

# HOW TO IDENTIFY YOUR IDEAL CLIENT

## 1 ASK YOUR PEOPLE WHO THEIR FAVORITE CLIENTS ARE?

This gives you the important soft side of your ideal client. Employees want to work with people they like. Clients like to work with people who are easy to do business.

## 2 DO A PROFITABILITY ASSESSMENT OF YOUR ENTIRE CLIENT BASE.

Revenue is important, but make sure you quantify "unseen" client costs like:

- Consuming disproportionate resources
- Demanding out-of-scope services
- Returning unusually high amounts of product
- Contesting expenses
- Requiring special orders
- Requiring write-offs
- Paying late
- Frequent corrections
- Changing agreements
- Ignoring timely actions

## 3 IDENTIFY OVERLAPPING CLIENTS IN NO. 1 AND NO. 2.

These profitable and likable clients are your starting point for No. 4.

In addition, look for clients who may have shown potential, but have not come to fruition because of loyalty to a competitor, a gap in your service line or lack of attention on your part.

## 4 DEVELOP A LIST OF ATTRIBUTES THAT MAKE THESE CLIENTS IDEAL.

Start with simple demographics: ownership, size, industry, geographic reach, and buyer function, then go much deeper into culture and mindset. Ask questions like:

- What is the company's point of view on the function you serve? Is the function strategic or tactical? A cost center or a value generator?

- What is the functional buyer's worldview on his industry, function, issues, and your solution?

- Are the company's management systems simple or complex?

- Is the operating environment risky, volatile, highly competitive or safe, staid, with little competition?

- How do buying decisions get made? Does the business unit make the decision or does a central procurement function?

- Do they treat product/service providers as partners or vendors?

- Does the organization only work with big brands or does it look for up-and-comers/specialists?

- What is the organization's approach to outside help? Does it normally hire consultants, outsource non-core services or do everything in-house?

- Is their culture collaborative or autocratic? • What values drive the company? Profit? Shareholder value? Social responsibility?

- Do they have a risk-averse mindset or a more aggressive risk-taking mindset?

- What is the firm's approach to human capital?

- Is the organization insular or open?