

## GoForth's Guide to the SME Benchmarking Tool

The SME Benchmarking Tool, found on the Industry Canada Website, is a fantastic way to find industry-specific income statement and balance sheet data for both small and medium sized businesses. This GoForth Guide will take you step-by-step through the SMEB Tool and show you how to estimate the operating costs of your business, view financial performance averages in your industry and enter your own data to see how your business compares to the competition.

**Step 1:** Go to [www.sme.ic.gc.ca](http://www.sme.ic.gc.ca).

**Step 2:** Select **Create a Report** on the left-hand side of the main page.

**Step 3:** Fill out the electronic form in front of you.

You have the option to create a customized report by selecting "yes", or view existing reports by selecting "no". If you chose **not** to prepare a customized report, **skip Step 5**. If you selected "yes" for a customized report, have your financial statements ready to be entered on the pages that follow.

Next, select from pull-down menus for the remaining box options. Choose the options that best support your data search.

When deciding whether to select "unincorporated businesses", "incorporated businesses" or "all businesses", note that not all types of businesses report on the four benchmarking sections, which are:

1. selected revenue/expense items;
2. balance sheet items;
3. financial ratios; and
4. profitable vs. non-profitable businesses

For more information on available data per business type, see the summary chart available on the SME website at: [http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/h\\_pm00005.html#10](http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/h_pm00005.html#10).

**Step 4:** Enter your NAICS number in the box provided (see the [GoForth Guide to Finding your NAICS code](#) if you don't yet know your classification code).

You can also opt to explore data using the broader search option provided under "Division". Using the pull-down menu, select the industry that best describes your business operation.

Hit "Create Report" when done.

**Step 5:** \*If you're preparing a Customized Report, you'll now be promoted to enter your financial information for the following 2 pages. Once you've completed the data entry, click "Add my Data to the Report."

**Step 6:** Next, decide which portion of the industry you will use as comparables. Your choices are:

Lower Half – 50% of businesses with lowest reported operating revenue

Upper Half – 50% of businesses with highest reported operating revenue

Bottom Quartile - 25% of businesses with lowest reported operating revenue

Lower Middle - 25% of businesses with reported operating revenue above cut-off for bottom quartile and below median revenue level

Upper Middle - 25% of businesses with reported operating revenue above the median revenue level but below cut-off for top quartile

Top Quartile - 25% of businesses with highest reported operating revenue

You can select the half or quartile that best reflects your own operating revenue to get a more accurate benchmark or you can select them all.

When you've made your selection, hit "Create Report."

**Step 7:** The completed report is now ready. If it's been customized, your data will appear beside the industry data you've selected as comparable.

If you need help understanding how to read the data presented, visit "How to use SME Benchmarking Tool" at the following link: [http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/h\\_pm00002.html#4](http://www.ic.gc.ca/eic/site/pp-pp.nsf/eng/h_pm00002.html#4) and select **Report Page**.

