Developing your Ideal Customer Profile (ICP) is the first step in creating an Account-Based Strategy. By narrowing in on the traits that define your best customers, you will then be able to find and engage with those accounts where you are most likely to repeat success in the future. By following the steps in this blueprint, you will be able to create a clearly defined and prioritized target account list of accounts most likely to be your next best customers.
STEP 1

Diagnose Your Customers using SPICED

The first step in developing an ICP is to define the customers you want more of. To uncover these key insights and model out your ICP, start with an overview of your ideal customers, using SPICED. We look at the Situation, Pain, Impact, Critical Event, and Decision Criteria that your customers have in common to help target new accounts.

SPICED, Defined

**Situation**
Facts, circumstances, and background details about your ideal account types

**Pain**
The challenges that your customers experience

**Impact**
How you impact your customer's business

**Critical Event**
An event/deadline that drives customers to make a decision by a certain time

**Decision**
The process, committee, and criteria involved in purchasing a solution

STEP 2

Quantitative Analysis

At its heart, ICP development means looking for patterns in your customer data and uncovering what your best customers have in common. To use a data-driven approach to your ICP development, start by looking at the company characteristics that best predict a successful sales process in an account, and that you often find in your high-value customers.

To find the best customers, start analyzing your customer base for firmographic traits such as industry, customer revenue, employee size, and growth rate. We find that cross-referencing these data
points with lifetime revenue can help uncover where your organization has delivered the most impact over time. Layering other data sets, such as retention data, product usage, and technographic data, can be very helpful in analyzing the traits that these customers have in common.

**Real Life Example**

A talent solution company, which staffed full-time and contract talent for large enterprises, had many customers in the manufacturing industry. Initially, manufacturing looked to be within their ICP. However, a closer look at total revenue per customer and interviews with sellers revealed that most low-skilled manufacturing companies would not yield the margins necessary to sustain their business. We concluded that their ICP included only high-skilled manufacturing companies, such as pharmaceuticals and technology. This finding enabled this company to focus their resources and customer acquisition costs on more profitable target accounts.

**STEP 3**

**Qualitative Analysis**

The customers that you have had success with in the past may not be exactly the same as the ones you want to close in the future. Beyond quantitative data sets, you will want to look at other factors when determining your ICP. Some important factors to consider include:

- Upcoming product releases that may address new market segments
- Current economic market conditions
- Upcoming investment into new markets and verticals

Consider conducting interviews with experienced GTM team members on your team; these conversations will often give you valuable qualitative insights into your customer base that may not show up in the data.
During these interviews, do a “deep dive” on specific customers within each segment to understand the nuances of why your organization does well within that segment. Walk through the SPICED criteria for 5-10 customers with the person who sold or manages each customer, in order to uncover these insights.

Below are some example questions for your interviews:

1. How did [customer] find our solution/how did we find them?

2. Who were the stakeholders involved in the deal (or in the ongoing relationship with us)?

3. What pain points were they experiencing when they found our solution?

4. What impact does our product or service have on the stakeholders in their organization?

5. If they had not purchased our solution, what would the impact have been on the stakeholders or their organization?
**USE DATA & INSIGHTS TO UNCOVER YOUR ICP**

Using quantitative and qualitative analysis, patterns will start to emerge, and your ideal customer profile will start to become clear.

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**Real Life Example**

A SaaS project management platform company was struggling to scale their GTM team after initial successful growth. Their initial quantitative data analysis revealed some interesting insights into the location, employee size and industries they performed well in. But the real key attributes emerged in the qualitative review, where the team revealed how critical the project management software was for distributed office environments. Given this insight, they revisited the quantitative analysis, which showed that accounts with distributed office environments converted at much higher rates and had longer customer lifetime value (LTV) compared to those without a distributed office environment.

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**Figure 2:** Example of the common factors in three different segments of an ICP.
**STEP 5**

**Document Your ICP & Top Segments**

Take everything that you learned from your quantitative and qualitative analysis, and distill it down into concise and consumable profiles. Clearly defining and documenting the profile of customers with similar situations, pain, and impacts will help formalize your findings.

This should result in two distinct strategic documents:

- **A summary of your Ideal Customer Profile** including the attributes most common among your customers. Include the common factors such as industry, company size, revenue range, and geographic locations. These should also include key attributes that are unique to your product or service offering, such as a key technology, a compliance requirement, or other unique business insight.

- **Account Segment Profiles** - This is a summary of 3-5 top segments of customers within your ICP that have unique and differentiated pain points. This will help you make the ICP actionable for your GTM teams, while also providing a profile around which to align content, discovery, and customer stories.

Circulate these profiles with your stakeholder committee and iterate on their edits and feedback. Once these profiles are approved by your GTM stakeholder committee, they are ready to be leveraged to develop and operationalize.

**TIP:** Once you align on and document your ICP and key segmentation, be sure to create a roadmap for operationalizing it in your organization. Typical next steps are creating a target account list as the foundation of your account based strategy, using your ICP for onboarding of your GTM team so they are aligned around the same audience targets, and prioritizing content creation to these account types.
Additional open source templates can be accessed at www.thescienceofrevenue.com

Videos available on the WbD YouTube Channel