Prompt Payment Plan

17th February 2025

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Owners: Financial Controller (Anna Brazell) & Jolene Needham (Head of Vendor Management)
Executive Sponsor: CFO (Craig Forrester)
Effective date: 17/02/25
Scope: All Supplier invoices

Objectives:
- ≥95% of all supplier invoices paid within 60 days.
- Embed controls, data discipline & governance to sustain performance

Root causes for payment delays can be grouped into **Process, Data / Systems, Commercial / Contracting and People / governance.**

These root causes will be discussed in further detail below and each of these includes the typical symptoms we see within our Accounts Payable Team:

Root Causes

Process and Operational Causes

- Missing / Invalid PO's or non-PO invoices – Leading to manual routing and delays.
- Purchase orders being raised retrospectively once an invoice has already been received.
- Matching failures (price, quantity, receipting mismatches) & late goods receipting
- Dispute delays
- Invoices being sent to Vendor Management and not directly to AP.

Data / System Causes

- Invoice quality errors (missing tax info, missing PO line splits)
- E-Invoicing – invoices in portals that AP do not have access to (past issue).

Commercial & Contracting Causes

- Inconsistent / ambiguous payment terms across vendors / contracts.
- Poor PO coverage (late PO creation, blanket PO's not updated correctly).

People / Governance Causes

- Approver bottlenecks (approvers)
- Lack of / incorrect back up supplied for the PO approval
- Regular training required on PO creation, receipting and coding.

Actions to address each root cause

Process and Operational Actions

PO Policy & Compliance:
- Enforce "No PO, No Pay" with predefined exceptions

Owner: Vendor Management

Timeline: Policy in 30 days; full enforcement by 90 days.

Measure: ≥95% PO-backed invoices; <5% non-PO exceptions.

GRN Discipline & matching principles:
- Daily GRNI report by Vendor Management; auto-notifications to requestors with aging >7 days.

Owner: **Vendor Management**

Timeline: 30–60 days

Measure: First-pass match rate ≥85%; GRNI >30 days reduced.

Dispute Resolution SLA's:
- Assign **case owners**, and set SLAs (acknowledge in 2 days, resolve in 10 working days).

Owner: Vendor Management, Category Managers, Legal, AP

Timeline: 30 days

Measure: Dispute aging >30 days reduced by 75%.

Actions to address each root cause

Data & Systems Actions

Ensure AP have access to all Supplier Portals to view invoices for payment. If this is not possible Vendor Management to commit to providing these to AP on same day as receipt in the portal.
Owner: Vendor Management & AP
Timeline: 60 days for top suppliers
Measure: Invoices promptly received in AP for payment.

Single-View Dashboard: Develop existing Power BI dashboard for % paid within terms, % within 30/60 days, age-by-cause, GRNI by buyer, first-pass match rate, exception aging, DPO, top offending entities.
Owner: Vendor Management, AP & BI Team
Timeline: Prototype in 30 days; BAU in 60 days.
Measure: Reporting accuracy ≥99%; weekly review cadence embedded.

Actions to address each root cause

Commercial & contracting Actions

PO Coverage & Blanket PO Hygiene:

Require POs prior to service commencement; refresh blanket POs quarterly, monitor and plan workload in advance.

Owner: Procurement

Timeline: 30–90 days

Measure: PO coverage ≥95% of invoice count.

People & Governance Actions

Approval Delegations & Backup - implement **delegated authority** levels and backups.

Owner: Finance & IT

Timeline: 30 days

Measure: Approvals >5 days reduced by 80%.

Targeted Training - for **PO creation, receipting, coding**; refreshers for dispute handling. Attendance mandatory for top non-compliant functions.

Owner: Finance Operations, Vendor Management & HR L&D / Business Change

Timeline: Start in 30 days; quarterly refreshers.

Measure: Post-training error rate down 50%.