

## Sales Model 2020

BDRC has developed a new and separate sales model that replaces all sales values taken from the Infogroup sales model and will be delivered with YTS (Your-economy Time Series) database starting May 15, 2020.

### Assembly

For every 6-digit NAICS every year, 12 employment sizes were created and a sales value was calculated using Infogroup median sales values for each employment size. Additionally a weight was considered for each calculation using the best original Infogroup sales values from their model. Last, every new sales value was multiplied by annual inflation values developed using Gross Output (sales and revenue) factors from the BEA (Bureau of Economic Analysis).

### Result

The BDRC sales model brings consistency and better accuracy to all years of sales values. Gone are the periods of methodology changes which would artificially drive annual sales numbers up and down when put into a time series. Gone also are a majority of the sales value outliers that would drive total sales in some regions above Gross Domestic Product (GDP), and inaccurately reflect total sales change numbers. And by determining a weight for the best sales value, and factoring annual inflation values, total sales numbers are more accurately reflected against the BEA's broader measure of annual Gross Output and the more limiting measure of GDP.

### Known Issues

Because each sales value relies on NAICS as a baseline, some sales values will change unreasonably in a year or years where the NAICS values need verification. BDRC is continually verifying and correcting these instances to be released in subsequent version of YTS.

There are unclassified NAICS values that need verification and possible change to include an accurate NAICS selection. These will be updated and released in subsequent versions of YTS.

Some employment sizes will show 0 or null sales values when in fact it is reasonable to assume that they could contain values. This occurs when there is not enough cases to establish a median weighted value. In almost all occurrences, this applies only to NAICS where it is possible to reasonably have no sales.