

Reporting Open Purchase Orders



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Keep An Eye On All Purchasing Activity

An open purchase order (PO), also known as a standing PO, is a PO that has been issued to a vendor, against which specified purchases can be made, for a certain amount of time. When a small business must make repeat purchases of the same items, it is possible to eliminate the need for multiple purchase requisitions by using open orders.

When using the open purchase order approach as part of your purchase order process, it's important to remember you should create a new PO for each fiscal year. The order should be created using the service contract or supplier quote as the source. Invoices should always reference the purchase order number along with the appropriate PO line items to be charged.

If you don't reference the proper PO number and lines on the PO, it creates a mess for the accounts payable department, which could result in delayed payments and upset vendors.

Reporting Open Purchase Orders

Making a single purchase is a fairly straightforward process. The department that needs the item or service makes a purchase requisition, the necessary staff approves it and converts it to a purchase order. Then, it's sent to the selected

vendor who fills the order and sends the requested goods or services. From there, it's received and then paid for according to the payment terms in the vendor contract.

But when you order multiple items from different vendors for a large project or organization, it's hard to keep up with everything, and things may fall through the cracks. This is especially the case if you have an open purchase order to keep materials and supplies coming in on a regular basis. Without an automated reporting system in place that gives you a status on your open purchase orders, there's great potential for chaos throughout the organization.

For efficient and effective purchase order management, you must have an order reporting system. To prevent errors, it's best to automate those reports so anyone who needs to see an order status can do so quickly and easily.

Benefits of an Automated Purchase Order Reporting System

Simplified Order Reporting

It's easy for the purchasing department and receiving staff to get overwhelmed with multiple purchase orders, delivery dates, and destinations. If everyone is running on manual paper-based processes, there is plenty of room for error as things could easily go missing or get overlooked.

Rather than tracking with multiple shipment confirmations or receipts, using an effective order tracking system can provide a single weekly report to track all the shipment activity for purchases. The system also includes an audit trail that tracks who takes what action and when, to hold everyone accountable.

The system should have an open purchase orders report built in or make it easy for you to generate one of your own. The report generates a list of all the open orders within a particular date range. You should be able to sort by variables such as vendor name, order total, and more.

Know Where Orders Are

With an order tracking system in place, you can know where all your orders are in the process. This helps you see which ones are still being fulfilled, which ones are shipped, and which ones are scheduled to be delivered, or have already been delivered.

This way, you can know whether something is still waiting to be shipped, if it is still sitting in a warehouse somewhere, or if it's on the way to your receiving department. If something doesn't arrive on time, you don't have to spend a lot of time to track it down - you can go into the system and get all the information you need to check its status with the vendor.

Track Multiple Delivery Dates

Because you're ordering and receiving multiple shipments from several vendors and possibly dealing with high volumes and multiple boxes in each shipment, it is reasonable that you'd have to track multiple delivery dates for everything in your system. Without a well-staffed, highly efficient receiving department, you could face multiple interruptions within your work flow that could disrupt operations and create cash flow issues.

The purchase order tracking process and system will alert you and other staff members as to when they expect the scheduled deliveries so they can work more efficiently. This is particularly important when you have a day where multiple shipments are coming in, and not necessarily at the same time. Knowing ahead of time, the receiving team can better plan their day around the deliveries, working on other tasks between them.

Confirm Orders are Received

There are times when vendors can miss your order. When their systems are in order and operating at maximum efficiency this is a rare occurrence, but it does happen. As a result, your business could suffer. You could be forced to stop production because you lack a new piece of equipment or materials. This could mean delays, upset customers, and lost revenue. If, on the other hand, you're using a purchase order tracking system, you can catch the issue and place a new order to correct the error before it has any effect on deadlines or production.

Assurance You'll Meet Order Deadlines

If you deal with an unexpected delivery delay, you may not be able to operate as usual for the day. Depending on the type of product, your lead times and shipping method may negatively affect your delivery date. Relying on multiple shipments from multiple vendors only adds to the problem.

A purchase order tracking system will give you access to information that will help avoid said delivery delays, giving you the assurance you need that everything will continue to operate on the desired schedule.

PLANERGY is a robust purchase order software enabling PO tracking that can work for any industry, and any approval workflow, regardless of organization size, number of departments, number of locations, and budgets. Once it's set up and customized for your company procurement process, purchase requisitions can be approved and converted to purchase orders that are sent to the vendor. From there, the items can be marked received either to an office location or, if you elect to use the inventory module, into a warehouse. The integrations with accounting and ERP makes it easy to pay for the goods and services you receive.

Beyond improving workflow and efficiency, PLANERGY also makes reporting easy. There are a number of built-in reports that can be run in just a few clicks. The reports are fully filterable, so you can easily drill down to find hidden details. When you've got the information you need, you can export it to an Excel spreadsheet for easier monitoring over time. And to ensure you always get access to the report information you need when you need it - automated reports can be set up. You can automatically get a report on the status of any open purchase orders, so you no longer need to waste time tracking down all the information you need from email, spreadsheets, and paper trails.

What's your goal today?

1. Use PLANERGY to manage purchasing and accounts payable

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