



Frequently Asked Questions

(For subscriptions beginning in December 2018)

Q: What are these “Gap Dollars and Gap Percentages” you are talking about?

A: The Gap metric evolved because retailers kept asking me what their labor percentage should be, and eventually I realized that was the wrong question. What they really wanted to know was what should their Gross Margin be, in order to pay for the labor that they had – and still make a good profit.

Today, as labor costs rise your “GAP” between your gross margin and your labor dollars may be getting squished.

Gap % and Gap dollars are what's left after you buy your inventory and pay your people - in effect, operational "profit". The 5 Numbers Project will clearly tell you your company's profit trend, compared with others, and if it's staying ahead of the costs of being in business.

Q: What's the big takeaway here?

A: The company Dashboard that you'll see will track just your own numbers each month, showing you your operational profit (monthly surplus before overheads). The comparison Trendboard will show your changes, anonymously, compared with other GC's changes, so if you are at 60% gross margin and someone else is at 50%, we focus on the directional trend of those numbers and the resulting Gap dollar trend. If Gap dollars are rising slower than the costs of being in business, that's a red flag!! Improving THAT number is what we're here to help businesses do.

Q: I have 3 different stores - can I track multiple locations differently?

A: Get in touch – we're happy to discuss building you a multi-location package!

INTRODUCTORY SUBSCRIPTION PRICING ENDS DECEMBER 23, 2018!

www.yourmarketmetrics.com

Q: How do you ensure that my numbers are comparing similarly to other businesses? (Can you really get “apples to apples” among participants?)

A: While this is a new technology to visualize this data, we’ve been doing this project monthly with many of our consulting clients since 2007. We have 12 years of “figuring it out” on how to guide businesses on what to include and what not to include. We’ve put all of that information into the downloadable glossary to coach you as to what to put in and leave out in each number. That said, there may be a learning curve, and we’re here to answer questions as you “get the hang of it.” You can always find me via email at ian@ianbaldwin.com or we can set up a 1:1 call.

Q: I’m a grower/retailer – is this project for me? How do I allocate COGS to plants we produce?

A: Absolutely – we have a number of grower/retailers in the mix. (And in time, we will be able to filter so you can compare yourself JUST within that category!) Most grower retailers include all “raw materials” (pot, soil, plug, etc) but don’t include labor, energy or other costs difficult to allocate to a single plant or crop.

In The 5 Numbers Project, we want you to submit whatever is normal and comfortable for you to generate without spending extra hours in the office. That being said, the GM% may vary among participants depending on whether they are grower retailers or not. (Typically a grower retailer will have a much higher GM% but also higher Labor costs %.) The magic of the Gap metric is that once you subtract the Labor % and/or Labor Dollars, from the GM % and/or GM Dollars to get Gap % and/or Gap Dollars, it all evens out between grower retailers and non-grower retailers.

Q: I’m both a retailer and a landscape company – is this project for me?

A: Absolutely! We have several clients who are retail/landscape businesses. The key is to follow the guide in the Glossary to separate out some elements from your reporting. And of course, we’re standing by to help you as you determine how to calculate and submit your numbers!

Q: I’m afraid that my sales volume or my location might make me stand out. I don’t want people to be able to “figure out” who my company is...

A: Anonymity is the most important part of our platform. When you subscribe to the project, your company will be assigned a Firm ID and your company NAME will never appear within the system. Your own company raw data dashboards are private, showing actual dollars (that you submit) that are available only to you and your authorized users.

INTRODUCTORY SUBSCRIPTION PRICING ENDS DECEMBER 23, 2018!
www.yourmarketmetrics.com

Then, the 5# and Offspring comparison boards will **ONLY** show percentage change in any metric (e.g., “Company ID #G2 had a Gap Dollars increase of 4% YTD this year vs. last year”). On the comparison boards, we **will** show raw numbers for Average Ticket and Sales per Labor Hour – which are both averaged numbers that cannot be “worked backwards” to deduce a firm’s gross annual turnover.

Subscribers will be assigned a region based on their geographic location, tied to USDA agricultural production regions. (NOTE: We will NOT turn on the region filter until there are a minimum of 5 participants in each region to preserve anonymity.)

You can change your company ID at any time, for any reason (e.g., a manager who used to work for you and knew your firm ID has departed.)

Q: What regions are you tracking?

The 5 Numbers Project (T5NP) defers to the USDA agroclimatic regions for tracking agricultural contribution analysis of the green industry, the same regional definitions used in the Grower comparison model.

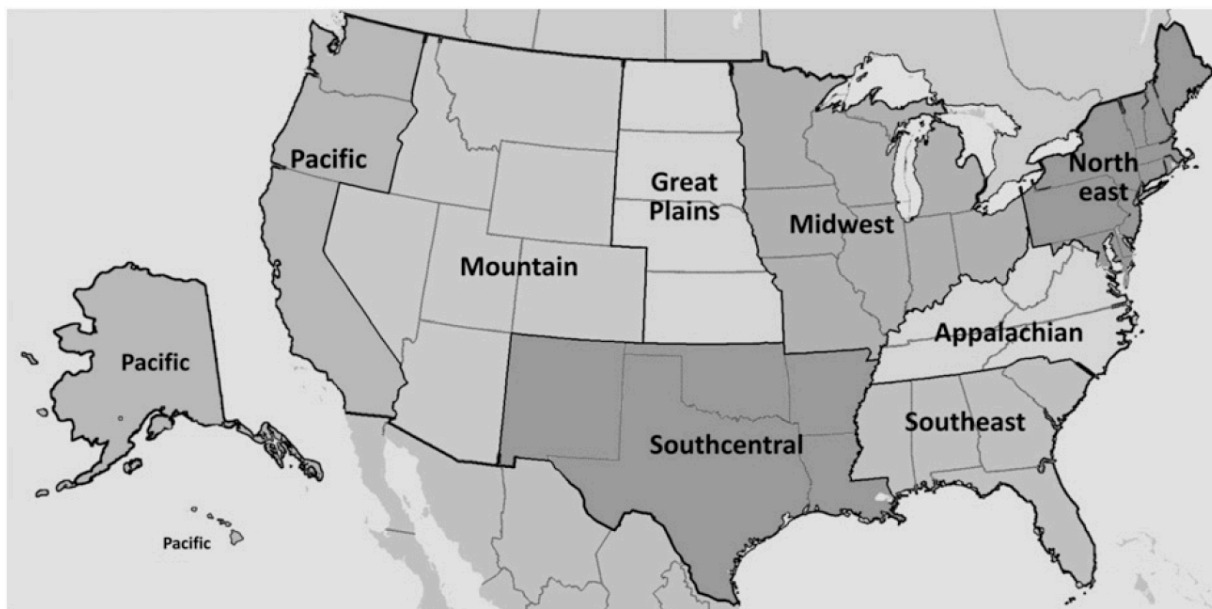


Fig. 2. Map of U.S. agroclimatic regions for economic contribution analysis of the green industry.

(As seen in HortTechnology, Dec 2015 article “Economic Contributions of the Green Industry in the United States in 2013” – Hodges, Hall, Palma and Khachatryan.)

INTRODUCTORY SUBSCRIPTION PRICING ENDS DECEMBER 23, 2018!

www.yourmarketmetrics.com