#35   *Benchmarking As an Aid to Budgeting*

"The revenue benchmarks that you track day by day, month by month throughout the year will help you forecast revenues for the coming year during the annual budgeting process. There is no better way to create your revenue assumptions in a way that any reviewer can easily understand than by creating data entry cells in a budget spreadsheet for your volume projection (rounds of golf, meals served, number of items sold) and the average sale (green fee per round, average dinner check, average ...... When these two projected variables are multiplied by each other, they .... each revenue category. See the example below...

> *Recognizing that .... of the futu............. ...es is a little..........*

> *By .... und........... ...mpler – sp............ for eac...*

	12.75	12.35	12.00	12.90
...type per Round	1.75	1.85	3.05	2.50
Practice Range Income per Round	1.35	1.05	1.50	1.45

Income

Green Fees	$70,620	$56,420	$42,188	$633,810
Cart Fees	$42,075	$34,580	$27,000	$368,295
Merchandise Sales	$5,775	$5,180	$6,863	$71,375
Practice Range Income	$4,455	$2,940	$3,375	$41,398

Projected Revenues using Rounds and Revenue per Rounds Benchmarks

> *Such clearly stated assumptions make it easy for superiors and owners who review ...e budget to understand how the projections were made. It also makes it .... has missed his projections in a given period to go back................... ...ugh customers (rounds of golf) or ....*

Likewise, y.. ...w you to quickly forecast yo...................................... ...ble.

The added .... age hourly wage) to build your b................................ ...ather, or both, and see what impact it ha........................ ...ample above, say you have projected your green fees ....at revenues are not keeping pace with rising costs. By raising your green fee pe............ by 6%, you can quickly see if this price increase is sufficient to meet the needs of your expected financial performance."

To purchase the complete set of Accounting on the Go visit the CRI Marketplace

- Ed Rehkopf, Basic Accounting and Financial Management for Managers

Take Away: Years of benchmarking experience has proven it to be the most effective tool for easy and accurate budgeting.