

The 11 Worst Spreadsheet Errors of All Time



Research shows that close to 90% of spreadsheet documents contain errors



Approximately 50% of spreadsheets used by large businesses result in material defects.

Even the most meticulously-created and tested spreadsheets still have errors in 1% of all formula cells.



In fact, 1 in 5 large businesses have suffered financial losses as a result of spreadsheet errors.

Even though most large companies can handle losses caused by spreadsheets, small and medium businesses usually cannot. So how do businesses stop these errors? Unfortunately, despite a spreadsheet being a powerful tool for data analysis, it is dangerous even in the hands of experienced users. Something as simple as a missing negative sign, mistyped parenthesis, or a cut-and-paste error can result in a billion-dollar consequence.

As spreadsheet usage grows, complexity grows. And with complexity comes more opportunities for mistakes.

These 11 companies understand the impact of spreadsheets errors first-hand.

1

The \$24 million error

A simple cut and paste error in a spreadsheet cost TransAlta \$24 million. The snafu caused the Canadian power company to buy more US power transmission hedging contracts at much higher prices than it should have.



2

The 10,000 ticket discrepancy

A single keystroke mistake for the London Olympics Committee meant "20,000" was typed into a spreadsheet cell instead of "10,000," resulting in accidentally selling 10,000 tickets for non-existent seats at four minor heats of synchronized swimming. When the mistake was caught, the committee had to upgrade tickets for major events—at a loss.



3

The \$2.6 billion mistake

Fidelity Investments was forced to withdraw a promised year-end distribution of \$4.32 per share to shareholders in its Magellan Fund. The problem? A missing negative sign in a spreadsheet. Despite having many computerized processes, this investment giant still required accountants to manually transcribe data into a spreadsheet.



4

The \$9 million loss

The Eastman Kodak Company added \$9 million to its third-quarter loss after a spreadsheet error. The accounting mistake was caused by one single employee after they miscalculated the severance cost. CFO Robert Burst called the error "an internal control deficiency that constitutes a material weakness."



5

The 25% loss of shares

RedEnvelope's CFO resigned and shares fell more than 25% after a catastrophic sales and budgeting error. A number was entered incorrectly in one cell of a spreadsheet which meant an overestimation of gross margins.



6

The missing \$2.4 million

A spreadsheet formula typo meant the University of Toledo had \$2.4 million less than they budgeted for. The mistake led university leadership to overestimate revenue. University officials admitted systemic changes needed to happen in order to provide more safeguards in the future.



7

The \$3.7 million omission

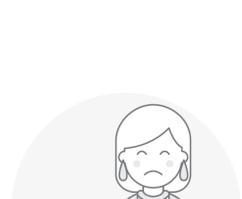
The large construction company Emerson realized they were \$3.7 million short in an estimation of the total cost of a contract bid. They discovered that one cell in a spreadsheet (which held the costs for electrical work) was not included in the formula that calculated total cost.



8

The cost of 179 contracts

During the Lehman Brothers bankruptcy proceedings, Barclays Capital used a spreadsheet to list the Lehman contracts it planned to purchase. The spreadsheet also included properties it did not intend to purchase which were mistakenly hidden instead of being deleted. When the spreadsheet was reformatted into a PDF for the court, the new version included those hidden rows and Barclays was legally committed to purchasing 179 additional contracts. Barclays incurred the losses for an undisclosed sum.



9

The \$6 billion oversight

JP Morgan significantly underestimated the downside of its synthetic credit portfolio after using several incorrect equations in a spreadsheet and relying on copy-and-paste processes of large data cells. The bank suffering over \$6 billion in losses and fines.



10

The \$1 billion embarrassment

Fannie Mae had to restate its third-quarter financials after the company's finance team relied on spreadsheets with calculation errors. While undergoing an accounting software update, employees utilized spreadsheets to implement a new accounting standard. The spreadsheets accounting skewed results by over \$1 billion.



11

The \$10 million discrepancy

Westpac unexpectedly stopped trading on its shares and was forced to deliver an annual profit briefing a day early after sending a spreadsheet to analysts containing profit details. Through minor manipulation of the spreadsheet, the minor manipulations were visible after removing the black cell background meant to hide the data.



So how do businesses stop these errors? The answer is simple: find a better solution than spreadsheets. When tracking financials, deliverables, or any other critical information, look for a highly-visible workflow solution that centralizes data in one place and provides safeguards to ensure (and preserve) data integrity.



Schedule a demo to learn how you can digitize your manual processes within weeks.

ABOUT TRACKVIA®

TrackVia's no-code platform empowers citizen developers within organizations to instantly configure and use modern web and mobile apps to better track data, projects, and work. TrackVia is most often used to replace unwieldy spreadsheets, digitize manual or paper processes, and extend corporate systems to front-line employees. People from Honeywell, Volcafe, and Danella reduced costs and increased efficiencies by digitally transforming how they tracked their daily operations using TrackVia. For more information, visit www.trackvia.com.

1 Panko, "What We Know About Spreadsheet Errors," Journal of End Users Computing
2 Penko, "What We Know About Spreadsheet Errors," Journal of End Users Computing
3 Business Insider
4 The Telegraph
5 MarketWatch
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7 ToledoBlade
8 U.S. Government Accountability Office
9 AccountingWeb
10 WashingtonPost
11 NYTimes
12 Sydney Morning Herald