Solving the Engagement Challenge

Moving to CAB 2.0

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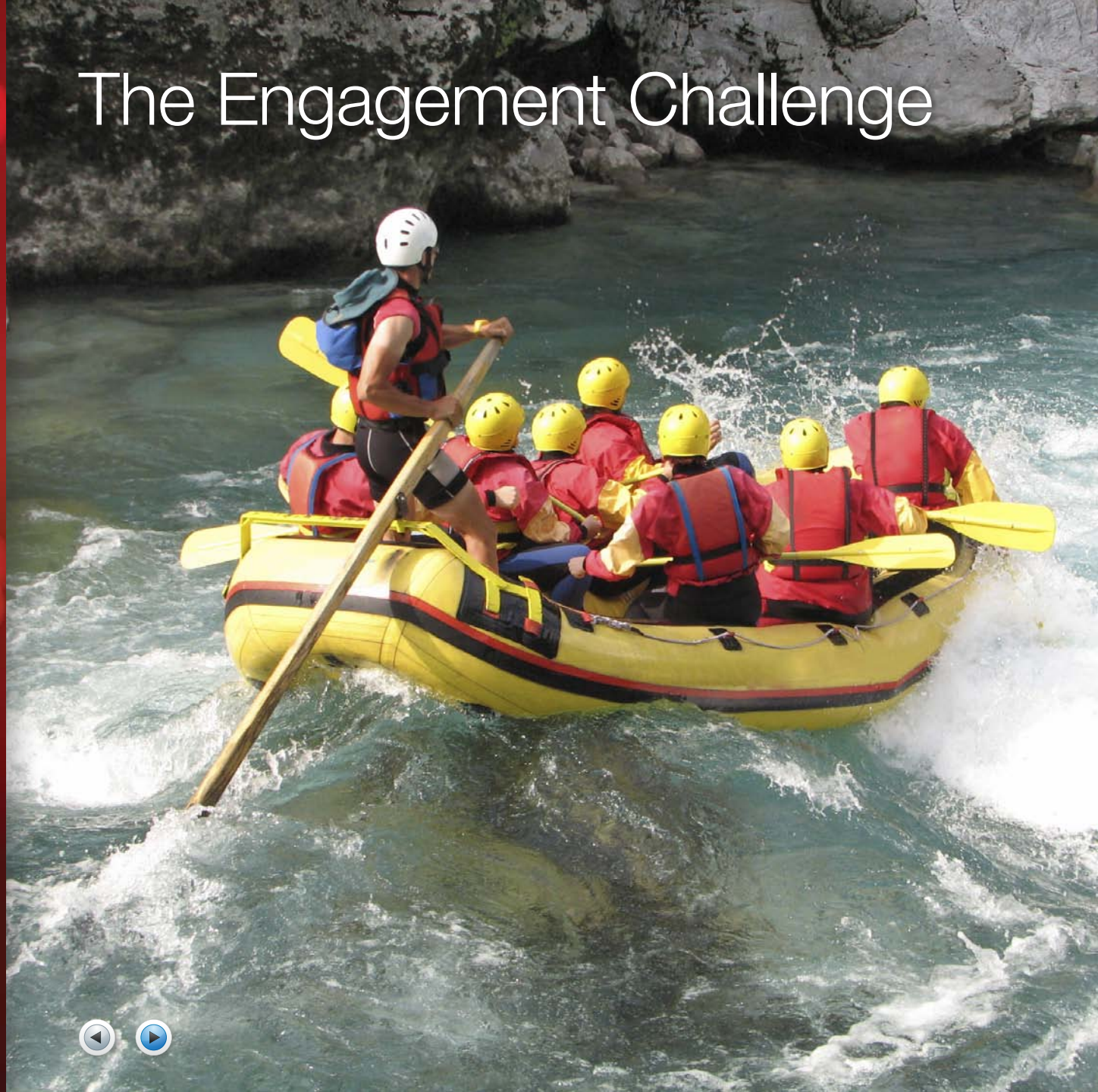
The Engagement Challenge



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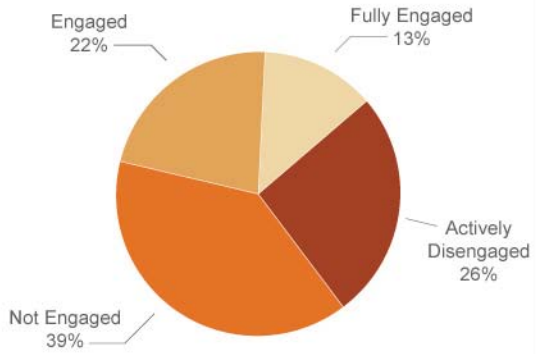
B2B Customer Engagement

Customer Engagement in Business-to-Business Markets

Only a small percentage of business-to-business companies focus on engaging customers -- which may be why only 22% of B2B customers are engaged and just 13% are fully engaged. The other B2B companies are leaving these key business relationships vulnerable to other providers who can match or exceed their performance on price, speed, and efficiency.



Fully Engaged customers are strongly emotionally attached and attitudinally loyal. They are your best prospects for organic growth.

Engaged customers are emotionally attached but not attitudinally loyal. They can be tempted to switch by a more convenient, more attractive, or lower priced offer.

Not Engaged customers are emotionally disconnected and attitudinally neutral. They have no positive association to your product or service, and your relationship is price driven.

Actively Disengaged customers are completely detached from your company and its products and services. They will readily switch to a competitor and are distracting you from growth.

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The Customer Engagement Hierarchy

Four key elements -- Confidence, Integrity, Pride, and Passion, along with the rational elements associated with customer satisfaction -- constitute what Gallup calls the customer engagement hierarchy.

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The 5 C's of CAB 1.0 Engagement

- Commitment
- Creativity
- Content
- Collaboration
- Continuity

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Executive Commitment

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Executive Commitment

- Without continuous executive commitment the CAB will not be successful
- Commitment = alignment with corporate objectives and strategy (entry into new or adjacent markets, new product launches, M&A, improving customer loyalty…)
- How your executive team is being measured and compensated? Any NPS component? C-SAT scores? Other VoC or CEM customer loyalty metrics?
- Make sure that your executives are engaged year round and not only at the face to face meeting
- Recommendation: feature different executives on scheduled conference calls with members

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Creativity

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Creativity

- Creativity starts with an effective CAB design and continues with engagement strategy:
  - Objectives, Alignment, People, Recruitment, Content, Experience, Program
- Good design = thinking about a common issue set
- Great design = getting into the customer's shoes
- Engage the members through webinars, conference calls, guest speakers, executive presentations, work streams, sub committees, member presentations, access to analysts
- Recommendation – Run a Customer Session with your Executive Team

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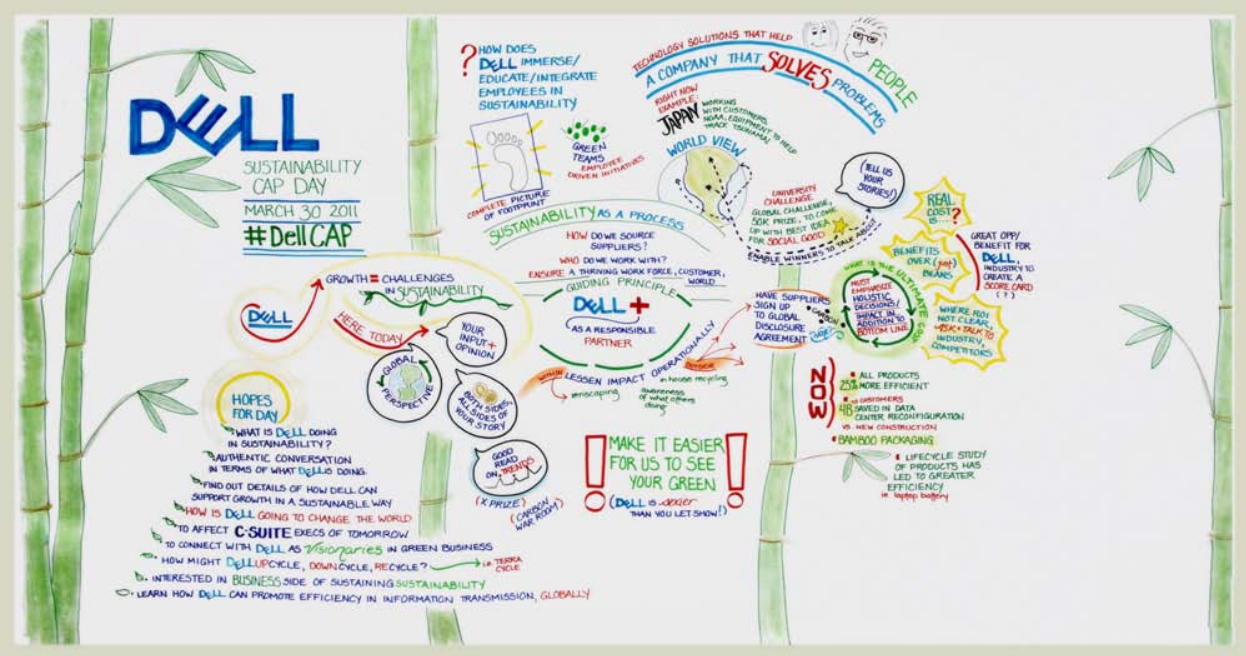
DELL Customer Advisory Panel



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Continuity

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Continuity

- Best kept secret in CAB management
- Stick to a proven process and methodology
- Design should also cover timeline, recruitment, roles and responsibilities, accountability, milestones and overall project planning
- Continuous follow up
- Score cards and metrics
- Recommendation – let the process guide you and guard against unreasonable requests to change or accelerate the process

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Example 1: Member Selection Criteria

- Size and significance of account?
  - Annual spend with our company
  - Future revenue potential
- Familiarity with our products and services?
- Current or future potential to serve as advocates or champions?
- Does the member belong to other industry organizations/ networks?
- What is the person's desire to make a name for themselves?
- Currently publishing white papers or perspectives?
- Will they be outspoken, voice their opinions and contribute to the group?
- Level of openness to new ideas and creative ways of changing the profession / industry?

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Example 2: Target Members Template

Customer Advisory Board Target Members

Name	Title	Company	Tier (1 or 2)	Invitation (Sent? Y or N)	Invi
Bob Smith	Managing Partner	ABC	1	Y	Ac

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Example 3: Activity Timeline

Customer Avisory Board **Timeline for Phase 1: Design and Phase 2: Meetin**

Name	Date
Complete CAB Scope, Charter, and Recruitment Letter	Wednesday, May 11, 2011
Send Invitation Letter and CAB Documents	Friday, May 13, 2011
Receive responses for Member Status (accepted or declined)	Thursday, May 26, 2011
Conduct Personal Interviews	June 6th - 20th , 2011
Draft first version of agenda	Week of July 4, 2011
Finalize agenda for first meeting	Week of July 22, 2011
Finalize meeting kits	Week of August 8, 2011
Send pre-reading docuements / kits to members	Week of August 15, 2011
Facilitate meeting	Week of September 19, 2011

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Ideal Timeline for Implementation

Month	Jun. #1	Jul. #2	Aug. #3	Sep. #4	Oct. #5	Nov. #6	Dec. #7
Phase 1: Design							
Kickoff							
Project Planning							
Internal interviews (5)							
External interviews (4-6)							
Design presentation							
Phase 2: Recruiting							
Weekly team calls							
Phase 3: Launch							
Interviews with members							
Creation of draft report							
Review of report with executive team to define topics/agenda for meeting							
Presentation materials review							
Meeting support templates							
8-5-3-1 production reviews							
Meeting facilitation & content capture							
Phase 4: Post Event							
Event summarization							
Post-event evaluation							

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Content

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Content

- Must be co-developed with members
- Has to be relevant and timely in addition to strategic
- Buffet lunch vs. plated dinner
- Recommendation – involve key stake holders within your organization in the top of mind discussions

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Collaboration

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Collaboration

- The holy grail is a sense of “Shared Future”
- Peer to peer exchange
- Managing your executive team
- Effective facilitation of meetings
- 90/10 Rule
- Co-creating the best agenda
- Recommendation – the HBS approach

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CAB 1.0 vs. 2.0

Structured	Agile
One or two meetings a year	On demand
Push	Pull
Content	Context
Company driven	Self governed
Resource heavy	Shared responsibility
Island	Eco-system
Stand alone program	Integrated VoC Strategic Plan
Limited Reach	Scalabale

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Sharing the responsibility

- Don’t just push content on the board members
- Empower them to talk about their issues, even if they are not directly related to what you are trying to accomplish
- Listen intently and empower them whenever possible
- Remember: CAB members are not doing you a favor by attending or participating in the meeting…

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What can we learn from Agile?

Manifesto for Agile Software Development

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

- **Individuals and interactions** over processes and tools
- **Working software** over comprehensive documentation
- **Customer collaboration** over contract negotiation
- **Responding to change** over following a plan

That is, while there is value in the items on the right, we value the items on the left more

Kent Beck | James Grenning | Robert C. Martin

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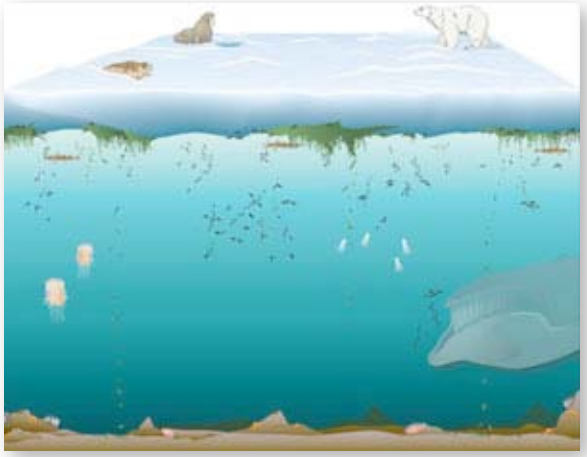
Island vs. Eco-System

- Most likely your CAB functions as an enterprise island and not connected to other VoC initiatives such as:
  - Focus groups
  - Market research (Quantitative and Qualitative)
  - C-SAT, NPS etc
  - User groups
  - Customer events and meetings
- How to connect it to the rest of the organization?



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Content vs. Context

- You are running a CAB for a Tech company in the Aerospace industry
- Current event – the Tsunami in Japan
- Convene the board immediately. Each member to share how the events in Japan are going to impact their business and how they are thinking about the situation.

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Summary

- Moving from CAB 1.0 to 2.0 requires a paradigm shift
- An agile and nimble CAB will yield short term as well as long term results
- The key is member empowerment and a strong strategic design

Structured	Agile
One or two meetings a year	On demand
Push	Pull
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