Executive Summary: Accounts Payable Cycle Time Reduction

This project analyzes and optimizes the organization’s end-to-end Accounts Payable (AP) Invoice-to-Pay process using **3,000 ERP transaction records**. The analysis identified that the primary driver of the prolonged **13-day invoice cycle time** was human-driven delays, with **78% of total processing time** attributed to Approver wait time rather than system performance.

Using BPMN, the To-Be workflow introduces targeted automation, including **Auto-Approval for low-value matched invoices**, centralized intake and OCR validation, and **timer-based escalation events** to enforce operational SLAs. These improvements are projected to reduce cycle time to **under 5 days** and cut manual touchpoints, directly enhancing vendor reliability and financial close accuracy.

Solution & Key Requirements

The project delivers a **To-Be Automated AP Workflow** designed to eliminate these bottlenecks by focusing on three key requirements:

1. **Auto-Approval Bypass:** Implementation of smart routing logic to automatically approve and post low-value invoices (under $1,000) with a successful 3-Way Match, immediately eliminating the bottleneck for low-risk transactions.
2. **Mandatory Escalation:** The system enforces accountability by automatically triggering a reminder and escalating the task to the manager if approval is not secured within a **48-hour deadline**.
3. **Centralized Ingestion:** Utilizing OCR/API technology to centralize all incoming invoices, eliminating manual data entry and shifting the AP team's role to value-added exception resolution.

Projected Impact

The implementation of the To-Be process is projected to successfully reduce the average invoice cycle time to **<5 days**. This will significantly decrease risk associated with late payments, improve vendor relationships, and free up the AP team to focus on resolving exceptions.