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Benchmarking

During “**Best Business Practices Soundbytes**,” a session at HMA’s 2019 National Conference and Expo, business and industry associate **Bree Urech-Boyle**, National Wood Flooring Association-Chief Financial Officer, presented information and insight regarding Benchmarking. Here is the ‘short clip’ of her presentation.

How do you know you are successful and secure? For many it’s “staying constantly alert, and then reading and reacting to potential problem situations before they materialize.” Sounds a lot like good management. And good management includes benchmarking.

- What is it? Benchmarking is the act of comparing financial, operational and external performance metrics against a standard or trend. Analysis of this valuable data tells the story of what your business is or isn’t doing.
- If you are not Benchmarking, get started. Identify the Key Performance Indicators (KPI) for your business – Gross Profit margin, Funds Management Ratio, Percentage of Waste, Customer Satisfaction, Raw Goods Costs, etc.
- Then, create a Dashboard for your KPI – graphs and charts get a message across more efficiently. Monitor the data regularly. Lagging indicators provide historical data. Leading indicators identify opportunity or needed changes.
- **Knowledge is power.** Embrace Benchmarking as an effective way to implement positive change in your business, and in any area of life.