

BEST PRACTICE APPROACH TO ACCURATE TARGET MARKET PROFILING

BY TODD M. ZIELINSKI AND LISA BENSON

One of the most underestimated steps in new business development is target market profiling. Accurately pinpointing the profile for your target market will save you a considerable amount of time and money. Although it may take some time to develop a clear profile, the efficiency gained by pursuing only those people who need your products or services, have the authority to make the purchase, and meet other specific criteria will more than make up for the time spent in upfront development.

One of the issues that companies face when profiling prospects is that they don't go deep enough into the profile. Although looking at industries and SIC codes is a great start, this may leave you with a target list that includes companies that are not relevant for reasons other than the industry they are in.

Define Markets

The first step in profiling your target market is to clearly define it. Using a logical, systematic, repeatable approach will give you the best results. Start by creating a profiling worksheet with specific criteria that define what makes an ideal customer for you. Management should work with the sales team to define and continually evaluate the list or lists that are created.

Starting with industries is a good way to begin, but limit selected industries to those in which your business model excels. For example, if you are selling corrugated boxes, it might be easy to fall into the trap of thinking everyone selling a product needs boxes, so we should target all companies.

You need to dig deeper and ask questions until you find your niche market. Are you competitive against other off-the-shelf commodity suppliers? Is your strength in custom solutions? Do you need to stay within a certain geographic location? Can you offer competitive noncorrugated solutions? Are the markets that the target company sells to a good match (B2B vs. B2C, domestic vs. international, large companies vs. small, etc.)? At a most basic level, define your true differentiator, and understand who is willing to pay for it.

Define Financial Objectives

Once you have the industry and market segments defined, you will want to refine the list further based on financial objectives. How you do this will depend on your goals. How many sales do you need to close to meet your revenue goals?

To figure this out, you might need to look at the financial picture of your ideal prospective customers. Is overall customer revenue an important factor, or is customer profitability more important? In the market segment you are analyzing, does a highly profitable company spend more on what you are selling? A larger company may mean more bureaucracy and a longer selling cycle, so if you need quick sales, this might be an issue. You might find that company spend is more important. Are you interested in pursuing those with a specific transactional spend, or is lifetime value more important?

Dialing in on what type of company makes the ideal customer for you segments your list further and brings you closer to your ideal customer. You

may even need to build multiple profiles if you cater to multiple industries and market segments.

Look to Your Current Customers

If you are looking at this and not sure where to begin, start by reviewing your best customers. What is it about them that makes them a great customer? Those aspects that make them a good customer are the important criteria that should make up your profiling worksheet. What they purchase from you (volume or spend) should be your benchmark. These are the companies that you will want to mimic. Often it takes the same amount of effort to engage a company spending, for example, \$50,000 as it does \$5,000, so if your best customers are spending \$50,000, don't waste your time chasing small sales.

Define Contact Titles

Another important consideration is contact titles. Have an understanding of the decision-making process for the company types you are targeting—decisions are often made by a group. If possible, it is best to have four to five contacts from each company. Use your current customer list to determine which positions are held by decision-makers and influencers. Define who they are and what is important to them, so that your messaging can be tailored specifically to them.

Finding Companies and Contacts

Once you have your profiling worksheet together, start looking for companies that meet your defined criteria. A good place to start is with competitors to your current customers.

To find other companies that fit your profile, you can search the internet or use paid data services such as Synthio, ZoomInfo, Jigsaw, and Data.com. Your public library may even have online research databases available that are free to use, such as ReferenceUSA.

Keep in mind that the data provided by these services is not always accurate. It is imperative to do additional research to cross-reference the information. Going to a company's website will give you an idea of size, credibility, target markets, number of locations, size of plant(s), and company contact information.

To find individual contact information for the positions you are targeting, LinkedIn Sales Navigator is a good resource. It not only helps you locate the correct person, but it also integrates

with many CRM providers. Again, the information may not be accurate—people retire, change jobs, or otherwise leave the workforce and may not have updated their LinkedIn account. To verify you have the correct contact information, call the company. If you state when you call that you are sending information to John Smith and want to verify his contact information, the gatekeepers are often very helpful.

Update Continually

Keep in mind this isn't a one-time activity. These contacts should be added to your CRM or other database and updated regularly. Having a feedback process in place will be critical. If your sales and marketing team is finding the list is incorrect or they are getting feedback

from the prospects that you aren't a good fit, you will need to make adjustments. Your list should be reviewed and added to monthly at a minimum. ■



Todd M. Zielinski is managing director and CEO at Athena SWC LLC. He can be reached at 716-250-5547 or tzielinski@athenaswc.com.



Lisa Benson is senior marketing content consultant at Athena SWC LLC. She can be reached at lbenson@athenaswc.com.