

Action Plan: Achieving 95%+ Invoice Payment within 60 Days and all invoices paid within contractual terms

Goal: To achieve a minimum of 95% of invoices paid within 60 days, improving upon the current 91% performance, within the next 6 months, and reflecting this improvement in the next Payment Practice Report, published in line with Payment Services Regulations. To ensure all invoices are paid within contractual terms.

Key Driver: Demonstrate 95% of more of invoices are paid within 60 days and all invoices are paid within contractual terms.

Action: To achieve this goal, CFH Docmail will implement a multi-pronged approach focused on proactive supplier engagement, internal process improvements, and robust performance tracking:

- **Supplier Payment Term Alignment:** We are actively reducing our key paper supplier payment terms from 75 days to 60 days, bringing them in line with our internal targets and reinforcing our commitment to fair and timely payment practices.
- **Proactive Supplier Communication:** Earlier and more structured communication will be established with suppliers, particularly in instances where invoice queries arise. This will include a defined escalation process and dedicated points of contact to ensure swift resolution and reduce delays in approvals.
- **Process Optimisation:** CFH Docmail will review and streamline internal invoice processing procedures, including automated reminders for approvers and stricter timelines for invoice matching and query resolution. This will significantly shorten turnaround times and minimise bottlenecks.
- **Monitoring and Accountability:** We will continue monthly reporting against payment performance targets, enabling early identification of any issues and the implementation of corrective actions where required. Senior leadership will review performance regularly to ensure continued focus.
- **Training and Awareness:** All relevant finance and procurement staff will receive refresher training on payment practices, contractual obligations, and the importance of accurate and timely invoice processing.

Together, these measures will support CFH Docmail in reaching and sustaining the target of 95% of invoices paid within 60 days, and ensuring 100% compliance with contractual terms. Progress will be transparently reported in the next Payment Practice Report, reinforcing our commitment to responsible payment behaviour.

Timeline: 6 Months (April 2025 - September 2025)

Responsible Team: Finance Department

Success Measurement:

- Achievement of 95% or more of all invoices paid within 60 days by the end of the 6-month period.
- All invoices paid within the contractual terms.
- Positive reflection of this improvement in the next published Report.

Contingency Planning:

- **Supplier Negotiation Challenges:** If negotiations with the paper supplier are unsuccessful in achieving the 60-day term, explore alternative paper suppliers with more favourable payment terms.
- **Unexpected Delays:** Implement regular follow-ups and proactive communication to mitigate potential delays in internal processes.
- **Data Accuracy Issues:** Implement robust data validation and reconciliation processes to ensure the accuracy of payment performance reporting.

Date: 13th May, 2025

Authorised by: Jon Marsh, Commercial Director

Phase 1: Negotiation and Implementation (Month 1-3)

Item	Description	Responsible Team	Timeline	Key Performance Indicator (KPI)
1.1 Internal Stakeholder Meeting	Discuss at Board meeting the strategic importance of reducing paper supplier payment terms and the proposed actions.	Finance Director	Month 1	Agreement to proceed
1.2 Prepare Negotiation Strategy	Develop a clear negotiation strategy outlining the rationale for the change (aligning with overall payment performance goals), desired new terms (60 days)	Procurement Department, Finance Department	Month 2	strategy finalised and approved by relevant stakeholders.
1.3 Initiate Negotiation with Paper Supplier	Procurement to formally initiate negotiations with the paper supplier, presenting the rationale and proposed new payment terms.	Procurement Department, Finance Department	Month 2	Meeting held and potential agreement terms identified.
1.4 Finalize New Contract Terms	Legal to draft the revised contract reflecting the new 60-day payment terms.	Legal Department, Procurement Department	Month 3	Revised contract drafted and reviewed internally.
1.5 Contract Sign-off and Communication	Secure necessary internal approvals and finalize the new contract with the paper supplier. Communicate the updated payment terms internally to relevant teams (e.g., Accounts Payable).	Finance Department, Procurement Department	Month 3	New contract signed and internally communicated.
1.6 System Updates (if necessary)	Review and update any internal accounting or procurement systems to reflect the new 60-day payment terms for the paper supplier.	Finance Department, IT Department	Month 3	System updates completed and tested.
1.7 Prepare discrepancy resolution strategy	Consider reasons for discrepancies across invoices and identify themes and if there are specific suppliers this relates to	Finance Department	Month 1	Identification of any themes and key suppliers affected.

Phase 2: Monitoring and Performance Tracking (Month 4-6)

Action Item	Description	Responsible Team	Timeline	Key Performance Indicator (KPI)
2.1 Implement New Payment Schedule	Ensure all invoices from the paper supplier received after the new contract are processed and paid according to new terms.	Finance Department (Accounts Payable)	Month 4 onwards	Paper supplier invoices paid within 60 days.
2.2 Monthly Payment Performance Monitoring	Finance Department to generate monthly reports on overall invoice payment performance, specifically tracking the percentage of invoices paid within 60 days.	Finance Department	Monthly	Percentage of invoices paid within 60 days. Trend analysis of payment performance.
2.5 Regular Progress Updates	Finance Department Lead to provide regular updates (e.g., bi-monthly) to key stakeholders on the progress towards the 95% target and any challenges encountered.	Finance Department Lead	Bi-monthly	Stakeholders informed of progress and any roadblocks.
2.6 Initiate discrepancy communications	Finance Department to be pro-active in contacting suppliers where discrepancies exist	Finance Department	Month 4 onwards	Percentage of invoices paid within contractual terms.

Phase 3: Reporting and Compliance (End of Month 6)

Action Item	Description	Responsible Team	Timeline	Key Performance Indicator (KPI)
3.1 Final Data Collection and Analysis	Finance Department to collect and analyse payment performance data for the reporting period	Finance Department	End of Month 6	Final percentage of invoices paid within 60 days and within terms calculated.
3.2 Prepare figures for Payment Practice Report	Finance Department to prepare the next figures to be published	Finance Department	Following data collection	Report accurately reflects the achieved performance.
3.3 Internal Review and Approval of Report	Circulate the draft report for internal review and approval by relevant stakeholders before publication.	Finance Department Lead	Prior to publication	Report approved by all relevant stakeholders.
3.4 Publication of Report	Publish in accordance with the required timelines and regulations.	Finance Department	As per regulatory requirements	Report published within the stipulated timeframe.