

What PO System Does Your Small Business Need?



In a marketplace where fewer than 40% of small businesses (SMBs) survive past a decade, it takes dedication and attention to detail to thrive. Small businesses operate with a much narrower margin of error than their larger, more comfortably funded and staffed counterparts, so it's especially important to have a tight rein on important, and sometimes precarious, areas such as procurement. One of the most effective ways to gain control and reduce your risk exposure is to ensure you have a purchase order system for small businesses as a core component of your procurement function.

Why Do I Need a Purchase Order System for Small Businesses?

Because they create a binding legal contract between you (the customer) and the vendor (the seller), purchase orders offer both documentation and legal protections for both parties. They also spell out a variety of important concerns, such as pricing terms and the quality and quantity of goods and services to be delivered by a certain date. It makes good sense, then, to create, track, and manage these crucial documents in an intelligent and user-friendly way.

A purchase order system formalizes the business processes involved in creating and managing purchase orders. The best of these systems allow business owners to track not just the basic financial data associated with the purchasing process, but connect, collect, and store *all* the documents related to each transaction (including invoices, purchase requisitions, shipping documents, changes, additions, and communications via email, fax, and post) in a secure database that's still user-friendly for approved staff and suppliers.

Formalizing this process helps reduce duplicate orders and unapproved spending by introducing approval workflows and supplier management to the equation. Process improvements are an important part of optimization even for the smallest businesses, so having some variety of purchase order system in place is no longer optional for most companies competing in the fast-paced contemporary market.

Choosing the Right Purchase Order System for Your Small Business

In the past, paper spreadsheets, countless cross-checkers, and massive ledgers were on the cutting edge of procurement management. But time, changes in technology, and the increasingly Byzantine complexity of procurement workflows have blunted that edge considerably. Human error, massive paper consumption and waste, time and labor inefficiencies, and a lack of real-time spend transparency hobble paper-based systems.

In the modern marketplace, even the smallest businesses can soon be overwhelmed by the potentially fatal cost of mismanaged procurement—especially if they don't yet use purchase orders as part of their standard procurement process. Every business, large or small, needs a way to streamline and maximize the efficiency of their procurement.

The challenge is universal, but the solution isn't. For some businesses, the answer is to adopt an all-in-one procurement system, either as a standalone application or as an integrated extension of their existing enterprise resource planning (ERP) solution. This is particularly true for larger businesses, where continuous improvement and process development connect large and complex inter-departmental initiatives that need to run as efficiently and productively as possible.

But for many small business owners—particularly those looking to improve their efficiency, productivity, cash flow, and cost savings without necessarily making a massive investment in new software and technology—a purchase order system (which can include purchase order software, apps for Apple and Android mobile devices, or a combination of the two) is an affordable first step.

Whatever purchasing software you choose, the biggest benefit will be leaving the time-consuming, inefficient, and error-prone legacy of paper systems behind. Ideally, the “perfect” purchase order process for your small business will be supported by a purchase order management system that:

- Streamlines the purchase order process and supports optimization for related business processes.
- Connects all your data, including transaction information, communications, and financial reporting, analytics, and planning. Purchase order numbers are automatically triple-checked against invoices and shipping documents to simplify and speed up the procure-to-pay (p2p) process while reducing duplicate orders and fraud of all kinds.
- Integrates with your accounting software, customer resource management (CRM) and ERP systems as needed (or provides a starting point for full digital conversion and integration of those systems from older analog solutions).
- Eliminates both human error and rogue spend while providing continuous improvement to important procurement processes such as approval workflows, inventory management, supplier relationship management, and audit trails (both internal and financial).

Using automation and artificial intelligence makes these goals *much* easier to achieve, and frees you (and your staff) to focus your attention on high-level tasks instead of data entry, chasing errors, or tracking down invisible spend.

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The Benefits of Automated PO Systems for Small Businesses

Depending on your budget, business needs, and existing workflows, making the jump to procurement software can be challenging. Small business owners who have eschewed purchase orders in the past may find it especially tough going, but the advantages gained when you use purchase orders are worth the growing pains.

Because they wear so many hats, small business owners can reap significant benefits from adding a cloud-based purchase order app, including:

- **No more paper waste.** Paper systems are time-consuming and generate mountains of wasted paper that may or may not be recycled. Purchase order software populates your electronic POs with all the relevant information automatically and makes them accessible from your desktop, laptop, and mobile devices in real time.
- **Purchasing done your way.** Automation makes it simple to create as many hierarchies and rule-driven workflows as you need to ensure every purchase order is accurate, optimized, and compliant with your policies and procedures. Purchase order templates ensure every purchase order is consistently populated with the correct information.
- **Less busywork, more productivity.** Hands-off task automation, automated routing and alerts for approval workflows, and automatic collection and cross-referencing of all transaction data free you and your team for bigger, more important tasks.
- **Fewer errors and greater spend transparency.** Compliance is much easier with a pre-selected vendor list and integrated contract and inventory management. Duplicate orders and invisible spend are nipped in the bud, and invoice fraud is kicked to the virtual curb.
- **Lean, mean procurement.** Automation boosts purchase order processing speed, condensing workflows that used to take two days or more into mere hours. Less time and resources, as well as fewer errors and easier access, translate into substantial cost savings across your entire procurement function (including payment processing) and extending into other areas of your business.
- **Data that delivers more than savings.** With all of your transactional

data securely stored on the cloud—and with leveled access available at the touch of a button—analysis is a breeze. Gain insights into potential logjams in your workflows, create complete and user-friendly financial reports, budgets, and audit trails, or identify areas of underdeveloped potential in your supply chain. Inventory control is improved as well, thanks to usage, order, and reorder data.

Empower Your Small Business with Better Purchase Order Management

Every dollar you spend on your business has the potential to create not just an invoice, but lasting value for your business. Harness that potential by making artificial intelligence and automation your partners in procurement success. Integrate a PO System For Small Business that meets your business needs, and reach new levels of productivity, efficiency, and purchasing power.

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