5 Whys Analysis: Invoice Approval Delay

Project: Invoice Process Improvement
Date: October 10, 2025
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Version: 1.0

1. **Symptom to Analyze:**

   - Primary Symptom: 13-day average delay in invoice approval (Stages 1 & 2)

   - Supporting Data: 12.12% SLA compliance (Stage 1), 18.48% (Stage 2)

2. **Initial Hypothesis:**

   - Approvers are too busy

   - Invoices are complex

   - AP submits at wrong times

   - System is slow

3. **The 5 whys exercises:**

> 🖐 **SESSION 1: Oct 5, 2025**
> **Participants: AP Manager, Senior AP Analyst, Department Head (Finance)**
> **FIRST PASS (Surface Level):**
> Why #1: Why is the approval taking 13 days?
> → Because approvers don't act on invoices quickly.
> Why #2: Why don't approvers act quickly?
> → Because they forget or deprioritize the emails.
> Why #3: Why do they forget/deprioritize?
> → Because there's no reminder system or urgency indicator.
> Why #4: Why is there no reminder system?
> → Because tracking is done manually in Excel.
> Why #5: Why are we using manual Excel?
> → Because IT never provided a workflow tool.
> **Tentative Root Cause: Lack of automated workflow system.**

SESSION 2: Oct 7, 2025
Participants: AP Team, IT Representative, Procurement Head
DEEPER DIVE (Challenge Assumptions):
[Questioning Why #2]: "Do approvers REALLY forget, or is there another reason?"
New insight from DH interview: "I get 100+ approval emails daily from various systems.
Yours looks identical to low-priority requests."
Revised Why #2: Why don't approvers act quickly?
→ Because invoice approval requests lack visual priority differentiation and get buried.
Revised Why #3: Why do they lack priority indicators?
→ Because the email system doesn't integrate with invoice aging data.
New insight discovered: It's not just "no reminders" - it's "no intelligent prioritization."

4. **Alternative Paths Explored:**

- **Path A (People Focus):**

    ○ 1. Delay → 2. Approvers busy → 3. Too many meetings → 4. No delegation policy → 5. HR hasn't trained on delegation

- **Path B (System Focus):**

    ○ 1. Delay → 2. No reminders → 3. Manual tracking → 4. No workflow tool → 5. Process never formalized

- **Path C (Policy Focus):**

    ○ 1. Delay → 2. Two approvals required → 3. Policy from 2018 → 4. Fraud prevention measure → 5. Never reviewed for efficiency

5. **Validation Evidence**

Data Supporting Chosen Path:

- Rework invoices (with manual chasing) are 17% faster

- 0% of approvers use delegation feature

- IT confirmed no workflow tool was ever requested

Data Contradicting Other Paths:

- Approvers report 15-30 min/day on invoices (not "too busy")

- 16% of delayed invoices are under $1K (not complex)

6. **Final Root Cause Statement**

After 3 sessions and validation, the root cause is:

> "Lack of an automated workflow system with intelligent prioritization, reminders, and escalation paths,
> resulting from the invoice approval process never being formally documented or prioritized as a business
> requirement until vendor complaints surfaced."