



The treasurer's love of spreadsheets

Let's be honest, we all have our guilty pleasures. Whatever we think about ours or that of others, we can agree that they do play their role in our lives. The use of spreadsheets is a guilty pleasure that most treasurers share. Many a treasurer will find the use of these Swiss army knives of operations equally convenient as well as being irresistible; they are easy to use and they easily nest in our daily processes.

Vendors often want to make us feel guilty about our love of spreadsheets. Every so often they aim for free publicity on the back of "research based evidence" underlying the dangers and negative consequences. The latest attempt in this genre is the article "[Does automation sound the death knell for the spreadsheet?](#)" on the global treasurer website.

Two years ago and in response to similar vendor sponsored doomsday sermons, [I responded to this question](#) with an unqualified "no." Instead of discussing the consequences we are all well aware of, I explored reasons why we do use spreadsheets. I do not believe robust treasury applications will eliminate spreadsheets any time soon. On the contrary, I would even argue that many a treasurer is of the opinion it to be unfortunate that they still have to rely on spreadsheets despite all their investment in applications. In the article, I explored a variety of reasons including:

- Vendors have not (yet) incorporated our requirements in their solutions;
- Upgrading to a more recent version may not have immediate priority on our agenda or that of our (IT) colleagues relative to all other priorities;
- A spreadsheet program is our mending kit; and/or
- We all know how to use it as it is the *lingua franca* of business operations.

Spreadsheets are so easy to use and give us a sense of control in a the world that changes faster than we can handle and that otherwise is too complex for us to comprehend

If I have to explain the treasurer's love of spreadsheets in one sentence, it is because they are so easy to use and give us a sense of control in a world that changes faster than we can handle and that otherwise is too complex for us to comprehend.

At the same time, we should be careful when using spreadsheets. When introducing spreadsheets to fix an issue, we can easily overlook a simple truth; spreadsheets create human dependencies and operational cost in terms of error, process delays, reconciliation issues as well as introducing security issues and fraud. Furthermore, they create a dynamic of their own when it comes to decision making (e.g. prioritizing the selection or upgrade of applications). In other words, spreadsheets do affect operations and stay around far longer than we anticipate.

Also, we should not deny the pride we take from seeing our formulas and macros solving a bottleneck.

Therefore, let us appreciate spreadsheets for what they are and find ways to use them wisely. They can be very useful when analyzing and solving one-off issues. However, we should be careful when using them as interim solutions and should avoid them where formal and robust applications are available. Some rules of thumb are required for considering spreadsheets:

Avoid spreadsheets in (daily) processes: their lack of audit trail and absence of adequate user security make spreadsheets unsuitable for data processing. Avoidance is challenging as process requirements may

evolve due to regulation, business and/or management demand. Reconfiguration of existing applications or implementation of additional modules or new tools, often take more time than allowed for by imposed deadlines. Regulators and management are seldom impressed by a vendor's development agenda or any of your other priorities. Under such circumstances spreadsheets may seem quick fixes. Afterwards it is tempting to leave them alone as the process is deemed to be no longer broken.

Therefore, whenever one considers using spreadsheet as an (interim) process solution, one should also consider proper manual key controls as well as when and how to migrate its function to a robust application or replace it with a RPA solution. Failing to plan, almost inevitably will result in process delays, additional operational cost, process failures at upgrade, extra human dependencies, cyber hacks as well as fraud;

Reconsider spreadsheets in reporting: Spreadsheets are widely used as "mini BI" and for management reporting. They are not nearly as robust and consistent in data processing and reporting as proper BI tools. By now, most organizations have preferred BI tool as "firmware" that allow for beneficiaries creating their report cockpit from which they can slice and dice their graphs and drill into details whenever they need. BI tools link a report view directly to source data retrieved from different systems. By doing so, they cater for reporting in (near) real time, eliminate mundane reconciliation efforts and shorten the feedback loop between data creation and reporting. As a result, BI tools will improve data quality, business insight and the quality of decisions.

In a way, RPA and BI tools are new and improved alternatives to spreadsheets. They certainly provide better security and process data robustly. Moreover, they are not at all difficult to create and operate. With a little training ahead of time and combined with a knowledge of spreadsheets, treasury professionals can quickly make good use of both.

Having said that, RPA may not be the silver bullet that some claim it is. RPA may be robust alternative for manual processes, macros and low-level interface solutions. The characteristics of robotics is quite similar to that of macros. Robotics may easily become a black box in data transfer and operations. Staff may well understand what they do at high level only and may lose sight of all detail and completeness. Also, RPA may cause reluctance to change configuration of systems as this or an upgrade may cause an RPA program to malfunction or even stop working! Proper documentation of RPA solutions may prove a career saving step.

RPA and BI tools can be seen as new and improved alternatives to spreadsheets

I do not think we should be frustrated by our use of spreadsheets. We will always need a mending kit to keep our operations going. At most, I would urge readers to be cautious and develop a similar love for RPA and proper BI tools. These are more robust alternatives to macros and reporting.