



STATISTICS FOR THE FLUID POWER & MOTION CONTROL MARKETPLACE - 2018

Business Statistic	Typical FPDA Distributor	Your Company	High Profit FPDA Distributor
Typical Sales Volume	\$35,528,269		\$28,298,697
Total Gross Margin %	29.9%		31.9%
Operating Expense %	26.0%		23.9%
Profit Margin % (pre-tax)	3.8%		8.0%
Sales Per Employee	\$405,389		\$459,411
Return on Assets % (pre-tax)	9.5%		28.8%
Asset Turnover	2.5		3.6
Inventory Turn Over (times)	3.9		5.1
Return on Net Worth %	14.2%		40.3%
Average A/R Collection Period (Days)	48.2		43.9

Critical Profit Variables

Primary Financial Objective	Return on Assets	Return on Net Worth	Effect on Company Performance
Minimum	4 - 5%	8 - 10%	Minimum long-term return necessary to ensure survival
Target	8 - 10%	15 - 20%	Satisfies owner's minimum needs, but does not provide for growth or offset inflation.
Top Performance	15 - 20%	30 - 40%	Would make the firm one of the profit producers in the industry

*FPDA 2018 Industry Performance Report
Compiled by: Profit Planning Group*