

## Fact sheet: Business benchmarking

Regular comparison against industry benchmarks can help you see how your business is doing.

### What is benchmarking?

Business benchmarking lets you compare your business with other businesses in the same industry.

There are many ways to compare one business to another, but benchmarking for business looks at financial performance. This usually means that the basis for comparison focuses on the numbers — the business metrics.

### How to use benchmarking

Once you begin to look at how your business is performing against the benchmarks, you can start to look at what key performance indicators (KPIs) are most important for your business.

You can set quantifiable goals and measure your performance this way over time. When you're looking for financial support from investors or banks, benchmarking data can help you explain your business clearly and support your funding proposal with hard data.

### What do we do?

We can undertake to produce a benchmarking report for your business. We will use financial information from your latest financial statements and submit it to our provider. We can produce a range of reports for you to compare various financial ratios in your business with those of others in your industry.

We will provide you with a written report highlighting the areas we consider need attention, and also the areas where your business is performing well. You'll be able to see exactly where you fit into the range of performances. This will allow you to focus on those areas of your business that need improvement.

We can follow up with you to discuss the results and we may be able to assist you with specific business improvement strategies.

### What do you have to do?

We already have most of the information that we require in your financial statements. In addition, we'll need the following information:

- The number of employees you have in the business (full time equivalents)
- How many owner operators work in the business (once again, calculated on a full time equivalent basis)
- In some cases we may need the area of your business premises

### Our recommendation

Benchmarking reports can be a rich source of information on how your business is performing. It can give you valuable data to help you set goals and plan.

Important: Clients should not act solely on the basis of the material contained in this article. Items herein are general comments only and do not constitute nor convey advice per se. Changes in legislation may occur quickly. We therefore recommend that our formal advice be sought before acting in any of the areas. This article is issued as a helpful guide to our clients and for their private information. Therefore it should be regarded as confidential and should not be made available to any person without our prior approval.

Last reviewed on 21 June 2016