SIGNATURE

BENCHMARKING

# COMPARED WITH WHAT - AND THEN WHAT?

How printers can combine company numbers, industry comparison points and peer perspective to make better decisions.

A comparison is useful only when it changes the quality of the questions you ask. Before looking outward, know your own numbers. Then understand what the benchmark represents, investigate the difference and decide what - if anything - should change.

### 1 YOUR NUMBERS

Use the budgeted hourly rate and current company data to identify costs, capacity and operating assumptions.

### 2 COMPARISON POINTS

Use reports, surveys, market conversations and peers to add outside perspective.

### 3 THE DECISION

Investigate the difference, model the choices, act on a controllable driver and measure again.

## START WITH WHAT YOU KNOW

The budgeted hourly rate is a company-specific management tool. It helps a firm identify the numbers and assumptions behind its productive work. It does not come with a bank of industry benchmarks.

- Are labor, benefits, overhead and other inputs current?
- How many productive hours can the cost center realistically deliver?
- Which assumptions have the greatest effect on the rate?
- How are fixed and variable costs represented?
- Does actual utilization resemble the budgeted capacity?
- How should this knowledge inform pricing, outsourcing or investment?

## KNOW THE COMPARISON POINT

Perfect matches are rare. The goal is not to find a company identical to yours; it is to understand the comparison well enough to know what it can - and cannot - tell you.

| WHAT | WHO | WHICH | WHAT'S MISSING |
|---|---|---|---|
| What is being measured, and how is it defined? | Who participated, and are they reasonably comparable? | Is the result an average, a range or a high performer? | What information is unavailable - and what should you avoid assuming? |

**A BENCHMARK IS A SIGNAL - NOT A GRADE, A VERDICT OR A BUSINESS PLAN.**

FROM COMPARISON TO ACTION

# ASK WHAT THE DIFFERENCE REVEALS

The better question is not simply, “How do we compare?” It is, “What should this finding help us investigate?”

## TURN THE FINDING INTO A MANAGEMENT QUESTION

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|---|---|
| **LABOR COST IS ABOVE THE COMPARISON** | Are wages higher, staffing levels heavier, overtime excessive or productivity lower? |
| **SALES PER EMPLOYEE IS LOWER** | Is capacity underused, work underpriced, the mix less valuable or automation insufficient? |
| **MARGIN IS STRONG, BUT PROFIT IS WEAK** | Which overhead, workflow or support costs are consuming the margin? |
| **A NEW BUSINESS LINE APPEARS ATTRACTIVE** | Will it improve contribution after labor, equipment, selling, support and realistic utilization? |

## BUILD A MORE COMPLETE VIEW

PIA MidAmerica resources contribute different kinds of evidence. None supplies every answer; together they help leaders see a result, understand its context and ask better follow-up questions.

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|---|---|
| **PERFORMANCE INDICATOR REPORTS** | Financial and performance comparison points drawn from participating companies. |
| **WAGE + BENEFITS SURVEY AND REPORTS** | Compensation, benefits and workforce-practice comparisons. |
| **QUARTERLY MARKET TREND CONVERSATIONS** | Current context about demand, costs, confidence and changing operating conditions. |
| **CONVERSATIONS WITH PEERS** | Firsthand insight into measurement practices, pain points, employee issues and operating decisions. |

## DO NOT BE AFRAID TO TALK WITH YOUR PEERS

You may not receive a clean financial number - and should not expect confidential details. But a candid conversation can reveal how another company measures performance, where it is experiencing pain, what employees are telling leadership or how it approached a similar decision. That firsthand context can make a formal benchmark far more useful.

**CALCULATE • COMPARE • INVESTIGATE • MODEL • ACT • MEASURE AGAIN**

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THE POINT: Know your numbers. Know your comparison points. Then ask what the difference is telling you - and which business decision it should inform.