

Building Boards to Accelerate Success

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Why form an Advisory Group

- Leverage the knowledge of others
- Tap into skills outside your core competency
- Educate your leadership team
- Validate your business plan
- Assist in managing talent
- Help with succession planning
- Grow revenue

What is an Advisory Group

- An advisory group is a collection of individuals who bring unique knowledge and skills which complement the knowledge and skills of the organizations
- Advisory groups can access retired CEOs, board members, major contributors, clients and industry experts
- The advisory group does not have formal authority to govern the organization
- The advisory group can be standing (or ongoing) or ad hoc (one-time) in nature.

When should an Advisory Group be formed

- Consider establishing an advisory group when it's apparent that a major, current issue/challenge, or complex program/product/service is too complex and/or numerous to be handled by Leadership.
- It's best if the advisory group is formed to address a need that is usually outside the usual, ongoing roles and responsibilities of a formal board.

How should the advisory group be organized

- For ongoing, major activities (for example, that will last longer than a year) establish a standing advisory group.
- For short-term activities (for example, one to nine months), establish an ad hoc advisory group.
- Document the advisory group's purpose, duration, and guidelines for membership
- Advisory group, like formal boards of directors, should have a chair and charter

Match Board type with the business need

- Customer Satisfaction Boards aim to improve customer satisfaction and ease of doing business. They are also effective as product and solutions boards.
- Product or service solution boards seek to leverage Advisory Board input on product and solution offerings and go to market strategies.
- Strategic Boards seek to gain true strategic advisors to steer the business direction for the mutual interest of the company

Business Dimension	Functional Areas	Typical Results
Strategy	<ul style="list-style-type: none"> Plans and directions 	<ul style="list-style-type: none"> Validation of thinking on business development, pricing, channels, sales force, marketing strategy, M&A, organizational culture
Solutions	<ul style="list-style-type: none"> Overall service or product roadmap Product introductions Beta Customers 	<ul style="list-style-type: none"> Validate direction and approach, as well as feature set viability and functionality Board member companies actively engage and preview product launches Successful roll out of new offerings
Customer Satisfaction	<ul style="list-style-type: none"> Customer Loyalty 	<ul style="list-style-type: none"> Increase executive engagement Increase organic revenue
Account Management	<ul style="list-style-type: none"> Key Account Management Sales process and revenue 	<ul style="list-style-type: none"> Ensure business goal alignment for account managers Orient sales process to real buying needs and cycles Expand direct access to senior leadership

Strategic Boards

- Comprised of senior level executives (industry knowledge)
- Focuses on critical issues and opportunities facing the industry that your organization can help its customers address.
- These boards help drive your strategic direction and go-to-market strategy.
- Roadmaps are essential resources and customer satisfaction is important, but the focus is on how the company attains or maintains industry leadership.
- While many consider a Strategic Board to be the most ambitious undertaking, most companies find it is high-impact and productive for both the sponsoring company and its members.

Customer Advisory Board

- A Customer Advisory Board (CAB) is a marketing program made up of strategic customers who work closely with company executives to provide guidance on corporate strategies, offer input on products and services, and address and create solutions to industry challenges.

Customer Focus Drives Value

A well-designed and managed Advisory Board enables companies to:

- Increase understanding of how the company's products and services benefit customers
- Increase understanding of how to best close product or service gaps and voids
- Validate strategy and gain feedback for new ideas and product development
- Gain internal alignment on customer perspective and go-to-market plans
- Deepen relationships with top accounts
- Increase market intelligence on competitor strategies
- Strengthen customer advocates

Success

- The key to Customer Advisory Group's innovative and successful approach is structuring the Advisory Board around common interests and concerns — so customers derive as much benefit from participation as the sponsoring company.

The Evidence of Success....

The following business impact is based on the success of working with our client advisory board.

- Increased revenue spend per client (board) by 22%
- Increased revenue by more than \$2.5M annually the first year
- Increased close ratio from 74% to 92%
- Increased Client Sat (net promoter) score by 15pts
- Decreased days to market with new offerings by 28%
- Thirty percent increase in referrals leading to 300K in revenue

Board Engagement Results

- Creation and ongoing advice for a managed service offering 15M
- Creation of a workforce agility service offering
- Creation of a Leadership workshop program
- Creation of a CSO and CIO for hire program
- Enhanced client satisfaction program – net promoter
- Creation of a quarterly “NewThink” CIO focused magazine
- Creation of a hardware “As a Service” model
- Consistent insight related to marketing and client events

Mission and Objectives

Provide guidance to the Senior Leadership Team in the development of business strategies aimed at meeting the future needs of clients and achieving success in the industry.

- Meet quarterly with Senior Leadership Team to review business goals and discuss strategies for achieving them.
- Work as a conduit within a related market segment to provide insight and direction into the requirements for meeting industry needs.
- Review and provide feedback on support procedures, marketing approach & literature, business plans and other business related materials.
- Communicate monthly through email, phone, and video conferencing with leadership staff to discuss specific topics of interest.
- Be available as a reference for customers, vendors, and press, helping to expand its presence and develop new opportunities.

Message to Board Candidates

- Companies today must have a more thorough understanding of their client business requirements, as well as a strong grasp on technology to be successful in this ever-changing arena.
- We are reaching out to leverage business relationships with customers, industry contacts and experienced professionals to form an Advisory Board to assist us in better understanding our client requirements.
- With our experienced leadership team, customer input, and the benefit of a Customer Advisory Board we believe that we will be better positioned to develop a long-term, extremely successful business while improving the customer experience.

Key components for a successful Customer Advisory Board

- Having a compelling theme
- Customer advisory board members who have equal stature to create an environment of peer exchange
- Strong follow up and ongoing management of the customer advisory board, after and in between face-to-face meetings
- Creating a sense of shared future
- Committing to active listening
- Keeping the customer advisory board action oriented

Membership Commitment

It is requested that the Customer Advisory Board member make a commitment of a 12-month term of participation as a committed member to the Customer Advisory Board.

- Each board member will spend approximately 30-40 hours annually of time meeting and working on board related tasks.
- Costs for participant travel and living expenses or other involvement are to be absorbed by the customer unless otherwise noted.

Customer Requirements

- Experienced professional with an understanding of business practices related to a specific industry.
- Willing to discuss openly in a group environment ideas, trade knowledge, experiences, and personal beliefs with the intent of coming up with a unified consensus.
- Can dedicate a minimum of 40-hours a year to work on board related activities.
- Shares the same common vision as the company particularly as it relates to the value of customer satisfaction and the importance of developing partnerships with clients.
- Willing to sign a non-disclosure agreement prior to serving as a board member.

Participant Responsibility

- In order to assure a continuous discussion of the topics and maintain confidentiality, participants are required to:
- Participate in all relevant review meetings.
- Participate in conference calls when necessary.
- Review development deliverables and provide feedback.
- Hold all customer materials and design documents in strict confidence.
- Early withdrawal from the board is available on request for unforeseen circumstances. Understanding that participation on the board prevents members from working with other companies considered industry competitors.

Meetings and Duration

- One-year term of participation as a committed member to the Customer Advisory Board
- Customer Advisory Board Members will be invited to quarterly meetings in order to provide feedback, review the strategic directions and services of X Company, and evaluate its alignment with you, the customer
- The meetings will be held at various locations within X territory
- Meetings will provide time for engaging with peers to share insights

Sample Board Agenda

- 11:30 – 1:00 Lunch and networking with peers
- 1:00 – 1:15 Welcome and opening remarks
- 1:15 – 1:30 Company update and report out from last meeting
- 1:30 – 2:15 Industry and business trends (Company or Participant)
- 2:15 – 3:30 Introduction of new business concepts and discussion
- 3:30 – 4:30 Break and discussion wrap up with next steps
- 4:30 – 6:00 Drinks and appetizers with peers and leadership

Annual Budget Estimate

- \$400 per member per year for meals
- \$200 per member annually for travel and expense
- \$200 per member annually for activities
- \$150 per member gift or donation
- \$500 per company leadership member
- \$500 per meeting for materials

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