

# manufacturer benchmarking report



The 2011 Manufacturer Benchmarking Report is one of the most important tools that Outdoor Industry Association offers to help members improve their profit and financial performance. This report, based on 2010 data submitted by 61 outdoor product manufacturers, analyzes industry-wide operating norms and performance metrics which firms can use to compare against their own results.

OIA members receive the full report — at no cost — as part of the benefits of OIA membership. Join OIA today at [outdoorindustry.org/join](http://outdoorindustry.org/join).

## A brief excerpt from the report:

Among the 61 participating manufacturers, financial performance varied widely in 2010. The results show that the typical firm generated sales of \$9,577,185 and a pre-tax profit of 4.6%. More sales did not always translate into higher profits, though, as sales for the typical high-profit firm were \$4,630,000, with a profit of 16.7%. Of greatest consequence, the typical firm had an 8.7% pre-tax return on assets (ROA is profit before taxes expressed as a percentage of total assets) while the typical high-profit firm generated an ROA of 36.7%.

A number of factors led to the differences in overall results. In most instances these differences can be illustrated by examining what are commonly called the critical profit variables (CPVs). High-profit firms may not always perform better in every CPV but their combined CPV performance produces better overall results. Since these differences can dramatically improve operating performance it is important that every firm is aware of their impact.

## The Critical Profit Variables

	Median OIA Firm	High-Profit* OIA Firm	Sales Under \$5 Million	Sales \$5 - \$20 Million	Sales Over \$20 Million
<b>Sales Per Employee (median)</b> Measures employee productivity	\$313,013	\$372,742	\$249,538	\$424,118	\$287,680
<b>Gross Margin Percentage (median)</b> Reflects the ability to manage COGS effectively	42.1%	52.5%	47.4%	38.8%	40.2%
<b>Operating Expense Percentage (median)</b> Focuses on expense control	36.2%	35.4%	41.5%	33.5%	34.3%
<b>Inventory Turnover (turns per year)</b> Reflects how well inventory is managed	3.5	3.9	3.4	3.9	3.0
<b>Average Collection Period (days)</b> Reflects accounts receivable collection practices	49.1	45.4	39.9	36.7	60.3
<b>Number of Firms Reporting**</b>	61	15	21	21	18

\* This group includes firms within roughly the top 25% of ROA results.

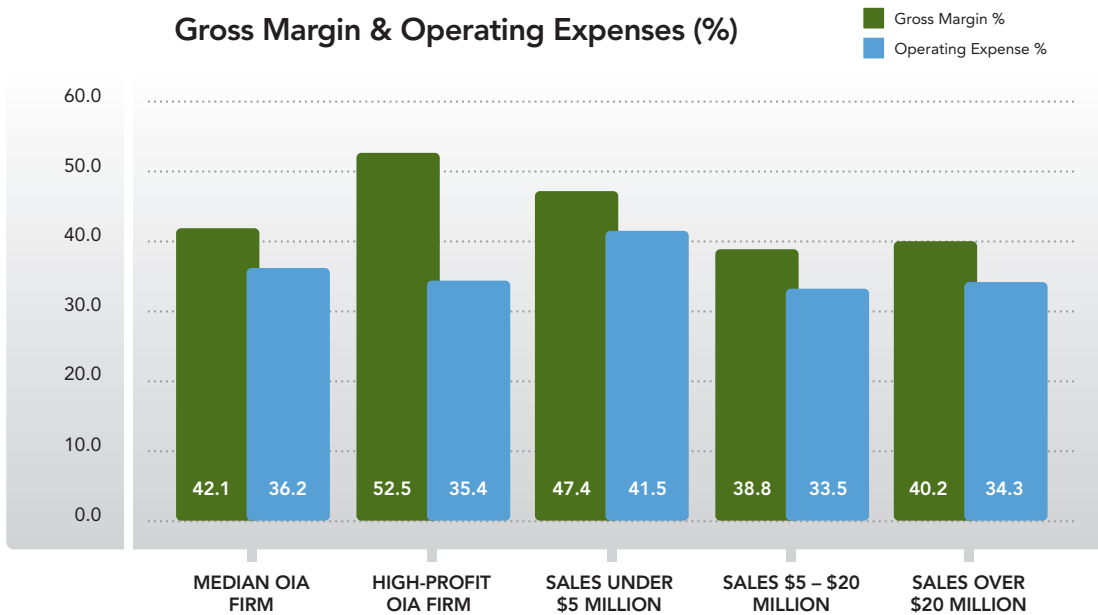
\*\* One participating firm excluded financial data from their reporting, thus the sales volume columns sum to 60 rather than 61. This firm's operational and compensation data is included in the report.

# manufacturer benchmarking report EXCERPT

The income statement summarized here reflects the ability of management to generate sales at a reasonable margin, control expenses and earn an equitable profit. It serves as the primary scorecard of management's effectiveness.

	Median OIA Firm	High-Profit OIA Firm	Sales Under \$5 Million	Sales \$5 - \$20 Million	Sales Over \$20 Million
Number of Firms Reporting	61	15	21	21	18
Median Sales \$ Volume	9,577,185	4,630,000	1,630,685	10,447,82	100,200,500
<b>Net Sales (\$)</b>	<b>\$9,577,185</b>	<b>\$4,630,000</b>	<b>\$1,630,685</b>	<b>\$10,447,827</b>	<b>\$100,200,500</b>
Cost of Goods Sold	5,545,190	2,199,250	857,740	6,394,070	59,919,899
<b>Gross Margin</b>	<b>4,031,995</b>	<b>2,430,750</b>	<b>772,945</b>	<b>4,053,757</b>	<b>40,280,601</b>
Operating Expenses	3,466,941	1,639,020	676,734	3,500,022	34,368,771
<b>Operating Profit</b>	<b>565,054</b>	<b>791,730</b>	<b>96,211</b>	<b>553,735</b>	<b>5,911,830</b>
Other Income/Expenses	-124,503	-18,520	-24,460	-73,135	-1,302,607
<b>Profit Before Taxes</b>	<b>\$440,551</b>	<b>\$773,210</b>	<b>\$71,751</b>	<b>\$480,600</b>	<b>\$4,609,223</b>
<b>Profit Margin Before Taxes (%)</b>	<b>4.6%</b>	<b>16.7%</b>	<b>4.4%</b>	<b>4.6%</b>	<b>4.6%</b>
<b>Net Sales (% of sales)</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Cost of Goods Sold	57.9	47.5	52.6	61.2	59.8
<b>Gross Margin</b>	<b>42.1</b>	<b>52.5</b>	<b>47.4</b>	<b>38.8</b>	<b>40.2</b>
Operating Expenses	36.2	35.4	41.5	33.5	34.3
<b>Operating Profit</b>	<b>5.9</b>	<b>17.1</b>	<b>5.9</b>	<b>5.3</b>	<b>5.9</b>
Other Income/Expenses	-1.3	-0.4	-1.5	-0.7	-1.3
<b>Profit Margin Before Taxes (%)</b>	<b>4.6</b>	<b>16.7</b>	<b>4.4</b>	<b>4.6</b>	<b>4.6</b>

**Gross Margin & Operating Expenses (%)**



OIA members receive the full report — at no cost — as part of the benefits of OIA membership. Join OIA today at [outdoorindustry.org/join](https://outdoorindustry.org/join).