

Supplier Payment Action Plan



Our Long-Term Actions (Ongoing)

Action	Description	Dates for Action
Finance Business Services “Maturity” Plan	Our plan for continuous improvement is currently being developed for delivery in 2021. These plans will mirror the successful maturity plans operated in 2020, as described previously.	<ul style="list-style-type: none"> Key maturity targets for 2021 are in development.
Supplier Payment Process Improvements	The Finance team have already reviewed the efficiency, clarity and usability of processes and procedures following the ERP system improvements launched in August 2020. This includes making our existing efficiency and improvements clear - such as our central payables invoice: payables@pellfrischmann.com) and our Purchase Order (PO) process. The next step, still to achieve, is providing accessible and pro-active guidance on our procedures and developing training modules – delivered through our new Learning Management System - to aid the embedment of improvements within the business.	<ul style="list-style-type: none"> Process review completed. ERP improvements completed. Launch of Learning Management System completed/launched (Oct 2020). Development of Supplier Training Modules (Contractual & Payment) in development; to be launched first quarter 2021.
Supply Chain Communication & Support	We recognise that good communication with suppliers is key - we are already ensuring early contact to give time to rectify any issues relating to non-payment of invoices, disputed invoices or incorrect invoices. For major contracts with significant supply chain this includes upskilling our supply chain and providing training on the proper execution of our sub-contractor agreement and providing them with a “Welcome Pack”, often contract specific, embedding our operating model, processes around invoicing, policies and key contacts for delivery and escalation.	<ul style="list-style-type: none"> Already started for our major contract with significant supply chain. Our new Learning Management System (accessible by suppliers and launched in October 2020) will enable us to flow this information to many more suppliers.
Disputed Invoice Reporting, Recording & Monitoring	Further ERP improvements are planned including a disputed invoicing “module” which will allow effective tracking, communication and rectification of invoices disputed due to quality of service and/or incorrect pre-agreed amounts.	<ul style="list-style-type: none"> Part of the 2021 ERP System Improvements Plan.
Project Manager Training	Whilst our classroom training programme has necessarily been put on hold due to COVID-19, we have quickly pivoted to e-learning; developing and launching an online Learning Management System in 2020. We are now converting our classroom content to provide regular training to our staff to help them adapt their skills, behaviours and relationships to our culture, policy and procedures. Specifically, we will rollout refresher courses of P3 Project Management Training, including how to effectively deliver and manage supply chain input – wrapping together improvements to processes and systems as described above and the vision of our Supplier Collaboration Strategy.	<ul style="list-style-type: none"> Supplier Management Training – Feb 2020 to June 2020.
Embed Understanding of Supply Chain Non-Payment in All Staff	Reinforcing our Supplier Collaboration Strategy and payment commitments.	<ul style="list-style-type: none"> November 20 (“Roadshow”) Supplier Management Training as above.

Regular Monitoring & Reporting

Reporting and Monitoring is now undertaken regularly, not just to ensure this action plan is delivered, but to ensure the key commitment is achieved and – more importantly – maintained and improved going forward.

KPIs/Targets which will be used to monitor the achievement of our commitment include:

- Delivery of Action Plan to Agreed Timescales
- % of 60 Day Invoices KPI
- Average No. of Payment Days KPI
- No of Disputes KPI
- Days to Dispute Resolution KPI

This reporting is done to the following rhythm and regularity, noting that some KPIs will only come “online” following certain improvements in the action plan – as previously described.

	Programme											
	Q4			Q1			Q2			Q3		
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Managing Director & Finance Director Reviews		●●		●●		●●		●●		●●		●●
Financial Re-Forecasting Process									●————●			
Pell Frischmann Leadership Meetings	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●
Business Unit Conference Calls	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●	●●
Discipline Project Reviews	●————●	<i>Continuous</i>						●————●				
Professional Development Reviews				●————●						●————●		

Commitment

Pell Frischmann Consulting Engineers are committed to achieving $\geq 95\%$ of invoices payable to our supply chain across all contracts having been paid within 60 days of receipt of the invoice.

We recognise that, recently, we have faced significant challenges in delivering against this metric.

We have identified and addressed the primary causes of failure, captured the relevant actions and already made significant strides to improving the situation.

We recognise that this improvement needs to continue and we commit to actioning the attached plan over the rest of 2020 and into 2021 and will regularly report on progress to our owners, employees and suppliers.

Following achievement, we will continue to monitor supplier payments as a key KPI within our business to avoid similar situations occurring in the future.

Iain Bisset
Managing Director

Adam Lee
Finance Director
