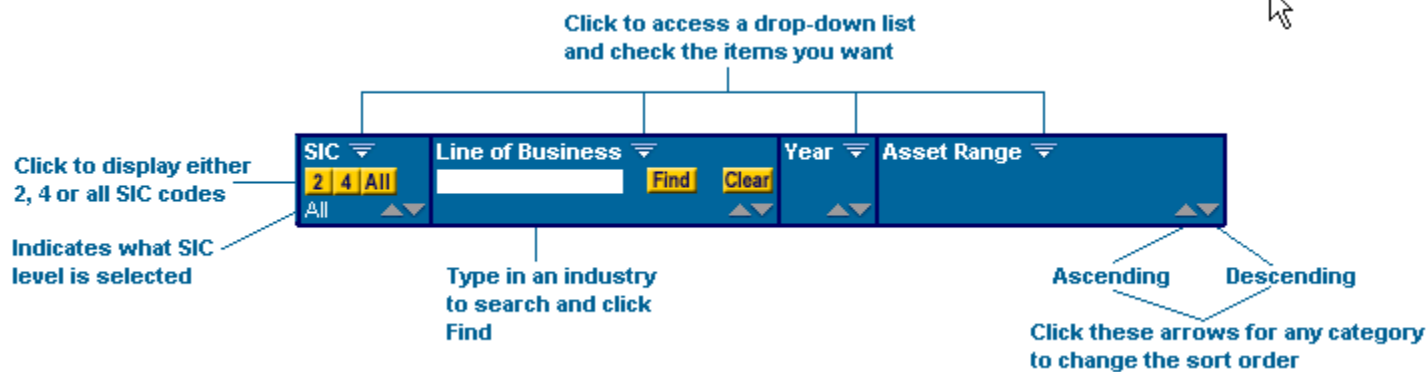


D&B Key Business Ratios


D&B Key Business Ratios (KBR), although it summarizes a great deal of information, is actually a very simple and limited database in what it presents for users: all it shows you is 14 business ratios in 3 categories (solvency, efficiency and profitability) for most industries according to their SIC categories. The database has no individual company data, articles, or any other information besides a brief glossary of business finance terms. The depth of the database is in the amount of data represented by the ratios themselves.

Search Procedure

Below is the manipulable (left) side of the D&B KBR toolbar:



Click on either of the left two little lined arrows and you get drop-down menus that let you choose industries by either their SIC codes or their names ("line of business"). The right two arrows give you the option to limit results by their year (currently 2001, 2, or 3) or by choosing one of seven asset ranges within the industry. The 2-4-ALL feature lets you limit your SIC categories to either 2-digit larger categories or more comprehensive 4-digit categories. The best practice here is to let it stay on the "all" default.

You have the option to locate your industry in one of the drop-down menus mentioned above or use the "find" feature, which searches by the keyword(s) you enter and returns possible results. The "clear" feature clears your entered search term and returns you to the initial default screen, which is all the industries arranged by their ascending SIC codes. The little grey arrows () allow you to sort your alphabetic or numeric results in ascending or descending order.

Search Results

The ratios are derived by plugging two or more items from a balance sheet into a simple calculation; for instance, a "sales to inventory ratio" is exactly that: annual net sales divided by inventory. Again, these sales and other figures (which we never actually see - we only see the ratios that are the result of these various figures being used in calculations) are for a whole industry rather than for an individual company; the figures that D&B is using to create these ratios represent averages for the various industries.

Here's the D&B KBR toolbar again with the ratios side and an example result included:


The screenshot shows the D&B KBR toolbar with the following elements:

- Logo:** D&B Decide with Confidence
- Navigation Tabs:** Solvency (active), Efficiency, Profitability, Report
- Search Filters:** SIC (2, 4, All), Line of Business (Find, Clear), Year (2003), Asset Range (All Asset Ranges within SIC Group)
- Actions:** Help, Log Off, 800x600, Go
- Results Table:**

SIC	Line of Business	Year	Asset Range	Count	Quick Ratio	Current Ratio
01	AGRIC PRDCTN CROPS	2003	All Asset Ranges within SIC Group	131	1.4%	0.7%
					0.2%	3.4%
						1.6%

(Industries appear here) (Ratios/reports appear here)

The default results are the solvency ratios. Click on either of the next two tabs to get the other kinds of ratios. Note the left-right slider bar on the bottom of the results area (lower right). The count drop-down menu - the only one on the ratios side - is not explained in the help guide, but this represents the size of the sample used to derive the ratios for that particular result. Your choices in this menu will vary according to the range of samples for the industry, year and asset range you've chosen.

The *Report* tab is different. It's here that you see the results (all the ratios) for your chosen industry/industries together in tabular format. Note that you have to choose your industry by name or SIC code again if you go to this page by clicking on this tab; it doesn't preserve your choices or your limits. If you want a report for a particular industry with the year and asset range specified, don't click on the "report" tab; click on the little report icon () to the left of a particular industry result, and you'll go straight to the report for that industry at that year and asset range.

Within the reports page you have the choice of:

- **Ratios:** These are presented in two areas - 1) "industry quartiles," and 2) the display of the changes in median variance in the various ratio categories.
- **My Financials:** This is where you can input data from a particular company's balance sheet and contrast its ratios to those of the industry it belongs to (the financial data in Business & Company Resource Center [BCRC] matches the KBR categories well). Just fill in the fields, hit "submit" at the bottom, and presto - your company's results appear alongside those of the industry's. You can now print or export the results as an excel file (both of these choices appear on the upper right).

Note that there are some things that KBR does not do:

- 1) The database gives you no easy way to compare two individual companies' ratios (unless you go through the process twice with two different companies - a somewhat cumbersome procedure).
- 2) You have to come up with individual company data yourself.
- 3) Most significantly, some companies' SIC designations don't exist in the KBR database - for instance, 3546 - Power Driven Handtools, which is Black & Decker's primary category. When this happens, users of KBR may need to use one of the secondary SIC designations listed for a company - assuming their company has one that KBR shares - or see if the company under consideration has a relevant parent company with a primary SIC category that KBR shares .

The SIC designations have been officially superseded by NAICS categories since 1997; If you need to find an SIC-to-NAICS converter, they're easy to find on the Web. Publicly-held companies' financials are also usually easy to find on the Web (such as on the company's website or the SEC's EDGAR filings pages) if BCRC or other proprietary business databases are inaccessible for any reason.