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SPREADSHEET CRUTCH USED FOR MOST BASIC FUNCTIONS

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It is hard to understand how accountants survived before the spreadsheet, which makes it comparably easy to analyze a problem or prepare a report in exactly the right format.

The difficulties creep in when the spreadsheet becomes a victim of its own success. They proliferate like rabbits until a company depends on them to support even the most basic operation and decision. Often, the issue becomes one of control, and not relinquishing it.

The truth is that spreadsheets are not completely reliable. Errors can slip in through re-keying or calculation mistakes.

There is no audit trail on changes, so these mistakes may not be detected. To make matters worse, spreadsheets are typically not shared across an organization—and they are usually not updated as things change. So decisions are made with old data. A common complaint is the lack of one version of the truth, as individuals take the same underlying data and work their magic in the spreadsheet. Another is that each department in an organization gets creative with spreadsheets in resolving issues within their own

department. The spreadsheet may be okay for an individual department, but a disaster outside the walls of the department. As such, spreadsheets can contribute to the so-called silos found in many companies.

How do you know you have a problem?

Someone in your organization spends most of his/her time managing spreadsheets that no one else can understand.

First you have over-reliance on one person. Second, it's obvious that the spreadsheet is too complex.

- You are afraid to change a spreadsheet. You are also exposed to big problems in supporting the system and making changes when necessary.
- Many people are re-keying information from or to a spreadsheet.
- You need to wait too long for the analysis.
- You are the victim of bad information.
- You have been told to comply with *Sarbanes-Oxley* or the equivalent.

What can you do about it?

You don't have to eliminate spreadsheets. But you can cut

down on their proliferation and complexity. You should consider the use of pivot tables to allow the same spreadsheet for multiple views of the data. As well, you might want try using a database as an intermediate step, with a database more appropriate for storage. You can easily select the data you want from the database and pass it on to Excel.

But sometimes there is no choice but to move beyond spreadsheets. The solution depends on the problem. If the problem is related to reporting, you have many choices including online analytical processing, which allow you to slice and dice information across multiple dimensions and to then drill down and graph the results.

One OLAP cube (a cube is way of storing the data for easy viewing) could be the equivalent of 100 traditional reports.

In the past, OLAP was used only by the largest of companies, but that is now changing.

You will find OLAP available directly from accounting and ERP vendors. Many vendors pre-configure OLAP cubes for analysis of sales and other information. Microsoft includes the ability to build an OLAP cube with SQL

server analysis services, which is included at no extra charge with the purchase of Microsoft SQL Server.

Another problem relates to scheduling. Production scheduling systems are available either as part of an ERP system or as a best-of-breed solution.

(Best-of-breed, in this case, means that you choose the ideal solution for a specific part of the business and integrate it with the other systems, as opposed to getting it all from one vendor.

Perhaps the problem is related to complex order processing. There are lots of solutions here too including a "configurator" that allows you to build a complex order on the fly.

You might want to investigate a product called InfoPath from Microsoft that can create a form that looks exactly like your existing form, but which could update your accounting and ERP system with the data entered into the form.

Today, many companies avoid customizations of their system and instead rely on a spreadsheet to do the job. However, you may find that there is a compelling business case to have your existing vendor customize the

system to meet your needs.

It doesn't have to be spreadsheet hell.

* Since January 2002, the *Bottom Line* has published 36 case studies on the implementation of accounting, manufacturing, professional services automation and customer relationship management systems.

We speak directly to the company that has undergone the implementation and ask about their background, the situation leading to selection of system, objectives for the new system, implementation, likes and dislikes, challenges and resolutions, costs and benefits.

If you would like to be considered for a case study, please contact me at: mburns@180systems.com

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