



## Financial Benchmarking To Guide Your Business And Your Industry

Maybe this year wasn't your company's best or perhaps it was exceptional. Maybe your revenue dipped or your employee costs increased more than expected. Maybe you experienced staff shortages, rising freight costs or other challenges. How much of this was due to industry-wide conditions? How much was due to your actions? What are the most beneficial adjustments you can make to improve profitability in the current business environment?

The **Nemeon Financial Benchmark Study** provides answers to many of your questions and more. Study results provide an annual analysis of the current state of the industry and of your firm compared to the industry. The analysis provides insights into changes you can make to guide your business planning for improving financial performance. Every annual benchmark report is also a valuable asset for future support and decision making roles such as operating loan applications, valuations for succession or sale of the business, shareholder reports, SEC filings and more.

Financial benchmarking is the process of comparing your business's key financial and operating metrics to those of other businesses in your industry. This comparison helps identify where your business is performing well and where improvements could be made. By understanding your strengths and weaknesses relative to your industry, your team can make informed decisions to improve financial performance.

Annual industry metrics are crucial for guiding your team's efforts to increase profitability. The modern business practice of continuous improvement requires monitoring key metrics to measure the effects of these efforts. Annual benchmarking provides the framework for regular measurement and comparison of these key metrics.

The Nemeon Financial Benchmark Study examines the key financial and operational metrics of companies in your industry. The study analyzes all companies as a group as well as companies in small to large revenue groups. Most importantly, the group of top-performing companies is identified and analyzed for possible insights into practices that make them successful. Your company's performance and trend metrics are compared with those of other members to identify areas where you have a business advantage, an opportunity to improve, or a weakness to address.

The annual Nemeon Financial Benchmark Study is the **only source of benchmark metrics specific to Nemeon members** because it analyzes members exclusively. This study is a valuable community asset that provides the only current, quantified comparisons with your peers.

This study is a **free benefit for Nemeon members**. That's a tremendous bargain. Some accounting firms offer limited analytic services but they are not based exclusively on Nemeon members' data and they are not free.

It is **easy to participate** in this study. The benchmark survey only collects essential data so it usually takes only an hour or so to complete. You can skip questions that you cannot answer or reasonably estimate. You can also choose to not disclose sensitive data (for example, you can report total payroll without reporting owners' salary).

Profit Planning Group conducts the annual benchmark study for Nemeon to guarantee the confidentiality of your data. **Nemeon will never have access to your data**. You enter your data in a familiar spreadsheet environment on your computer instead of on a vulnerable web page exposed to the internet. You submit your data directly to the Profit Planning Group by email or through their exclusive, easy-to-use secure dropbox.

Profit Planning Group securely stores your data anonymously on servers that are not connected to the internet. They analyze the data then send the results directly to you in a confidential report. After the analysis, the documents you submit for the study are destroyed. Profit Planning Group has a 35-year record of securely managing confidential data for thousands of studies without a security incident.

Profit Planning Group's analytics employ their proprietary financial modeling technology. These academically validated statistical methods derive models from aggregated industry data. Your firm is compared with these models to evaluate your performance within the industry.

Your performance evaluation is presented in your confidential Performance Analysis Report™ (PAR). **Your PAR is customized just for your firm. It is the most valuable benefit of the study.** To make it easy to compare your performance to others in your industry, your results are presented alongside models for a typical firm, a high profit firm and a firm in your revenue group. The PAR presents detailed metrics and narratives for these topics and more:

- Return On Investment
- Revenue and Expenses
- Assets and Liabilities
- Financial Ratios
- Cash Flow and Growth
- Employee Productivity
- Products and Customers
- Operations

Other benchmark studies end here. Profit Planning Group's PAR goes further. The PAR includes guidance specific to your firm to help plan your profit improvements. The PAR provides:

- An analysis of typical and high-profit performance and discussion of the key differences.
- A [Performance Scorecard™](#) which depicts your rank within the industry for every important financial and operational metric in a concise, common sense graphic.
- A trend analysis of your performance over recent years.
- An prescriptive action plan customized just for your firm that identifies specific steps you can take to improve your performance in key areas.

In addition to the *static* Performance Analysis Report, Profit Planning Group provides access to the [Profit Dashboard™](#), a *dynamic* planning tool. This tool allows your team to rapidly test multiple scenarios to create an action plan to immediately kick-start profit improvement.

Benchmarking is a community effort. This study is a unique chance to both boost your profits and support your industry community. This study and members' need for comparative metrics are mutually beneficial. Member participation contributes data which establish the industry benchmarks. The industry benchmarks allow members to evaluate performance. Please contribute to this valuable study now to support your community and improve your profits.

### **About Profit Planning Group (PPG)**

PPG is a professional corporation that has provided consulting, education and analytic services to corporations and trade associations for over 35 years. PPG pioneered "affordable financial benchmarking for all" by developing proprietary, academically validated statistical methods for financial modeling on modern computing platforms. Our small, agile team of experienced data engineers, business analysts and accountants is dedicated to helping businesses like yours improve profits immediately.