



Target Market Worksheet

A good place to start when selecting a target market is to identify the commonalities of your BEST clients. Use the list below to define your target market based EITHER on your current best clients OR by defining a target market you WANT to target:

- Geography (country, state, city, mile radius); where are they located?
- Industry - broad (medical, nonprofit, construction, financial services, etc.)
- Industry - specialization (chiropractors, commercial construction, banks, etc.)
- Title, job description (list decisionmakers and influencers)
- Age
- Gross revenue
- Number of employees
- Type of employees (mobile workforce, office-based, 1099, part-time, etc.)
- Number Of Dedicated IT Staff
- Number of locations
- Type of entity (privately owned, family owned, corporation, government, etc.)
- Length of time in business (start-ups vs. older corporations)
- Gender, ethnicity, religion
- Line of business applications they use, technology platform, etc.
- Regulatory compliance (HIPAA, PCI, etc.)
- Problem specific (high-risk, complex cyber security environment, mobile workforce)
- Specific need (need to migrate on premise Exchange server to cloud)

Using The List From Above, Detail The Demographics Of Your “Sweet Spot” Prospect:



Define The Psychographics Of Your Target Market:

Once you have the demographics of your target market defined, answer the following questions about them. If you have more than one “avatar,” such as small business owners for managed services and IT directors at larger organizations for co-managed IT, you need to answer the following questions for EACH:

1. Who is the primary decision maker(s)? Who influences their decisions?
2. What are the most common situations/events/problems that drive them to seek out your services? How do THEY articulate that situation/event/problem?
3. What are their primary goals in their business (if owner) or job (if an employee)? What KPIs are they focused on? What do they think about MOST?
4. What keeps them awake at night? What are they afraid of? Anxious about?
5. What are the most common frustrations they deal with on a day-to-day basis?
6. What do they HATE? WHO do they hate?



Other Things To Consider When Selecting A Target Market:

Expertise: Do you have experience in working with your chosen target market? Do you have deep knowledge of their industry and how their business operates?

Future Opportunity: Does this target market (and what you sell them) offer you perpetual opportunity, or is the industry shrinking and/or changing in such a way that would limit you future potential sales?

Testimonial(s): Do you have a FANTASTIC testimonial/case study you can build on from one or more of these types of clients? Having one will make the acquisition of similar clients much easier.

Sufficient Market Size: Are enough of these prospects in your service area (local, regional or national) to support your revenue goals?

Strategic Advantage: Do you have a strategic partner or client that gives you a unique advantage in reaching your chosen target market?



Deeper Comparison Of Industry Verticals/Avatars

As we've already discussed, one of the easiest ways to identify profitable market niches is to look within your own client base for solutions and clients you can replicate. However, many IT firms service a wide variety of client types and have ideal, "right fit" clients in more than one vertical, making it difficult to choose. This form will help you evaluate the different types of vertical target markets you service to uncover overlooked opportunities and profitable niches you can capitalize on. Simply choose a client type and rate the opportunity using the questions below. Rate each opportunity on a scale of 1 to 5, with 1 being poor and 5 being ideal or the highest possible positive rating.

- **How Easy Is It To Identify Similar Clients?** Can you easily obtain a list of prospects (decision makers) for this target market? Are there lists you can rent? Associations? Trade publications? JV partners?
- **Can They Easily Afford Your Services?** Would a \$1,500-per-month managed services contract be a real strain on their resources (1), making it difficult to sell and collect on, or would it be something they can easily pay for (5)? The less strain on their budget, the easier it will be to sell.
- **How Profitable?** Did the services you deliver have a high profit margin (5 rating) or very little margin (1 rating)? Make sure you know the gross profit and net profit for each solution you sell! There is no point in adding more clients to an unprofitable model, or in attracting unprofitable clients. Remember, if you don't sell a high-profit service, you will have to make up for it in numbers.
- **Are There Ongoing Opportunities?** Did the client only want you to implement a one-off solution with no recurring opportunities (1), or is there a constant steady flow of work (5)?
- **How Common Is The Problem You Solved?** Were the problems/solutions unique to this particular client (1) or were their problems/solutions commonly shared by other businesses in that same niche so that you could easily replicate the solution you've provided (5)?
- **Are You Solving A Major Problem For That Client?** The bigger and more painful the problem, the more clients will pay for the solution. For example, is the "problem" causing them to lose significant revenue opportunities, profits and clients? Are there government regulations or legal requirements driving the need? Competitive pressure? Or is your solution more of a "nice to have" (1) instead of an absolute must (5)?
- **How Easy Was It To Sell?** Take into consideration how easy (or difficult!) it was to get an appointment with the decision maker, the length of the sales cycle and the number of objections you had to overcome.
- **Is There Sufficient Market Size?** Is the market big enough to easily sustain the sales/profits you want (5) or are there only a small number where even if you got 100% of them to buy, you couldn't sustain your business (1)? NOTE: Another consideration is whether the market is stable and GROWING or shrinking; you don't want to build on a market niche that is collapsing or becoming obsolete.
- **Leverage Point Rating:** This includes your expertise, background, experience or the contacts you have within a certain vertical market. For example, you have MORE leverage in a target market if you have worked with multiple companies in that industry and have a deep knowledge of how they operate and what problems they are likely to have. Other high-leverage points include having a good list of prospects/customers in that niche, relationships with good potential JV partners, expertise you

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might have about a solution they need or custom solutions you've developed specific to that industry.

- **Total Rating:** Add up all of the ratings for each client in this column. Those client types with the highest ratings are the ones you want to focus on.

IMPORTANT! There is no such thing as a “perfect” target market! Every niche has pros and cons, as well as its fair share of cheapskates and losers. Remember, it's YOUR job to make them see value in what you do and to craft a service they will want to buy.

Target Market Score Card

Target Market #1:									
Easy To Identify?	Can They Easily Afford Your Services?	How Profitable?	Ongoing Opportunities?	How Common Is The Problem?	Are You Solving A Major Problem?	How Easy Was It To Sell?	Market Size?	Leverage Point Rating:	Total Rating

Target Market #2:									
Easy To Identify?	Can They Easily Afford Your Services?	How Profitable?	Ongoing Opportunities?	How Common Is The Problem?	Are You Solving A Major Problem?	How Easy Was It To Sell?	Market Size?	Leverage Point Rating:	Total Rating

Target Market #3:									
Easy To Identify?	Can They Easily Afford Your Services?	How Profitable?	Ongoing Opportunities?	How Common Is The Problem?	Are You Solving A Major Problem?	How Easy Was It To Sell?	Market Size?	Leverage Point Rating:	Total Rating



How To Research Your Target Market:

When researching your market, you're essentially trying to uncover detailed answers to questions outlined on the following page of this workbook.

- Pay attention during the sales calls you're already going on. Prospects **WILL** tell you what they want, why they want it, what they want to avoid and what's most important to them in making the buying decision – **IF YOU ASK AND LISTEN.**
- Get out to networking events and talk to them! A handful of meaningful one-on-one conversations with a few prospects about your services is worth far more than pages of research reports and statistics. You can get these interviews simply by going to industry events, joining online forums, visiting or joining peer groups they belong to, getting involved in their industry's associations, getting people you know or do business with to make introductions or even by cold call prospecting them!
- Subscribe to and read the top 3-5 industry publications and online web portals they subscribe to. (Note: You want to subscribe to get on the mailing list and receive promotions from other vendors selling to the same target market.)
- Talk to other non-competitive vendors selling to your chosen target market for insights on how they sell to them, hot buttons, frustrations, trends, how they make buying decisions, etc. Just be sure you talk to someone who's actually successful at selling to them; you don't want to take advice from a loser!
- Attend every major trade show and event for your niche's industry – both locally and nationally. You can learn a LOT just by walking around and talking to other vendors, attendees and speakers.
- Use Google's AdWords tool to research search terms and volume for keywords your target market might use to find you. Is there a high volume? Low volume? Is it competitive?



Additional Questions You Should Know The Answers To About Your Target Market:

1. Who is your prospect likely buying from right now, or what service/solution do they have in place now that you would replace? Specifically, how are you BETTER?
2. What is the current market size available for you to sell to? Is it growing or shrinking?
3. Where or how do they start looking (shopping) to buy your services? What is/are the first question(s) they ask themselves when looking to buy your services?
4. What are the top 3-5 most important factors or criteria they look for when buying what you are selling? Why are those factors or criteria important to them?
5. What are the top 3 biggest frustrations they have with dealing with MSPs or IT services companies (you and your competition)? What irritates them?
6. How would your ideal target client describe (exact language) their frustrations, problems or dissatisfactions with IT (or whatever it is you solve for them)?
7. HOW do they buy your services? What is the decision-making process? Who's involved?
8. What's the single biggest benefit you deliver to them? What are they REALLY buying?
9. Can you make a clear and compelling financial argument as to why they should buy what you're selling over your competition? Doing it themselves in house?
10. Do the prospects already buy and/or understand what you sell (commodity end of the spectrum), or do they need to be educated (innovation end of the spectrum)?
 - Innovation
 - ✓ You need to develop the NEED
 - ✓ Educating the prospect becomes important
 - ✓ Discounts aren't important, but justifying the price IS
 - ✓ Minimize the "thing" and focus on the RESULTS
 - ✓ The better you are at describing the problem/pain/situation the prospect is dealing with, the better your results will be
 - ✓ Lead generation with educational webinars, videos, reports, etc. is critical.
 - Commodity
 - ✓ You don't need to educate them on why they need to buy it
 - ✓ Price and convenience become more important
 - ✓ USP becomes more important (why you over everyone else)



- ✓ You can generate sales with one step, regardless of price (new car)
- ✓ You can talk more about features since the client will understand them

11. What regulatory/government actions are impacting how they do business, or WILL impact how they do business?
12. What trends are going on in their industry?
13. What are the top 3-5 events they attend? What are the top 3-5 web sites they visit or read, or publications they subscribe to?
14. Who are the key influential people in their industry that they respect and follow?
15. Who are the top 10-20 vendors selling other services to them (non-competitive with what you do)? NOTE: This is your list of JV partners!
16. Do they have their own language? What are key acronyms or buzzwords they use?
17. Are they web and technology savvy?
18. What social media sites do they frequent, if any?
19. How do they get paid to do what they do?
20. What applications, data or systems are critical to them delivering services/products to their customers?
21. What are all the critical applications they use to run their business?
22. What's their average annual revenue? Growth rate?
23. What KPIs do they MOST pay attention to?
24. What are they angry about or who are they angry at (can be government regulations, trends, other competitors, their clients, etc.)?
25. What's the fastest and easiest inroad (product or service) for you to gain access?