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March 11, 2010

TO: All Members

FROM: Rick Church, Executive Director

REGARDING: **2010 CTDA PROFIT Survey**

Attachments: Memo  
Profit Survey Flyer  
2010 Profit Survey

The era of automatic profits has come to a sudden halt. The industry has moved from trying to keep up with demand to battling on sales, pricing, expense control and every other aspect of operations.

In turbulent times, financial benchmarking information is more important than ever before. The best source for financial benchmarking information in the industry is the CTDA PROFIT Survey. The information in the report is designed to provide answers to questions such as, "Are the most successful firms in a down market placing more emphasis on gross margin management or expense control?"

In short, this report provides a wealth of financial and operating guidelines. In addition, it is arranged to provide direct comparisons with your firm. However, the information is available **only** to those firms that participate in the study.

In return for your participation, you'll receive:

- **The PROFIT Report**  
A financial and operating profile of the entire industry.
- **Profit Improvement Profile**  
A confidential report *sent directly to you* comparing your firm with similar businesses.
- **Profit Toolkit Online**  
A Microsoft Excel-based tutorial which is designed to assist your financial planning.  
Access instructions are included with the Profit Improvement Profile.
- **One on One Financial Consultation with Al Bates**  
Only CTDA members that take part in the 2009 PROFIT Survey are eligible to receive a free consultation with Al Bates. Contact CTDA staff to set up your consultation.

The detailed industry benchmarking information in the PROFIT Report and in your Profit Improvement Profile is available to you for only \$100. It is a great bargain!

Be assured that your proprietary company data is kept strictly confidential. The information is aggregated with the other respondents and analyzed in terms of sales size, line of business, and the like. Only the employees of Profit Planning Group ever see your individual data. In over 20 years of conducting benchmarking surveys, Profit Planning Group has an unblemished record of maintaining confidentiality.

Please call if you need to know more about this program and its benefits to your firm. Following is your copy of the questionnaire for the CTDA PROFIT Survey.

***Do not delay filling out the questionnaire because the deadline for submission is April 30, 2010.***



# I WANT YOU TO INCREASE YOUR PROFIT

## Participate in the 2010 CTDA PROFIT Survey

### What's In It For You?

As a participant in the survey, you will receive a copy of the **PROFIT Report** and a personalized **Profit Improvement Profile**. This 25 page report compares your firm with similar firms and provides suggestions for improving your firm's profitability.

Along with your Profit Improvement Profile you will receive access to **Profit Toolkit Online**, a Microsoft® Excel spreadsheet designed to help you plan critical financial improvements for your firm.

### What Does It Cost?

The fee to participate is only \$100. It is a great bargain.

### Will My Figures Be Confidential?

**Absolutely!** Profit Planning Group independently conducts this survey for CTDA. You send your questionnaire directly to Profit Planning Group and they return your Profit Improvement Profile directly to you. Profit Planning Group has conducted over 100 financial surveys annually for over twenty years with no breach of confidentiality.

*"I personally guarantee that no individual firm's operational or financial data will ever be revealed to any person outside the immediate and necessary staff of Profit Planning Group."*

**Dr. Albert D. Bates, President  
Profit Planning Group**

### It's Easy To Participate

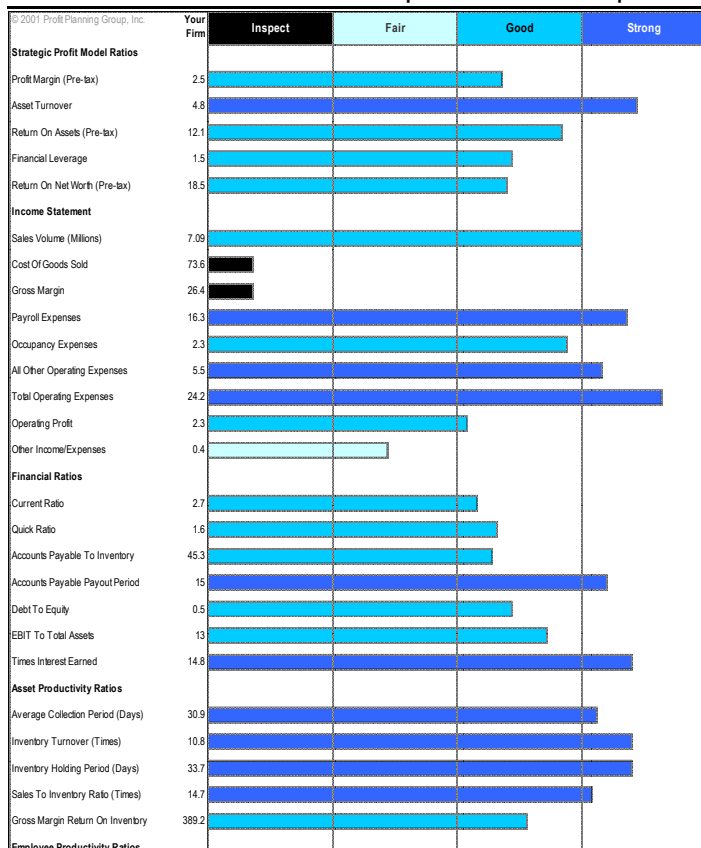
Simply fill out the operational questions, attach a copy of your income statement and balance sheet and send it to Profit Planning Group for processing.

### The Deadline Is April 30, 2010

If you do not have a copy of the questionnaire, open your browser and go to:

**[www.profitplanninggroup.com/surveys](http://www.profitplanninggroup.com/surveys)  
or fax a request to 303.444.9245**

**Performance Scorecard: Your Firm Compared With All Participants**



# CTDA



# 2010 PROFIT Survey

**Deadline  
April 30, 2010**

**Your data will be treated confidentially by the Profit Planning Group.**  
No one from CTDA or its staff will have access to individual company data.  
Participant data will be aggregated in a way that prevents identification of any individual company.

**There is a \$100 fee to participate.**

**Please complete and submit this form along with a check payable to Profit Planning Group to  
Profit Planning Group, 1790 38th Street, Suite 204, Boulder, CO 80301**

- Report the **most recently completed fiscal year**. A full 12 months of data are required but may be unaudited.
- You may submit your income statement and balance sheet instead of answering those questions.
- It is better to estimate than to leave a blank. Send questions to [surveys@profitplanninggroup.com](mailto:surveys@profitplanninggroup.com).
- Your firm's confidential **Profit Improvement Profile (PIP)** with an action plan for improving performance and access to **Profit Toolkit Online** will be sent only to the following individual.

Name/Title \_\_\_\_\_

Company Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

City/State/ZIP Code \_\_\_\_\_

Telephone (\_\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_\_) \_\_\_\_\_

Email Address \_\_\_\_\_

**Get your PIP two weeks earlier by email!**  
 Yes, send my PIP in an Adobe® PDF file by email to the email address above.  
Provide the email address above and add [mail@profitplanninggroup.com](mailto:mail@profitplanninggroup.com) to your address book and spam filter white list

1. When does your fiscal year end? ..... \_\_\_\_\_
2. Number of locations (including headquarters' location)..... \_\_\_\_\_ #
3. Do you have a showroom open to the public? Yes  No
4. What percentage of your sales were made using cash, check or C.O.D.? (enter zero if you do not have cash sales)..... \_\_\_\_\_ %
5. Number of stockkeeping units (SKUs or line items) carried..... \_\_\_\_\_ #
6. Average number of orders shipped per month ..... \_\_\_\_\_ #
7. Average number of lines per order ..... \_\_\_\_\_ #
8. Average number of shipments received per month ..... \_\_\_\_\_ #
9. Total number of full-time equivalent employees (convert part-time to FTE based on a 40-hour week) ..... \_\_\_\_\_ #
10. Sales by **Type of Sale**
  - Warehouse Sales (stocked items or special orders that arrive at your dock before going to the customer) ..... \_\_\_\_\_ %
  - Direct Shipments (supplier direct to customer) ..... \_\_\_\_\_
  - Total Sales** **100%**

11. Sales by **Type of Customer**  
 Wholesale Accounts (contractor, builder, dealer, architect, etc.) ..... \_\_\_\_\_ %  
 Retail Sales (end-users) ..... \_\_\_\_\_  
**Total Sales** ..... **100%**
12. Delivery Expense ..... \$ \_\_\_\_\_  
 Include all compensation for delivery personnel, costs of leasing or owning (depreciation) trucks and over-the-road vehicles, payments to public carriers for delivery of products to customers
13. Delivery Revenue ..... \$ \_\_\_\_\_  
 Include all revenues charged to the customer for delivery, DO NOT include freight-in
14. Net Sales for the fiscal year prior to the one being reported (to calculate sales growth) ..... \$ \_\_\_\_\_
15. Were you on a LIFO Inventory Valuation System for the year being reported? ..... Yes  No   
 a. **If yes**, how much was your annual **change** (+/-) in LIFO reserves for the year? ..... \$ \_\_\_\_\_  
 b. **If yes**, how much was your total **ending** LIFO reserve? ..... \$ \_\_\_\_\_
16. What was your **beginning inventory** for the fiscal year being reported?  
 (LIFO value, if you use LIFO) ..... \$ \_\_\_\_\_



Here you have two options:

1. Complete the balance sheet and income statement on this survey.

OR

2. Attach your latest full-year balance sheet and income statement.

Detailed statements are required so that Profit Planning Group can complete the survey for you.

**Balance Sheet** (end of fiscal year)

**Assets**

**Current Assets**

Cash & Marketable Securities ..... \$ \_\_\_\_\_

Accounts Receivable (trade) ..... \_\_\_\_\_

Inventory ..... \_\_\_\_\_

Other Current Assets ..... \_\_\_\_\_

**Total Current Assets** ..... **\$** \_\_\_\_\_

Total Fixed & Noncurrent Assets (net of depreciation) ..... \_\_\_\_\_

**Total Assets** ..... **\$** \_\_\_\_\_

**Liabilities and Net Worth**

**Current Liabilities**

Accounts Payable (trade) ..... \$ \_\_\_\_\_

Notes Payable (due within one year) ..... \_\_\_\_\_

Other Current Liabilities ..... \_\_\_\_\_

**Total Current Liabilities** ..... **\$** \_\_\_\_\_

Long Term Liabilities (not due within one year) ..... \_\_\_\_\_

Loans from Stockholders ..... \_\_\_\_\_

Net Worth or Owner Equity (include paid-in capital and retained earnings) ..... \_\_\_\_\_

**Total Liabilities and Net Worth** ..... **\$** \_\_\_\_\_

**Income Statement** (12 months of data)

<b>Net Sales</b> (less returns, discounts & allowances) .....	\$ _____
<b>Cost of Goods Sold</b> (including freight-in, less purchase discounts) .....	_____
<b>Gross Profit</b> (Net Sales - Cost of Goods Sold) .....	\$ _____
<b>Payroll Expenses</b>	
Owners/Officers Salaries & Bonuses .....	\$ _____
Sales Salaries, Commissions & Bonuses .....	_____
Warehouse & Delivery Wages & Bonuses .....	_____
All Other Salaries, Wages & Bonuses .....	_____
<b>Total Salaries, Wages, Commissions &amp; Bonuses</b> .....	\$ _____
Payroll Taxes (FICA, workers' compensation & unemployment) .....	_____
Group Insurance (medical, hospitalization, etc.) .....	_____
Benefit Plans (fringes, pension, profit sharing, etc.) .....	_____
<b>Total Payroll Expenses</b> (Salaries + Payroll Taxes + Group Insurance + Benefits).....	\$ _____
<b>Occupancy Expenses</b>	
Utilities: Heat, Light, Power, Water .....	\$ _____
Telephone .....	_____
Repairs & Maintenance (building & grounds) .....	_____
Rent or Ownership in Real Estate (include rent, mortgage interest, building depreciation, insurance, real estate taxes, etc.) .....	_____
<b>Total Occupancy Expenses</b> .....	\$ _____
<b>Other Operating Expenses</b>	
Advertising & Promotion .....	\$ _____
Samples (include charges for literature, tile, sample board, grout boards, freight, etc.) .....	_____
Vehicle Expenses (include gas, oil, repairs & maintenance, insurance, depreciation, leasing, etc.)...	_____
Insurance (liability & casualty; not real estate or group) .....	_____
Depreciation & Amortization (exclude building & vehicle) .....	_____
Data Processing (hardware, software, lease, maintenance, etc.) .....	_____
Bad Debt Losses .....	_____
All Other Operating Expenses .....	_____
<b>Total Other Operating Expenses</b> .....	\$ _____
<b>Total Operating Expenses</b> (Payroll + Occupancy + Other) .....	\$ _____
<b>Operating Profit</b> (Gross Profit - Total Operating Expenses).....	\$ _____
Other Income (interest income, gain on sales of assets, etc.) .....	_____
Interest Expense (not mortgage interest) .....	_____
Other Non-Operating Expenses .....	_____
<b>Profit Before Taxes</b> .....	\$ _____
Income Taxes (local, state, federal) .....	_____
<b>Net Profit After Taxes</b> .....	\$ _____

**Thank You for Your Participation**