Stop Tracking Purchase Orders in Excel

Stop Tracking Purchase Orders in Excel. It's Probably Costing You.

It's no secret that Microsoft Excel is a powerful tool meant to handle massive amounts of data. For many small companies, such as the local Mom and Pop coffee shop, Excel provides a low-cost, simple solution for procurement.

For these small companies, investing in a cloud-based purchase order software doesn't make sense, but as a company grows, so do their procurement needs.

Excel is useful for many small business functions such as finance management, and even inventory tracking, on a small scale. It provides an affordable solution

when budgets are tight or non-existent.

Within Excel, you can create a simple spreadsheet that serves as a tracking system for all your purchase orders, tracking individual suppliers in a drop-down list, and more.

You can create an order form template as an excel sheet that includes the order details, unit price, payment terms, and more.

The problem is, as your business grows, Excel's features aren't strong enough to keep up with your business requirements.

The more customer orders and inventory you must keep up with, the harder managing it all within Excel becomes.

Continuing to rely on Excel even after your business has outgrown it will force you to dedicate even more of your time maintaining the spreadsheets.

Research shows that users spend an average of 18 hours each month maintaining those spreadsheets – and that inefficiency in your workflow could be straining your business's time and resources.

When you lose more money working in your Excel system than you would spend on upgrading to procurement software, it's time to make the switch.

Reasons Why Relying on Excel Could be Harmful to Your Business Growth

High Rate of Errors

88% of spreadsheets contain errors. Manually entering data into the spreadsheets

is the main reason why these errors occur.

For instance, someone may put the wrong information into a cell, or put data in the wrong column.

The human error component is a major issue with spreadsheets, and the more people who handle the data and store it across multiple worksheets, the higher potential for errors.

A single mistake could create a ripple effect throughout the entire organization.

There are some error protections within Excel, such as adding checksums and checking subtotals in one or two different ways can help.

If you're lucky, you'll be able to tell the spreadsheet has a mistake, but you will likely have to spend a significant amount of time to retrace your steps and find the source of the error to fix it.

If the errors go unnoticed, you could lose opportunities, or worse, run into cash flow issues because of inaccurate inventory planning.

Don't think it could happen to you? JP Morgan lost $6 billion because of a cut and paste error in a spreadsheet invalidated a risk model.

Spreadsheets Lack Timely Insights

With Excel spreadsheets, it's challenging to analyze quickly for insights.

Organizing and working with the data in Excel requires skills many people don't have.

Without the skills and expertise to do it, generating an insightful report for an extensive amount of data can be time-consuming.

Easy reporting and analytics data is essential to understand how your business is doing and identify areas for improvement.

If you have a solution that provides insights and opportunities automatically based on your data, you can adjust to changing marketing conditions faster than your competitors.

Relying on Excel for the insights can cost you both time and money.

No Real-Time Information

Excel can help you with data entry and analysis, but it doesn't capture the daily activity in your business without help.

Spreadsheets aren't are of incoming orders or goods changing hands, unless a human steps in to enter the data.

In the majority of company, different departments must use the same pieces of information over the course of operations.

For instance, the production team and finance team need incoming sales order data to understand what inventory is required to fulfill orders and to determine the value of the inventory on the balance sheet.

If one department was planning activity based on new order data, but didn't update the spreadsheet, the other department uses outdated data for operations, and the error could cause disruptions in workflow.

Where's the Master Version?

Most people use Excel locally on their computer, even though Excel Online and Google Sheets offer collaboration tools.

If your organization uses Excel on local machines and saves the files to a local or

server-based folder, this makes it difficult for multiple members in the business to edit or view the file collaboratively.

Users who need to add information to the system need to wait for their turn to add data, or temporarily create a different version.

The wait can be both time-consuming and frustrating. This could also lead to multiple versions of the same file being produced and distributed across the organization, which increases the chance of mistakes.

An even bigger problem, data recovery won't be possible if you cannot verify the most recent, up-to-date information.

Making the Switch to a Cloud-Based Purchase Order Tracking Solution

Rather than using Excel as your business grows, switching to a cloud-based system allows for quick and easy collaboration across users and departments.

Using an electronic purchase order form, (PO form), users can quickly and easily order the goods and services they need from preferred vendors and track the status of any order in the system.

Once the order is received, it can be invoiced and paid by accounts payable, keeping the data consistent across all departments.

This ensures you can get accurate information about spending for the entire organization, identify the most used vendors, and access other valuable insights to help you grow your company.

Setup is relatively simple and can help you save time and money in the long run.

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