



SEGMENTOLOGY

SCALING YOUR PRACTICE WITH NICHE MASTERY

JON MORRISON

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HOW TO SCALE A PRACTICE WITH NICHE
MASTERY

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1 THE ROADMAP TO GETTING SEGMENTATION RIGHT

Picture the disheartening moment of witnessing your financial advisory practice, built on your dreams and dedication to your clients, gradually disintegrate. That's what happened to Alex. His downfall was not due to a lack of expertise or enthusiasm. It stemmed from an attempt to be the economic savior to all.

Alex was a dynamic financial advisor who built a team that loved to help people grow their wealth. But his once-thriving practice began to stumble, losing not only their revenue but also the confidence of his clients. His misstep? He tried to be everything to everyone. Trying to cater to every financial need, from retirement planning to investment strategies for every possible type of portfolio, he stretched his resources too thin and was branded a "generalist."

It seemed right at first. Alex and his team prided themselves on their ability to help anyone, regardless of their financial situation. Their broad approach attracted a diverse clientele. But soon, the cracks began to show. The team, though skilled, found themselves stretched thin, trying to manage complicated financial strategies for any person's needs, from working wealth for affluent clients to advising on debt management for struggling individuals.

The practice's marketing messages became diluted and confusing as they tried to speak to too many different client types, making their expertise appear generalized and non-specific. Clients began to notice the lack of specialized attention. The clients often thought, "They were good for me at one time, but my problems have become more complicated. I need an expert now." Clients started losing trust in Alex's ability to secure their financial future.

Adding to the trouble, the internal operations of Alex's practice became chaotic due to the absence of a clear, focused strategy. The team was constantly pivoting to address their varied client base's diverse and sometimes conflicting needs, leading to inefficiencies, miscommunications, and, ultimately, a decline in service quality.

Client dissatisfaction grew, negative reviews started trickling in, and referrals dried up. Because there was no market segmentation, Alex didn't know where to go to find new leads. He soon burned out emotionally under the stress of not being able to focus his attention on a niche. Alex's revenue plummeted as clients withdrew their portfolios and sought more specialized financial advisory services elsewhere. Once bustling with activity, the practice felt the effects of a financial strain and a whelming reputation. We can trace their troubles back to a lack of a clear, targeted approach to serving a specific market segment.

Alex needed to learn segmentology.

He is not the only one like this. His experience is a reminder to all of us who serve customers for a living. This book emerges to keep you off the path Alex walked and, instead, carve your journey as a renowned expert in your segment.

Because deep down, you know just how much you appreciate working with an expert.

WE LOVE OUR EXPERTS BUT ENJOY BEING GENERALISTS

Imagine visiting a city with a vast array of dining options. You get one shot at a nice, memorable dinner. Do you choose the place that offers a

little something of everything or has only a few menu options, but they do everything with the highest level of expertise? Are you going to eat at a place that serves Italian, Indian, American, and Chinese off the same menu? Of course not. Similarly, you wouldn't rush to a general clinic in a critical situation like a medical emergency. Instead, you'd seek *the* specialist with deep expertise in the area of the body where you need it.

This highlights the inherent value of specialization and expertise in critical aspects of our lives. We're not the only ones. We love specialists.

WHY WE LOVE SPECIALISTS

Consider these other areas where we rely on specialists over a generalist:

Finances: In moments of financial upheaval or golden opportunities, would you prefer the counsel of just any financial advisor, or would you seek out THE expert renowned for navigating the exact challenge you're facing?

Home Renovation: Imagine wanting to add a vintage touch to a modern home with stained glass windows. While a general contractor might have a broad understanding of window installations, a stained glass specialist would be sought to ensure the delicate and intricate work is done correctly, preserving the beauty and integrity of the glass.

Car Repairs: For luxury sports car owners like a Porsche or Ferrari, when it comes to repairs or maintenance, they'd likely prefer taking their vehicle to a mechanic specializing in luxury sports cars rather than a general auto repair shop.

Legal Matters: Someone starting a tech startup would benefit more from a lawyer specializing in intellectual property and tech startups rather than a general practice attorney when patenting new software or navigating the complexities of tech regulations.

Fitness Goals: An individual training for a triathlon would likely seek the guidance of a triathlon training coach who specializes in the specific demands of the sport rather than a general fitness trainer.

While we love working with experts on our problems, paradoxically, many proudly wear the generalist badge when running our businesses.

We spread ourselves thin, trying to be everything to everyone, fearing that specialization might limit our reach or opportunities.

However, the narratives that captivate us—the success stories we laud and aspire to emulate—are often tales of specialists. They are stories of individuals or companies that identified a niche, honed their expertise, and became the best in that domain.

Being a generalist might offer the illusion of diverse opportunities, but specialists leave an indelible mark. They understand that their foundation, their “Who,” is not about casting the widest net but diving deep, understanding a segment thoroughly, and serving it with unparalleled expertise.

In business, as in life, it’s not about being a jack of all trades but a master of one. Choose your segment, become the expert, and let your success story be a testament to the power of what we are calling segmentology.

Could You Benefit From Segmentology?

Is this your experience:

- You’re always coming up with new ideas, but you’re not sure there’s a market for them. Maybe it’s a new product idea, and you know it would be awesome. You don’t know who to sell it to.
- You must accept any new lead from your website, even if it means working with difficult people.
- You hope and pray that a new client won’t become another nightmare.

- You spend a lot of time thinking of words that can reach all the potential clients you can work with. In trying to reach everyone, you fear you may be reaching no one.
- Because your clients are so diverse, you're spending so much time learning new software and tools while trying new strategies to appease them.
- Since you spend so much time figuring out what works, you're never sure if something will work.
- You constantly have to prove yourself and your worth on sales calls.
- Since a new client could come from anywhere, you're unsure where to put your marketing energy, time, and resources.
- You wonder if you'll ever be able to package up and sell such a random client list.
- You look back at months and years and wonder what you have accomplished besides random tasks for random people.

If that's you, you're not alone.

These problems come from my journal, as I struggled with them for years.

THE PERILS OF WEARING TOO MANY HATS: THE DOWNSIDE OF BEING A GENERALIST

I know that the allure of being a generalist is undeniable.

The ultimate strategy is to be versatile, adaptable, and capable of catering to a broad audience. But beneath this veneer of flexibility lies a quagmire of challenges that can hinder growth and stifle potential.

The Jack-of-All-Trades Dilemma: By trying to help everyone, you often end up not truly helping anyone. Spreading yourself too thin means you can't offer the depth of service or product that a more focused competitor can.

The FOMO Trap: Being everywhere and doing everything might seem like a good idea, but it often leads to a debilitating fear of missing out

(FOMO). Instead of excelling in one area, you're constantly distracted by the next shiny opportunity, leading to a lack of depth in any endeavor.

Commoditization Crisis: When you're a generalist, standing out in a crowded marketplace is challenging. With a unique selling proposition, you avoid becoming just another commodity, easily replaceable, and lacking a distinct identity.

Marketing Malaise: Generalists often find themselves despising marketing. Why? Because it's incredibly challenging to craft a compelling narrative or brand story when trying to appeal to everyone. Your marketing efforts can feel scattered and ineffective without a clear target audience.

The Wheel-Spinning Syndrome: Without a clear focus, you'll spend excessive time on tasks that don't drive your business forward. It's like being stuck in the mud, with your wheels spinning but no forward momentum.

Systematic Chaos: One of the most significant challenges for generalists is creating efficient systems and training staff. When your business needs a clear direction, it's easier to develop streamlined processes or provide clear guidance to your team.

While being a generalist might seem like a path to unlimited opportunities, it's often a route filled with pitfalls and roadblocks. On the other hand, specialization allows businesses to carve out a niche, develop deep expertise, and genuinely serve their target audience. In the long run, it's not about how many hats you can wear but how well you wear the one that fits you best.

THE DIFFERENCE BETWEEN KNOWING AND DOING

Knowing that you should pick a niche is one thing. Learning how to grow a thriving practice with a niche is where the challenge and opportunity lie. In the pages of this book is a roadmap taking you from feeling like a wandering generalist to a focused leader to "your

people.” You’ll learn what successful service providers are doing to thrive with segmentation and how you can follow their path, too.

WHAT IS SEGMENTOLOGY?

Segmentology is mastering the art and science of building a thriving practice around a clear market segment. But while many are familiar with the idea, only some genuinely understand how to do it.

Segmentology is not an idea but a discipline that gets results. It goes beyond the superficial understanding of dividing the market into smaller chunks. It’s about immersing oneself in that segment, understanding its needs, culture, and aspirations, and tailoring one’s practice to cater to those requirements.

For many, realizing the importance of segmentation comes quickly. Yet, the path to effective segmentation still needs to be discovered. Why? Because while the concept is introduced, the roadmap to achieve it can sometimes be complicated. That’s where segmentology steps in, offering a structured approach to understanding and mastering the art of segmentation.

In the business growth journey, segmentology serves as a compass, guiding professionals to hone in on their target audience, refine their offerings, and ultimately build a practice that resonates deeply with a specific market segment. It’s not about casting a wide net; it’s about fishing with precision.

As we navigate the ever-evolving business landscape, segmentology emerges as a beacon for those looking to truly connect with their audience. It’s not just about knowing your segment; it’s about living, breathing, and mastering it. Welcome to the future of market mastery. *Welcome to segmentology.*

FROM MINISTRY TO MARKET MASTERY: MY JOURNEY TO SEGMENTOLOGY

Emerging from my role in ministry, I was greeted with a horizon of boundless opportunities. As a pastor, my core mission has always been to guide individuals in crafting their triumphant narratives. It wasn't about financial gain. Money is like oxygen; once you have enough, you don't really think about it. But if you don't have it, that's all you think about. My wife and I had mastered living modestly on a Baptist preacher's earnings, so our needs were minimal.

My true calling was unmistakable: I aspired to empower small business owners with the knowledge and tools to market their businesses effectively.

This would enable them to reach a broader audience and, more importantly, connect with the right audience.

Through my observations, I discerned a curious pattern in business: the most skilled individual or entity sometimes emerges victorious. The most adept politicians might not secure an election, the most formidable teams might not clinch the trophy, and the most exceptional businesses might only sometimes be the ones chosen by clients.

Businesses with outstanding products or services that can genuinely enhance lives should be equipped with every possible resource to flourish. Keeping a stellar business under wraps might be suitable for safeguarding family recipes, but it's detrimental in the commercial realm. Superior businesses deserve the finest tools at their disposal.

When such businesses thrive, they not only elevate their stature but also enrich the lives of their customers.

Conversely, when these businesses remain obscured, the repercussions are manifold. Customers miss out on top-tier services or products, and companies miss out on potential revenue. However, when the right businesses align with the right audience, it creates a ripple effect of prosperity. Clients experience success, leading to heightened satisfaction and sparking enthusiastic referrals. Business owners, in turn,

rediscover their passion for their work. They indulge in leisure, exude a calmer demeanor, and foster a nurturing environment for their employees. This cheerful ambiance leads to a more positive culture, prompting employees to deliver superior service to clients.

When businesses align with their ideal market segment, it's not just a win for the company but a collective triumph for all involved.

You know this already: Where would you rather drink your wine from? The bottom of a barrel or the overflow? You say, "I don't drink by the barrel; I drink from a glass." Okay fine. But you get the idea. You don't want to scrape by as a business owner. You want abundance. You know you're better when there's more to share.

That's what I believe about business.

I want to fight entrepreneurial poverty. The best people should be helping more of the right people so their businesses can thrive. If they do it right, they won't have to work nearly as hard for the resources they deserve.

FROM PHILOSOPHY TO PRACTICE: MY GROUND-LEVEL EXPERIENCE

Embarking on the entrepreneurial journey to find your niche can be arduous and challenging, often evoking frustration and self-doubt. It can feel akin to observing others indulge in a feast while you're left pondering why you're not partaking.

In my previous role as a pastor, I dedicated years to assisting everyone who sought my guidance without a distinct focus or specialization. However, when our board underwent a restructuring, I was left without a steady income or a community. This pivotal moment led me to establish my venture, aiming to bolster the growth of small businesses.

Initially, my approach was to be a jack of all trades, offering services ranging from website development to social media management and, humorously, even "hiding bodies" if the client asked nicely enough.

This broad approach made progress sluggish and imparting training challenging, as I was essentially charting unknown territory.

Stories of thriving entrepreneurs who had pinpointed their niche, established efficient systems, and managed to balance work and leisure while delivering stellar results for their clients often reached my ears. Yet, despite my earnest endeavors, success remained elusive.

The tide began to shift when a chiropractor from Colorado connected with me on Facebook. After sharing marketing insights with his mastermind group of influential chiropractors across America, I was invited to guest on multiple podcasts. They also asked me to contribute to their expansive Facebook community. Through deeper conversations, I discerned their needs and crafted a solution tailored to the challenges of this group.

The path to success could have been more straightforward. It demanded years of unwavering commitment and perseverance before transitioning from referral partners to selling our enterprise for a seven-figure sum. Our journey was punctuated with myriad obstacles, from financial hurdles to demanding clients, but our vision of aiding small businesses remained our North Star.

Reflecting on this journey, it's evident that pinpointing our niche was instrumental to our triumph. We learned the importance of differentiating ourselves in a saturated market by emphasizing our unique strengths.

For those navigating the tumultuous waters of entrepreneurship and feeling overshadowed by the success of others, remember that carving out your niche is a process that demands patience and dedication, but the rewards are truly invaluable.

THE JOURNEY TO RE-INVENT MYSELF

While the option to cash out and enjoy a period of relaxation was tempting, I was still in my early forties, brimming with energy and ambition. I was reminded of the stories I'd read about the founding fathers of PayPal.

After selling their company for billions, these entrepreneurs still had gas left in the tank. They didn't just rest on their laurels. Instead, they embarked on new ventures that would reshape the digital landscape. Platforms like YouTube, LinkedIn, and Slack emerged from this entrepreneurial spirit.

With his share, Elon Musk pioneered ventures such as SpaceX, Tesla, and numerous others that might remain unsung.

For these trailblazers, their exit from PayPal wasn't an endpoint but a springboard to even grander horizons. I take inspiration from their stories. I felt inclined to share the playbook I now have to start, build, and scale a business around a clearly defined market segment. The study and execution of this, which I have called segmentology, are the contents of this book.

WHO IS SEGMENTOLOGY FOR?

1. The Skeptics: If you're questioning the merits of the strategies laid out in this book, I aim to change your perspective. This book will illuminate the transformative power of zeroing in on a specific niche by highlighting its advantages over the broad approach of a generalist.

2. The Newcomers: This book serves as a roadmap for those embarking on their entrepreneurial journey. It offers insights into achieving efficiency, maintaining focus, and scaling effectively. By embracing these principles, you'll sidestep common pitfalls, thereby saving time and money and fast-tracking your progress by years.

3. The Seasoned Professionals: This book is your guide for veterans who've tasted success and are poised to take it to the next level. With a wealth of client interactions and work experiences under your belt, you've discerned your preferences. Now, it's time to refine your approach and optimize your efforts to work more intelligently, not just intensively.

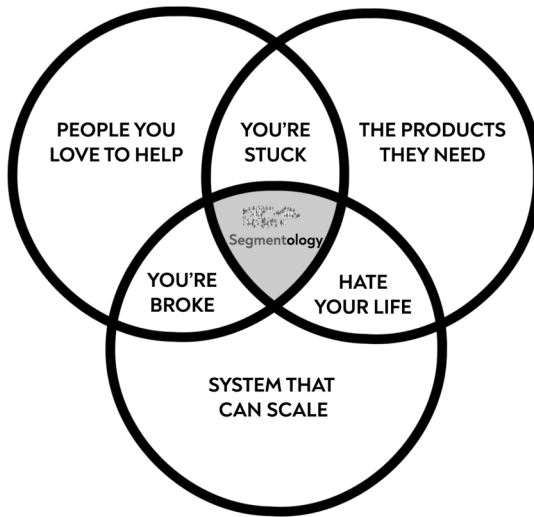
4. The Strategist Eyeing an Exit: This book is tailored for you if you're contemplating selling or passing on your legacy. By meticulously segmenting and packaging your offerings, you enhance their appeal

and value, making them more enticing and lucrative for potential buyers or successor.

THE SEGMENTOLOGY CENTER

It wouldn't be a business book today without a Venn diagram. I am not above the need to illustrate with them. What can I say. I love circles and I love diagrams. Put them together and you have an amazing tool for making a point.

When I created the Segmentology system, I envisioned a Venn diagram to illustrate a thriving, scalable business. It looks like this:



Each circle in this diagram symbolizes a critical element of your professional and personal life, with the ultimate aim of achieving harmony among them. We are going for the type of business known for these characteristics:

- *Clients You Love to Help*: Identify and deeply understand the audience you're passionate about serving. These are the people whose challenges you're uniquely equipped to solve, and

helping them should bring you joy. If you have a great product and a superior system but you detest your clients, you're going to be miserable all day, every day.

- *The Products They Need:* Deliver services or products that precisely meet the needs of your ideal client. Your offerings should be both effective solutions that solve a real world problem. Without a need in the market, you've got a hobby - not a business.
- *Sustainable Confidence:* Live every day with the assurance that you have a system that is delivering repeatable results, creating satisfied clients. If you have no system, you're going to have a random, chaotic business that depends on you.
- *Personal Fulfillment:* When you have all three circles going, you'll enjoy the satisfaction of knowing your business is helping the most amount of people solve a real problem without it blowing up your life.

The Central Principle - Segmentology Creates A Thriving Business Serving The People You Love With A System That Can Scale

Aiming for the middle circle is finding the sweet spot where passion meets market demand, financial health, growth potential, and personal satisfaction.

When these elements align, your business is set to flourish, scale efficiently, and bring you a sense of achievement and happiness.

Now let's talk about how to get there.

THE SEGMENTOLOGY ROADMAP

This book serves as your compass, guiding you through the intricate terrains of market segmentation and ensuring you harness its full potential. Here's a glimpse of the enlightening journey ahead:

Find the Right Segment: We begin by making sure you have a clearly defined ideal client. If you're not sure yet who you love to help, that's ok. We will seek to understand your options along with some of the

nuances of each type. You'll learn to discern which resonates most with your gifts, experience, market needs, and goals.

How to Choose, Understand, and Serve Your Segment: Once you've identified your segment, it's crucial to comprehend its intricacies. We explore your chosen segment's problems, aspirations, and needs, ensuring you're poised to serve them as an industry leader.

Scaling Your Practice With the Right Systems: Growth is not just about expansion but about doing so smartly. Learn how to implement systems that allow you to scale efficiently, ensuring consistent quality and value.

Build a Team That Becomes the Authority to Your Segment: A scalable and sustainable, world-class practice isn't a solo endeavor. Discover how to assemble a team that understands your segment and gets stuff done.

Lifestyle Marketing That's Clear, Effective, and Fun: Marketing doesn't have to be a chore. Embrace strategies that are not only clear and effective but also enjoyable, ensuring your brand resonates while you relish the process.

Build a Legacy Business Around the Four Freedoms: Entrepreneurs dream of leaving a lasting legacy. Learn how to structure your business around the pillars of freedom—time, financial, emotional, and geographical—ensuring longevity and continued impact.

As you engage each step, you'll be equipped with the tools, insights, and strategies to master the art and science of segmentology. It's a journey of discovery, growth, and ultimately, your success.

Prepare to embark on a transformative adventure that will deliver the entrepreneurial lifestyle you've always wanted.

2 SEGMENTOLOGY 101

FROM “WHY” TO “WHO”

I had this big idea I wanted to share. I needed to know if others felt the same way. I’ve always been drawn to stages. I’m there, asking if I can speak if there’s a stage and a microphone.

I saw TEDx as a place to test new ideas. So, I went there to challenge a popular thought by Simon Sinek. I said people don’t care about your “Why;” they want to know if you can help them. Think about it. If you meet someone and all they talk about is their “Why,” you’ll wonder why you even spoke to them. But if they show they can help you, you’re interested. That was my TED talk’s message: “Forget the why; start with the who.”

This talk became a book. I explored this idea more during the tough COVID times and even studied it in my MBA. My main point? A great “Why” means nothing without the right “Who” to make it happen.

Many of you have big dreams for your work. Your family might support you, but you need more than that.

I believe the answer is focusing on the right group of people, or segmentation. How to do it? It's not easy, but it's worth it.

The thing about TEDx is that it's like an amateur hour at the comedy club. You can try stuff out. That's when I decided to try to pick a fight with Simon Sinek. I argued that people don't care about your "Why;" they care about if you can help them win. This isn't advanced thinking. If you meet someone at an event and they talk about their "Why," you ask, "Why did I talk to you?" But you're interested if you meet someone who takes a legitimate interest in you and helps you solve a problem for them (or you think they can solve it). That's my TED talk.

It eventually led to a book, and then I pursued the idea, focusing on this premise through COVID, eventually completing my MBA with a focus on building a business around a segment. You can sit with a "Why" for a long time and help no one. Inspiring "Whys" needs inspired "Whos."

"DON'T BUILD HERE"

Japan experienced two devastating disasters in 2011: an earthquake and a subsequent tsunami. At the same time, stone markers with messages written in Japanese gained international attention. Some of these stones, which are hundreds of years old, bear inscriptions that warn inhabitants not to build anything below specific points, essentially marking safe zones. These tablets are a testament to Japan's long history with tsunamis and the wisdom of past generations trying to protect future ones.

The stone tablets serve as a poignant metaphor. Just as the tablets were erected to guide and protect future generations from natural disasters, businesses should not be built on the wrong foundation.

When individuals start a business solely for personal gain, they build below the warning sign.

They might wonder why they don't resonate with customers or why their business doesn't thrive. But just as the ancient tablets emphasized community over individual homes, companies prioritizing serving

their community and adding value to others are more likely to stand the test of time and weather storms. Essentially, a business built on the foundation of helping and serving others is like building above the ancient warning sign, ensuring longevity and meaningful impact.

If you don't clearly define your target customer from the start, it'll cost you throughout your business's life. Everything will become more complicated. It's not just about promoting your business; it's about having the proper foundation.

BEWARE OF THE WANDERING GENERALITY

The late Zig Ziglar, one of the world's most renowned motivational speakers and sales trainers, often used the term "wandering generality" to describe individuals or businesses that lack a clear purpose or direction. In contrast to being a "meaningful specific," a "wandering generality" drifts through life without a clear goal or focus.

In business, a "wandering generality" refers to companies that try to be everything to everyone, lacking a clear target audience or niche. Such businesses often find it challenging to create effective marketing campaigns or sales strategies because they need to speak to a specific group of people or address particular needs. Instead of honing in on what they do best and who they serve best, they spread themselves too thin, trying to cater to a broad audience.

Ziglar's point was that personal and business success comes from having a clear purpose and direction. Individuals and companies can channel their energies effectively, make a more significant impact, and achieve their goals by being "meaningful specific" (a term I've used as the opposite of a wandering generality).

Is that your struggle? Here are four repercussions of being a "wandering generality" you might recognize in your business:

1. **Diluted Marketing:** Without a clear focus on a specific audience or avatar, your marketing messages will lack precision and impact.

2. **Unclear Sales Strategy:** Directing your sales efforts becomes challenging without knowing your target audience, leading to missed opportunities.
3. **Inefficient Processes:** Without a consistent target audience, you'll constantly adapt and change, preventing you from streamlining and automating your operations.
4. **Overextension:** Much like jam spread too thinly over a vast piece of toast, trying to cater to everyone will stretch you thin. The result? A business that attempts many things but excels at none.

THE POWER OF SEGMENTATION: GRANT'S STORY

Let me introduce you to Grant Strachan, a guiding light in my life. When I was navigating the tumultuous waters of my adolescent years, feeling lost and adrift, Grant emerged as my mentor. I am blessed to have had such incredible men in my life during those formative years, and Grant was one of them. He embodied wisdom, fun, and adventure, especially regarding the great outdoors.

Years passed, and our paths crossed again as I transitioned into my late twenties. Life had thrown its curveballs, and adulthood, with its myriad of challenges, had me feeling lost again.

My wife and I charted a clear financial path with Grant's guidance. From life insurance and wills to budgeting, tax planning through charitable giving, and even taking care of our mortgage, Grant was a huge help again during this season of life.

Our bond grew more vital when we became neighbors. Our casual fence chats and neighborhood strolls became a regular affair. I remember one conversation centered around the disruptive Questtrade commercials. Curious, I asked Grant how he felt about this wave of disruption in the financial world. He shared how he was pivoting at his company. His strategy? Segmenting his market to cater to incorporated professionals, predominantly doctors.

Our discussions often revolved around this topic, a subject close to my heart. I believe I offered some valuable insights during those chats. But, as life would have it, the onset of COVID-19 distanced us all. My life became a whirlwind of pursuing an MBA, authoring a book, managing two businesses, and raising three kids.

One day, I bumped into Grant, fresh from a mid-week bike ride with a group of doctors. Intrigued, I inquired about these rides. He casually mentioned, “We ride together. Sometimes, they seek advice about their businesses, but we mostly enjoy the outdoors on our bikes. I’m onboarding five of them this week.”

Connecting the dots in my head, it was evident: Grant’s passion for the outdoors had seamlessly merged with a segment he deeply understood: professionals with the means to support his livelihood.

And that, my friends, showcases the sheer brilliance of segmentation!

10 REASONS FOR SEGMENTATION

I’ve created a list (in no particular order) of the top reasons why I think it is a no-brainer to find a segment of the market that you love working with and then build a world-class practice serving it.

1. Deep Market Understanding

Having a niche allows businesses to connect with their customers, fostering a profound understanding of market dynamics.

Remember, consumers are always in search of solutions to their problems. By understanding their needs, businesses can tailor their offerings more effectively. Consider the complexities of tax planning or crafting an investment portfolio. Entrepreneurs who can pinpoint their customers’ needs can adeptly fill these market gaps. Regularly engaging with customers and staying attuned to their evolving requirements is the key to thriving in today’s competitive landscape.

2. Work With People You Love

Choosing a niche allows you to focus your business on the people who make you light up. You're not choosing blindly; you benefit from experience and knowledge when selecting which customers to work with. When deciding who to work with, ask yourself if the person is someone you'd love to meet again and maintain a relationship with. If not, they may not be suitable for your market.

Audit your client's hall of fame to determine who you like to work with. When thinking about the ones you loved working with and what type of client you would like to work with in the future, create two columns of attributes. Label them "Characteristics my next clients must have" and "Characteristics my next clients must not have."

3. Clone Your Best Clients

We, as a society, are segmented. We tend to hang out with people who think the same, vote the same, believe the same, parent the same, earn the same, and live in the same area code.

Referrals are a potent tool for businesses of all sizes. A referral from a friend or trusted acquaintance will not only instantly establish trust, but it can also help spread the word about your products or services and make them more visible to potential customers.

When customers refer their friends and family members to your business, they are doing so because they are happy with the service they have received and believe that others may also benefit from it. This means that when customers make referrals, you can be sure that these new customers will have similar interests and preferences as your existing customer base.

This type of targeted marketing is highly effective in helping you reach audiences who may be interested in your products or services while also providing valuable insights into customer behavior, which can inform future marketing strategies and product development plans. Moreover, referral programs are an effective way for businesses to

build relationships with their customers individually and create long-term loyalty, which is essential for sustained growth.

4. Create a Consistent Message

By staying focused on one particular area, copywriting becomes much simpler and quicker since you can quickly hone your writing skills and learn the necessities of that market. Having a concise and memorable message that you and your team can memorize also means that when you share what your business does, people get excited about it.

Having a concise and memorable message easily memorized by your team ensures that the same clear and consistent message will be communicated every time you reach out. This makes copywriting much easier and quicker, so the right people can be quickly and effectively engaged.

"I do _____ for _____ who are struggling with _____ so they can enjoy _____."

5. Streamlining for Efficiency: The Power of Specialization

Specializing in a specific area or offering allows you to hone your skills and deliver precisely what your customers seek. Consider a marketing company that provides many services, from website development and IT support to copywriting and even hiring bodies for your clients.

But when such a company narrows its focus to designing websites specifically for chiropractors, it can refine its process to such an extent that it can execute tasks in mere hours. This laser-focused approach not only streamlines service delivery but also simplifies training. New team members can quickly learn and manage the process, freeing you to tackle other responsibilities.

The beauty of specialization? The time you save. Everyone craves more hours in their day, and one surefire way to achieve this is by minimizing wasted efforts. My marketing company's journey mirrored this: from offering a wide range of services to exclusively crafting chiro-

practic websites. The result? Rapid turnaround times, consistent results, and heightened efficiency.

Imagine the clarity and efficiency you'd achieve by having a well-defined customer base and a standardized process tailored to their needs. Instead of getting lost in the vast expanse of information on diverse topics like mortgages, wills, or cryptocurrencies, you could focus your energy and expertise on a singular niche. The outcome? More satisfied customers, successful campaigns, and a lot more free time on your hands.

6. Deliver Consistently Outstanding Results

Imagine a renowned open-heart surgeon contemplating a shift to knee replacements. The advice? Stick to what you excel at!

When you meticulously craft and fine-tune your processes, you ensure consistent, high-quality results. Deviating from this path can erode your confidence and undermine your ability to promote your services effectively. A proven track record not only establishes authority but also instills trust.

Consistency is the cornerstone of success. The principle of Kaizen, a Japanese term that means "continuous improvement," It involves making small, incremental changes and improving processes, products, or practices to achieve better results and efficiency. Emphasizes producing quality consistently. Every product or service delivered should meet the highest standards, reducing the chances of defects, recalls, or dissatisfied clients. This consistent quality assurance boosts everyone's confidence, ensuring that what's offered holds immense value for the consumer. When you're clear about who you're serving, you can identify their starting point, understand their challenges, recognize the process to assist them and predict the outcome of your intervention.

My MBA had an emphasis on companies that centered around their customers. Such companies boasted the most efficient supply chains. The primary objective of a supply chain is to enhance the value deliv-

ered to the end consumer. The leaner a company's operations, the more value it imparts to its customers.

Every company, regardless of its size, should aim to offer unparalleled value to its clientele, ensuring happy customers, increased loyalty, and a larger market share. This is where the lean business approach shines. It ensures that resources are utilized optimally to maximize customer value. We will discuss this in a later chapter.

7. You Become an Indie Celebrity

I don't even want to be a B-list celebrity—the guy who is on sitcoms. Still too famous for me.

I want to be a C-list celebrity. Unknown and invisible to the world, but as soon as I walk into a convention center, people shake my hand and say how much my work has helped them. I want them to quote a podcast I was on and say they are finally ready to hire me in the new year. Then they tell their spouses they met me, and the spouse says, "Who is that?" That's a C-list celebrity.

Many social media influencers and teenagers would love to become celebrities when they "make it." From everything I've learned, it looks like hell. It might be fun for a day, but being constantly interrupted everywhere you go sounds terrible. Who wants to be sitting down at a restaurant for dinner with their family and have their moment interrupted by fans or photographers?

I don't want the reality TV show *Big Brother* to give me a casting call to do a career death row stunt at the end. Indie celebrity offers ambivalence from fame without compromising on the rewards, ultimately allowing you to enjoy the fruits of your work while keeping some privacy.

If I had to choose which level of celebrity I would be, it would be a C-list celebrity. Leave the A-list to the royal family, astronauts, and movie stars. I don't want to be on a sitcom or reality TV show. I like the next tier down, the C-list. You know, the person sought after for their expertise in a particular area. Like being a guest on a podcast or a speaker at

an industry-specific conference. People want you to be in the room, but then they leave you alone when you're not. As a C-list indie celebrity, you can often enjoy the spotlight without dealing with the pressures of mainstream fame.

A respected authority in your field has advantages, especially when making sales. Rather than convincing people of the value you offer, you can jump on a call knowing that people are already persuaded to work with you. This saves time and removes the stress of lengthy sales pitches and convincing conversations—now it's just about delivering the results!

Your reputation as an authority in your segment has done all the hard work for you, allowing you to focus on what matters most: providing critical solutions to solve customer problems.

8. The Precision of Targeted Marketing

Marketing's true power is unleashed when directed towards a well-defined market segment. Consider this: If your ideal client base consists of Toronto Maple Leafs fans, would investing in a billboard in Vancouver make sense? Or, if your target audience is entrepreneurs, would it be strategic to sponsor an event or party that doesn't align with entrepreneurial values or interests?

Absolutely not.

The essence of strategic marketing lies in its precision. It's not just about making your presence felt; it's about ensuring it is felt in the right places, among the right people. When you clearly understand your target segment, you can tailor your marketing efforts to resonate with them specifically. This not only maximizes the impact of your campaigns but also ensures optimal resource allocation. After all, effective marketing is not just about visibility; it's about being visible to the right audience in the right place at the right time.

9. The Value of a Segmented Practice in Business Sales

Selling a business is one of the most direct routes to amassing wealth. But what exactly are potential buyers seeking? They're looking for a ready-made, streamlined business they can seamlessly integrate into their existing operations.

From my experience navigating the intricacies of business acquisitions, I've discerned that buyers prioritize two critical assets: a well-defined process and a curated list of customers. A customer base that's neatly segmented is particularly enticing, especially if it aligns with a segment they're already targeting.

Consider this: would potential buyers be interested in a customer base that consisted of your Uncle Al, your next-door neighbor, or the parents from your child's school?

That's possible if these individuals belong to a specific, strategic market segment. However, if the sole link binding these customers is a personal connection to you, building a scalable, sellable business around such a foundation is challenging.

10. The Fulfillment of Serving a Segment: A Career With Purpose

In the vast expanse of one's professional journey, dedicating years or even decades to serving a specific market segment can be the cornerstone of a deeply rewarding career. Beyond the immediate benefits of expertise and recognition, this dedication taps into our intrinsic desire for purpose and meaning in our work.

Humans are not solely driven by monetary gains. While financial stability is essential, our souls yearn for more profound connections and impacts. Serving a segment consistently allows us to deeply understand that group's needs, aspirations, and challenges. Over time, this understanding evolves into a relationship. This bond offers insights into the market's dynamics and the very lives and stories of the people within it.

In his work, *The 7 Habits of Highly Effective People*, Stephen Covey emphasized the principle of “beginning with the end in mind.”¹ Applying this to our professional lives urges us to envision the legacy we wish to leave behind. By dedicating ourselves to a segment, we’re not just building a career but also crafting a gift of service, understanding, and impact. We’re laying down a path that, when looked back upon, is lined with meaningful interactions, genuine contributions, and the profound satisfaction of having made a difference. In such a career, every day becomes a step towards a purposeful end, making the journey as enriching as the destination.

CONCLUSION – THE POWER OF SEGMENTATION

In this chapter, we’ve looked at the clear benefits of market segmentation, and it’s worth revisiting these advantages as we wrap up.

By zeroing in on a specific market segment, businesses can keenly understand its ever-changing needs and dynamics. This focus fosters genuine collaborations with like-minded individuals and allows for the replication of successful client traits, ensuring uniform quality. A well-defined segment paves the way for a consistent brand message, streamlined operations, and outstanding results. Moreover, such precision in approach positions you as a notable figure in your niche, amplifying marketing efficacy. The tangible benefits extend to enhancing the business’s overall value, making it more attractive for potential sales. Ultimately, dedicating oneself to a segment culminates in a career that’s both successful and deeply fulfilling.

Without a clear market segment, businesses risk becoming what Zig Ziglar termed a “wandering generality.” Such entities often face diluted marketing efforts, inconsistent messaging, and a lack of direction, leading to missed opportunities and potential stagnation.

STUMBLING INTO THE IDEAL SEGMENT: MY CHIROPRACTOR EPIPHANY

In my quest to find the perfect client for my website agency, I stumbled into the realm of chiropractors. It was like striking gold in the vast mine of potential segments. After years of reflection on why this worked so well, these are my conclusions as to why chiropractors turned out to be the dream clients for website services:

- **Speedy Decision Makers:** Chiropractors are quick on their feet, making decisions promptly, a breath of fresh air in the business world.
- **Entrepreneurial Spirit:** Their drive and entrepreneurial mindset mean they're always looking for ways to innovate and improve, making them receptive to fresh ideas.
- **Valuing Expertise:** Since website design and management are far from their professional wheelhouse, they genuinely appreciate and value the expertise I bring to the table.
- **Low Maintenance:** Their busy schedules mean they trust the experts they hire, resulting in a hassle-free working relationship.

Now, let's flip the script and imagine the polar opposite. Picture collaborating with companies that are the antithesis of all the qualities I cherish in chiropractors. Think about the agonizing pace of businesses bogged down by bureaucracy, where every decision requires multiple meetings and endless email chains. Envision working with risk-averse entities paralyzed by the fear of making the wrong move, stalling projects indefinitely. And the best part? Dealing with super demanding clients who, despite their indecisiveness, expect you to read their minds and deliver perfection. It's a nightmarish scenario that makes one truly appreciate the beauty of finding the right segment.

CONCLUSION: WHO DO YOU THINK YOUR SEGMENT IS?

As we conclude this chapter, here's a call to action: Don't let your business drift aimlessly in the vast ocean of possibilities. Anchor it firmly in the harbor of segmentation. Define your segment, get to know the people in your segment, and tailor your offer to serve them best. Doing so will ensure your business's success and craft a legacy of meaningful impact.

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1. Covey, S. R. (1989). *The seven habits of highly effective people: Powerful lessons in personal change*. Free Press.

3 SELECTING YOUR SEGMENT

I've always been bewildered by running enthusiasts. I don't get them because I'm not like them. In high school, I played every sport I could... except cross-country. I don't mind running to something like a ball or an opponent. I just don't like running as both the means and the end. Most short and stocky guys I know feel the same. Running is the sport where you just show up and run. Cross-country is marketed as an epic adventure, but the reality of it is that you're just doing laps around a park. Over and over.

Those who do cross country in high school graduate to become... runners. Give them an inch, and they'll give you a marathon. Literally. They'll tell you about every mile, every hill, and every puddle they jumped. Their social media is like a daily running journal. Morning jogs, shiny new shoes, that post-run glow—it's all there. Kudos for the dedication, but sometimes I can't help but think, "Got it, you ran today. Again."

There's another kind of runner that boggles my mind. They're even more dedicated than the other runners. I'm talking about those who run with extra weights attached. As I understand it, the basic premise

of running is to move from A to B. Why make it feel like you're also dragging a boulder?

Most of us run to lose weight, not add it voluntarily.

There's a parallel here to Segmentology. Lugging around the burden of bad clients is like those runners who run with weights. It's extra tiring, it slows you down, and I think you're a fool for doing it. Okay, that came across a bit strong, but I hope you at least see my point. I'm here to help you offload that baggage to help your practice run faster and further.

Let's get focused, declutter your client base, and find a rhythm that lets you hit your stride for good.

HOW TO GROW A PRACTICE AROUND YOUR SEGMENT

We have already established that segmentation is critical to a thriving business. The truth is this: every professional should identify a segment they resonate with, genuinely appreciate, and are passionate about serving for a significant period of their career.

This chapter will guide you through the intricate process of selecting that perfect segment, ensuring that your dedication translates into tangible success.

We'll start by outlining the various segments available in the market. Next, we'll focus on identifying segments that are relevant to your experience and profitable. To assist in making informed decisions, I provide guidelines on selecting the segment most suited to your expertise and goals.

Finally, we will offer concrete steps to implement your chosen segment effectively.

Understanding Different Market Segments

Understanding the different types of market segments is crucial for any business aiming to target its audience effectively. Segmentation is not a one-size-fits-all approach; instead, it's a tailored strategy where a primary category, such as demographic or firmographic, is chosen as the foundation. This primary category is then further described and enriched using other segmentation types, like behavioral and psychographic.

Let's look into various segmentation categories. These include geographic, demographic, psychographic, situational, behavioral, and company-based segments.

SEGMENTATION BY GEOGRAPHY

Many organizations use this form of targeting to better understand their customer base when it comes to geographic segmentation. By looking into postal codes and rural or urban areas, businesses can tailor their services to better suit the needs and interests of customers based on geographical location. This segmentation technique helps companies decide where to sell, advertise, or expand their business operations. It is a key component in helping them reach their desired market and succeed.

Geographic segmentation is often one of the easiest to identify, grouping customers according to their physical location. This can be defined in any number of ways:

- Country
- Region
- City
- Postal code

By leveraging geographic segmentation, businesses can better understand the needs and interests of their customers. By splitting up their market according to location, they can create personalized and targeted

ads tailored specifically to each customer. This segmentation strategy provides an invaluable tool for businesses as it helps them identify key areas where they should focus and direct their marketing efforts for maximum success.

Geographic segmentation is essential for businesses looking to reach a specific audience. If, for example, you run a local business, foot traffic is mission-critical for you. This type of segmentation also helps companies tailor their messaging to different regions based on language, interests, cultural norms, and more. By understanding these differences in needs, they can craft more effective ads.

Adapting language and content to the different regions you're targeting is essential. For example, while baseball is very popular in the US, cricket is more prevalent in India. When marketing sports equipment or articles, this should be taken into account. Additionally, businesses can adjust ad messaging based on regional needs; warmer clothing ads will show in cooler climates, and vice versa.

SEGMENTATION BY DEMOGRAPHICS

Demographic segmentation is a straightforward way of targeting specific customers. Retailers segment their customers based on gender, age, location, number of assets, or income level. All these factors can significantly influence purchasing decisions. Other demographic characteristics include age, sex, marital status, family size, occupation, education level, income, race, nationality, and religion.

One advantage of demographic segmentation is that obtaining information can be evident and low-cost. Products are often tailored to particular demographics, such as in the case of a personal care company creating two distinct deodorant lines—one designed for men and one designed for women.

By understanding various demographic profiles, businesses can target their product offerings more precisely and maximize sales.

Automotive companies commonly divide their audiences by income level to deliver targeted offerings. Depending on the company, they

may offer a luxury segment, an economy segment, and a mid-range segment of vehicles, each appealing to different socio-economic groups within a demographic.

There are numerous ways to gather demographic data. One way is to ask your customers directly. This can be time-consuming, but getting customer information directly will help ensure its accuracy.

Here's a quick exercise: Demographics likely matter when choosing your segment. Write down any distinguishing factors of your ideal customer:

- Age
- Gender
- Ethnicity
- Income
- Assets/Net worth
- Level of education
- Religion
- Profession/role in a company

SEGMENTATION BY PSYCHOGRAPHY

Psychographic segmentation looks at consumers' motivations, values, and attitudes to identify different market segments. By examining shoppers' lifestyles, interests, and opinions, a business can target specific groups more effectively with tailored products and services. For instance, a fitness store could use psychographic segmentation to group customers based on their commitment to healthy living or exercise regimes. This allows them to tailor their offerings to suit the needs of each segment better.

Psychographic segmentation defines the market by:

- Personality traits
- Hobbies
- Life goals
- Values

- Beliefs
- Lifestyles

Psychographic segmentation is one way businesses can focus on a market that will be interested in their product. By considering customers' mental, emotional, and psychological traits, marketers can better adjust their messaging to resonate with consumers. Examples of psychographic segmentation include understanding an audience's personality traits, interests, values, and attitudes when crafting content. This helps to create content that speaks more directly to the target market.

While demographics give you an overview of who you're targeting, psychographics provides insight into the motivations, values, beliefs, and attitudes that drive consumer behavior. By considering these mental and emotional elements, marketers can create more persuasive and relevant content for their target market segment. This helps to increase engagement with ads, products, and services.

Say you're a furniture and home decor company targeting newlyweds in their 20s and 30s with a household income of over \$60,000; some members of this demographic segment may be buying your products, but others are not. By considering psychographic factors such as values, attitudes, and lifestyle choices, you can understand why certain customers respond differently to your content. For example, those who purchase from you may value community, friendships, and the environment; creating ads to depict people entertaining friends in their homes and highlighting the environmentally friendly aspects of your brand could help increase conversions from this market segment.

SEGMENTATION BY SITUATION

Sometimes, you are not segmenting based on a demographic or trait. Sometimes, your segment is a group in a similar life situation. Segmenting this way has its advantages. First, it allows you to focus your energy and resources on solving one issue, making it easier to create specialized solutions that address that particular problem. This

also makes it easier to market your services more effectively since it's easier for potential customers to understand what you are offering when there is one clear solution.

Here are some examples of situational segments that I've helped clients work with:

- **New Parents:** Catering to first-time parents navigating the challenges of raising a newborn. They might be looking for guidance on baby care, sleep training, or postpartum recovery.
- **Recent College Graduates:** Individuals who have just graduated and are entering the job market. They might need help with resume building, job interviews, or managing their first salary.
- **Home Buyers:** People who are in the process of buying their first home. They require assistance understanding mortgages, home inspections, or buying.
- **Divorcees:** Individuals going through a divorce and needing legal advice, emotional support, or financial planning.
- **Retirees:** Those who've just entered retirement are looking for advice on managing their pensions, exploring new hobbies, or considering downsizing their homes.
- **Expatriates:** People who've moved to a new country and are trying to navigate the challenges of a different culture, legal system, and perhaps even a new language.
- **Startup Founders:** Entrepreneurs in the early stages of their business who need guidance on funding, business planning, or market research.
- **Accident Victims:** Individuals who've experienced a significant accident need legal advice, medical consultation, or therapy.
- **Travel Enthusiasts:** People planning a long-term travel or sabbatical and seeking advice on budgeting, destinations, or travel insurance.
- **Dietary Restrictions:** Individuals with specific dietary needs or restrictions, like gluten-free, vegan, or those with allergies, looking for specialized meal plans or products.

Each of these situational segments has unique needs and challenges. Professionals can tailor their services to offer specialized solutions by focusing on one, making them the go-to experts in that particular area.

In short, choosing a situational segment allows you to emerge as an expert who solves a specific problem. Whenever someone is experiencing that problem, you are known as the expert to talk to. This makes it easy to refer you. Someone may be experiencing a crisis, but it's just a Thursday morning for you—no problem at all. You're the person they can trust to help.

SEGMENTATION BY BEHAVIOR

By closely observing customers' behaviors, businesses can gain invaluable insights into why they purchase certain goods and services. Behavioral segmentation primarily benefits e-commerce businesses, providing invaluable insight into customers' purchasing behavior. Segmenting shoppers based on their willingness to spend during a sale offers valuable information to marketers. Behavioral segmentation allows for targeting markets with different decision-making patterns, lifestyles, usages, and purchases. For example, younger customers may be more likely to purchase bottled body wash, while older consumers may prefer soap bars. By focusing on what shoppers will likely buy and tailoring your approach accordingly, you can develop a highly targeted approach that pays off in the long run.

Segmentation by behavior could mean identifying your customers' activities regarding the following:

- Spending habits
- Purchasing habits
- Browsing habits
- Interactions with the brand
- Loyalty to the brand

It's essential to consider user behavior when it comes to developing targeted messaging and marketing. By monitoring online shopping

habits, you can better understand the likelihood of customers making an online purchase. Tracking their interactions on your website can provide insights into their preferences, likes, and dislikes. The benefits they seek must also be considered to cater to their specific needs.

Last but not least, usage rate is a critical indicator that you can use for categorizing customers and crafting messages geared towards each segment. By understanding these components of customer behavior, companies can ensure maximum effectiveness in delivering the right message to the right people at the right time.

You know what they say: knowledge is power. Understanding how consumers interact with your brand or product is precisely the knowledge that can empower you to market more effectively. Behavioral data gives us just this type of valuable insight, and thankfully, it's easy to collect through cookies placed on your website, customer relationship management (CRM) software, and third-party datasets.

As long as you have a bit of data (which your website should provide), this segmentation strategy will quickly become one of your most powerful tools.

SEGMENTATION BY COMPANY TYPE

For B2B organizations, you don't want to work with any company. You want to only work with your ideal companies. All we have to do is figure out who that is. This is called *firmographic segmentation*.

Ensure you're reading that clearly: it's not a body-type segmentation, firm, or flab. We're talking about a firm, as in a company. I just wanted to make sure you saw that because it took me a minute to learn about this in my MBA.

Business leaders identify segments by analyzing seven key factors of firmographic segmentation and developing tailored strategies to engage them.

- Industry
- Company Size

- Status
- Number of employees
- Performance
- Executive Title
- Sales Cycle Stage

Unlike demographic segmentation, which targets individuals, firmographic segmentation looks at the bigger picture of companies. It's like taking a step back and studying the intricacies of an organization—size being a key factor. No matter what others tell you, it is a factor.

Different strategies are needed when targeting a small business compared to an enterprise-level company. One way to ensure success is by utilizing the power of firmographics to customize your marketing efforts into separate buckets that cater to each target audience.

Firmographic segmentation allows B2B companies to differentiate themselves by understanding their customers more deeply. It's the more sophisticated version of demographic segmentation used in B2C marketing.

Analyzing and classifying customers based on their shared attributes allows businesses to shed light on trends and design marketing strategies based on the unique makeup of their customer base. Regarding targeting your customers, firmographic segmentation is your ideal segmentation strategy.

Now that we know the different types of segments, we can create an avatar of what this segment looks like.

CREATING YOUR SEGMENT AVATAR

You might have enjoyed reading about all the segmentation options. But maybe it was overwhelming.

We now look to take all those options and create a picture of your ideal client. This is called, in the marketing world, creating an avatar.

Creating a segment avatar involves defining a detailed and specific representation of your ideal customer within a chosen market segment. This avatar is a composite of the characteristics, needs, wants, and challenges of the people in that segment. Here's a step-by-step guide to creating a segment avatar:

1. Define the Segment: Start by clearly defining your target segment. It could be based on demographics, geography, psychographics, behavior, situation, or company type. For instance, if you are targeting young professionals in urban areas, that's your segment.

2. Research Your Segment: Take the time to understand the needs, desires, and challenges of your segment. Use market research, surveys, interviews, and any available data to gather insights about your segment. Understand their buying behavior, preferences, and pain points.

3. Create a Detailed Profile: Based on your research, create a detailed profile of your ideal customer within this segment. This profile, or avatar, should include:

- **Demographics:** Age, gender, income, education, and occupation.
- **Psychographics:** Interests, hobbies, values, and attitudes.
- **Behavioral Traits:** Buying patterns, brand loyalty, and product usage.
- **Needs and Wants:** What are they looking for in a product/service?
- **Pain Points:** What problems are they facing that your product/service can solve?
- **Goals and Aspirations:** What are they aiming to achieve?

4. Give Your Avatar a Name: Humanize your avatar by giving it a name. This makes it easier to refer to and helps keep the customer in mind when making business decisions. For example, "Urban Professional Paul."

5. Visualize Your Avatar: Create a visual representation or sketch of your avatar if possible. This helps make your avatar more tangible and real, aiding in empathizing with your ideal customer.

CRAFTING A TWO-WORD SEGMENT AVATAR

In the journey of refining your marketing strategy, the creation of a two-word segment avatar stands as a pivotal moment. This concise avatar is more than just a label; it's a crystallization of your ideal client's core identity, distilled from the rich and detailed profile you've already developed.

Begin by revisiting the comprehensive avatar you previously crafted. Amidst this wealth of brainstorming, your task is to find one adjective and noun that encapsulate your ideal customer's essence.



The adjective should portray the most dominant trait or need, while the noun should capture its fundamental identity.

For instance, if your detailed avatar is a young, tech-savvy professional who prizes efficiency above all, you might arrive at "Efficient Executive" as your succinct avatar.

Here are five examples following the given principle:

- **Tech-Savvy Entrepreneurs:** This target audience is comprised of business owners who are well-versed in technology and likely to be interested in tools or services that enhance their digital operations.
- **Health-Conscious Seniors:** These are older individuals who prioritize their health and would be interested in products or services that promote a healthy lifestyle.

- **Overwhelmed Students:** This group includes individuals in educational settings who may be looking for services or products to help manage their workload and reduce stress.
- **Adventurous Travelers:** These are people who seek excitement and new experiences in their travels, and would be interested in products or services that cater to adventurous activities.
- **Eco-Friendly Homeowners:** Homeowners who are interested in sustainability and would likely invest in products or services that are environmentally friendly and help them reduce their carbon footprint.

The art of simplicity is your ally here.

Strive for clarity and immediacy in your choice of words. The two-word avatar should be instantly graspable and relatable, avoiding complexity or ambiguity. It's essential that this avatar not only resonates with the core of your business but also paints a specific and vivid picture of your ideal customer.

As you align this avatar with your business objectives and offerings, it becomes a beacon guiding your marketing strategies and business decisions. It's a concise yet powerful reminder of the market segment where your impact resonates the most.

Once you have your two words, don't hesitate to seek feedback on your chosen avatar. Sharing it with colleagues or mentors can provide valuable insights, helping you refine it to represent your ideal customer better. This feedback loop is crucial as it ensures that your avatar resonates with you and the external perception of your business.

Once finalized, this two-word avatar should become a staple in your business lexicon, a constant reference in marketing discussions and strategy planning. It's a tool designed to keep your focus sharp and your strategies aligned with your target audience.

However, remember that this avatar is not set in stone. As your business landscape evolves and you gain deeper insights into the market, be prepared to revisit and revise your avatar. It should be a dynamic

tool, adaptable to the changing tides of your business environment and market trends.

Your two-word segment avatar is a powerful, concise representation of your ideal client, a lighthouse guiding your business strategies toward the shores of success and relevance in a competitive market.

CONCLUSION

In this chapter, we've learned some of the characteristics you'll consider when you pick the right group of clients, or "segment," around which you will build your practice. This is important if we want our businesses to be able to scale. We looked at different ways to understand our clients better, grouping them into categories like where they are from or what they like to do. We also talked about how sometimes, we need to say goodbye to some clients to make room for new ones, kind of like how a gardener has to trim some plants to help others grow better.

Remember, growing our business is about finding the right people to work with and helping them in the best way possible. So, let's use what we've learned to improve our businesses and help our clients.

Keep it simple, keep it focused, and keep moving forward!

4 HOW TO PICK A SEGMENT

THE CHALLENGE OF CHOICE IN SEGMENTOLOGY

Imagine standing at the crossroads of a forest. There are multiple paths stretching out before you. Each path represents a potential segment, and while all of them promise unique adventures, you can only choose one to embark on. This is the dilemma of segmentology. You've just been introduced to the myriad types of segments, and now, you're faced with the daunting task of picking just one. It's like being a kid in a candy store and being told you can only choose one treat.

Overwhelming, right?

This chapter is your trusty compass, guiding you through the dense woods of decision-making. We discuss the nuances of choosing a segment that aligns with your business goals and resonates with your passion and purpose. So tighten your laces and get ready to embark on this exciting journey of discovery. By the end, you'll have a clear path ahead and the confidence to walk it with conviction.

HOW TO CHOOSE THE RIGHT SEGMENT FOR YOU

1. The Importance of Enjoyment

Picking a segment isn't just about making money or following trends; it's also about what makes you happy. Enjoyment plays a big role in this choice. We spend a lot of our lives working, so it makes sense to enjoy what we do.

If we pick a segment and don't like working with those clients, our job can quickly become something we dread. And when we have the choice, why not pick clients we like? After all, life's too short to work with people or in areas that make us miserable.

2. You Have to Get Results

Choosing a segment is not just about liking the clients; you must also deliver for them. Being good at what you do is crucial. You won't get referrals or be seen as an expert if you're not at the top of your game.

And if you're not getting results, it can make you feel like you're just pretending, which nobody wants. I believe it's clear: to pick the right segment, you need to enjoy working with them and be sure you can get them the desired results.

3. The Profit Factor: Picking a Segment That Pays

While passion and proficiency are critical in choosing your segment, profitability is another vital piece.

Remember, you're running a business, not a charity.

It's essential to target a segment that recognizes the value of your services and is willing to pay for them. This doesn't mean you're just chasing the money; it's about ensuring that your hard work and expertise are adequately compensated. After all, a business that doesn't turn a profit will only be around for a while.

When you're considering which segment to focus on, make sure it's one where the clients see your worth and are ready to invest in what you offer. It's a win-win: they get top-notch service, and you get compensated for your skills and dedication.

4. Tapping into Networks: The Role of Connectedness and Influence

Selecting the right segment goes beyond just identifying a group of people. It's crucial to consider how interconnected that group is. A well-connected segment, whether through online platforms, conferences, or trade networks, can amplify your reach and influence.

Think about it. If your segment actively engages in podcasts or regularly participates in industry conferences, the potential for word-of-mouth referrals grows exponentially. Deliver exceptional service to one client, and they might mention you in these vast networks, leading to a domino effect of opportunities.

A segment that's deeply interconnected signals a lively and engaged community. It's a space where ideas are exchanged, and there's a shared drive for growth. Being part of such a dynamic environment boosts your credibility and ensures a consistent stream of clients who've heard good things about you from their connections. So, when you're zeroing in on your segment, ensure they're not isolated. Dive into a community, not just a category.

5. Scalability: The Cornerstone of a Thriving Business

When picking your ideal segment, it's not just about the present; you've got to also think about the future. That's where scalability comes into play. A segment might seem perfect now, but you could hit a ceiling pretty quickly if there's no room to grow. Scalability ensures that as your skills, resources, and ambitions expand, your segment can grow with you.

Imagine choosing a super-specific segment with only a handful of people. Sure, you might become the go-to expert for that tiny group, but once you've reached all of them, where do you go next? Or

consider a segment that's just outside the reach of your license or expertise. It might seem like a good challenge at first, but it could be a roadblock to growth.

In contrast, a scalable segment offers endless possibilities. It's like planting a tree in an open field rather than a small pot. Given the space and the right conditions, it can grow tall and wide, branching out in all directions. So, when you're weighing up potential segments, think big. Choose one that won't just serve you well now but will also offer opportunities for growth in the years to come.

AUDITING YOUR CLIENT BASE: A PRACTICAL EXERCISE TO FIND YOUR IDEAL CLIENT

To truly understand which of your clients align best with your ideal segment, it's helpful to quantify your experiences and results with them.

Here's a straightforward, five-step exercise to help you do just that:

1. List Your Clients: Start by creating a table or spreadsheet. List all your clients on one side.

2. Create Criteria Columns: Across the top, label five columns with the criteria: enjoyment, results, willingness to pay, scalability, and reach & accessibility.

3. Rate Your Clients: For each client and under each criterion, assign a score between 1 and 5. A score of 1 indicates that the client doesn't meet that criterion well at all, while a score of 5 indicates they meet it perfectly.

- **Enjoyment:** How much do you enjoy working with this client?
- **Results:** How effectively can you deliver results for them?
- **Willingness to Pay:** Are they willing to pay appropriately for the value you provide?
- **Scalability:** Is there potential for growth in your relationship with this client?

- **Reach & Accessibility:** How easily can you serve this client within your operational and legal boundaries?

4. Total Your Score: After scoring each client on all criteria, sum up the scores for each client to get a total. This will give you a number between 5 (not an ideal client) and 25 (a perfect client).

For example, let's say you have a client named Tony Tiger. They're delightful to work with, always pay on time, you've achieved great results for them, there's potential for more projects in the future, and they're well within your operational reach. Their scores might look something like this:

- Enjoyment: 5
- Results: 5
- Willingness to Pay: 5
- Scalability: 4 (there's potential, but it's not unlimited)
- Reach & Accessibility: 5
- Total Score for Tony Tiger: 24/25

5. Assess Your Results: Which clients scored the best? By the end of this exercise, you'll have a clear, quantified understanding of which clients align best with your ideal segment. Focus on those with the highest scores as you refine your business strategy and seek to name a category for your new clients.

NAMING YOUR MARKET SEGMENT: FINDING THE COMMON DENOMINATOR

Creating a segment avatar involves defining a detailed and specific representation of your ideal customer within a chosen market segment. This avatar is a composite of the characteristics, needs, wants, and challenges of the people in that segment. Here's a step-by-step guide to creating a segment avatar:

1. Define the Segment: Start by clearly defining the segment you are targeting. It could be based on demographics, geography, psycho-

graphics, behavior, situation, or company type. For instance, if you are targeting young professionals in urban areas, that's your segment.

2. Create a Segmentation Profile: Based on your research, create a detailed profile of your ideal customer within this segment. This profile, or avatar, could include notes from the previous characteristics, such as:

- **Demographics:** Age, gender, income, education, and occupation.
- **Psychographics:** Interests, hobbies, values, and attitudes.
- **Behavioral Observations:** Buying patterns, brand loyalty, and product usage.
- **Situational Characteristics:** What problems are they facing that your product/service can solve?
- **Goals and Aspirations:** What are they aiming to achieve?

3. Give Your Avatar a Name: Humanize your avatar by giving it a name. This makes it easier to refer to and helps keep the customer in mind when making business decisions. For example, "Urban Professional Paul."

4. Visualize Your Avatar: If possible, create a visual representation or sketch of your avatar. This helps in making your avatar more tangible and real, aiding in empathizing with your ideal customer.

Final Thoughts

Building a segment avatar is not merely a thinking process. You have to experiment with it as well. But taking the time to think this through allows you to gain some clarity on the type of people you love working with. Keep in mind that the more detailed and accurate your avatar is, the more effectively you can serve your target segment.

CUSTOMER AVATAR EXERCISE

Take the results of your client audit and see if you can create a unifying profile that summarizes your best clients. Let's create a representation of your ideal client to define your segment.

Instructions:

Complete the following fill-in-the-blank exercise to define your customer avatar. Be as specific and detailed as possible.

1. Define the Segment:

My ideal client is based on: (Demographics, Geography, Psychographics, Behavior, Situation, Company Type).

Example: Young professionals in urban areas.

2. Create a Client Profile:

Demographics:

Age: _____

Gender: _____

Geographical Considerations: _____

Income: _____

Education: _____

Occupation: _____

Psychographics:

Interests: _____

Hobbies: _____

Values: _____

Attitudes: _____

Behavioral Traits:

Buying Patterns: _____

Brand Loyalty: _____

Product Usage: _____

Needs and Wants: _____

Pain Points: _____

Goals and Aspirations: _____

3. Give Your Avatar a Name:

Avatar Name: _____

Example: Urban Professional Paul.

4. Visualize Your Avatar:

Sketch or describe a visual representation of your avatar:

WHAT TO DO WHEN YOU HAVE MULTIPLE IDEAL CLIENT SEGMENTS

It's not uncommon for businesses to identify multiple ideal client segments, especially as they grow and diversify. However, clarity and focus are crucial for effective marketing and service delivery.

Here are six recommendations I have for you to make it a little easier:

1. Deep Dive Analysis: Before making any decisions, closely examine both segments. Analyze the profitability, scalability, and enjoyment of serving each segment. Which one aligns more closely with your business goals and values?

2. Resource Allocation: If both segments are equally promising, consider the resources available. Do you have the capacity to serve

both segments effectively? If not, you might spread yourself too thin, which could dilute the quality of your service.

3. Tailored Marketing Strategies: If you decide to cater to both segments, creating separate marketing strategies is essential. Remember, what appeals to one segment might not resonate with the other. Tailor your messaging, offers, and channels to each segment's unique needs and preferences.

4. Consider Specialization: If one segment stands out as more aligned with your business's future direction, consider specializing in that segment, at least for a defined period. Specialization allows you to become an authority in that area, enhancing your reputation and potentially increasing referrals.

5. Feedback and Iteration: Engage with clients from both segments and gather feedback. Their insights can guide you in refining your approach and deciding which segment to prioritize.

6. Re-evaluation: The business landscape is dynamic. What works today might need adjustments tomorrow. Regularly revisit your decision to cater to both segments and adjust your strategy as needed.

Remember, while catering to multiple ideal client segments is tempting, clarity and focus are paramount.

By being clear on your particular segment, you can tailor your services, enhance client satisfaction, and ultimately, drive business growth. If you're passionate about both segments, consider phased approaches or even separate business units or brands to serve each segment distinctly.

THE CHALLENGE OF MULTIPLE SEGMENTS

It's entirely possible to cater to multiple ideal client segments, but it's essential to recognize that you're taking on an added layer of complexity by doing so. Just as leveraging debt in business introduces risk and requires meticulous management, trying to serve two distinct segments simultaneously demands extra effort and strategic finesse.

Think of it as juggling. While managing one segment is like juggling two balls—straightforward with some practice—adding another segment introduces a third ball into the mix. It's not impossible, but it requires more skill, attention, and precision.

Having two segments means doubling the marketing strategies, the tailored services, and the marketing resources you need. Each segment will have its own unique needs, preferences, and challenges. Balancing the demands without compromising the quality of service in either is a delicate act.

However, it can be done if you're up for the challenge and approach it with a clear strategy. But always be aware of the added difficulty you're taking on. Regularly evaluate the effectiveness of your approach, be ready to adapt, and ensure that you're staying within your resources. Remember, focusing on depth in one area can sometimes lead to more significant success than covering breadth in multiple areas.

WHEN GROWING A PRACTICE IS LIKE GROWING PUMPKINS

In his book, *The Pumpkin Plan*, Mike Michalowicz discusses the concept of firing bad clients as a strategy for business growth. He draws an analogy between growing a business and farming giant pumpkins.

Like a farmer would prune away smaller, less promising pumpkins to channel nutrients to the ones with the most potential, Michalowicz suggests that business owners should “prune” or “fire” less profitable, more problematic clients. By doing so, businesses can focus their resources and energy on serving their best clients, who appreciate and are willing to pay for the value provided, leading to more substantial and sustainable growth.

Michalowicz argues that keeping problematic clients can drain a company's resources, hinder its ability to serve other clients effectively, and even impact the morale and productivity of its employees. By identi-

fying and focusing on serving the ideal clients—those who value the service or product and are willing to pay appropriately for it—a business can enhance its profitability and sustainability. This approach requires business owners to reassess their client base, identify their ideal clients, and reallocate their resources to serve and attract more of such clients.¹

WHEN IT'S TIME TO LET THEM GO

Once such clients are identified, Michalowicz recommends having an honest, clear, and respectful conversation with them. It's crucial to communicate the misalignment between their needs and what the business can offer and to suggest alternatives that might be a better fit for them. This conversation should be approached with empathy and understanding, acknowledging the client's needs and frustrations while firmly maintaining the business's stance.

Michalowicz stresses that firing clients is not about burning bridges but building the right ones. It's about creating a client ecosystem that is harmonious, mutually beneficial, and conducive to growth. By letting go of clients who are not the right fit, businesses can focus their energy and resources on serving their ideal clients more effectively, increasing satisfaction, loyalty, and referrals.

CONCLUSION – YOU JUST NEED 1,000 TRUE FANS

Kevin Kelly has been made internet famous for his idea titled *1,000 True Fans*². In this work, Kelly offers hope for those who want to be industry leaders but don't want to become dancers on TikTok, aspiring for 50 million followers. Kelly emphasizes that a successful practice doesn't necessarily need a vast audience; just 1,000 dedicated supporters can be sufficient. These individuals resonate with a brand, eagerly await the next offering, and are willing to invest in a vision. These are the fans we aspire to have around us.

If you envision a larger enterprise, you might think 1,000 fans seems limited. But the essence of Kelly's idea is about depth rather than

breadth. It's about cultivating genuine relationships with a select group who genuinely value what you bring.

Here's the exciting part: Throughout the book, we've been working on identifying who those 1,000 fans could be for you. Every step we've taken has been geared towards understanding, defining, and connecting with these potential loyalists.

Starting might feel humbling. But with the insights, you're strategically aiming for those genuine connections that will escalate soon.

Kelly's philosophy serves as a reminder: It's not about reaching everyone but about deeply connecting with the right ones. And with our focused approach, you're well on your way to finding and nurturing those invaluable relationships.

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1. Michalowicz, M. (2012). *The Pumpkin Plan: A Simple Strategy to Grow a Remarkable Business in Any Field*. Portfolio.
 2. Kelly, K. (n.d.). 1,000 True Fans. *The Technium*. Retrieved from <https://kk.org/thetechnium/1000-true-fans/>

CONCLUSION – YOU’VE NOW BECOME A SEGMENTOLOGIST

THE HAPPY ENDING FOR ALEX’S STORY

After witnessing the gradual disintegration of his financial advisory practice, Alex stumbled upon a book that promised a new perspective on scaling a practice with a clear market segment. Intrigued and desperate for a change, he integrated the principles of focusing on a clearly defined market segment.

Alex took a step back and revisited the drawing board with a new lens, focusing on the principles of segmentology. He analyzed his existing clientele, identifying a segment where his practice had succeeded and genuinely enjoyed working with. He defined his segment as “young professionals eager to navigate the complexities of building wealth while managing their careers.” He was uniquely positioned to serve them and emotionally drawn to this group. Alex realized that his team had the ability to craft innovative, easy to understand, entrepreneur-friendly investment strategies that appealed to this segment.

He began to reimagine his practice. Services were tailored to solve the problems that young professionals face. The marketing messages to speak directly to their needs, aspirations, and pain points followed

easily. His team developed specialized packages that addressed their unique financial challenges, such as managing student loans, investing in the early stages of their career, and planning for a financially secure future.

Alex rebranded his practice, emphasizing his newfound focus and expertise in serving young, incorporated professionals in his area. His marketing messages became clear, concise, and resonant with this segment. They understood him because he understood them. Alex positioned his practice as the go-to financial advisor for young professionals seeking to build a robust financial future.

Internally, operations became streamlined and focused. The team, now with a clear direction, worked cohesively, developing and enhancing their expertise in addressing the specific needs of their niche. They created content, workshops, and webinars tailored to their segment, further establishing their authority and expertise.

Clients began to notice the shift – the newfound clarity in communication, the specialized services, and the deep understanding of their unique challenges. Satisfaction soared, positive reviews started flowing in, and word-of-mouth referrals grew. Once on the brink of collapse, Alex’s practice started to blossom, becoming a beacon for young professionals nationwide seeking financial advisory.

Alex’s story transformed from a cautionary tale into an inspirational journey of rediscovery, focus, and success, all thanks to the power of choosing and expertly serving a clear market segment. His practice now stands not as a generalist but as a specialist, celebrated and sought after by those he and his team are most passionate about serving. In this transformation, Alex found financial success and a deeper, more meaningful connection with his work and clients.

Alex is a perfect bearer of the title “Segmentologist”. Like most of us, he struggled with the consequences of being a generalist. But with the right help, he figured it out and now enjoys the benefits of segmentology applied.

YOU’RE A SEGMENTOLOGIST TOO - YOU MADE IT

Way to go. You made it to the end of the book. Most folks don’t even get past the introduction of a book, but here you are, defying the odds. I’d say you deserve a medal or at least a self-congratulatory pat on the back. Remember, it’s not just about finishing the book; it’s about applying what you’ve learned.

In the journey of building a thriving practice, envisioning the path forward as a ladder can be immensely helpful. Each rung represents a critical step, and as you ascend, you not only gain a clearer perspective but also gather the tools and insights necessary for the next phase. Let’s delve into the segmentology ladder.

Your Ideal Client: This is the foundation of your ladder. Before you can offer solutions or market your services, you need to identify who you’re serving. Who is your ideal client? What are their needs, aspirations, and challenges? By understanding your target segment, you can tailor your services to meet their specific needs.

Your Solution: Once you’ve identified your “Who,” the next step is defining the unique solution you bring. What sets you apart? How do you address the specific challenges faced by your target segment?

Your Process: With a clear solution in mind, you’ll need a streamlined process to deliver it consistently. This involves mapping out each service delivery step, ensuring clients have a seamless and effective experience.

Your Team: You can’t do everything alone as your practice grows. Building a team is crucial. This isn’t just about hiring staff but ensuring that each team member aligns with your vision and can uphold the standards of your practice.

Your Marketing: With the foundational elements, it’s time to inform the world about your services. Effective marketing is about more than just promotion; it’s about connecting with your target segment meaningfully, building trust, and establishing your brand.

Your Rewarding Lifestyle Practice: The pinnacle of the segmentology ladder. Here, all the previous steps coalesce into a practice that serves your clients and rewards you. This is where you enjoy the fruits of your labor, achieving a balance between a successful professional life and a fulfilling personal life.

As you progress to the top of the segmentology ladder, each step builds upon the last. By the time you reach the top, you have a robust, sustainable, and rewarding practice that stands the test of time by the time you reach the top.

ABOUT THE AUTHOR

Jon Morrison knows the ins and outs of the struggles and successes of entrepreneurship. His first venture, Clinic Sites, not only thrived while serving a clearly defined segment (clinic owners) but also experienced a successful exit.

Now, as the Founder and Lead Consultant of Get Clear Consulting, Jon channels his passion for equipping small business owners by teaching them about the power of segmentology.

Holding both an MA (Biola University) and MBA (Trinity Western University), and with a rich educational stint at Oxford University, Jon combines academic knowledge with real-world experience.

He's shared his expertise on stages like TEDx and at conferences all over North America.

In 2021, he penned the book "Now Start With Who," offering readers a tangible approach to customer-centric business strategies.

Jon lives in Abbotsford, BC, with his wife and three daughters. He balances his entrepreneurial pursuits with a fulfilling family life and service to his community (like being a die-hard hockey coach).

For more insights and strategies from Jon, visit segmentology.ca.



