FICTIONAL WORKED EXAMPLE

Supplier invoice exception workflow

A sample of the evidence, options and decision format a TightShip diagnostic produces. The organisation and every figure in this document are fictional.

FICTIONAL ORGANISATION | ONE WORKFLOW | DECISION PACK

1,800
INVOICES EACH MONTH

18%
ENTER EXCEPTION HANDLING

6.1 days
MEDIAN QUEUE AGE

EXECUTIVE ANSWER

The visible AP queue is not the root cause.

Most exceptions enter earlier through purchase-order discipline, receipt confirmation, supplier-master quality and unclear approval delegation.

RECOMMENDED PATH

Proceed with a bounded control change.

Fix the upstream rules first. Add narrow exception detection only where it removes delay without weakening financial control. Re-baseline after the pilot before claiming value.

DECISION

Proceed, with conditions

- One business unit and one invoice class
- No autonomous posting
- Finance approval remains in place
- Four-week observation window
- Stop if data quality or control performance weakens

Illustrative recommendation only. This is not a client outcome or promised result.

EVIDENCE REGISTER

EVIDENCE	CONFIDENCE	FINDING
Invoice and exception export	High	**18% exception rate**
Handling sample	Medium	**13.5 minutes per exception**
Late-fee ledger	High	**$28,400 annualised**
Discount review	Medium	**$19,600 annualised opportunity**
AP interviews	Medium	**Symptoms confirmed, not root cause**

02 · WHAT KEEPS RECREATING THE PROBLEM

The queue begins upstream.

AP detects the exceptions. Ordering, receipting, supplier setup and approval delegation create most of them.

ROOT-CAUSE PATTERN

37% — **Receipt not confirmed**
Goods arrived, but the transaction was not completed.

24% — **PO price or quantity mismatch**
The order and invoice disagree.

16% — **Supplier-master issue**
Reference or account data is incomplete.

13% — **Duplicate suspicion**
The control holds a transaction for review.

10% — **Approval owner unavailable**
No clear delegate owns the decision.

INTERVENTION OPTIONS

A — **Add AP capacity**
Reduces the queue temporarily. Leaves upstream causes untouched.

B — **Automate every exception**
Moves faster, but creates unnecessary control risk and hides poor inputs.

C — **Fix controls, then add narrow detection**
Addresses creation points and uses automation only for stable, observable patterns.

D — **Do nothing**
Avoids implementation cost but accepts the recurring queue, fees and delay.

ILLUSTRATIVE ECONOMICS

73 hrs
MONTHLY CAPACITY RELEASED

$34k
POTENTIAL ANNUAL COST EFFECT

$130k
GROSS ANNUAL VALUE HYPOTHESIS

Why it qualifies: the fictional model combines about $96,000 in annual capacity value at a $110 loaded hourly rate with about $34,000 in external-cost reduction. That clears the $100,000 investigation guide. Capacity is not cash, benefit classes stay separate, and net value must deduct implementation and run costs.

03 · IMPLEMENTATION DECISION

Proceed only if the controls and evidence hold.

BOUNDED IMPLEMENTATION

What changes

- Receipt-confirmation ownership and escalation
- Purchase-order tolerance rules
- Supplier-master completeness checks
- Approval delegation
- Narrow exception classification and routing

WHAT DOES NOT CHANGE

- No autonomous invoice posting
- No new supplier creation by the automation
- No override of segregation-of-duties controls
- No removal of required financial approval

STOP CONDITIONS

- False classification exceeds the agreed tolerance
- Required source data is unavailable or unreliable
- Control exceptions rise during the pilot
- The operational owner cannot sustain the new process

MEASUREMENT PLAN

Baseline before benefit

Exception rate	**18%**
Median queue age	**6.1 days**
Handling time	**13.5 min**
Late fees	**$28.4k pa**
Missed discounts	**$19.6k pa**

Observe weekly during the pilot and monthly for three months. Operations confirms the operating change. Technology confirms system performance. Finance owns financial classification and verification.

ILLUSTRATIVE DECISION

Proceed with Option C.

Pilot one business unit and one invoice class. Keep financial approvals intact. Re-baseline after four weeks. Expand only if exception rate, queue age and control performance improve together.

What a real diagnostic would add: named owners, source references, data lineage, confidence notes, implementation dependencies, control sign-off and an executive readout grounded in the buyer's own evidence.

This document demonstrates the format and evidence discipline only. It is not a case study, testimonial or promised outcome.

PRESSURE-TEST ONE WORKFLOW