

A Guide to Defining Your Ideal Customers

Ideal Customer Profiles make your sales teams far more productive



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The Importance of Defining Your Ideal Customers

An ideal customer profile (ICP) defines the perfect customer for your organization. An ICP captures all of the qualities that would make a company the best fit for the solutions you provide.

Done correctly, an ICP can help define the problems you're solving for, align your product/service capabilities with customers' needs, and assist in laying out future product and service updates.

In this guide, we identify traits to capture when creating an ICP.

We hope you find this information helpful. If you have any questions, feel free to reach me at 800-834-4910 or at inbound281.com.

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What is an Ideal Customer Profile (ICP)?

An ideal customer profile (ICP), sometimes called an ideal buyer profile, defines the perfect customer for what your organization solves for. The ICP is a fictitious company that has all of the qualities that would make them the best fit for the solutions you provide.

Why Create ICPs?

If done correctly, an ICP can help define the problems you're solving for, align your product/service capabilities with customers' needs, and assist in laying out your future road map for product/service updates and changes.

Why not send every lead to sales? Some leads may not be a good fit, so it's important to identify who can buy from you and who can't. That way your sales reps aren't spending too much time on leads that most likely won't close a deal with them.

You can use ICPs to define what a good fit looks like.

The 5 Factors to Capture for ICP

When defining your ICP, these are the characteristics to capture:

1. **Budget / Revenue / Company Size** - what is the lowest cost threshold that a customer would have to pay for your product or service?
2. **Industry** - are there specific verticals that you work within? Are there verticals that you don't work with?
3. **Geography** - do you not sell to a particular region?
4. **Legality** - are there legal reasons that limit your potential customer base, maybe age, location, or government restrictions?
5. **Product or Service Limitations** - do you have a service level agreement (SLA) with your customers to meet a certain response time? If someone needs a response quicker, can you guarantee you'll be able to meet that demand?

Depending on your particular industry, there may be other factors. But these five are the baseline qualities all companies should consider. If a company doesn't meet these predefined characteristics, you can probably disqualify them so as to ensure your sales reps are spending time with companies that are a good fit.

Focus on Fit

ICPs are focused on the fit of the account and don't dive too deep into the individuals you will encounter. Once you identify accounts that fit your ICP, you want to start thinking about who your sales reps are talking to and who is responsible for actually making the purchase.

Ensure your sales reps are equipped to talk and answer questions for the different individuals they may encounter. Accounts that fit your ICP are made up of these individuals who hold different titles, product/service knowledge, and levels of experience.

The Difference Between ICPs and Buyer Personas

You may have heard the term "buyer persona" when it comes to defining ideal customers. ICPs and buyer personas work hand-in-hand.

A buyer persona is a semi-fictional, generalized representation of *individual people* that takes into account the demographics, goals, motivators, and challenges they are facing. ICPs and buyer personas are different, but linked.

ICPs are definitions of ideal organizations.

Most likely, you would have an ICP that has several different personas within the ICP organization.

Defining both your ICP and buyer personas can help one another. You want to ensure that your ICP is advising your org on accounts they should be targeting by defining the qualities that are needed, and your buyer personas inform your teams as to the kinds of individuals they are creating content for, prospecting, and the types of questions they should be prepared to field.

When and How to Use ICPs

You want to use your ICP at the beginning of your sales cycle to help when qualifying leads. It is not worth your sales reps spending time on leads that won't close because they can't - because of size, revenue, or other predetermined factors.

If you can use your ICP at the front end of that relationship, it can help your sales reps to prioritize accounts that are a good fit. Then you can use your buyer personas to determine how to sell to the individual. What challenges are they facing? How are they consuming content? ICPs define who to target, while buyer personas lay out how to best communicate with the individual.

While your ICP and buyer personas are different, they work in tangent to ensure that sales is spending their time talking to quality leads, marketing is creating content for the right audience, and support is equipped to answer the questions that may come their way.

Take the time needed to define your ICP and your buyer personas, because the effort you put in on the front-end can pay off in the long run when you are working with customers that are a great fit for what you have to offer!

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