

The cost of manual order entry

A £4M personalised-homeware brand selling across Shopify, Amazon and Etsy, run by seven people on Xero and three spreadsheets. Nothing is on fire and nobody is doing anything wrong — which is exactly why the leak survives. Here is where roughly £103,000 a year goes, with every calculation shown so you can re-run it on your own numbers.

VERTICAL**Personalised homeware****REVENUE****£4M / yr****TEAM****7 people****CHANNELS****Shopify, Amazon, Etsy****STACK****Xero + 3 spreadsheets****WHERE THE MONEY ACTUALLY GOES**

Re-keying the same order three times

≈ £38,400

- 2 people × 2 hrs/day × 5 days × 46 working weeks = 920 hours a year of order entry
- 920 hrs × £20/hr loaded cost (salary plus employer NI and pension) = £18,400 in time
- Keying-error tax: 1% of orders carry a material entry error — the optimistic end of published manual order-entry error rates of 1-3%
- 1% of £4,000,000 of order value = £40,000 of order value passing through a mistake (errored orders taken at average order value)
- Most errors are caught, so the cost is the remake, re-ship, credit or discount rather than the whole order — attribute a conservative half to re-keying = £20,000
- £18,400 + £20,000 = £38,400

≈ £38,400 a year — before anyone has lost a customer over it.

The spreadsheet only one person understands

≈ £30,600

- Maintaining and reconciling the stock and ordering sheet: 5 hrs/week × 46 weeks = 230 hours a year
- 230 hrs × £20/hr = £4,600 in time
- Ordering on stale figures: 0.65% of turnover lost to over-ordering, expedited top-ups, and margin given away clearing what should not have been bought
- 0.65% of £4,000,000 = £26,000
- £4,600 + £26,000 = £30,600

≈ £30,600 a year — and a business that cannot let one person take a fortnight off in peak season.

No live view of stock and orders

≈ £34,000

- Stockouts on fast lines: 0.45% of turnover in orders that could not be taken or were cancelled
- 0.45% of £4,000,000 = £18,000 in lost contribution and demoted listings
- Dead and slow stock: 0.40% of turnover tied up in stock cleared at or below cost, plus carrying and storage
- 0.40% of £4,000,000 = £16,000
- Combined 0.85% of £4,000,000 → £18,000 + £16,000 = £34,000

≈ £34,000 a year — the leak you can feel but cannot point at.

TOTAL, PER YEAR

£103,000

What closing it looks like

- The order is entered once. It arrives from Shopify, Amazon, Etsy or an email PDF and lands in one place that production, picking and invoicing all read from — the 920 hours mostly stop existing rather than getting faster.
- Personalisation stops being free text. Engraving detail is captured as structured data at the point of sale, so the studio reads what the customer typed rather than what somebody retyped.
- The fragile sheet retires. Stock and ordering logic moves somewhere the whole team can read, so the coordinator can take a holiday and nobody has to be the system.
- Stock and commitments are current. What is on the shelf, what is part-made and what is already promised sit in one view, so buying runs on today's position with real purchase order tracking instead of a column called 'ordered?'.
- On payback, honestly: a right-sized operations system for an operation this size sits in the £10k-£25k range. Against a £103,000 modelled leak that is a first-year payback, often on leak one alone — but only if the leak is real at your volumes, which is what the audit establishes.

THE ASSUMPTIONS BEHIND EVERY FIGURE

- Loaded labour cost of £20/hour (salary plus employer NI and pension). ONS ASHE 2025 puts median gross hourly earnings excluding overtime for UK full-time employees at £19.67 in April 2025 — substitute your own.
- 46 working weeks a year, allowing for holiday and bank holidays.
- 1% keying-error rate at order level. APQC benchmarks put manual order-entry error rates at 1-3%; a meta-analysis of clinical data processing puts single data entry at 0.29% per field, which compounds across the dozen-plus fields on an order. 1% is the cautious reading of both.
- Half of the modelled error value attributed to the re-keying step, the rest to everything else that touches an order.
- 0.65% of turnover lost to buying decisions made on stale spreadsheet figures. This is the softest input here — inferred from what the sheet decides and how out of date it typically is.
- 0.85% of turnover lost to stock distortion (0.45% stockouts, 0.40% dead and slow stock). IHL Group put the global cost of out-of-stocks and overstocks at roughly £1.33 trillion (converted) for 2023 — a retail-wide total, not a rate to apply directly. The 0.85% here is set independently and deliberately low.
- Figures are rounded and illustrative. They describe a representative operation of this size and stack, not a named client. No testimonials, no claimed results.

How to read this. This is a worked example of a representative operation — not a named client. Every figure above is a transparent calculation, shown so you can substitute your own numbers and argue with the result. No testimonials, no invented results.

Run it against your real numbers.

The free Operations Leak Audit does this exercise on your actual operation: where it leaks, what that costs, and what closing it would involve. No commitment — you keep the findings either way.

[Book a free Operations Leak Audit](#)

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