

Toward the Sounds of Chaos

Lessons Learned from the US Marine Corps Applied to AP Automation



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Agenda



- **Chaos in AP and the Fog of War**
- **The Marine Corps Troop Leading Steps**
- **Innovation in AP Automation**
- **Question & Answer**

What is this about?



Comparing Accounts Payable to USMC



- Making decisions with imperfect information
- Difficulty visualizing the end-to-end process
- Information locked in disparate systems
- Settling for the status quo is easier than change - "complacency kills"



“In every battle I set out to create chaos in the enemy’s thinking, using deception and turning faster inside his decision loop, always assuming that he would adapt.”

Call Sign Chaos, General James Mattis, USMC (Retired)

BAMCIS

The Marine Corps Troop Leading Steps



Begin Planning

Gain clarity into your AP challenges

- High Staffing & Overhead Costs
- Late Payments & Frustrated Vendors
- High Employee Turnover
- Inability to Keep Up with Business Pace
- Delayed Month-End Close & Reporting

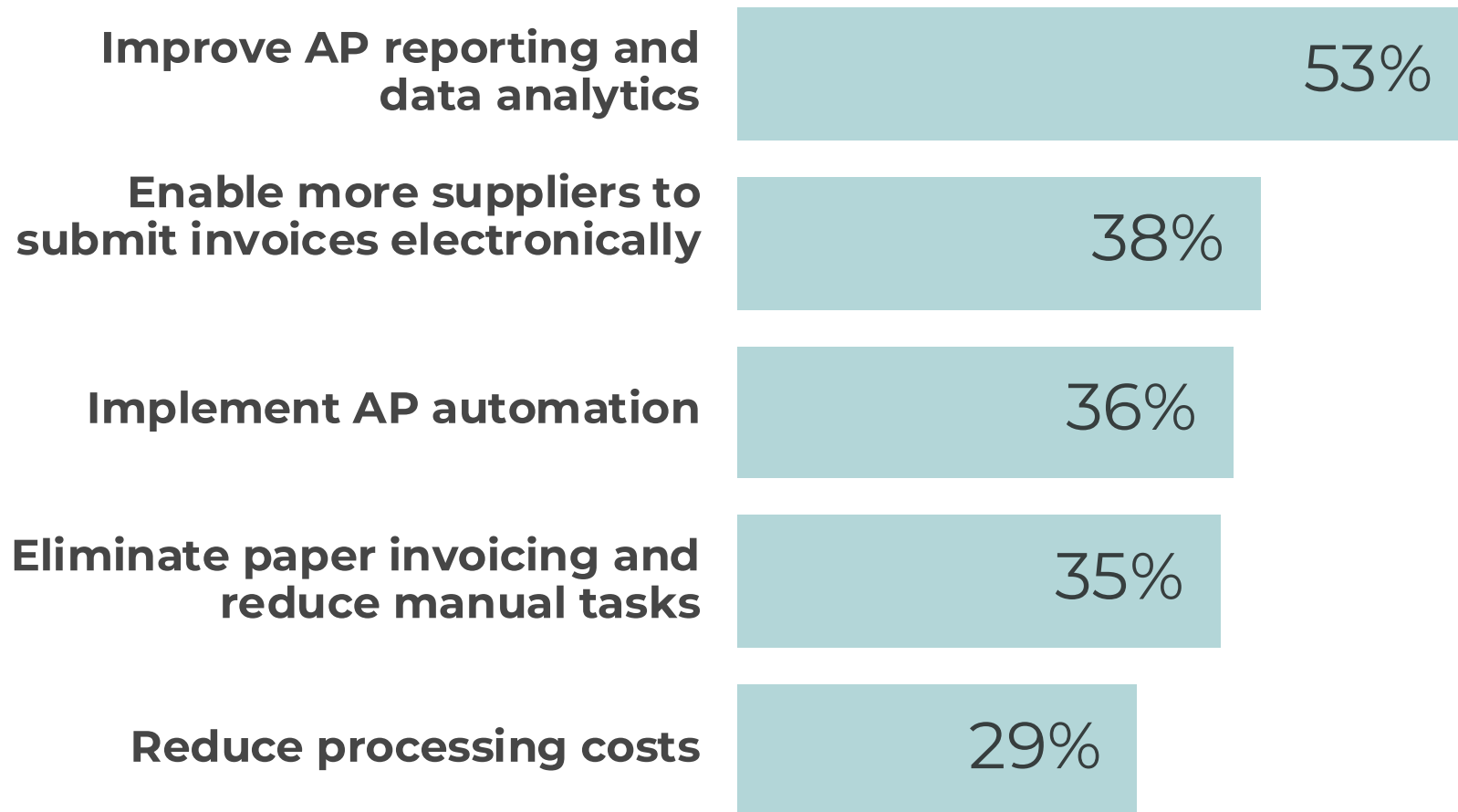


What are your organization's top AP priorities this year?

- Improve AP reporting and data analytics
- Enable more suppliers to submit invoices electronically
- Implement AP automation
- Eliminate paper invoicing and reduce manual tasks
- Reduce processing costs

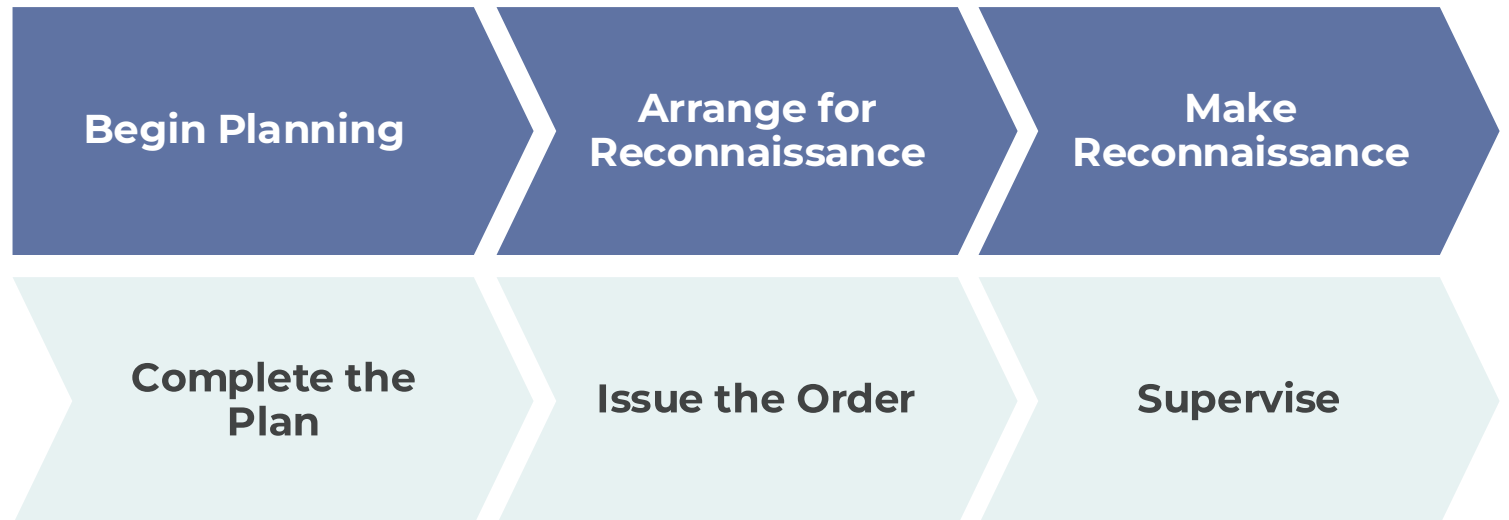


AP's Strategic Agenda



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Accounts Payable Benchmark KPIs



Average



Best-In-Class

Invoice Cycle Time

10.1 Days

3.4 Days

Electronic Payments %

62%

100%

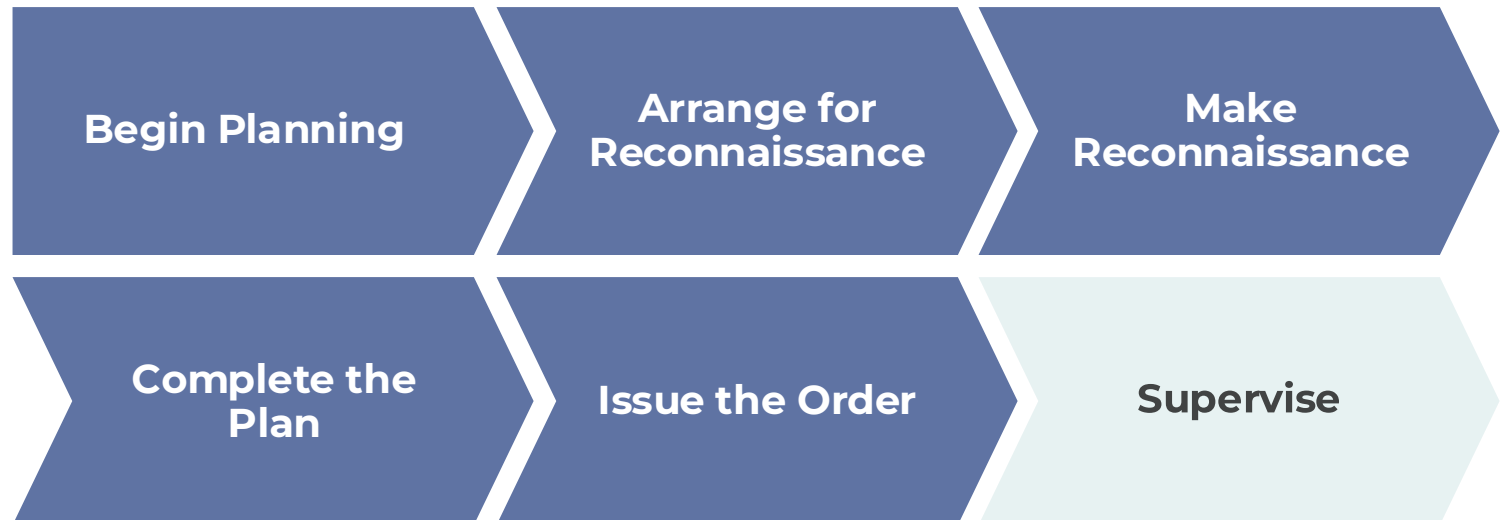
Invoice Processing Cost

\$9.87

\$2.81

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The Marine Corps Troop Leading Steps



Acme Corporation



Situation

- Acme is the world's leading manufacturer of anvils, bird seed, and rocket-powered pogo sticks
- Top line growth of 50% in 2024
- AP is a blocker to business growth, negatively impacting strategic supplier relationships
- Invoice cycle time = 20 days
- AP Team of 4
 - Manually processing 2,000 invoices per month
 - Bi-weekly check runs take a full day for one person
 - Spend two hours per day responding to vendor inquiries
 - One AP clerk just gave two weeks notice

Acme Corporation



Mission

In 2025, the AP team will decrease invoice cycle time to less than 5 days in order to unblock business growth

Acme Corporation



Execution

- How does Acme improve invoice cycle time by 75%?
- Throwing people at the problem is untenable
- Half of the 20 day invoice cycle is spent waiting on department heads to approve invoices in their ERP
- Risk-averse AP team prefers the status quo over complex projects with risk of failure

Acme Corporation

Case for AP Automation



Reduce Supplier Inquiries



Eliminate In-Office Check Printing



Automate Invoice Capture



Improve AP Reporting & Analytics



Systematize Approvals

Acme Corporation

Enemy Situation – friction that could prevent mission accomplishment



EMLCOA

Status Quo
Overwhelms AP
Automation Project
Progress



EMDCOA

Lack of IT Resources
Results in
Implementation Failure



Center of Gravity

Procurement Does Not
Stop for an Internal
Project

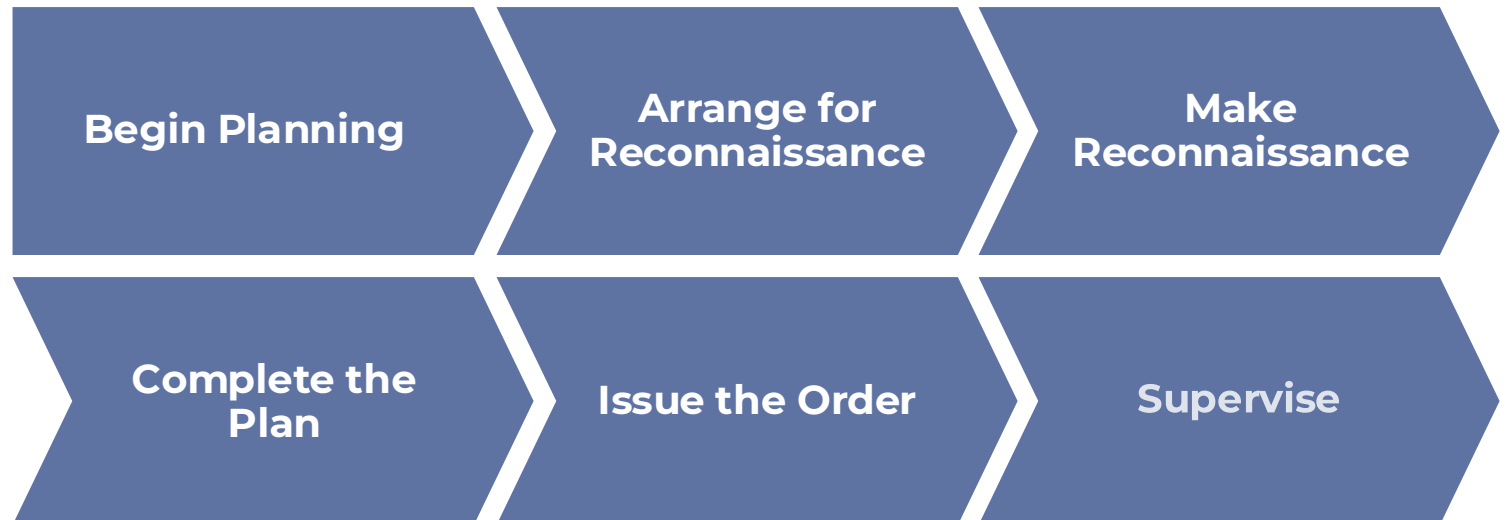


Critical Vulnerability

Outsource Payment
Processing - Immediately
Results in 2 AP Days
Gained Per Week

BAMCIS

The Marine Corps Troop Leading Steps



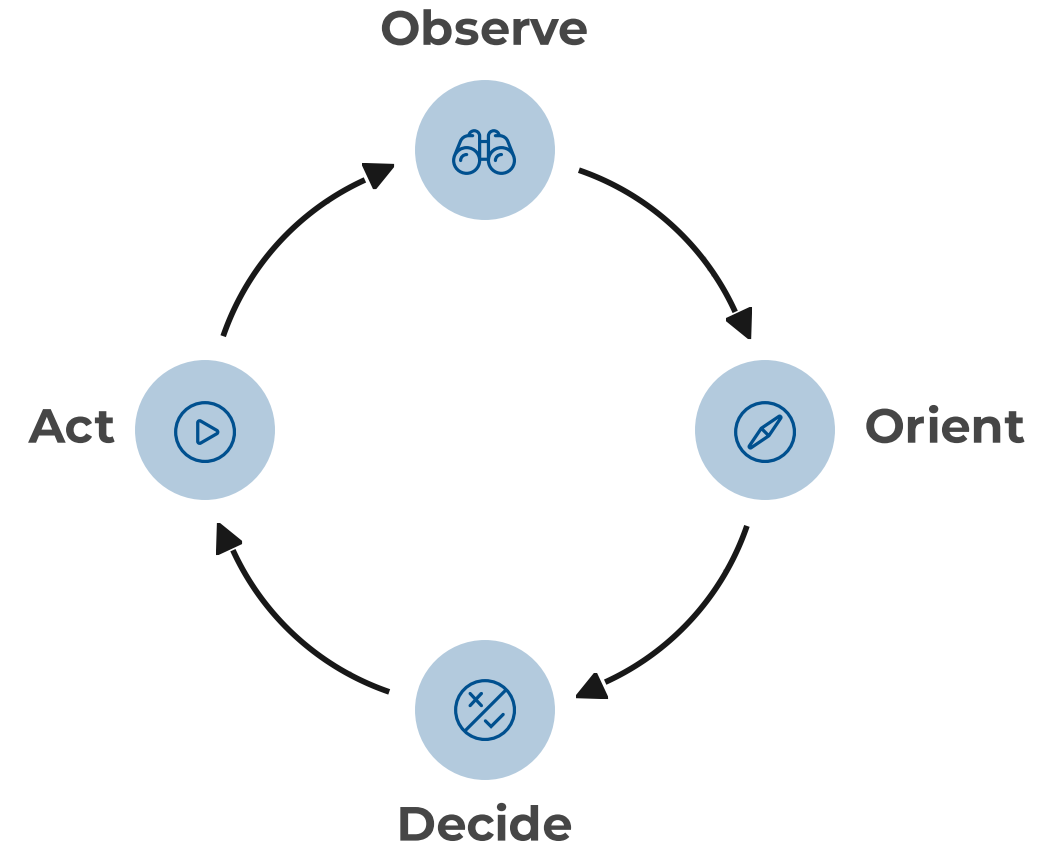
“The best laid plan
never survives first
contact with the
enemy.”

Helmuth Karl Bernhard Graf von Moltke, Prussian Field Marshall



The OODA Loop

Agility can overcome raw power



Acme Corporation

Agility can overcome raw power



Observe

IT Department Bogged Down with Procurement Project, Proposing AP Automation Delay to 2026



Orient

AP Automation Project Must Require Minimal Integration Effort



Decide

Select an AP Automation Vendor with a Native ERP App



Act

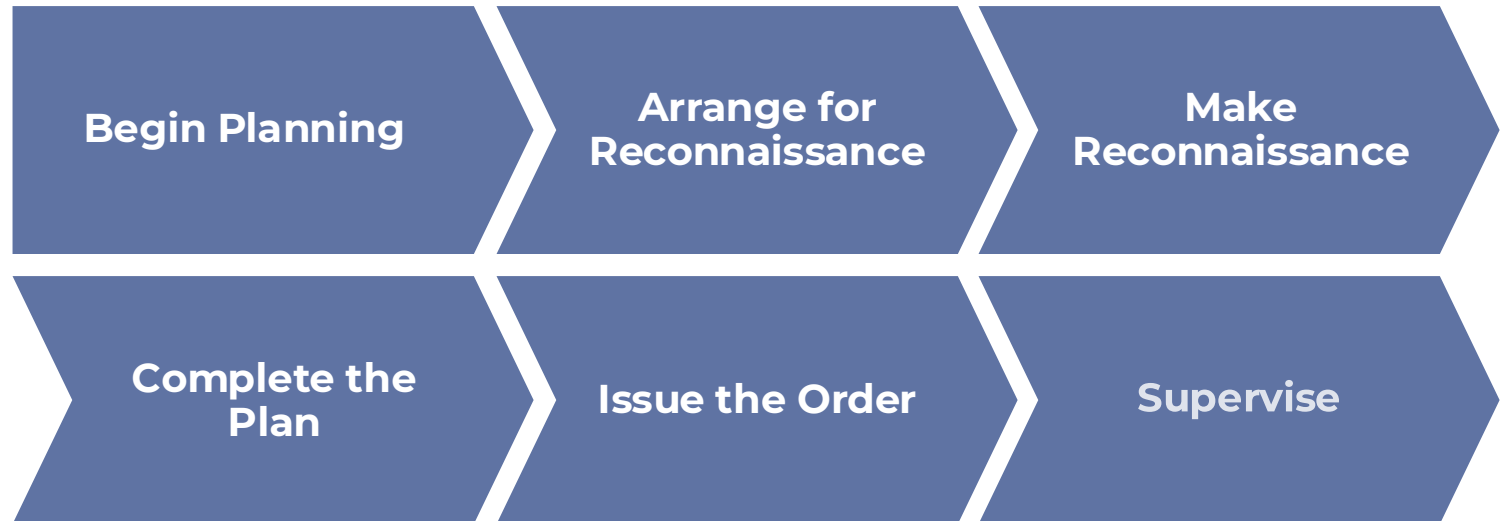
Narrow AP Automation Vendor Evaluation to Top Candidates with Native ERP App



“In every battle I set out to create chaos in the enemy’s thinking, using deception and turning faster inside his decision loop, always assuming that he would adapt.”

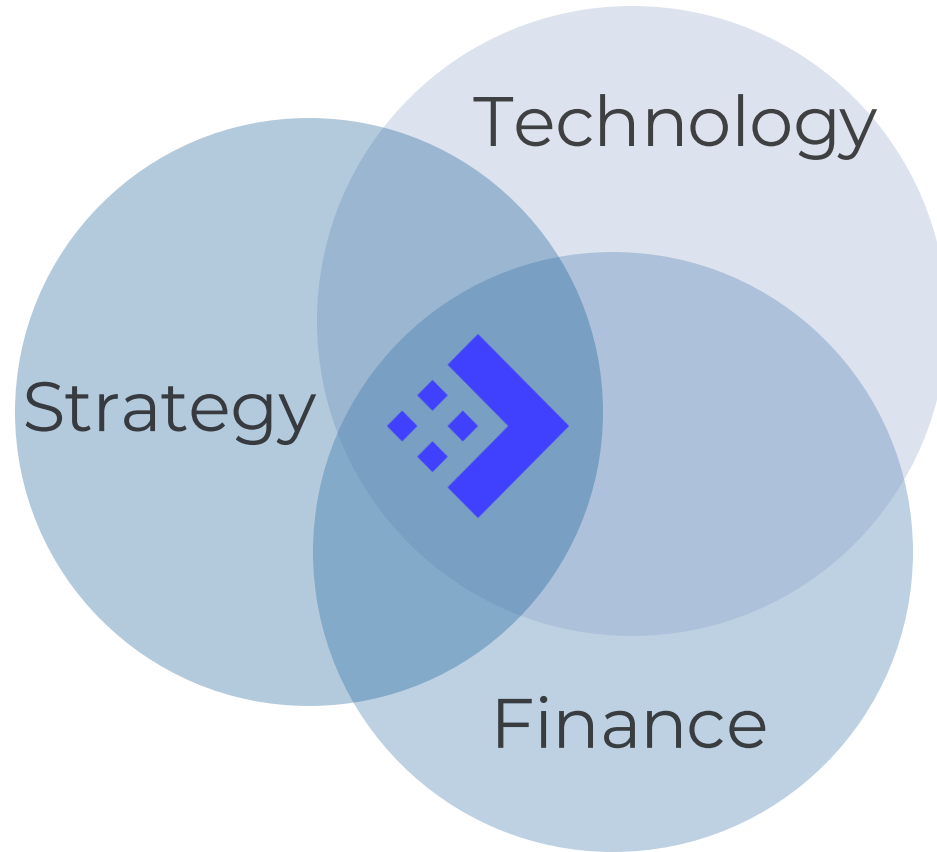
Call Sign Chaos, General James Mattis, USMC (Retired)

Wrapping Up



SquareWorks Automate

Dissolve the boundaries between finance, technology and strategy



We're bringing this about through

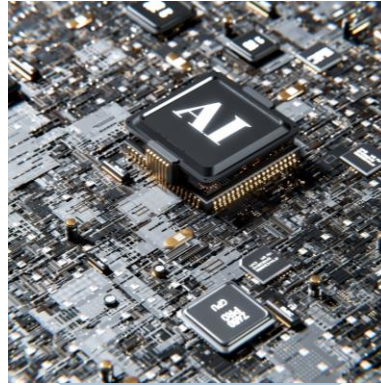
- **Financial Automation**
- **Intelligence**
- **Deeply Integrated in ERP**

How We Approach Dissolving the Boundaries



AP Persona Focus

Financial Automation for the complete set of AP jobs-to-be-done



Intelligence

Leverage AI to redefine business workflows for AP

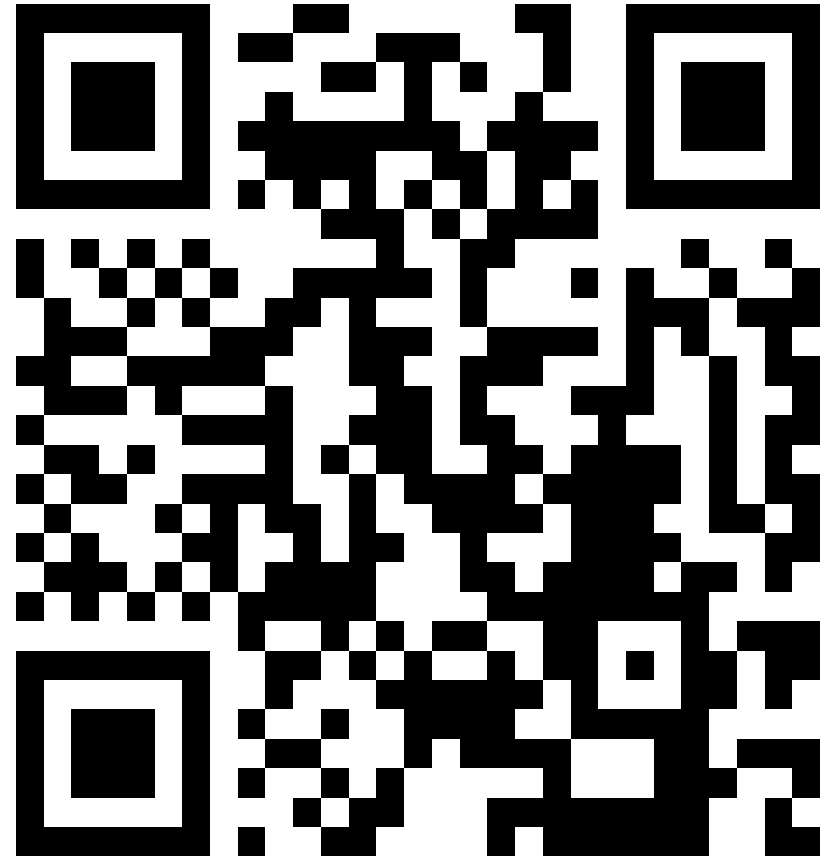


Deep ERP Integration

Keep AP Teams in their ERPs and eliminate costly integrations

What pain points do you experience booking expense accruals?

- Merging disparate data sources (i.e. Excel)
- Delayed month-end close
- Tracking un-billed purchase orders
- Accounting for bills pending approval
- Waiting on stakeholder and vendor inputs
- We don't accrue expenses



Accruals Fog of War

Quarter	Vendor	Item (only)	Department	Program	PO Total	Remaining Unbilled	PO Number	Mem	Start Date	End Date	Q1-2022	Q1-2022	Q1-2022	Q2-2022	Q2-2022	Q2-2022	Q3-2022	Q3-2022	Q3-2022	Q4-2022	Q4-2022	Q4-2022	Q1-2023
Expense Forecast											1/31/2022	2/28/2022	3/31/2022	4/30/2022	5/31/2022	6/30/2022	7/31/2022	8/31/2022	9/30/2022	10/31/2022	11/30/2022	12/31/2022	1/31/2023
al by PO							PO Number																
e Armstrong	Arctic Dynam	Software Lic	Regulatory	None	38,250.00	-	PO00410	Accen	9/1/2022	9/30/2023	-	-	-	-	-	-	-	-	-	-	-	-	-
e Armstrong	Arctic Dynam	R&D Consult	Regulatory	General ABC	100,000.00	89,825.00	PO00558	Accen	9/1/2022	9/30/2024	-	-	-	-	-	-	-	-	769.23	769.23	769.23	769.23	4,102
e Armstrong	Arctic Enterp	Regulatory C	Regulatory	General ABC	250,000.00	153,390.00	10171	Gener	11/1/2022	12/31/2023	-	-	-	-	-	-	-	-	-	-	17,857.14	17,857.14	17,857
ndon Bellamy	Arctic Globa	G&A Consult	Operations	None	3,600.00	-	PO00478	Agmt	2/1/2021	3/31/2021	-	-	-	-	-	-	-	-	-	-	-	-	-
z Caldwell	Arctic Group	G&A Consult	Executive - G	None	12,000.00	-	PO00586	Consu	12/1/2021	12/31/2022	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08	923.08
in Drake	Arctic Indust	R&D Consult	Quality	None	15,000.00	15,000.00	710398	Work	6/1/2022	10/31/2022	-	-	-	-	-	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	-	-	-
ndon Bellamy	Arctic Labs	G&A Consult	Executive - G	None	30,000.00	15,000.00	PO00438	Advis	7/1/2022	6/30/2023	-	-	-	-	-	-	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350.00	2,350
ndon Bellamy	Arctic Logist	Lab Equipme	Research	None	242.58	-	PO00531	Office	2/14/2022	2/28/2022	-	242.58	-	-	-	-	-	-	-	-	-	-	-
ndon Bellamy	Arctic Logist	Lab Equipme	Research	None	372.99	-	PO00532	Office	2/16/2022	2/28/2022	-	372.99	-	-	-	-	-	-	-	-	-	-	-
na Ellsworth	Arctic Logist	Lab Equipme	Research	None	414.51	-	2106	Amaz	2/17/2022	2/28/2022	-	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397.23	3,397
ndon Bellamy	Arctic Logist	Office Equip	Operations	None	251.32	-	10278	office	3/1/2022	3/31/2022	-	-	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359
ndon Bellamy	Arctic Logist	Office Suppl	Operations	None	1,262.09	-	710330	office	3/1/2022	3/31/2022	-	-	-	-	-	-	-	-	-	-	-	-	4,675
ndon Bellamy	Arctic Logist	Office Suppl	Operations	None	285.93	-	PO00543	office	3/10/2022	3/31/2022	33,126.23	32,283.23	480.68	51,588.05	1,851.05	1,851.05	25,859.23	2,536.23	-	25,378.56	2,055.56	-	-
na Ellsworth	Arctic Logist	Office Suppl	Operations	None	45.25	-	PO00443	x Jeff	3/10/2022	3/31/2022	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217
na Ellsworth	Arctic Logist	Office Equip	Research	None	553.32	-	710346	To Joi	3/1/2022	3/31/2022	-	103,567.40	103,567.40	103,567.40	130,357.40	116,307.40	245,314.36	245,314.36	245,314.36	245,314.36	305,334.76	305,334.76	334,700
ndon Bellamy	Arctic Logist	Office Suppl	Operations	None	126.11	-	710335	consu	3/16/2022	3/31/2022	-	-	30,437.48	30,437.48	44,487.48	120,764.40	266,715.80	324,707.17	324,707.17	573,143.36	701,999.36	542,588.11	231,30
ndon Bellamy	Arctic Logist	Office Suppl	Operations	None	251.86	-	PO00459	office	3/17/2022	3/31/2022	-	-	251.86	-	-	-	-	-	-	-	-	-	-
ndon Bellamy	Arctic Logist	Office Equip	Operations	None	2,549.62	-	PO00447	office	4/18/2022	4/30/2022	-	-	-	2,549.62	-	-	-	-	-	-	-	-	-
ndon Bellamy	Arctic Logist	Office Equip	Operations	None	3,510.48	-	PO00408	office	4/22/2022	4/30/2022	-	-	-	3,510.48	-	-	-	-	-	-	-	-	-
ndon Bellamy	Arctic Logist	Office Equip	Operations	None	1,327.38	-	PO00568	sharec	9/1/2022	9/30/2022	-	-	-	-	-	-	-	-	1,327.38	-	-	-	-
x Faraday	Arctic Partne	Accounting, .	Finance	None	36,000.00	32,500.00	PO00569	Blank	1/1/2023	12/31/2023	-	-	-	-	-	-	-	-	-	-	-	-	3,000
ce Granger	Arctic Suppl	G&A Consult	Executive - G	None	34,650.00	33,587.50	PO00570	Blank	1/1/2022	12/31/2022	-	-	-	-	-	-	-	-	-	-	-	-	-
ce Granger	Arctic Syster	G&A Consult	Executive - G	None	165,001.00	-	PO00523	HR Co	2/1/2022	12/31/2022	-	-	-	6,646.15	6,646.15	6,646.15	6,646.15	6,646.15	6,646.15	6,646.15	6,646.15	6,646.15	6,641
ce Granger	Arctic Syster	G&A Consult	Executive - G	None	134,400.00	112,000.00	10270	Blank	1/1/2023	12/31/2023	-	-	-	-	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000
ry Hargrove	Arctic Techn	R&D Consult	Clinical	IBM	238,125.00	-	710356	Interim	4/1/2022	4/30/2023	35,000.00	35,000.00	-	-	-	-	-	-	-	-	-	-	-
ry Hargrove	Arctic Ventur	R&D Consult	Executive - R	None	5,000.00	2,500.00	PO00417	Medic	1/1/2022	12/31/2022	-	-	-	-	-	-	-	-	-	-	-	-	-
x Faraday	Blue Consult	G&A Consult	Executive - G	None	27,000.00	16,000.00	PO00407	Human	4/1/2022	12/31/2022	-	-	-	-	-	-	-	-	-	-	-	-	-
Ingram	Blue Group	R&D Consult	CMC	General ABC	104,400.00	-	PO00560	Blank	1/1/2022	12/31/2022	-	-	24,301.06	25,367.73	25,367.73	25,367.73	25,367.73	25,367.73	25,367.73	25,367.73	25,367.73	25,367.73	26,799
Ingram	Blue Group	R&D Consult	CMC	General ABC	84,000.00	72,650.00	PO00573	Blank	1/1/2023	12/31/2023	5,179.37	5,179.37	5,179.37	-	-	-	-	-	-	-	-	-	-
r Jasper	Blue Holding	CMC Drug P	CMC	General ABC	1,547,912.03	268,448.94	PO00555	Agmt	4/1/2021	12/31/2025	-	-	5,747.70	5,747.70	-	-	-	-	-	-	-	-	-
r Jasper	Blue Holding	CMC Drug P	CMC	General ABC	681,875.00	681,875.00	710391	Phase	6/1/2023	6/30/2027	-	-	-	-	-	-	2,943.33	2,943.33	10,218.33	113,248.33	19,078.33	19,078.33	19,078
e Kensington	Blue Holding	CMC Drug P	CMC	General ABC	15,750.00	15,750.00	PO00475	Addit	2/1/2023	4/30/2023	-	-	-	-	-	-	-	-	-	-	10,635.38	232,719.38	35,535
x Faraday	Blue Labs	Insurance, Ot	Operations	None	44,164.00	-	PO00448	Agmt	2/1/2022	2/28/2023	-	-	-	-	-	-	-	-	-	-	1,315.00	1,315.00	1,301
x Faraday	Blue Networ	Insurance, Ot	Clinical	T-LGLL	17,675.00	-	710326	Clinic	3/1/2022	3/31/2023	-	-	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359.62	1,359
in Drake	Blue Solution	Quality GXP	Quality	IBM	30,000.00	-	PO00585	Clinic	1/1/2023	12/31/2023	-	-	-	-	-	-	-	-	-	-	-	-	4,675
r Jasper	Blue Supplie	CMC Drug P	CMC	General ABC	1,141,311.79	111,205.02	10238	Analyt	6/1/2021	11/30/2025	33,126.23	32,283.23	480.68	51,588.05	1,851.05	1,851.05	25,859.23	2,536.23	-	25,378.56	2,055.56	-	-
r Jasper	Blue Supplie	CMC Drug P	CMC	General ABC	37,730.00	6,669.50	710347	Agmt	1/1/2022	7/31/2024	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217.10	1,217
r Jasper	Blue Supplie	CMC Drug S	CMC	General ABC	6,562,287.08	3,603,502.56	710379	Agmt	2/1/2022	9/30/2027	-	103,567.40	103,567.40	103,567.40	130,357.40	116,307.40	245,314.36	245,314.36	245,314.36	305,334.76	305,334.76	305,334.76	334,700
r Jasper	Blue Supplie	CMC Drug S	CMC	General ABC	7,051,653.68	3,559,074.77	710380	Agmt	3/1/2022	10/31/2026	-	-	30,437.48	30,437.48	44,487.48	120,764.40	266,715.80	324,707.17	324,707.17	573,143.36	701,999.36	542,588.11	231,30
e Kensington	Blue Supplie	CMC Drug S	CMC	General ABC	19,320.00	10,320.00	PO00581	W/S-O	2/1/2023	7/31/2023	-	-	-	-	-	-	-	-	-	-	-	-	-

Conclusion



- **Chaos in AP and the Fog of War**
- **BAMCIS - The Marine Corps Troop Leading Steps**
 - AP Challenges and KPI Benchmarks
 - Business Case for AP Automation
 - Defining the Mission
 - Knowing the Enemy Situation
 - Applying the OODA Loop
- **SquareWorks Approach**

Q&A

Netgain **Accounting**
SUMMIT25

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Thank you



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Provide Feedback

