

Purchase Price Variance Tracker

How-to guide: what the workbook does, how to use it and what every number means.

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Purchase Price Variance Tracker

Log every receipt against its standard price and see net, unfavourable and favourable PPV by month, supplier, category and item.

For: Buyers, purchasing managers, cost accountants and plant controllers who explain material cost against standard.

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Quick start

1. On Setup, type your company, currency, PPV tolerance and line flag limit, then replace the example suppliers, categories and items with their standard prices.
2. On PPV Log, add one row per receipt or invoice line: date, PO number, supplier, item, quantity and the actual price paid per unit of measure.
3. Read the Check column: anything other than OK names the problem in words. Line status flags prices beyond your limit.
4. Open the Dashboard and pick a category or a date range (for example one month) to review PPV.

What is in the workbook

Start Here	Read this first: what the workbook does and how to use it.
Setup	Your company, currency, PPV tolerance and the standard price of every purchased item.
PPV Log	One row per receipt or invoice line: quantity and actual price; the standard price comes from Setup.
Dashboard	Net, unfavourable and favourable purchase price variance for the category and dates you choose.
Method	How every number is calculated, with assumptions, limits and sources.
Verify	Self-check: the workbook's formulas recomputed on fixed inputs against an independent reference.

What each number means

Quantity	How it is calculated	Units
Standard price	Looked up from the Items list on Setup by item (INDEX/MATCH), per unit of measure.	currency/UoM
Actual cost	Quantity x actual price per unit of measure.	currency
Standard cost	Quantity x standard price.	currency

Quantity	How it is calculated	Units
PPV	Actual cost - standard cost = quantity x (actual price - standard price). Positive is unfavourable (you paid more), negative favourable.	currency
PPV %	(Actual price - standard price) / standard price for a line. Over several lines: total PPV / total standard cost.	%
Direction	Unfavourable when PPV > 0, Favourable when PPV < 0, At standard when it is zero.	-
Line status	On target when the line's PPV % is at or below the line flag limit on Setup, Near target up to 5% above it, Above target beyond.	-
Unfavourable and favourable PPV	SUMIFS of PPV over lines with PPV > 0, and over lines with PPV < 0. Net PPV is their sum.	currency
Net PPV % of standard spend	SUMIFS(PPV) / SUMIFS(standard cost) over the lines in view, judged against the PPV tolerance on Setup (On target at or below it).	%
Dashboard roll-ups	Every figure is a SUMIFS or COUNTIFS over the PPV Log restricted to rows whose View date is filled in (inside the category and date filters). Months run from the 1st to the end of the month (EDATE).	-
Item Pareto	Unfavourable PPV per item, ranked largest first by COUNTIF ranks (ties keep list order), with share and cumulative share. Helper columns AO:AQ on the Dashboard (hidden) hold the unsorted values and ranks.	currency, %

Assumptions, limitations, sources and the self-check (the Verify sheet, which recomputes the workbook's formulas on fixed test inputs) are in the workbook. The last page shows the Dashboard with the example data for Kestrel Valve Co., a fictional business.

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Engineering estimates for planning and improvement work. Verify the results against your own process, data and standards before you rely on them.

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Category

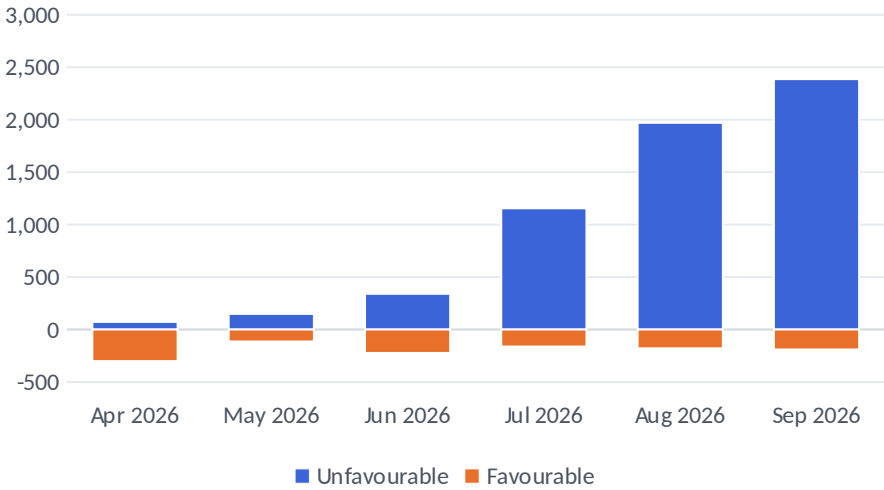
From

To

Showing 118 receipt lines for Kestrel Valve Co. (example). PPV is actual minus standard: positive = paid more than standard (unfavourable). Leave the filters blank to include everything.

NET PPV (USD)	NET PPV % OF STANDARD SPEND	UNFAVOURABLE PPV (USD)	FAVOURABLE PPV (USD)
4,905	+2.0%	6,073	-1,168
Actual - standard; positive = unfavourable	Limit +1.0%	Lines paid above standard	Lines paid below standard
	Above target		

PPV by month



Net PPV by supplier

