

HBK Construction Solutions

Benchmarking: Know Where You Stand



As competition continues to increase, knowing where you stand in your marketplace is key to remaining competitive with your peers. It is critical to know — and understand — how your company's performance compares to that of your competitors vying for the same customer. HBK Construction Solutions can help you acquire this knowledge through a benchmarking analysis of your construction business.

What is a Benchmarking Analysis?

A benchmarking analysis is a type of market research that allows organizations to compare their existing performance against those of companies similar in scope and services. It helps construction company owners and operators identify their companies' strengths and weaknesses so they can focus their business approach and ultimately improve profitability. The main objectives of a benchmarking analysis are to:

- Identify areas of strength, allowing the company to capitalize on these areas to increase profitability
- Identify areas of weakness, allowing the company to identify areas of the business where improvements are necessary
- Identify companies that are considered "best in class" and make improvements to help their company achieve "best in class" status
- Use the data from the analysis to improve efficiencies, operations, and overall performance

How We Work with You

We compare your company and its performance to other companies of similar revenue size, geographic region, and scope of service. We evaluate your company's financial performance by comparing key performance indicators (KPIs) against those of your peer group, including:

- Liquidity Ratios
 - Current Ratio
 - Working Capital
- Profitability Ratios
 - Return on Assets
 - Return on Equity

- Leverage Ratios
 - Debt to Equity
 - Fixed Asset Ratio
 - Underbillings to Equity
 - Average Backlog to Equity
- Efficiency Ratios
 - Average months in backlog
 - Days in Accounts Receivable
 - Days in Accounts Payable
 - Operating Cycle
- Productivity Ratios
 - Revenue per FTE
 - Gross Profit per FTE
- Revenue Measures
 - Average total job revenue
 - Job revenue growth trends
- Common Size Financial Statements
 - Balance Sheet
 - Income Statement

Using the KPIs, we help you determine the effectiveness of operational functions, such as billing, collection, labor force efficiency, and how you leverage debt. By drawing these comparisons, we are able to assess the overall productivity and profitability of your organization and identify opportunities for improvement while providing "real world" solutions to problem areas. Identifying areas for improvement is important, but having solutions to make improvements is critical. HBK Construction Solutions can offer proven methods of improvement that will help your company flourish in the future and become "best in class," methods of improvement that will pave the way to greater success and profitability.