

retailer benchmarking report



The 2011 Retailer 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 59 specialty outdoor retailers, 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.

A brief excerpt from the report:

Financial performance varied widely in 2010 among the 59 participating retailers. The results show that the typical firm generated sales of \$1,742,543 and a pre-tax profit of 4.3%. More sales did not always translate into higher profits, though, as sales for the typical high-profit firm were \$900,400, with a profit of 10.2%. Of greatest consequence, the typical firm had a 10.7% 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 26.5%.

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

	Typical Participating Retailer	High-Profit* Participating Retailer	Sales Under \$1 Million	Sales \$1 - \$3 Million	Sales Over \$3 Million
Sales Per Employee (median) Measures employee productivity	139,182	119,126	100,000	139,792	175,765
Gross Margin Percentage (median) Reflects the ability to manage COGS effectively	43.3	46.5	49.8	41.9	42.8
Operating Expense Percentage (median) Focuses on expense control	38.8	36.3	42.2	36.5	41.0
Inventory Turnover (turns per year) Reflects how well inventory is managed	2.0	2.0	1.4	1.9	2.3
Number of Firms Reporting**	59	15	21	20	17

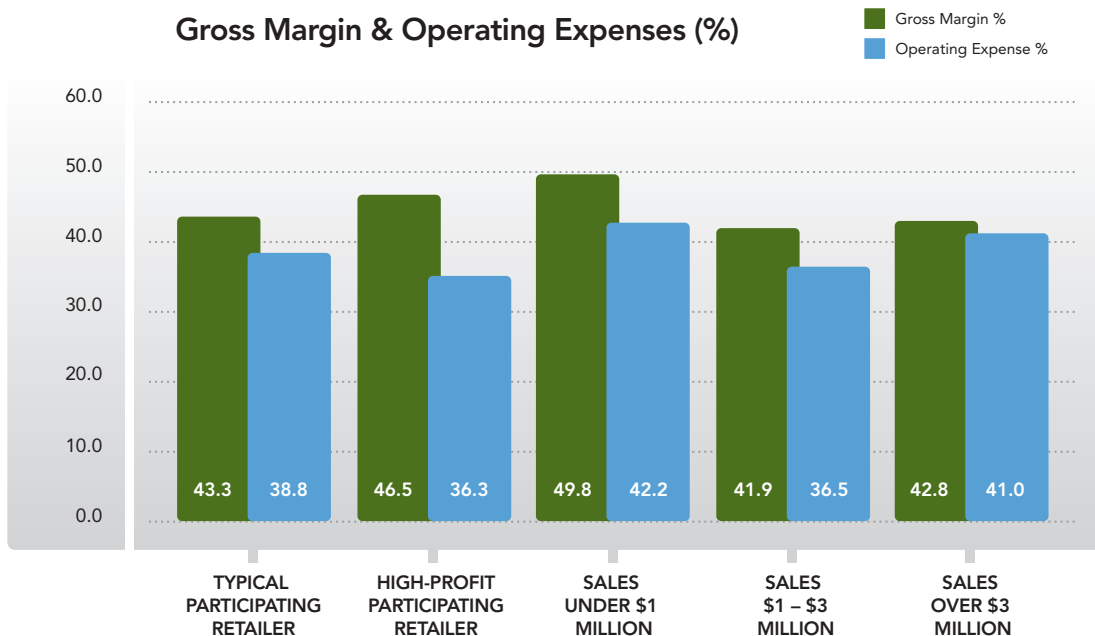
* This group includes firms within roughly the top 25% of ROA results.

** One participating firm excluded financials from their reporting, thus the sales volume columns sum to 58 rather than 59. This firm's operational data is included in the report.

retailer 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.

	Typical Participating Retailer	High-Profit Participating Retailer	Sales Under \$1 Million	Sales \$1 - \$3 Million	Sales Over \$3 Million
Number of Firms Reporting	59	15	21	20	17
Median Sales \$ Volume	1,742,543	900,400	505,878	1,895,427	8,453,562
Net Sales (\$)	1,742,543	900,400	505,878	1,895,427	8,453,562
Cost of Goods Sold	988,022	481,714	253,951	1,101,243	4,835,438
Gross Margin	754,521	418,686	251,927	794,184	3,618,124
Operating Expenses	676,107	326,845	213,480	691,831	3,465,960
Operating Profit	78,414	91,841	38,447	102,353	152,164
Other Income/Expenses	-3,485	0	0	-7,582	0
Profit Before Taxes	74,929	91,841	38,447	94,771	152,164
Profit Margin Before Taxes (%)	4.3	10.2	7.6	5.0	1.8
Net Sales (% of sales)	100.0	100.0	100.0	100.0	100.0
Cost of Goods Sold	56.7	53.5	50.2	58.1	57.2
Gross Margin	43.3	46.5	49.8	41.9	42.8
Operating Expenses	38.8	36.3	42.2	36.5	41.0
Operating Profit	4.5	10.2	7.6	5.4	1.8
Other Income/Expenses	-0.2	0.0	0.0	-0.4	0.0
Profit Margin Before Taxes (%)	4.3	10.2	7.6	5.0	1.8



OIA members receive the full report — at no cost — as part of the benefits of OIA membership. Join OIA today at outdoorindustry.org/join.