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# Business Performance Scorecard

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## HOW TO MAKE THE MOST OF THIS REPORT

The Industrious Business Scorecard provides you with information about the financial performance of your business on two levels: a) analyzing your own financial standings and b) comparing your financial standings with those of your peers in similar businesses.

By comparing your standing with that of your peers, you will gain far deeper insight as to the health and performance of your company or organization rather than by examining only the financial statements and reports of your own data as prepared by your accounting software, accountant or bookkeeper. By looking at where and how you stand in comparison to your peers, you are no longer dealing with an isolated image but can accurately see the whole picture of your current situation and which can possibly guide your decisions for growing your business.

Obviously, the analysis by itself will not fix the issues your company may face. It can, however, focus the management's attention and help to set the right targets that are based on something more than simple estimates or wishful thinking.

\*\* Please Note: While the data in this report has been compiled with the greatest possible care to ensure reliability, Industrious LLC recommends using the data in combination with other tools and sources and not as ultimate standards. This material should not be relied upon to replace the requirement for specific professional advice. Please, refer to the Frequently Asked Questions, Terms of Use and Disclaimer for details or contact us if you have additional questions or would like to provide feedback.

## SUMMARY OF FINANCIAL PERFORMANCE

	YOU
Liquidity Performance:	★★★★☆
Asset Efficiency Performance:	▲★★☆☆
Profitability Performance:	★★★★☆

### ▲ RED FLAGS

Collection Period .....	4
Assets to Sales .....	4
Sales to Working Capital .....	4
Accounts Payable to Sales .....	4
Return on Assets .....	5
Return on Investment .....	5

## Included In This Report

The Industrious LLC® Business Scorecard is based on selected financial ratios that are typically considered to be Key Performance Indicators (KPIs) which includes:

**Cash Availability** – Also known as “liquidity”, these ratios evaluate how much cash you have on hand in actual money, accounts receivable (the amounts you have billed and are expecting in payment) and the value of your inventory. The report then compares this amount to the bills and vendors you have to pay and if you have the cash-on-hand to pay your bills as compared to your peers.

**Effective Asset Management** – Specifically, these ratios help you to evaluate how well or effective your company is using its assets to generate sales as compared to your peers.

**Profitability** – These ratios help you examine your overall return on investments, sales, assets, as well as, sales per employee ratio and profit per employee and how well or profitable your business is compared to your peers.

The Scoreboard will then present you with a series of financial statements in tables and charts comparing your financial line items to those of your peers. Your peers are determined through a series of criteria and can include, but not limited to, what you selected under:

- Industry Segment
- Region
- Company Size
- Company Age

The ability to calculate ratios for your business and present you with peers that compare with your business, depends primarily on the accuracy and completeness of the financial information that is being entered. Please consider that the more detail you provide, the more comprehensive and meaningful this assessment can be.

In addition, the Scorecard, will make note, when possible, of specific areas of your company's financial performance that stand out in comparison to your industry peers and that may require special attention. If you are unsure about any of the results in this report, and conclusions that you would draw, or about the next steps that should be taken, please seek the help of your trusted advisor (i.e. your accountant) and ask for their guidance.

Based on, but not limited to, what you selected under:

Industry Segment, Region, Company Size and Company Age. Will serve to define the businesses that are your peers in the following Industry Profile:

### PLACEMENT IN SIC CODE SYSTEM

- SIC 87 - Engineering, Accounting, Research, Management, And Related Services
- SIC 871 - Engineering, Architectural, And Surveying
- SIC 8711 - Engineering Services

### INDUSTRY DESCRIPTION

Establishments primarily engaged in providing professional engineering services. Establishments primarily providing and supervising their own engineering staff on temporary contract to other firms are included in this industry. Establishments providing engineering personnel, but not general supervision, are classified in Industry 7363. Establishments primarily engaged in providing architectural engineering services are classified in Industry 8712, and those providing photogrammetric engineering services are classified in Industry 8713.

### TYPICAL LINES OF BUSINESS WITHIN THIS INDUSTRY

- Designing ship, boat, and machine
- Engineering services: industrial, civil, electrical, mechanical,
- Machine tool designers
- Marine engineering services
- Petroleum engineering services

# Liquidity

**Current Ratio** ★★★★★

Industry		Your Company
BOTTOM 10%	1.31	1.42
25%	1.34	
MEDIAN	1.38	
25%	1.42	
TOP 10%	1.93	

74%

**BOTTOM** 10% 25% **MEDIAN** 25% **TOP** 10%

The medium-term cash liquidity of your company is within the average range for your industry. Unless you are growing rapidly, making major investments, or significant business operations change, you should have adequate cash liquidity.

**Current Liabilities to Net Worth** ★★★★★

Industry		Your Company
BOTTOM 10%	326.3 %	164.9 %
25%	272.0 %	
MEDIAN	232.3 %	
25%	175.8 %	
TOP 10%	37.3 %	

76%

**BOTTOM** 10% 25% **MEDIAN** 25% **TOP** 10%

In comparison to other firms in your industry, your company has more equity investment than needed to provide the cushion to weather difficult business periods. You should review this ratio, as you may have more owner investment at risk in your business than may be required.

**Current Liabilities to Inventory**

✘ This ratio is not available when the Inventory for this company is equal to or less than 0

**Total Liabilities to Net Worth** ★★★★★

Industry		Your Company
BOTTOM 10%	432.5 %	199.0 %
25%	359.0 %	
MEDIAN	308.4 %	
25%	234.8 %	
TOP 10%	53.6 %	

78%

**BOTTOM** 10% 25% **MEDIAN** 25% **TOP** 10%

Your company uses less debt to finance assets than the average firm in your industry. As a consequence, your company may be able to weather periods of business difficulty, but you may have more owners equity at risk than is required.

**Quick Ratio** ★★★★★

Industry		Your Company
BOTTOM 10%	1.03	1.36
25%	1.07	
MEDIAN	1.10	
25%	1.13	
TOP 10%	1.32	

90%

**BOTTOM** 10% 25% **MEDIAN** 25% **TOP** 10%

Your company's short-term cash liquidity is significantly above the average for your industry. Unless you are growing rapidly, making major investments, or significant business operations change, your firm may have excess cash liquidity, which can reduce the efficient performance of your company.

# Asset Efficiency

**Collection Period** ★★★★★

Industry		Your Company	10% BOTTOM TOP				
BOTTOM 10%	59.59	<b>107.83</b>	10%	25%	MEDIAN	25%	10%
25%	50.89						
MEDIAN	45.72						
25%	42.42						
TOP 10%	35.51						

Your company is waiting considerably longer to collect payment after sales have been made than the average firm in your industry. You should determine if you can collect faster through better invoicing and collections as you may be tying up cash needlessly in your accounts receivable balance.

**Inventory Turnover**

✘ This ratio is not available when the Inventory for this company is equal to or less than 0

**Assets to Sales** ★★★★★

Industry		Your Company	10% BOTTOM TOP				
BOTTOM 10%	38.2 %	<b>39.7 %</b>	10%	25%	MEDIAN	25%	10%
25%	25.3 %						
MEDIAN	23.1 %						
25%	21.7 %						
TOP 10%	20.3 %						

Your performance in the Assets to Sales ratio is near the bottom for your industry and this may indicate that it is possible for you to implement a strategy to increase sales without major investment in new assets and/or reduce some assets without loss of sales. You should carefully consider actions that might be taken to increase your sales volume or reduce unproductive assets as this might improve your Sustainable Growth Rate.

**Sales to Working Capital** ★★★★★

Industry		Your Company	16% BOTTOM TOP				
BOTTOM 10%	6.12	<b>10.78</b>	10%	25%	MEDIAN	25%	10%
25%	18.74						
MEDIAN	20.37						
25%	21.56						
TOP 10%	22.28						

Your company is generating fewer sales dollars on the working capital in your business than the average firm in your industry. You should carefully review your capital structure (debt to equity proportion) and ways to use your investment in working capital more efficiently.

**Accounts Payable to Sales** ★★★★★

Industry		Your Company	10% BOTTOM TOP				
BOTTOM 10%	2.5 %	<b>2.7 %</b>	10%	25%	MEDIAN	25%	10%
25%	1.7 %						
MEDIAN	1.4 %						
25%	1.1 %						
TOP 10%	0.8 %						

Your company has considerably more accounts payable as a proportion of sales than the average business in your industry. This may indicate a lack of cash liquidity in your company.

# Profitability

**Return on Sales** ★★★★★

Industry		Your Company
BOTTOM 10%	1.7 %	<div style="background-color: #00a651; color: white; padding: 20px; text-align: center; font-size: 24px; font-weight: bold;">3.9 %</div>
25%	2.4 %	
MEDIAN	2.6 %	
25%	2.9 %	
TOP 10%	3.8 %	

90%

BOTTOM
TOP

10%    25%    MEDIAN    25%    10%

Your company is earning a considerably larger profit on sales compared to the average company in your industry. You should periodically review this ratio to be sure that your above average profit performance continues.

**Profit per Employee** ★★★★★

Industry		Your Company
BOTTOM 10%	\$2,105	<div style="background-color: #8bc34a; color: white; padding: 20px; text-align: center; font-size: 24px; font-weight: bold;">\$4,552</div>
25%	\$2,700	
MEDIAN	\$3,350	
25%	\$5,022	
TOP 10%	\$8,974	

68%

BOTTOM
TOP

10%    25%    MEDIAN    25%    10%

Profit generated for each employee of your company is about average for your industry. You should consider actions that might be taken that will place earnings per employee among the top firms in your industry.

**Sales per Employee** ★★★★★

Industry		Your Company
BOTTOM 10%	\$82,687	<div style="background-color: #ffc107; color: white; padding: 20px; text-align: center; font-size: 24px; font-weight: bold;">\$117,470</div>
25%	\$104,352	
MEDIAN	\$126,217	
25%	\$186,074	
TOP 10%	\$303,630	

40%

BOTTOM
TOP

10%    25%    MEDIAN    25%    10%

Sales amount generated per employee of your company is close to the average for your industry. Sales per Employee is a very important indicator of how effective your workforce is and you should consider ways to improve your company's performance in this key area.

**Return on Assets** ★★★★★

Industry		Your Company
BOTTOM 10%	4.5 %	<div style="background-color: #ff9800; color: white; padding: 20px; text-align: center; font-size: 24px; font-weight: bold;">9.7 %</div>
25%	10.1 %	
MEDIAN	11.6 %	
25%	12.6 %	
TOP 10%	15.0 %	

24%

BOTTOM
TOP

10%    25%    MEDIAN    25%    10%

Your company is earning a smaller return on your assets compared to the average company in your industry. You should carefully review your investment in, and use of, assets to determine how this return can be improved.

**Return on Investment** ★★★★★

Industry		Your Company
BOTTOM 10%	7.8 %	<div style="background-color: #ff9800; color: white; padding: 20px; text-align: center; font-size: 24px; font-weight: bold;">29.2 %</div>
25%	38.0 %	
MEDIAN	49.6 %	
25%	55.7 %	
TOP 10%	67.8 %	

21%

BOTTOM
TOP

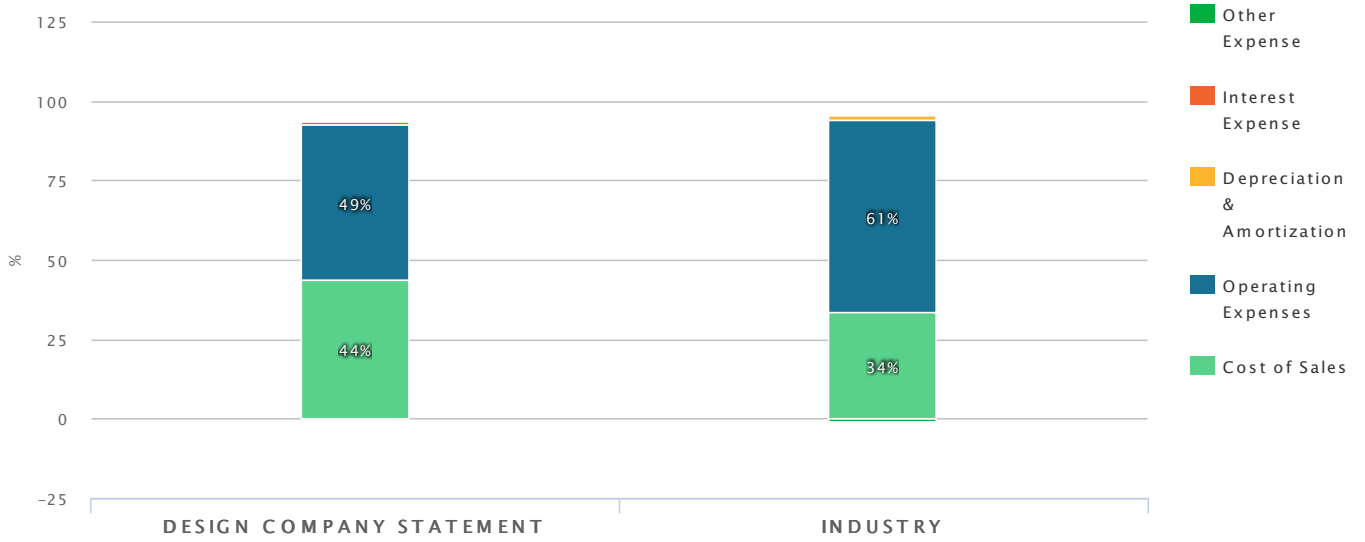
10%    25%    MEDIAN    25%    10%

Your company is providing its owners with a smaller return on their investment compared to the average company in your industry. You should determine if your company can increase earnings on your asset investment, use debt more effectively, or reduce taxes to increase its return to owners on their investment.

**COMPANY INCOME STATEMENT [% OF NET SALES]**

INCOME STATEMENT	DESIGN COMPANY STATEMENT	INDUSTRY	VARIANCE
<b>Net Sales</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>0.0 %</b>
<b>Cost of Sales</b>	<b>43.6 %</b>	<b>33.6 %</b>	<b>29.6 %</b>
Material Cost	0.0 %	12.0 %	N/A
Labor Cost	0.0 %	7.7 %	N/A
Overhead	43.6 %	14.0 %	211.6 %
<b>Gross Profit</b>	<b>56.4 %</b>	<b>66.4 %</b>	<b>-15.0 %</b>
<b>Operating Expenses</b>	<b>48.9 %</b>	<b>60.6 %</b>	<b>-19.2 %</b>
Salaries / Wages	0.0 %	16.5 %	N/A
Rent	0.0 %	1.7 %	N/A
Bad Debt	0.0 %	0.4 %	N/A
Advertising / Marketing	0.0 %	0.8 %	N/A
Other Operating Expenses	48.9 %	41.2 %	18.9 %
<b>EBITDA</b>	<b>7.5 %</b>	<b>5.8 %</b>	<b>28.5 %</b>
Depreciation & Amortization	0.0 %	1.3 %	N/A
<b>EBIT</b>	<b>7.5 %</b>	<b>4.6 %</b>	<b>63.7 %</b>
Interest Expense	1.1 %	0.5 %	126.9 %
Other Expense	-0.1 %	-0.8 %	-91.8 %
<b>EBT</b>	<b>6.4 %</b>	<b>4.9 %</b>	<b>31.3 %</b>
Income Taxes	2.6 %	2.3 %	12.7 %
<b>Net Income</b>	<b>3.9 %</b>	<b>2.6 %</b>	<b>47.4 %</b>

**Net Sales**

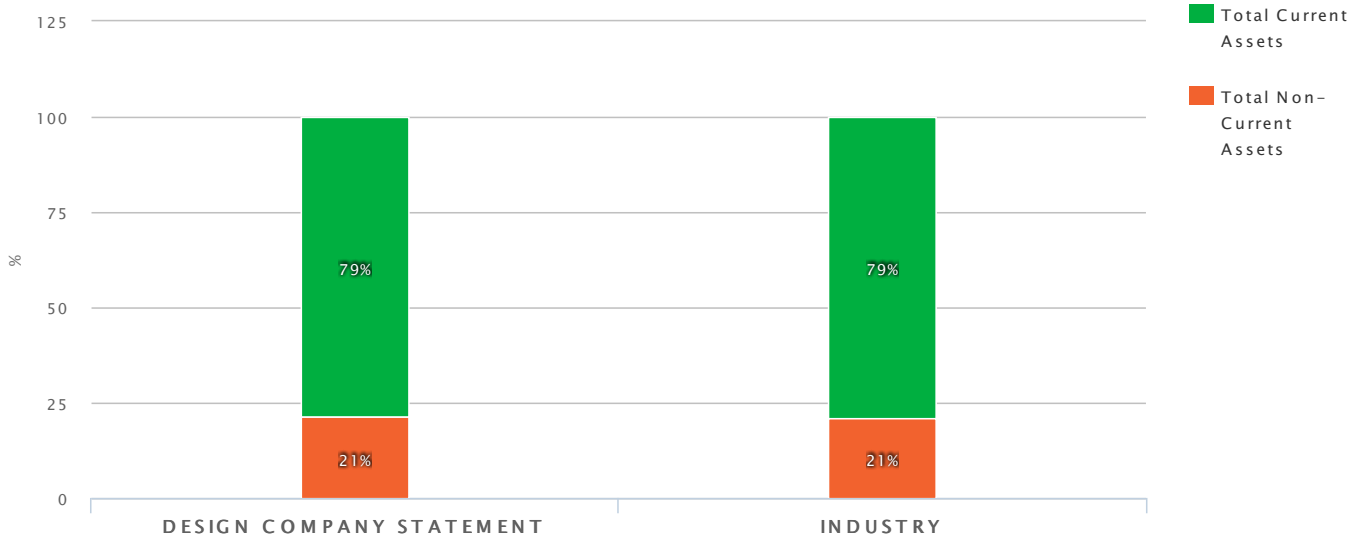


**COMPANY BALANCE SHEET [% OF TOTAL ASSETS]**

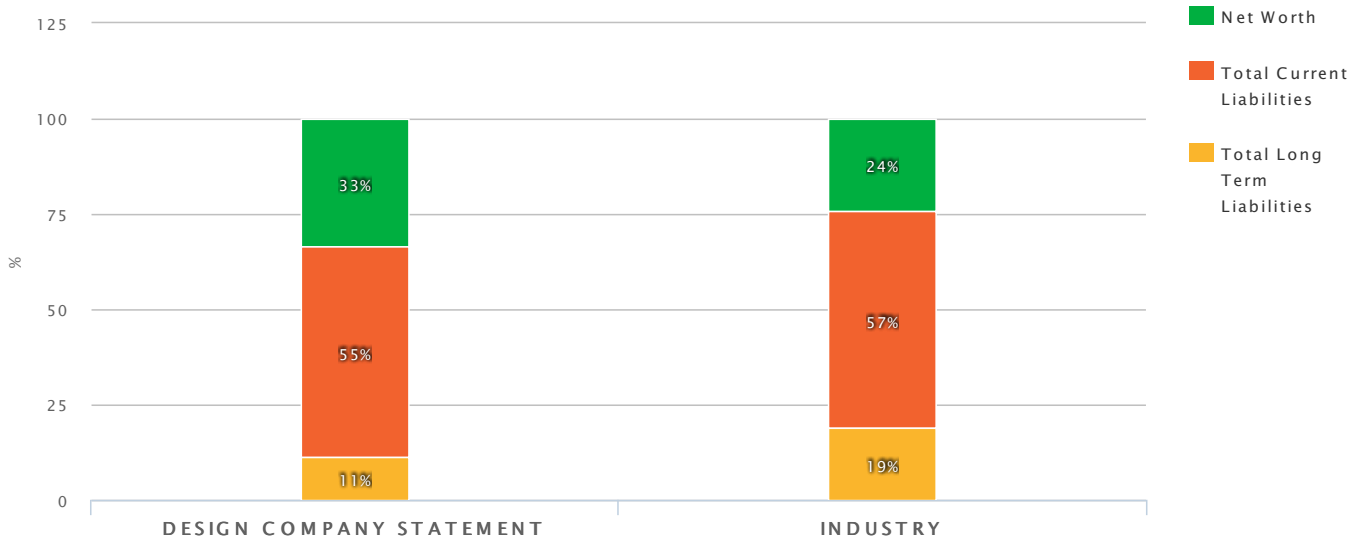
BALANCE SHEET	DESIGN COMPANY STATEMENT	INDUSTRY	VARIANCE
<b>Total Assets</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>0.0 %</b>
<b>Total Current Assets</b>	<b>78.5 %</b>	<b>79.2 %</b>	<b>-0.8 %</b>
Cash	0.6 %	6.8 %	-91.6 %
Accounts Receivable	74.3 %	55.9 %	33.1 %
Inventory	0.0 %	0.0 %	N/A
Prepaid Expenses	0.0 %	6.3 %	N/A
Other Current Assets	3.6 %	10.3 %	-65.0 %
<b>Total Non-Current Assets</b>	<b>21.5 %</b>	<b>20.8 %</b>	<b>3.2 %</b>
Fixed Assets	15.8 %	7.7 %	105.0 %
Intangible Assets	0.0 %	0.1 %	N/A
Long-Term Investments	0.0 %	0.2 %	N/A
Other Non-Current Assets	5.7 %	12.8 %	-55.2 %
<b>Liabilities &amp; Net Worth</b>	<b>100.0 %</b>	<b>100.0 %</b>	<b>0.0 %</b>
<b>Total Liabilities</b>	<b>66.6 %</b>	<b>75.8 %</b>	<b>-12.2 %</b>
<b>Total Current Liabilities</b>	<b>55.2 %</b>	<b>56.9 %</b>	<b>-3.1 %</b>
Accounts Payable	6.8 %	6.0 %	12.6 %
ST Notes Payable	18.1 %	0.0 %	N/A
Bank Loan Payable	0.0 %	1.3 %	N/A
Current Maturities of LT Debt	3.1 %	0.0 %	N/A
Other Current Liabilities	27.1 %	49.6 %	-45.3 %
<b>Total Long Term Liabilities</b>	<b>11.4 %</b>	<b>18.8 %</b>	<b>-39.5 %</b>
LT Notes Payable	11.4 %	10.2 %	11.3 %
Other Non-Current Liabilities	0.0 %	8.6 %	N/A
<b>Net Worth</b>	<b>33.4 %</b>	<b>24.2 %</b>	<b>38.0 %</b>



**Assets Components**



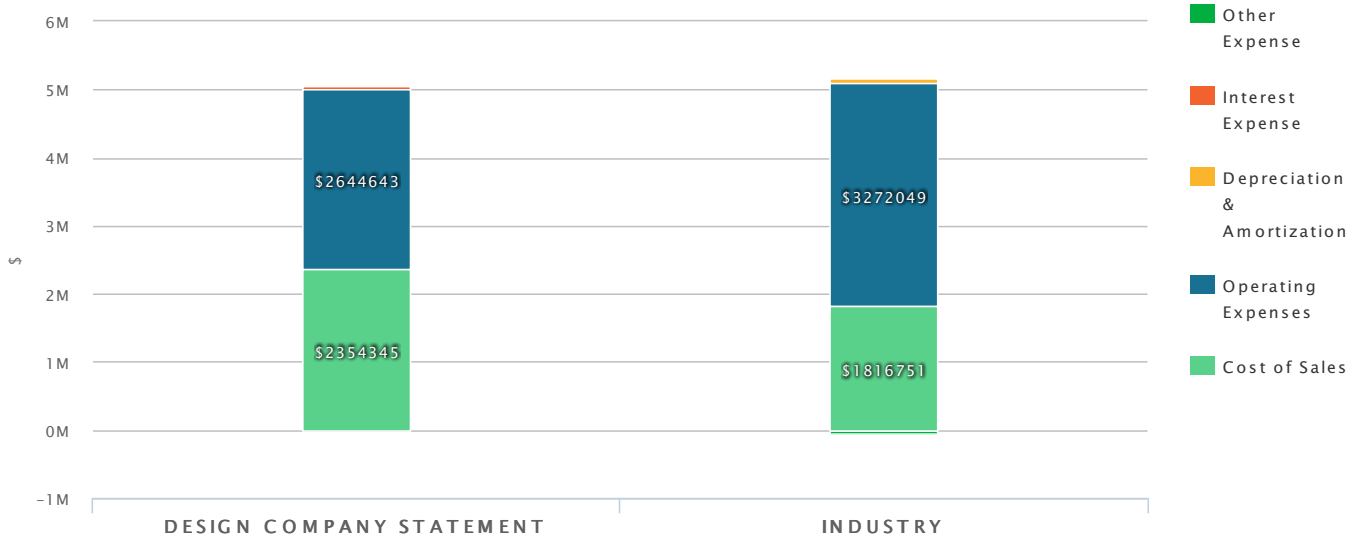
**Liabilities Components**



## COMPANY INCOME STATEMENT [USD]

INCOME STATEMENT	DESIGN COMPANY STATEMENT	INDUSTRY	VARIANCE
<b>Net Sales</b>	<b>\$5,403,625</b>	<b>\$5,403,625</b>	<b>\$0</b>
<b>Cost of Sales</b>	<b>\$2,354,345</b>	<b>\$1,816,751</b>	<b>\$537,594</b>
Material Cost	\$0	\$646,938	(\$646,938)
Labor Cost	\$0	\$414,129	(\$414,129)
Overhead	\$2,354,345	\$755,685	\$1,598,660
<b>Gross Profit</b>	<b>\$3,049,280</b>	<b>\$3,586,874</b>	<b>(\$537,594)</b>
<b>Operating Expenses</b>	<b>\$2,644,643</b>	<b>\$3,272,049</b>	<b>(\$627,406)</b>
Salaries / Wages	\$0	\$890,193	(\$890,193)
Rent	\$0	\$91,120	(\$91,120)
Bad Debt	\$0	\$21,455	(\$21,455)
Advertising / Marketing	\$0	\$44,532	(\$44,532)
Other Operating Expenses	\$2,644,643	\$2,224,749	\$419,894
<b>EBITDA</b>	<b>\$404,637</b>	<b>\$314,825</b>	<b>\$89,812</b>
Depreciation & Amortization	\$0	\$67,629	(\$67,629)
<b>EBIT</b>	<b>\$404,637</b>	<b>\$247,196</b>	<b>\$157,441</b>
Interest Expense	\$60,047	\$26,461	\$33,586
Other Expense	(\$3,647)	(\$44,456)	\$40,809
<b>EBT</b>	<b>\$348,237</b>	<b>\$265,190</b>	<b>\$83,047</b>
Income Taxes	\$138,856	\$123,186	\$15,670
<b>Net Income</b>	<b>\$209,381</b>	<b>\$142,005</b>	<b>\$67,376</b>

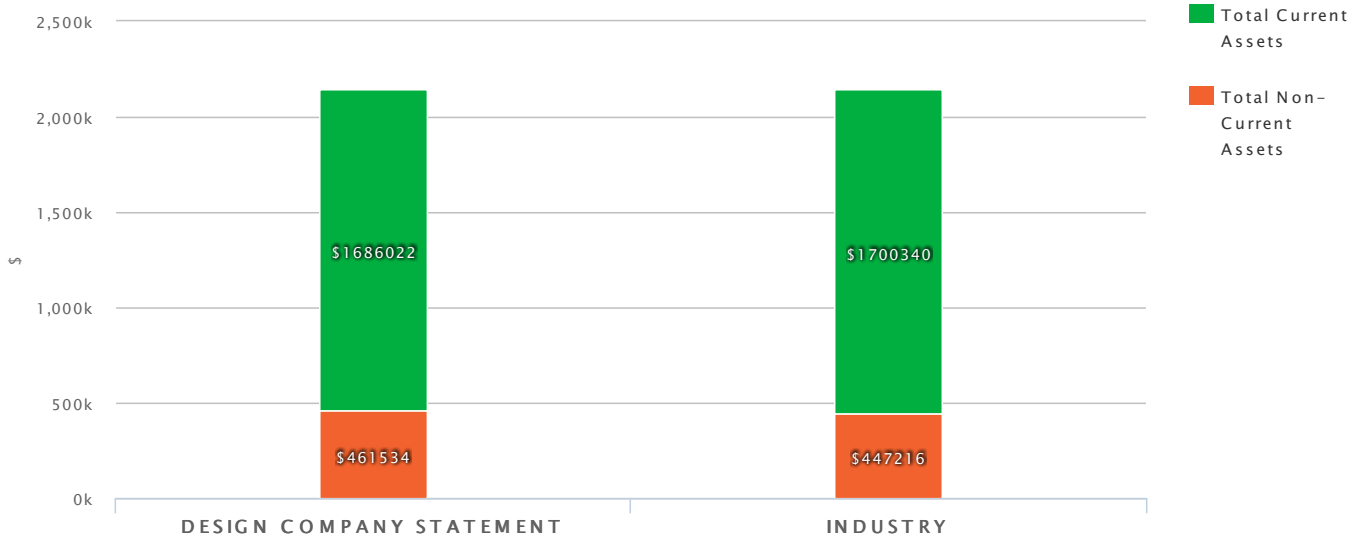
Net Sales



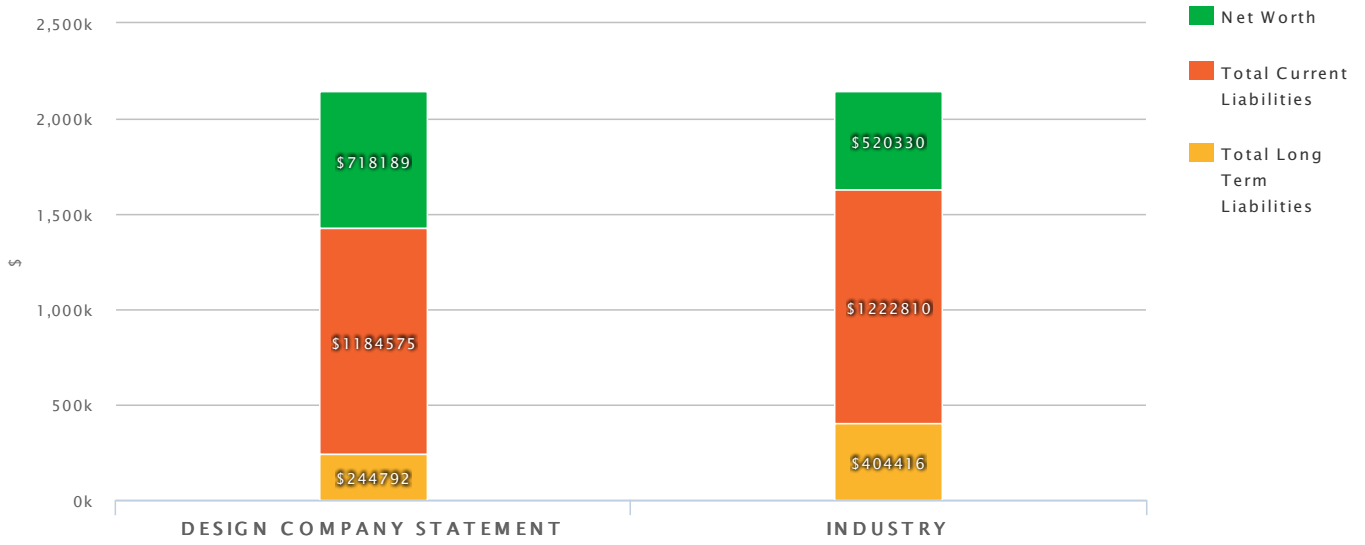
## COMPANY BALANCE SHEET [USD]

BALANCE SHEET	DESIGN COMPANY STATEMENT	INDUSTRY	VARIANCE
<b>Total Assets</b>	<b>\$2,147,556</b>	<b>\$2,147,556</b>	<b>\$0</b>
<b>Total Current Assets</b>	<b>\$1,686,022</b>	<b>\$1,700,340</b>	<b>(\$14,318)</b>
Cash	\$12,295	\$145,790	(\$133,495)
Accounts Receivable	\$1,596,436	\$1,199,563	\$396,873
Inventory	\$0	\$0	\$0
Prepaid Expenses	\$0	\$134,334	(\$134,334)
Other Current Assets	\$77,291	\$220,653	(\$143,362)
<b>Total Non-Current Assets</b>	<b>\$461,534</b>	<b>\$447,216</b>	<b>\$14,318</b>
Fixed Assets	\$338,749	\$165,227	\$173,522
Intangible Assets	\$0	\$2,353	(\$2,353)
Long-Term Investments	\$0	\$5,311	(\$5,311)
Other Non-Current Assets	\$122,785	\$274,325	(\$151,540)
<b>Liabilities &amp; Net Worth</b>	<b>\$2,147,556</b>	<b>\$2,147,556</b>	<b>\$0</b>
<b>Total Liabilities</b>	<b>\$1,429,367</b>	<b>\$1,627,226</b>	<b>(\$197,859)</b>
<b>Total Current Liabilities</b>	<b>\$1,184,575</b>	<b>\$1,222,810</b>	<b>(\$38,235)</b>
Accounts Payable	\$146,028	\$129,642	\$16,386
ST Notes Payable	\$389,500	\$0	\$389,500
Bank Loan Payable	\$0	\$28,453	(\$28,453)
Current Maturities of LT Debt	\$66,330	\$0	\$66,330
Other Current Liabilities	\$582,717	\$1,064,715	(\$481,998)
<b>Total Long Term Liabilities</b>	<b>\$244,792</b>	<b>\$404,416</b>	<b>(\$159,624)</b>
LT Notes Payable	\$244,792	\$219,850	\$24,942
Other Non-Current Liabilities	\$0	\$184,566	(\$184,566)
<b>Net Worth</b>	<b>\$718,189</b>	<b>\$520,330</b>	<b>\$197,859</b>

**Assets Components**



**Liabilities Components**



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### **IMPORTANT NOTES**

For each of the columns, the "median company" data is displayed. Median company does not refer to one particular financial statement and company in the database but is a computed "virtual" statement that is a composite based on all financial statements in a particular segment. Median values are shown for each line item of the median company statement. Please note that due to rounding, statements might not exactly balance.

If you have additional questions about the data or its presentation, please see the Glossary and FAQs at the end of this document or contact us.