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Benchmarking performance



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Industry Financial Ratios also known as Industry Norms help you to benchmark the performance of your business against your peers. They identify where you are out performing the industry average and where, more critically, you are lagging behind.

If you are not yet in business, financial ratios can be used to make sure the cash flow portion of your business plan is realistic.

They help you to determine whether or not your sales projections are fanciful and profit margins are achievable. They also provide you with insight into your sector as a whole identifying among other things what percentage of businesses are actually profitable.

Financial institutions, Accountants and even the Canada Revenue and Taxation Agency all use financial benchmarks to gain perspective on your business' financial performance or expected performance.

They are a standard measure that can be used to evaluate a business and a prospective entrepreneur.

All Financial benchmarks are organized by the North American Industry Classification System (NAICS). For more information on industry classification see our [Research Guide: North American Industry Classification System](#)

Accessing Canadian Financial Benchmarks

There are two principle financial Benchmarks databases in Canada:

Financial Performance Indicators (FPI)

Financial Performance Indicators is an authoritative reference source of 15 key financial ratios by industry groupings compiled from the North American Industry Classification System (NAICS 2007). It also includes a common-sized balance sheet for each industry. Financial Performance Indicators is based on up-to-date, reliable and comprehensive data on Canadian businesses, derived from Statistics Canada databases of financial statements for three reference years.

These profiles are not available online. You can access them in most major reference libraries and business development centres.

[View a Sample](#)

SME Benchmarking Tool - Small Business Profiles

SME Benchmarking Tool is an on-line performance benchmarking tool. It provides detailed financial and employment data on more than 600 business sectors across Canada, including more than 30 performance benchmarks to help small

businesses determine how they measure up against their competitors.

This tool uses the Small Business Profiles (SBP) created from a sample of Revenue Canada tax returns for both incorporated and unincorporated businesses operating in Canada.

SME Benchmarking Tool gives instant access to benchmark financial data that can help small businesses construct a business plan.

These profiles can be accessed online free of charge at the [SME Benchmarking Tool web site](#). Start your retrieval by clicking on "Build Your Own Profile" at the above site.

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