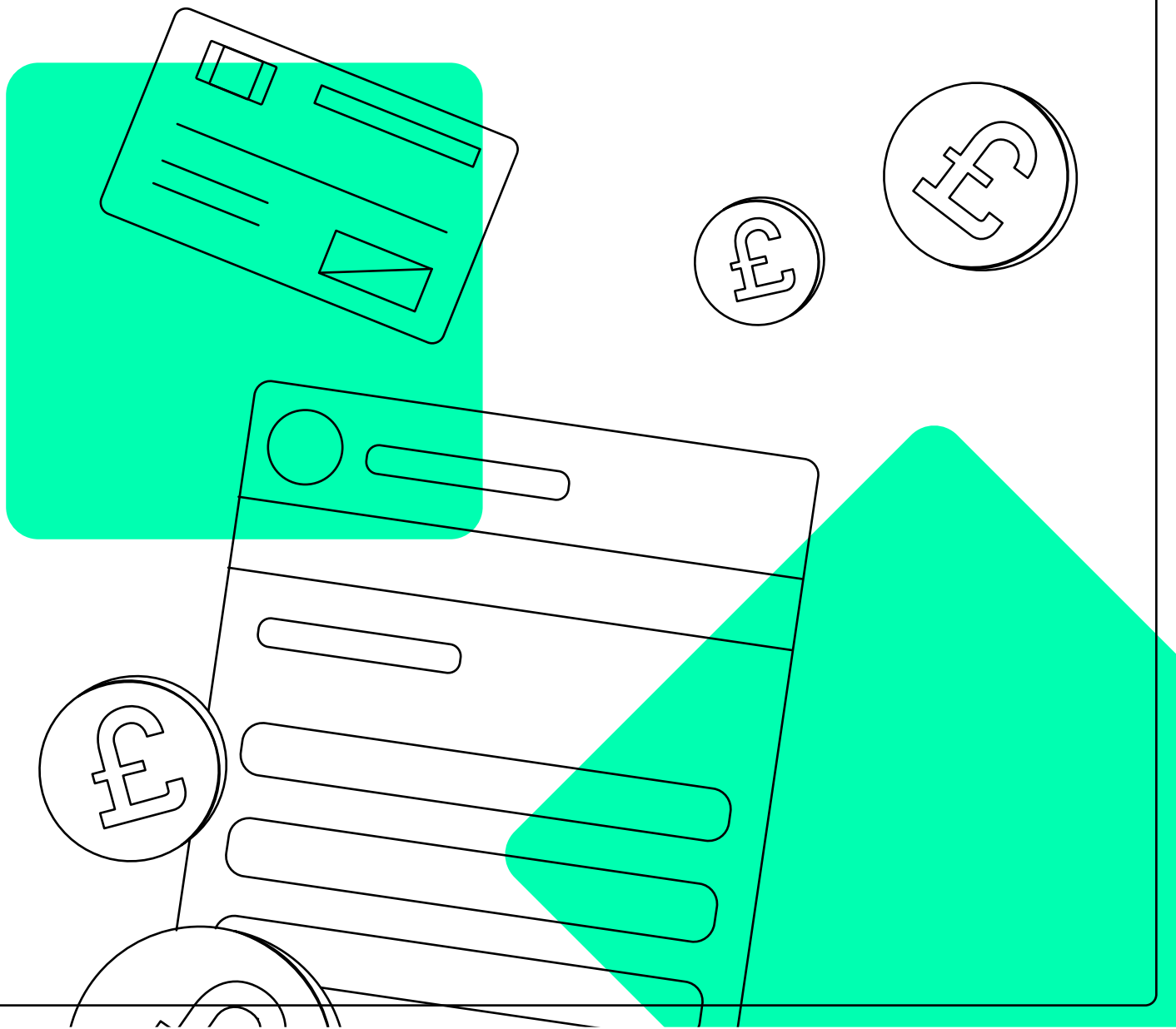


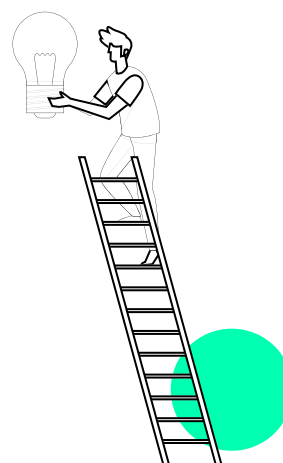
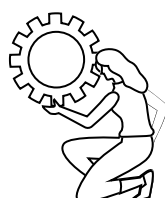
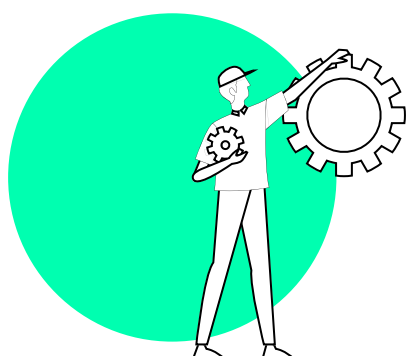
# The purchase order pay-off:

6 admin-busting ways to streamline your purchasing paperwork



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# How to make paper work for you

Let's face it; purchase orders are not fun. But, they are necessary to control your spending and keep your company in the black. You'll never party over purchase order processing, but there are ways you can make it less painful.

Let's start by reminding ourselves [why purchase orders are so important](#) in the first place:

- All your purchase details are in one document. No more piles of files for quantity, price and delivery address.
- You can be certain of what you ordered, how much and the price you paid.
- They're easier to track since they're based on a numbered system.
- They help accountants (and therefore your auditors) to keep track of expenses.

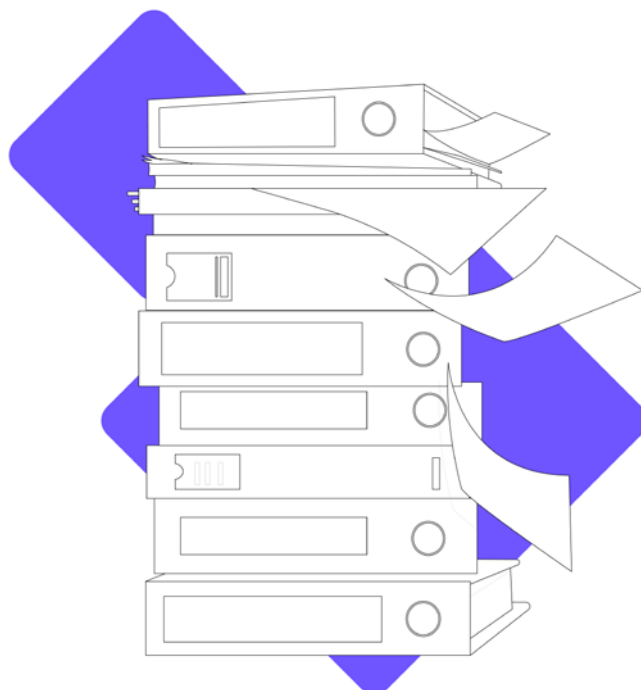


But for all the benefits you can reap, if your purchasing process isn't streamlined then you'll waste a lot of time. Your purchase ordering system should be simple and easy to use. Stop being beholden to needless bureaucracy. Ask yourself, are you:

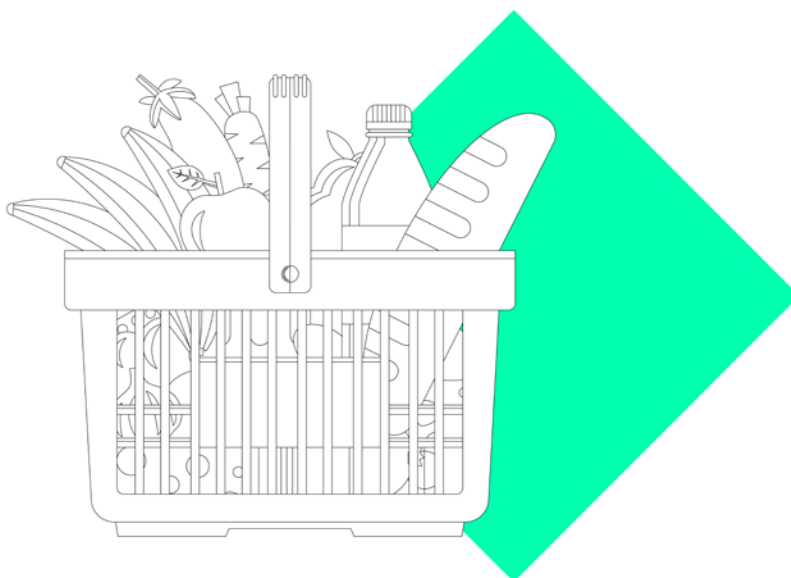
- Spending more money on goods than you need to?
- Buying goods that are not fit for purpose?
- Increasing your workload needlessly?
- Struggling to find the time to do the things that are important for growth and success?

If the answer to any of these questions is yes then you need to get back to basics and look for ways – whether it's people, process or technology – to streamline your system.

This eBook will help you smooth out your lumpy, non-aerodynamic purchase order processes, ensuring your business takes flight. We'll show you six ways to save time and money by refactoring your processes and picking the right staff for the job.



# Train for gains: creating an effective purchase orders



**It's hard to take a wrong turn when there's a well-defined path in front of you. When you have a clear and concise purchasing system you make fewer mistakes (and so do your employees).**

**Even if your business is small, you need an effective purchasing system to ease the process of scaling up operations. You will set foundations and have the systems in place to focus on the more important aspects of your business.**

## **1. Have a formal policy**

Without guidelines, your employees will submit a purchase order in whatever way is easiest for them. Some might include the supplier, others might forget to add the tax – it'll be a mixed bag to say the least. If you document how your employees should go through the process, however, there's no excuse for making up their own rules.

Here's what you need to know when your employees make purchases:

- **Supplier** – who are they buying from?
- **Cost Centre** – what is the category of the purchase? Does it come under travel, office supplies or general expenses?
- **Item Purchased** – what are they buying?
- **Cost before Tax** – the cost of the item purchased.
- **Value Added Tax** – how much (if any) VAT applies to the purchase. Remember, if your company is VAT registered you can reclaim this against your taxes.
- **Documentation** – Ask employees for receipts or other documentation as evidence of their purchase. This way you can be certain they are claiming the correct amount.

## 2. Set authorisation limits

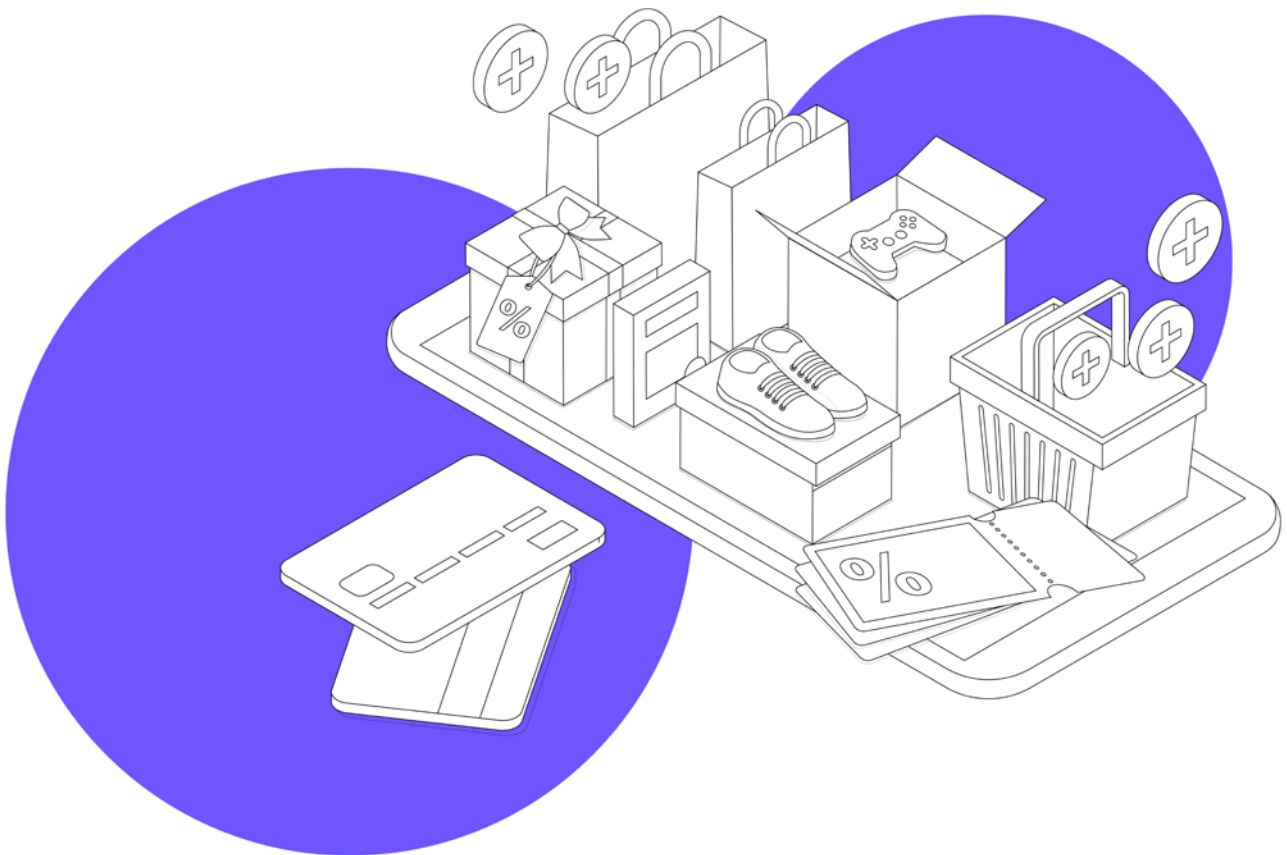
A little bit of trust goes a long way and it's possible to give this with the right purchase order system. Rather than making your employees wait for you to authorise a PO, you can set authorisation limits. This means that any purchase order below a certain value is automatically approved, saving everyone time.

For example, if your employees are on the phone a lot, you might automatically approve a headset. However, if they want to spend hundreds of pounds on a new laptop, they will need to justify this expense first.

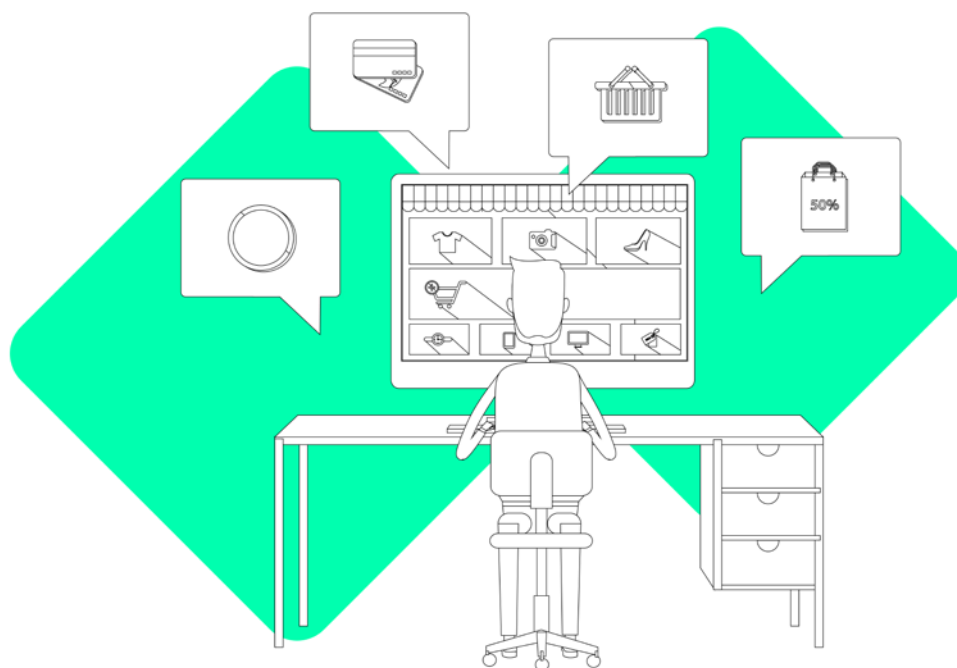
### 3. Have a budget

*'I love money. I love everything about it. I bought some pretty good stuff. Got me a \$300 pair of socks. Got a fur sink. An electric dog polisher. A gasoline powered turtleneck sweater. And, of course, I bought some dumb stuff, too.'* - Steve Martin

Getting around to approving expenses and purchase orders is one thing, but approving too many without looking at the overall cost to your business can be damaging. If you set a budget for your weekly or monthly purchasing, you regain control and keep your spending in line with what your business can afford.



# Happy families: creating the dream team



## 4. Find the right purchasing manager

When you hire a purchasing manager they can have other roles, too. They can be an office or finance manager who shares responsibilities for purchase ordering. Sharing this burden keeps your business productive.

But who should be in charge of spending your company's hard earned cash? You need someone who is competent and that you can trust. The key attributes of an effective purchasing manager are:

- **Perfect planner** – [They know everything](#). By keeping in regular touch with the production team they know the quantity and cost of any product required. They also know when they need it for and the supplier providing it.



- **Knows when to say 'no'** – a good purchasing manager knows when to limit their employees' purchases. They can limit budgets per employee; the products available and make sure they approve before any company money leaves the bank.
- **Effective communicator** – Since they will be working with many departments they must be a capable communicator and mediator. Effective communication increases staff morale, loyalty and personal development. This communication also allows greater control over your purchasing.
- **Knowledge of the purchasing system** – Your purchase system should be userfriendly; employees should intuitively know how to use it. But, even the simplest of systems can have slight quirks and complications. Therefore, managers must know the system inside out and be able to show struggling workers how to use the purchasing system.

## 5. Foster good relationships with suppliers

*'When dealing with people, remember you are not dealing with creatures of logic, but creatures of emotion.'* Dale Carnegie

Of course, you can use the best automation tools out there, employ the best and keep a tight budget. But if you don't have good supplier relationships following best practices won't matter. Purchase orders are not created in a vacuum; you must take business relationships into account.

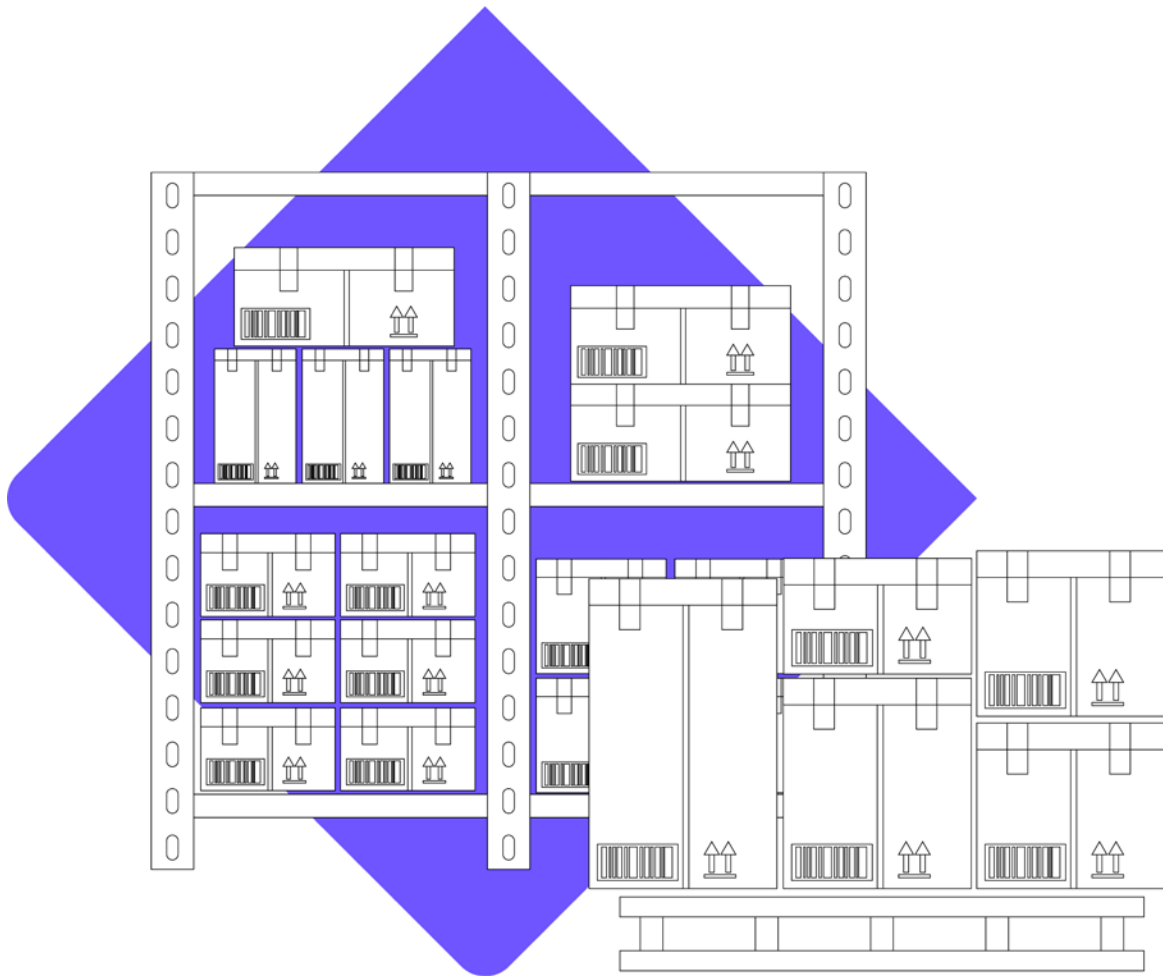
Consider your relationship with your suppliers. What is important to you?

- Is it purely price?
- Is it product quality?
- Do you make suppliers compete with each other for your business?

When it comes to suppliers: should you foster relationships with them or focus on getting the best product at the most competitive price?

The benefit of competitive pricing is obvious: you save money by going with the cheapest supplier. However, if that is your only consideration you may find yourself without help when there are supply chain issues. If you establish a relationship with the supplier, they will be more likely to help you out.

These relationships should be mutually beneficial and [parties should work together for outcomes that benefit both of them](#). You build these relationships through interaction. When you find a reliable supplier be sure to recognise it with [loyalty and good communication](#).



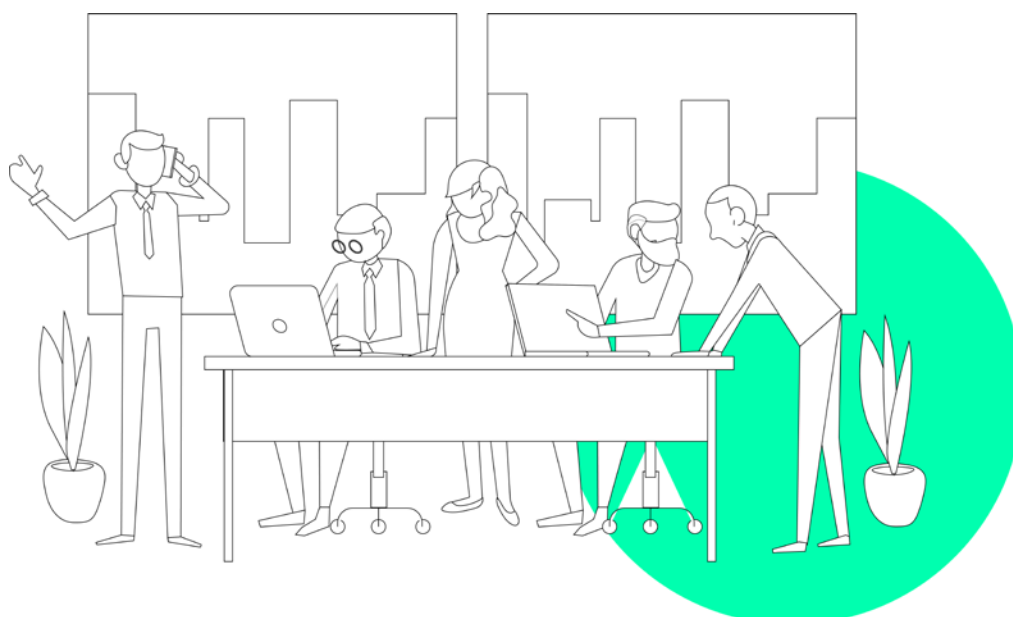
# Man or machine: managing your purchasing system

Although it's possible to get help to lighten the load of your purchases, not all small businesses can afford to hire new people. Also, even if you do have a purchasing manager you have to remember they are only human. To reduce employee workload and potential mistakes it's time to draft in a machine.

## 6. Automate your purchase orders

*'The truth is in today's competitive business environment; efficiency wins the day.'*  
Tom Kieley, co-founder of [SourceDay](#).

On average, managers in the UK and US [spend 40 percent of their time on administration](#). Think of all the progress you could make if you had two more days out of your five-day week to play with. We live in a machine-driven society, so why not put some of the work into their hands?



Here's why [automation will work for you](#):

- **Increased efficiency** – Automation decreases the time you spend creating and processing purchase orders because everything you need is just a few clicks away. For example, you can have a form that will not submit until you have all the relevant information. This prevents accidental omission of any vital information you need.
- **Enhance business decision-making** – Automation means all purchase information is in one place. You can access it without digging through paperwork or updating spreadsheets. You make better business decisions by having all this information in one place and reduce the risk of making expensive mistakes. For example, when deciding on a purchasing budget you can use past information to judge how much you need going forward. This way you are less likely to have any nasty surprises and don't spend more than expected.
- **Improved accountability** – Automated systems have an audit trail. This trail shows who did what and when on the system. This keeps all parties honest and [prevents any potential fraud](#). Plus, it makes it easier to track anomalies, chase suppliers or answer invoice queries.
- **Simplified purchase agreements** – When you automate, everything becomes simple. You can create the basic outline of any purchase; you buy 'x' for '£y', automatically. This allows more time to focus on complex purchasing issues. For example, in international transactions you can focus on tax issues and contract clauses. Two elements that can cause difficulty. There is no need to spend time and energy on basic, domestic transactions.

# The bottom line



**Half of finance workers are unhappy with the current purchasing process in their business. A massive 64 percent are using manual processes, Excel or a combination of the two. In the short-term maybe you can get by this way, but it can by no means be a long-term solution and it certainly won't aid in business growth.**

When it comes to purchasing paperwork we can all agree, the more simple your process the better. Purchasing is important, so you don't want to lose control over it. Without optimising your expenditure your business growth can grind to a halt. Remember, business is not just about making money; it's about managing how you spend it. The tools and methods for control are out there; it's up to you to use them and allow yourself to be successful.

# A little bit about Turbine



We love the paperwork you hate.

Instead of paper forms for purchasing, expenses and time off, Turbine lets you take care of everything online.

You can get control of spending, see exactly who's off and why and complete your admin any time, anywhere.

Why not [take the tour](#)? Or [get in touch with us](#) to see what Turbine can automate for you.

