Why Most Benchmarking Misses the Mark — And What Actually Works

After the last article, a few accountants messaged me saying the same thing:

“Darren, my clients are struggling — but benchmarking to the average just doesn’t help them.”

I couldn’t agree more.

The problem is simple: the “average” Australian business isn’t performing well. It’s barely profitable, it’s not paying the owner properly, and it’s certainly not something any client should be aiming for.

Here’s what I see all the time:

A client has a 7% net profit.
The software says the industry average is 6%.
Everyone relaxes… and nothing changes.

Meanwhile, the top 20% of operators in that same industry are sitting at 18–25%. That’s the real story — but clients never get to see it.

This is why we built the TaxFitness Top 20% Benchmarking System. It gives clients a clear look at how high-performing businesses actually run: stronger margins, tighter cost control, consistent profit, owners getting paid market wages. Real benchmarks — not averages dragged down by underperformers.

Benchmarking shouldn’t be a long advisory project. It’s a five-minute conversation that answers two questions:

1. Am I doing okay?
2. What should I fix next?

When clients see the top 20% numbers, they stop making excuses and start making decisions. And that’s when advisory finally becomes easy.

If you want to try it, use it with one client this week. You’ll see the shift straight away.