

Guide to Good Spreadsheets

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Organizing Spreadsheets

One of the most useful features for creating good spreadsheets isn't anywhere in the software—it's in your head. Constructing the spreadsheets well will make some features unnecessary, others more powerful, and life easier in general.

Break Data Down Into Its Smallest Parts

Whenever possible, put the smallest piece of data possible into a cell. For instance, put First Name in one cell and the corresponding Last Name in the cell next to it.

	A	B	C	D	E	F	G
1	Firstname	Lastname	Address1	Address2	City	State	Postalcode
2	Marion	Anderson	404 Pearl	Suite 2	Boulder	MT	59901
3	Paul	Verana	88 Ludlow		Kalispell	CO	80026

This allows you to:

- ◆ Sort and filter by any piece of data
- ◆ Reverse the order the data is shown in
- ◆ Link from another cell or spreadsheet to the specific data you want.

Put Everything You Use in a Cell

There are certainly exceptions to this, of course. But generally, put the parts of your calculations in cells and refer to them, rather than putting the numbers into the calculations directly.

Here's an example. The tax percentage is a separate cell, rather than a literal part of each calculation. If the tax percentage changes, it's easier to change in one place than three—or 300.

	A	B	C	D
1		Income	Tax Percentage	Net Income
2	2001	\$45,889.00	35.00%	\$29,827.85
3	2002	\$55,778.00		\$36,255.70
4	2003	\$64,100.00		=B4 - (B4 * \$C\$2)

Reference, Don't Copy

If you need to use a piece of data that's already in the spreadsheet, simply refer to it. Don't retype or copy the data. Also considering referencing the data if it's in an entirely different spreadsheet. See *Referencing Other Cells and Spreadsheets* on page 365.

	A	B	C	D
1		Income	Tax Percentage	Net Income
2	2001	\$45,889.00	35.00%	\$29,827.85
3	2002	\$55,778.00		\$36,255.70
4	2003	\$64,100.00		\$41,665.00
5				
6				
7			Highest income:	=D4

Don't Use a Spreadsheet as a Text Document

Spreadsheets are great for chunks of data and calculations. If you want to combine text with data, though, use a text document and reference the data in a separate spreadsheet. See *Skip the Tables—Use a Spreadsheet* on page 239.

This approach can be a lot of work to merge the cells and space the lines vertically, and can potentially cause problems with text flow.

	A	B	C	D
1		Income	Tax Percentage	Net Income
2	2001	\$45,889.00	35.00%	\$29,827.85
3	2002	\$55,778.00		\$36,255.70
4	2003	\$64,100.00		\$41,665.00
5				
6			Highest income:	\$41,665.00
7				
8		We believe that we can improve net income by 22% if we		
9		invest in some offshore accounts and divest ourselves of		
10		high tax investments. We believe that we can improve net		
11		income by 22% if we invest in some offshore accounts		
12		and divest ourselves of high tax investments. We believe		
13		that we can improve net income by 22% if we believe		
14		that we can improve net income by 22% if we		
15				
16		Income	Tax Percentage	Net Income
17	2004	\$88,000.00	42.00%	\$57,200.00
18	2005	\$87,999.00		\$57,199.35
19	2006	\$98,774.00		\$64,203.10
20				
21			Highest income:	\$64,203.10
22				
23		We believe that we can improve net income by 22% if we		
24		invest in some offshore accounts and divest ourselves of		
25		high tax investments. We believe that we can improve net		
26		income by 22% if we invest in some offshore accounts		
27		and divest ourselves of high tax investments. We believe		
28		that we can improve net income by 22% if we believe		
29		that we can improve net income by 22% if we		
30				

Use Multiple Sheets Rather Than Multiple Documents

If you have a lot of related data, remember to use all the sheets, and create more if necessary. It's easier to keep track of one document than several. Additionally, if you reference data within the spreadsheet, you don't risk breaking the links as you do when linking between documents. To insert a new sheet, just choose Insert > Sheet.



Separate Calculations From Data

If you're working with complex spreadsheets with multiple sheets (big financial models, for instance), separate out the detailed calculations from the inputs and results. It is even possible to hide and lock access to the calculations sheets in cases where other users are going to use the document and you don't want them messing with the calculations. To control access, see *Cell and Sheet Protection* on page 357.

Formatting Spreadsheet

Color, borders, and other visual cues are your friend. Spreadsheets can be very detailed and confusing, so emphasize the important information with formatting. See *Cell Formatting* on page 355.

Presenting Spreadsheets

If you're building of presentation spreadsheets for multiple models that you'll present in a meeting, create a few summary sheets where you show the graphs, data, and other information for several different sets of variables. Show the input fields for the few key parameters that really drove the model. Then, you can plug in new numbers right in the meeting when other attendees want to see different values for the variables.