

Is Your Business Performing As It Should?

Newsagents

In this series we will provide benchmark statistics to help you compare the performance of your business to your competitors.

In comparing your business, these benchmarks should be considered the minimum acceptable performance. Don't settle for average. Seek to outperform.

Key benchmark range	Annual turnover range		
	\$65,000 – \$500,000	\$500,001 – \$1,000,000	More than \$1,000,000
Cost of sales/turnover	56% – 68%	60% – 70%	63% – 79%
Average cost of sales	62%	65%	71%
Labour/turnover	10% – 15%	9% – 14%	7% – 13%
Rent/turnover	7% – 13%	6% – 11%	4% – 9%
Motor vehicle expenses/turnover	1% – 2%	1%	0% – 1%
Total expenses/turnover	84% – 91%	88% – 94%	92% – 96%
Average total expenses	87%	91%	94%
Average net profit before income tax	13%	9%	6%



Regularly comparing your business to the industry benchmarks will assist you to keep improving its performance. Should you have any questions concerning either your business or how to identify and monitor your business' key drivers, please contact us at Lowe Lippmann.

Gideon Rathner is the Partner in charge of the Corporate Reconstruction & Insolvency practice. He has over 30 years experience in insolvencies, identifying the business drivers and reviewing businesses in financial distress. He leads a young, dynamic and energetic team that is solution focussed.

Source: ATO small business benchmarks



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