



Kevin Pickhardt
Chief Executive Officer
Pharos Systems International, Inc.

1) Why did Pharos Systems choose to implement the CAB program?

Pharos is a software company. The markets we serve have been changing fairly rapidly as many organizations are seeing now days. We found ourselves in an interesting position of having to make significant decisions inside the company. One of the strategies we decided to implement after talking with Bruce Peters was the opportunity to bring customers together. Not just for the sake of being able to listen to them, which we do regularly, but giving them an opportunity to converse with each other. In their conversations with each other we have found most of the value that we have picked up and most of the great ideas that have emerged, more from them talking with each other than from us talking with them individually.

2) What type of response has your company received so far regarding the CAB?

Very positive. We started the CAB with the concept that it would be an ongoing advisory panel. That is a lot to ask of a prospect to sign up for an ongoing advisory service, so that is not how we initially requested participation. We requested to have people agree to come once. From there, if they found value in it they could move on and we could continue based on the response of the panel and the gatherings. From our first panel we had 100% response that they all saw value in the half day together. The panel believed we could have talked for 2 days and continued to generate significant value for them and we had 100% interest in continuing. So, as we moved into our second advisory board, we added several more companies each of which is a member of the Fortune 500 and most of them are members of the Fortune 100. As we entered the second panel advisory board, we again had 100% response of value and they wanted to continue meeting. And, we will continue to meet and to grow the group.

3) How is Pharos Systems strategically using the CAB to help generate business?

One of the most important elements is to inform our product direction and discussions. When organizations get together in a fast and rapidly changing market they help to vet each other's ideas and it helps us when we have 8-10 organizations vetting ideas of the others to see the real good ones that emerge. We are using them to inform product direction. What we are also finding is there are very great contacts out in the market and as we have gotten involved with the advisory board it has helped our relationships with them individually and our relationship with other contacts they have in the industry. It has really changed the conversation we're having with them as customers and potential customers. It is also changing the conversations we are having elsewhere in the market. We have gotten to the point where we are being viewed as a leading thinker and an informed leading thinker in this space largely because of the advice the CAB has given to us.



4) Why did you choose to have the CAB facilitated externally verses trying to run one internally.

I think for a couple of reasons. One is, if we were to try to do it internally we would be bringing in someone who has preconceived notions about our industry, our activities and our intent, so right off the bat, the conversation will be more directed; which is not something we wanted. We wanted the conversation to be open. We wanted an external, professional facilitator who is skilled at doing that. This will make all the difference in the world verses trying to do it internally with our own resources. That was the most important. The second most important thing is that we want to be an equal member at the table. As we pull these CABs together, Pharos has a seat at the table, and we are nothing more than a participant like others, except that we fund the board itself. We are able to do that by bringing in an external facilitator who is able to run the event. Bruce Peters has been fantastic when he has run the event. He gets everyone involved very effectively. He is sure to balance the conversation. From our perspective it is definitely the way to go

5) Please share with me which elements of the CAB program work best for your particular organization.

The one that I have seen and experienced is one that we had anticipated. It's the power of getting multiple organizations in a room to have a conversation and the opportunity to see how they impact each other and where they take ideas in the conversations. We knew we would get value out of bringing this group of people together who are working in the same marketplace but had not had an opportunity to meet each other. We were very pleasantly surprised by the value we got out of that. The quality of the new ideas that showed up, the speed with which other organizations would decide to change their policies, make decisions and change directions once they could spend several hours with their peers talking out strategies. Pharos could talk with them for months and months about potential directions and opportunities or about potential projects they could or should undertake. Our conversations for months could turn into minutes if there are several of their peers in a room and they are able to have the conversations face to face. That is what the CAB has been able to do. Without question, improving the conversation and creating a learning environment for each of the members is the single strongest element that we have seen.

6) Is there anything else we didn't cover that you would like to share?

We have been running one CAB group for a year now. We intend to expand to multiple groups based on the experience that we have had with this one.