

Benchmarking & Beyond

Assistance, Insight, Assessment, Understanding

Benchmarking is an important device for strategic and business planning, though the greatest value that benchmarking can bring to your business is clarity and direction.

Read on to discover the true value of benchmarking.

Benchmarking is a valuable tool for improving your company's performance. Whether you want to set improvement targets based on your own history or aim for performance levels achieved by the best in the business, benchmarking is your vehicle.

Performance Benchmarking

The performance benchmarking process identifies the most profitable 20 or 25 percent of the participants as Best-in-Class. The metrics of those Best-in-Class performers are compared to industry norms and other participants, allowing us to measure where gaps exist. Further, those performance metrics that have high correlation to profitability are determined, allowing identification of critical success factors.

Performance benchmarks help you keep your focus on results: your own performance and that of comparable operators. Ultimately, performance

benchmarks can spur you to strategy revisions as you seek to match or exceed Best-in-Class levels.

Baseline or Self-Comparison Benchmarking

In addition, baselining or self-comparison benchmarking is also a worthy endeavor. The primary benefit of self-comparison benchmarking lies in your ability to applaud improvements. Every contractor should perform self-comparison benchmarking on a number of data points. For example, one of the most intriguing baselines lies in the value per employee metric (i.e.: What is your gross profit per employee?).

Assistance can range from a quick, honest assessment to comprehensive guidance. A complete benchmarking program can tell you where to go and how to get there. Give me a call to learn more.



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I've spent over 25 years working with construction industry clients as a CPA, commercial banker, and CFO, so I can provide unique perspective beyond the data – pulling back the curtain on operating performance metrics, balance sheet and capital structure, succession planning and liquidity events, and overall segment best practices.

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