clarify the information being shared 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.

Once you have the board in place, you'll want to establish a process for running it and another one around meeting management. Running a board takes effort and investment. While less expensive than conducting primary research, there are still associated costs. Without focus and management, the board will go idle and disintegrate.

Companies are often tempted to have an engineering/product or salesperson manage their boards. This is a mistake. 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; establish and document the board's mission; and publish and distribute a set of guidelines, meeting dates, and agendas and meeting minutes.

Remember, you are looking for informed opinions and input, so encouraging members to prepare feedback and input to agenda items in advance can be very helpful. Think of each meeting as a mini-focus group where you are trying to capture input regarding specific topics. As such, consider investing in a third party to facilitate the meeting; such an individual can encourage a collaborative environment and avoid discussions that may create a bias. In the spirit of creating dialogue, consider holding the meetings

in a neutral setting, and allowing enough time on the agenda for board members to present the information they prepared relevant to the agenda.

Input from boards can and should have significant impact on your company, so 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 dinners, luncheons, and feedback sessions. For advisory board members to feel their contribution is valued, it's advisable for the company to quickly communicate what action they are taking as a result of the meeting.

In closing, CABs and TABs provide a valuable, affordable way for companies to gain strategic insight and feedback. Knowledge gained from a board member's input can help any keep a pulse on the market and deliver more business value.