

CUSTOMER SEGMENTATION WORKSHEET

To produce superior returns in terms of Strategic Fit, a company must be aligned with the needs of its customers. By placing customers into segments, we can deploy & focus our scarce resources more effectively.

Step 1: List your major customers. Generally, 20% of your customers account for 80% of your sales.

Step 2: Using the definition and criteria below, determine and name your key segments.

A segment is a group of customers, all of whom have similar characteristics on one or more of the following 5 dimensions:

1. Scope of product, service or delivery,
2. Needs and expectations,
3. Geographic location,
4. Price point,
5. Any other relevant factor

Segments should also conform to all of the following criteria:

- a. The dimensions for sector grouping are homogeneous (i.e. similar)
- b. Be sufficiently different from other segments
- c. Are large enough in total aggregate sales

The more segments you create the more complex your business will be and the more difficult it will be to manage consistent, high quality service delivery.

Step 3: Allocate customers from Step 1 to each segment.

Step 4: Prioritise segments in relation to segment size.

List of major customers (Use separate sheet if required)

Name	% to Sales	Cum %
1.....
2.....
3.....
4.....
5.....
6.....
7.....
8.....
9.....
10.....

Segments

Name	Customers in segment*	Priority [^]
.....
.....
.....
.....
.....
.....

* Enter the number of the line in the customer per list above separated by commas

[^] Prioritise in terms of largest or most profitable segment first (i.e. 1) and number in descending order of size or profitability