

BLOG

5 risks of an Excel-based RFP evaluation process

Excel is used by approximately one in seven humans worldwide — including many [utilities procurement](#) teams, who rely on Excel for the evaluation of bids and RFPs.

It may be a familiar tool in the toolbox, but it was not built for the complexity and collaboration required of the bid and RFP evaluation process. In fact, trusting Excel with your utility's high-impact, high-dollar sourcing decisions is an increasingly risky choice.

Here are five ways that Excel puts your RFP evaluation process at risk:

1 Spreadsheets are error-prone

Studies show that 88% of audited spreadsheets contain errors, and when people are asked to review spreadsheets with known errors in them, they only catch those errors approximately 50% of the time.

Here's what makes spreadsheets dangerously prone to errors:

- **They're deceptively simple.** Many people have basic working knowledge of Excel, but when it comes to advanced formulas and pivot tables, it's easy to become out of your depth without realizing it.
- **They lack oversight.** There's no spellcheck to let you know when you've made a mistake, and no formal mechanisms for testing or validation.

When you're managing huge amounts of supplier data in spreadsheets under tight timelines, it's more a question of "when" rather than "if" a simple error occurs, with potentially serious consequences for your RFP decisions.

2 Spreadsheets are inefficient

Managing the RFP evaluation process through spreadsheets requires a significant amount of manual data entry. From inputting vendor information, to aggregating scores, these tedious tasks take up hours of staff time that could be put to more productive use.

3 Spreadsheets lack consistency and standardization

Every organization has its Excel whiz (you know who you are) — but for the rest of us, it can be difficult to make heads or tails of the unique spreadsheet configurations that have developed over time in procurement departments. With staff turnover and retirements, it is difficult to ensure consistency and standardization in the process.

4 Spreadsheets limit collaboration and control

RFP decisions often include many stakeholders from Engineering to Finance.

However, spreadsheets weren't built to be used by multiple people at once. As a result, it's common to find yourself poring over multiple versions of the same spreadsheet, trying to determine which is the current one. The end result is yet more manual data entry to harmonize the various copies.

This is not just a hassle, but also a source of risk. Unlike a database, spreadsheets contain no version control or audit trails — leaving you with no record of who accessed a document and what information they changed.

5 Spreadsheets keep your data siloed

How many spreadsheets would you have to consult to determine the total spend and savings of your procurement department this year? When procurement data is siloed in spreadsheets and physical files, it takes a lot of manual effort to report on metrics. Many organizations just don't have the bandwidth. This leaves them with incomplete visibility over their spend and missed opportunities for consolidation and cost savings.

Fortunately, procurement teams have another option: sourcing software is built to support the entire bid and RFP process online, allowing procurement teams to reduce manual work and evaluate bids and RFPs more efficiently.

Schedule a demo to see how Bonfire Strategic Sourcing software helps public procurement teams **reduce risk and run faster bids and RFPs.**