



AdamsonPVFSupply

BY JOAN ADAMS

The Perfect Customer

o to a devastated region like Darfur and ask a starving woman what she would like to eat. Her answer would be pretty basic. She'd like just about anything to eat.

Start-up businesses have a similar view of the world. Ask the start-up owner what kind of customer he/she would like and the answer will sound familiar — “anybody.” Any customer will do. In the beginning, for a start-up company, “take any customer you can get” is not a bad strategy. Just like the woman in Darfur, when you have absolutely nothing, it doesn't pay to be picky.

Unfortunately, many companies continue with the “anybody is my kind of customer” strategy long after the start-up stage. And why not? Selling to absolutely anybody is how they built their business. Not being “picky” got them to where they are. Year after year, most companies continue to cast a wide net, fearful of missing an opportunity. This strategy is rarely to their advantage. It is an old bad habit that comes from those rocky start-up days.

IN SEARCH OF EXCELLENCE

There are two key reasons why now you should be picky.

First, sending out a message that tries to appeal to everybody is by definition muddled and weak. When a company states, “We do it all,” or “We provide service to any and all,” it doesn't differentiate what the company does well. Worse than that, the underlying message the customer hears is — “We try to do it all — we are pretty good at some things and downright mediocre at others.” The

When it comes to selecting customers, it pays to be picky.

customer has no way of knowing where the company excels.

Second, some of these customers just don't “fit” your business. They want things you don't keep in inventory. They need services that you don't usually provide. They sporadically order small quantities of low margin materials. They are located far away. In short, they cause you more problems and cost more than they are worth.

Why continue spending your efforts on attracting these folks when instead you can focus all your efforts on attracting the perfect customer?

The first step is to figure out who is your perfect customer.

The second step is to build a strategy for attracting that perfect customer to your business. Let's look at an example from the customer's side and from the seller's side.

THE CUSTOMER'S POINT OF VIEW

The perfect customer is drawn to a specific company. A friend of mine owns a '65 Mustang convertible and the car needed some work. When looking for the “perfect” repair shop, he quickly skipped past all the advertisements that said, “We service all vehicles.” He focused instead on the ads that said “We specialize in Fords,” then went directly to the phone and called the company that said “We fix classic Fords: Mustangs, T-birds, Mercurys.”

The moral of the story: As soon as the product or the service is important, the customer will search for and ultimately will go to the place that specializes in just what he or she wants. These are the people whom you want to attract. These searchers are the perfect customer.

THE COMPANY'S POINT OF VIEW:

Another friend of mine is a chiropractor who specializes in working with high endurance athletes (long distance runners, swimmers, bike riders, etc.). He was totally stuck in the start-up mentality. He wanted to reach out to every possible customer. He couldn't bring himself to mention his specialty in any of his promotional materials, fearing he would lose all non-athletes as potential customers. While trying to reach everyone, he completely “missed” his perfect customer. To the endurance athletes, he looked like all the other chiropractors, a plain vanilla generalist. They sought somebody else and his business languished.

After a lot of trepidation, he set about attracting his perfect customer. He narrowed his focus. He used testimonials from a few clients who were high profile professional athletes in all of his literature. He promoted his practice in local gyms, running clubs, sports medicine clinics, etc. This resulted in a steady stream of new customers. And these customers weren't just anybody, they were customers who wanted exactly what he offered. His business grew by attracting the perfect customer. The moral of this story:

Being picky is good — it means your company has made it to a stage where you

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can afford to be picky. Think of it as a sign of corporate maturity!

HOW TO START

First, you must identify your perfect customer. Conduct a little brainstorming session. The purpose is to generate a list of characteristics that describe your perfect customer.

For instance, let's take a hypothetical supply house. Excellent PVF Supply is located in the Eastern corridor. They have expertise and carry materials specific to the pharmaceutical industries. Their list of attributes for the perfect customer looks something like this:

- Customer is profitable;
- Customer is growing;
- Customer buys special FDA-approved coated materials and specialty alloy materials that Excellent PVF carries and has industry expertise;
- Customer buys high margin materials;
- Customer puts a premium on accurate chemical content in materials.

Their perfect customer could be all industries involved with end products for human consumption: pharmaceutical, food, biotech, and water.

The ABC PVF house is located in the Midwest in the middle of a large industrial area. They have a perfect customer with a very different profile:

- Customer orders in large quantities;
- Customer has steady buying pattern;
- Customer requires a lot of additional work (pipe cutting, threading);
- Customer wants managed inventory;
- Customer wants delivery to many different work sites.

The ABC customer attributes suggest that construction companies, public and power utilities and large contractors are their perfect customer.

Your perfect customer is out there. Look at your list of attributes, and you will start to see who your perfect

customers are. Don't be afraid if the list seems a bit narrow. Remember, part of this exercise is to break the habit of trying to sell to everyone. It is a lot more effective to sell to a focused list than to the anonymous masses.

HOW TO ATTRACT YOUR PERFECT CUSTOMER

You have already determined who your perfect customer is and you know what they want. What could be simpler? Target those industries and companies and go tell them very specifically what you can do for them. If your message is laser focused, your perfect customers will come to you.

Customers want to feel they are going to a company that knows their business inside and out. Most PVF customers aren't looking for a "one-size-fits-all" PVF house.

Knowing who your perfect customer is can be extremely powerful. You can suddenly stand out from the crowd. Now your perfect customer wants to do business with you, not just any supply house. And the best part: the perfect customer is a more profitable customer. So, stop trying to sell to everyone — sell to your perfect customer and watch your profits grow. <<

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