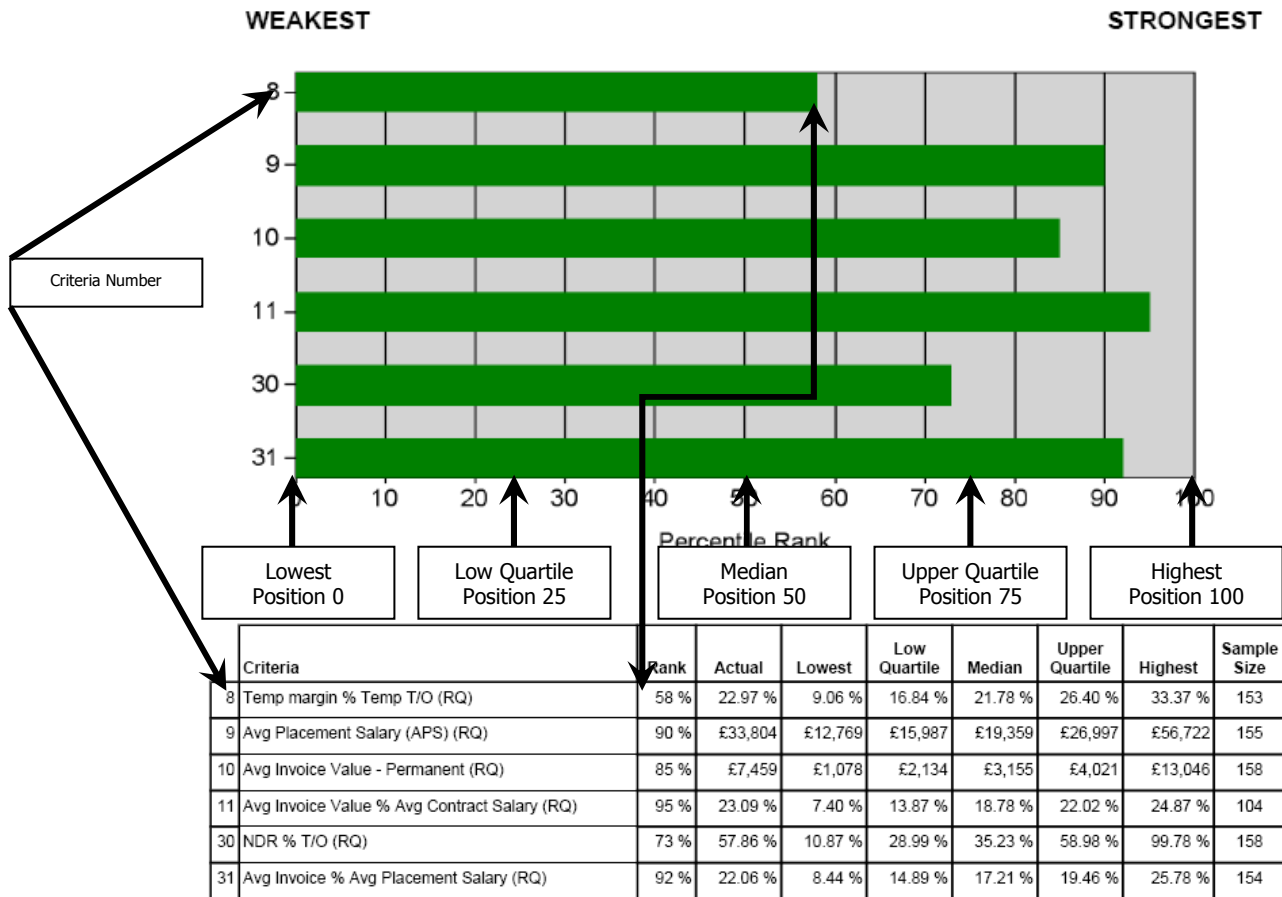# Reading your Monthly Index report

The Monthly Index report provides members with their bespoke results using bar charts and detailed figures for each answer (criteria) available. A sample page is shown below:

**WEAKEST** ............................................ **STRONGEST**

Criteria Number

Lowest Position 0 — Low Quartile Position 25 — Median Position 50 — Upper Quartile Position 75 — Highest Position 100

| Criteria | Rank | Actual | Lowest | Low Quartile | Median | Upper Quartile | Highest | Sample Size |
|---|---|---|---|---|---|---|---|---|
| 8 Temp margin % Temp T/O (RQ) | 58 % | 22.97 % | 9.06 % | 16.84 % | 21.78 % | 26.40 % | 33.37 % | 153 |
| 9 Avg Placement Salary (APS) (RQ) | 90 % | £33,804 | £12,769 | £15,987 | £19,359 | £26,997 | £56,722 | 155 |
| 10 Avg Invoice Value - Permanent (RQ) | 85 % | £7,459 | £1,078 | £2,134 | £3,155 | £4,021 | £13,046 | 158 |
| 11 Avg Invoice Value % Avg Contract Salary (RQ) | 95 % | 23.09 % | 7.40 % | 13.87 % | 18.78 % | 22.02 % | 24.87 % | 104 |
| 30 NDR % T/O (RQ) | 73 % | 57.86 % | 10.87 % | 28.99 % | 35.23 % | 58.98 % | 99.78 % | 158 |
| 31 Avg Invoice % Avg Placement Salary (RQ) | 92 % | 22.06 % | 8.44 % | 14.89 % | 17.21 % | 19.46 % | 25.78 % | 154 |

Criteria with (*) indicates that a lower value indicates a stronger performance.

The Monthly Index report presents answers by using "quartiles" and it is important to realise that:

# Quartiles are not averages

This is important as extreme performance (strong or weak), by one or more company, does not affect the other results.

The Monthly Index reports are bespoke to individual members and provide information in two ways:-

1.  **Visually – Bar Chart**
    - The bar chart provides an instant, easy to use, visual measurement of **your** performance benchmarked against the other members.
    - The bar position relates to your "Rank" column in the detailed figures box which is presented below the bar chart.
    - On the bar chart if your bar is to the right you have performed stronger and to the left weaker for that particular criteria.
    - For certain criteria a lower result is best e.g."Total employee costs as a percentage of NDR", and the RIB Index has reversed these bars to ensure the charts still read correctly e.g. stronger performance to the right. These criteria are indicated with an * in the detailed figures box below the bar chart.

2.  **Detailed Figures - Box**
    - The box below the bar chart shows **your** figures benchmarked against the other members and enables you to see more detail.
    - The "Rank" and "Actual" column figures are your company results – these columns are bespoke to you and only you see them.
    - The "Rank" box relates to the position of your bar for each criteria on the bar chart above.
    - The "Actual" box shows your companies answer for each criteria. This is calculated by RIB using the "raw" information you input.
    - The results of other members are provided at key stages (e.g. Median, Upper Quartile etc), but not the company names.
    - These key stage figures, allow members to see the results in more detail and gain more value from the reports.

## So why use "Quartiles"?

- The RIB Monthly Index reports use quartiles when presenting information instead of averages as averages would allow extreme performance (strong or weak), to skew the answers and would not enable a detailed analysis of the results.

  **Example**
  - The "average" salary in a street of 99 people is £60K per year.
  - Someone earning £5m per year moves into the street.

  o Using averages
  - The "average" salary would now be over £109K per year.
  - Thus, one extreme answer has skewed the figures so the average figure becomes meaningless.

  o Using quartiles
  - The answers are listed in value order - lowest to highest - with actual figures shown at key points.
  - This stops extreme performance skewing figures and enables more detail to be seen enabling greater value to be gained by those analysing the answers.

  - Using quartiles enables more detail to be seen:
  - 100 people now live in the street
  - The answers are listed in order - lowest to highest - and the following key positions are shown:
    - **Lowest** – position 0 - £40K
    - **Low Quartile** – position 25 - £50K
    - **Median** – position 50 - £55K
    - **Upper Quartile** – position 75 - £78K
    - **Highest** - position 100 - £5m
  - This greater detail enables you to see that:
    - The top salary was £5m, the lowest £40K, and the Median salary is £55K.
    - 50 people in the street earn between £50-£78K
    - The majority (75% those from the Lowest to Upper Quartile), earn £40-£78K.

## How does this work in the RIB reports?

- This example shows the detailed figures box for an imaginary company as it would appear in a Monthly Index report.
- This example looks in detail at Criteria 1 - "Net Profit as a percentage of Turnover".
- Like many criteria in the report it is based on a Rolling Quarter (RQ) basis to help smooth out any abnormal monthly results.

**Example**

← Bespoke → ← Actual figures at key positions →

|   | Criteria | Rank | Actual | Lowest | Low Quartile | Median | Upper Quartile | Highest | Sample Size |
|---|----------|------|--------|--------|--------------|--------|----------------|---------|-------------|
| 1 | Net Profit % T/O (RQ) | 80% | 12.00% | -4.00% | 8.00% | 9.00% | 11.00% | 35.00% | 100 |

- **Bespoke Columns – Specific to each Member.**

  o Rank
  - The members "Rank" is 80% for this criteria - based on their "Actual" answer of 12%.
  - Therefore out of the 100 companies (see "Sample Size"), that input for this criteria they were 80th.
  - The company with the best performance had an actual figure of 35%, and they would be ranked 100.
  - This rank will be reflected on the bar chart that is included in the reports.
  o Actual
  - Their "Actual" figure was 12.00% - this is bespoke to this member and generates their "Rank" figure.
  - This figure is calculated by RIB using the information the member input onto the website for:
    1. Net Profit
    2. Total Turnover

- **Quartiles – Actual Figures at key positions.**

  - The company with the "Lowest" result actually had a negative net profit (i.e. a net loss), as a percentage of turnover (-4.00%).
  - Those companies between the "Low Quartile" (position 25) and the "Upper Quartile" (position 75), all had an actual answer within the 8.00 - 11.00 % range.
  - Therefore 50 of the 100 companies fell within this 8.00 – 11.00% band.
  - The company with the "Highest" performance (position 100), had an actual figure of 35.00%.
  - **Note** – This shows how using quartiles allows a more detailed analysis and how extreme performances do not affect the other figures. Indeed it can be valuable to see the extremes.

- **Sample Size – Varies for each criteria**

  o This shows that 100 companies entered data for criteria 1.
  o This varies depending on the number of companies inputting data for each criteria.

**A More Detailed Explanation**

**Percentile**
- A Percentile is a measure that tells us what percent of the total frequency scored at or below that measure

**Median**
- The median is the middle of a distribution: half the scores are above the median and half are below the median.
- The median is less sensitive to extreme scores than the mean and this makes it a better measure than the mean for highly skewed distributions.
- For example, the median income is usually more informative than the mean income.

**Quartile**
- Quartile is another term referred to in percentile measure.
- The total of 100% is broken into four equal parts:- 25% 50% 75% and 100%

**Lower and Upper Quartiles**
- The Lower Quartile is the 25th percentile (0.25)
- The Median Quartile is the 50th percentile (0.50)
- The Upper Quartile is the 75th percentile (0.75)
- The lower quartile is the median of the first 50% and the upper quartile is the median of the last 50% of the data.


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