



INVESTOR ALERT

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Comparing Apples to Oranges

If I had a dime for every time a CEO asked me to run comparisons of his company to organizations many times larger than his, I'd have a lot of dimes!

Certainly it's normal for a CEO to be interested in how his company compares to those that are much larger, particularly if the CEO's strategic plan is for growth. But as far as gathering data for near term decision-making, it is much better to compare a company to others that are similar in size, industry and performance.

"Aspirational" comparisons have their place too. It's good for a CEO to have a sense of what the company will look like when it meets its growth goals, but basing decisions on that data will only cost the company more money than it needs to spend.

If the company is an "orange", make sure the data used to make decisions doesn't come from an "apple" orchard.