

Together
We Count

Financial Benchmarking

How does your business compare to your peers?

Benchmarking is a process of measuring the performance of a company's products, services, or processes against those of other businesses in the same sector.

It tells you what you are doing well, compared with similar businesses. It can highlight areas for improvement as well as pointing out what is making your business successful. It compares your performance for a trading period to that of your peers.

There are many ways to compare your business to others. It's not just about finances. Customer feedback, for example, is an important part of delivering the best possible experience. Other examples include mystery shopping, conducting surveys or joining a benchmarking group to establish how your business is performing.

Why is it necessary?

As a first step, benchmarking will show you where there are gaps in your performance. It will help you to identify and focus on your weaknesses. Having this information is vital in making you and your business as successful as it can possibly be.

Some people initially say it is not worth comparing themselves to others because "my business is different". But that argument completely misses the point. The reason it IS worth comparing is precisely BECAUSE your business is different.

After all, one business gets better results than another BECAUSE it has different products, different prices, different customers, different suppliers, different productivity, different marketing or something else that makes it different and therefore better.

By comparing yourself to businesses in your sector that do things differently, you can see whether your results could be better if you did things differently too.

By helping you to learn what is possible from others in your sector, it also makes it easier for you to work out what to do to improve your business and your results. All it needs is for us to look at the results together with an open mind.



What can Together We Count Limited do for you?

As you are almost certainly aware, in these difficult and uncertain times it's crucial to stay ahead of the competition. We are confident that our Benchmarking service is unique and has the potential to provide you with an invaluable new perspective on your business.

Although you may well be coping admirably with the current economic climate, it is still crucial that you are able to compare your own figures to those of your direct competitors.

At TWC we are determined to help local and national businesses in any way possible.

Along with our network of hundreds of accountants across the UK feeding into the benchmarking system, we see a lot of financial statements. It is these financial statements which make the benchmarking sample.

By turning financial data into ratios, it enables us to compare one business to another. Irrespective if the turnover is £5m or £50K per annum. When the figures are broken down to ratios, for example, Gross profit ratio, all businesses in a particular industry are comparable.

Currently we use 19 financial ratios to benchmark a business across six main areas, meaning we can proactively offer unique individual business growth advice on the following:

- Sales
- Profitability
- People costs
- Assets
- Cash and gearing
- Return on investment – How well are the assets in your business working? Would investing in new assets bring efficiencies which then lead to financial and business improvements?

At TWC we feel that business is a journey. If you compare your financial performance to the best performing peers in your industry, you will then have a path to an end destination. If you strive to be at the top of your game the benchmarking report will assist in this, giving a clear picture of what is being achieved by the leading businesses in your industry.

Annual financial statements have to be completed to enable you to report income to the tax authorities. They often do not make easy reading for interpretation. The Benchmarking report takes this key financial information and massively expands on it.

Whatever your budget or needs we have a benchmarking package that is right for you. The table on the following page summarises what is included within each of our Benchmarking packages.

To help you identify the best option for you here is a quick overview:

Total Business and Benchmarking Solution – This is the best option for ambitious business owners who want comprehensive support and advice to help them build a truly successful business. Along with the detailed benchmarking report you will also receive a credit report on your business (if a limited company), a checklist to assess whether you are paying as little in tax as possible and a discovery call with an accountant who's brain you can pick.

Advanced Benchmarking – This is our most popular option and is the best option for business owners who really want to get their hands on the more detailed benchmarking report but are happy to forgo some of the added benefits, as seen in the Total Business and Benchmarking Solution package.

Entry Benchmarking – This option is for business owners on a budget who still really want to get their hands on a benchmarking report to see how their business compares to the rest of the market. The report is condensed, easy to follow and understand, with a section to add your own notes. Plain and simple with no frills.



	Total	Advanced	Entry
Compare 19 key performance measures	●	●	●
Ratios split into 6 key areas of the business being:			
Sales	●	●	●
Profitability	●	●	●
People costs and productivity	●	●	●
Assets	●	●	●
Cash gearing	●	●	●
Return on investment	●	●	●
Information on how you compare to the rest of your industry	●	●	●
'What if'	●	●	●
Suggested action plan	●	●	●
Set your own targets and your plan of action	●	●	●
PDF version of the report	●	●	●
Information stating the amount of businesses in your industry we have compared your data to	●	●	○
Introduction about the benchmarking report and how to interpret the charts and tables in the report.	●	●	○
The numbers which have been used to compile the report	●	●	○
The SIC code used	●	●	○
Recommendations	●	●	○
15 - 30 minute call	●	○	○
Credit report on your business	●	○	○
Taxability business checklist	●	○	○
Your TWC binder	●	○	○

- Included within the bundle
- Not included within the bundle



Your options in detail

The following are included in the Entry Benchmarking package:

19 Key performance measures

We look at a total of 19 key ratios and numbers specific to your business, this is broken down into 6 key business areas. We compare your specific businesses results with other businesses in your industry. The 6 areas are:

Sales – In this section of your business we look at sales growth and the safety margin results. These are important ratios because if your industry is experiencing an expansion or decline, you will see how your business compares.

Profitability – In this section we look at gross, operating and net margin ratios. By comparing these ratios to the rest of the industry, inefficiencies or pricing and costing abnormalities can be easily identified. We also look at the growth in net profit when comparing one period to another, typically a trading year.

People costs – In this section we look at average employee costs, sales per employee, sales per £ of employee costs and profits per employee. Again, this is compared to the rest of your industry. People costs often make up a substantial part of a businesses cost. Managing this area of the business is therefore crucial. When comparing this information to the rest of the industry inefficiencies can easily be identified and then acted on.

Assets – In this section we look at asset turnover and debtor days ratio. WIP/stock days are also compared. By knowing how you compare to the rest of the industry in this key business area, you can assess how debtors compare to the rest of the industry. This information is very important and will identify if any systems within your business need urgent attention.

Cash and gearing – In this section we look at your current ratio and quick ratio. This shows how well you can meet your short-term debts, as compared to the rest of the industry. Is your business solvent?

Return on investment – In this section we look at interest cover, return on investment ratios as well as return on capital employed. How well are the assets in your business working compared to your peers? Would investing in new assets bring efficiencies which then lead to financial and business improvements?

"Don't let the fear of losing be greater than the excitement of winning."

-- Robert Kiyosaki

Information on how you compare to the rest of your industry

This is where we dive into the nitty gritty of your business and compare your data to the rest of the industry. To make it easy to see how you are performing, and to help you to assess your performance at a glance, we have colour-coded the chart, as follows:

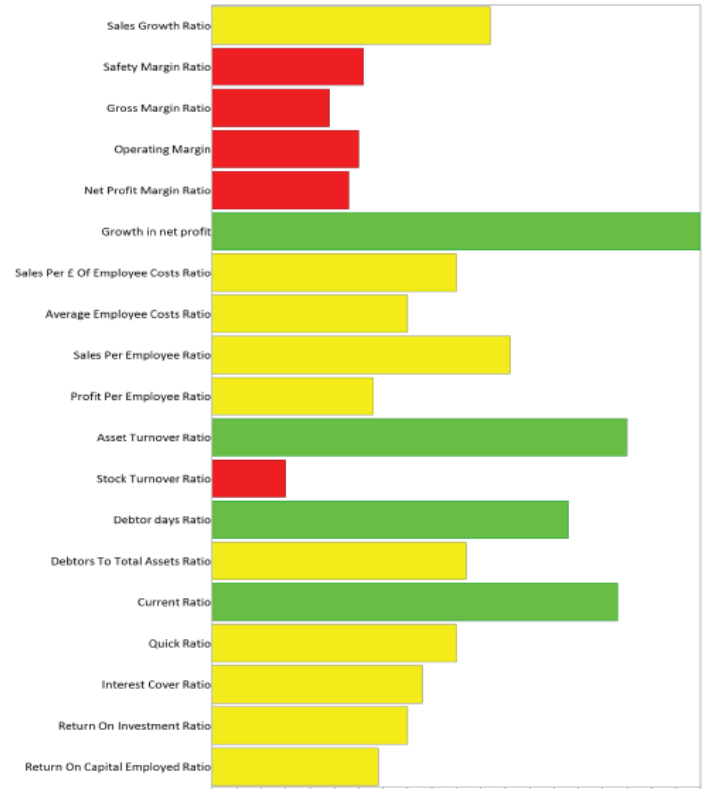
Green = areas where you perform best.

Yellow = areas where your performance is around average.

Red = areas that require improvement.

By having the information displayed as a view chart, the results are easily understood.

See an example summary of benchmarks in the figure to the right.



'What if'

In this section of the report we take the figures used to calculate your businesses ratios. We then extrapolate your figures and let you know what your unique business would achieve if the results achieved were that of the top quartile. This gives key business insight into what you could achieve. This therefore can act as business goals, something to aim for.

Suggested action plan

Having the benchmarking information is high end financial insight. We feel that it is important to act upon this information to enhance your business. Therefore, we have provided you with information, on each of the 6 key business areas, where we feel improvements can be made.

Set your own targets and your plan of action

Adding to the above point, where taking action is key. We have provided a blank section where you can brainstorm your own targets and action plan. The benchmarking report contains lots of essential business information but acting upon this information is essential for your business's development.

PDF version of the report

The report is emailed to you, so that it can never go missing. The file will be in PDF format.

The following are included in the Advanced Benchmarking Solution package:

The Long report includes information on the following:

- An introduction to Benchmarking and what it is
- How many businesses we have compared your business to in your specific industry
- How to interpret the charts and tables
- Where in the benchmarking sample your business ranks for a specific ratio
- Your business figures used to compile the report
- The Standard Industrial Classification (SIC) code used for the report.

Recommendations

In this section of the report we state three measures that possibly give the greatest cause for concern with brief suggestions for improving each one.

"Try not to become a man of success. Rather become a man of value."

-- Albert Einstein

The following are included in the Total Business and Benchmarking Solution package:

15-30 minute call

Throughout the report we make suggestions and recommendations. Book a telephone call with one of the Accountants at TWC to pick their business brains further to really transform your business. We can cover the key recommendations suggested in the report, to help your business develop.

Credit report on your business

We will provide you with a credit report (providing you are a limited company). This information is essential if you want to obtain better credit terms with suppliers, borrow money from the banks or to see how the rest of the market portrays your company.



"If you always do what you've always done, you will always get what you've always got"

Taxability business checklist

We will provide you with a simple easy to complete checklist covering business taxation. The findings from the checklist will establish if there is potential to save you unnecessary tax bills. Are you paying too much unnecessary tax?

Your TWC binder

As well as an email with all of the stated reports and documents, we post to you a TWC binder that will neatly hold in one central place all of your key documents.

You can view Together We Count's other services on the next page.

Together We Count can manage your entire financial affairs. These can be split into the following categories:

Business

Individual

Compliance

- Tax returns
- VAT returns
- CIS returns
- Company secretarial
- Year-end account
- Payroll
- Auto-enrolment pensions

Growing your business

- Business plans
- Cash flow forecasts
- Company valuation
- Profitability analysis
- Securing finance
- Business advisory
- Business coaching
- Price consulting
- Strategic planning
- Business systemisation
- Break even analysis

Running your business

- Management accounts
- Bookkeeping
- Budgets
- Hr & Employment Law
- Training
- Credit control
- Board meetings
- Finance director
- Company formations
- Benchmarking

Save

- Tax planning
- Banking
- Business cost reduction
- Research & development
- Tax credit
- Taxability



Personal

- Pensions
- Savings/investments
- Wills/inheritance
- Protection
- Mortgages
- Income planning
- Personal tax planning
- Wealth management
- Wealth preservation
- Personal insurances
- Power of attorney
- Capital gains tax
- Client account banking
- Personal Balance sheet

What else

- Business insurances
- Revenue investigations
- Other business
- Investigations e.g. Fraud

Other

- Exit strategy
- Shareholders agreements
- References
- Business systems
- Company reorganisations

In summary...

You know how most people have a problem with understanding the key financial data within their business and never know how they compare to the rest of their industry.

Which means that they are often left in the dark not knowing if their business is actually performing well or not.

Well, what we do within the benchmarking report is interpret your key financial data by turning this information into plain English and easy to understand tables. Additionally, this information is compared to the rest of the industry so that you can establish how you performed against your peers.

Which means that you will be more informed and will be able to establish what areas of the business are performing the best and worst, meaning action can be undertaken.

Together We Count, Accountants making a difference...

When running a business, it can often be difficult to cope with all the rules and regulations that you need to take into account to avoid getting into trouble with the variety of authorities.

Relax! At Together We Count, we make everything less stressful by taking charge of all your taxation, compliance and accounting needs. Armed with this information we then take further steps to help you better understand the numbers and what they mean, spot potential areas of improvement and help execute a plan to ensure set goals are achieved.

Our business philosophy is based on the fact that we treat each and every client like they are our only client! As such, we don't just sit around and wait until your annual accounts and tax returns are due. Instead, we talk to you throughout the year and make sure that your tax is as efficient as it can be with pro-active tax planning so that you get to keep more of what you make.

When we work together as your external business partner we guarantee the following commitment:

- Operating on the principle that a problem isn't solved, or a piece of work finished until you are 100% delighted
- Keeping you fully informed about what's happening on your affairs and completing every task on or ahead of time – so that you never have to chase us
- Respond to every telephone message
- Reply to every letter and email
- Never compromising the high standards of integrity, professionalism, and confidentiality that you rightly expect from us
- Always being on the lookout for new ideas that could help you to build an even more successful business and achieve your business and personal goals via our network of clients and trusted partners



Together
We Count

You Count, I Count,
We Count

aat


ProActivTax



fsb^{co}
MEMBER

Offices in
Brighton and
Sheffield.

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Together We Count aim to ensure you:

- Achieve more profits
- Pay less tax
- Have reduced costs
- Have more cash
- Have less stress
- Are prone to less risk
- Save more time
- Increase your wealth
- Have a better lifestyle
- Have greater security