

PROMPT PAYMENT ACTION PLAN

R&W is a business built on family principles, hard work, exceptional service, innovation, trust, collaboration and a wish to go that extra bit further for our customers, clients and supply chain partners. Over the past 40 years we have grown the business and are now focused on three key organisational pillars – Safe, Respect and Deliver, with Managing Risk at the core. These are as important today as ever and we call this the ‘R&W Way’.

Within the R&W Way our ‘Respect’ value deals with how we look after each other, our customers, clients, suppliers, and Supply Chain partners and this extends to prompt payments.

As an SME ourselves we understand the importance of making payments on time and the benefit it provides our supply chain partners in terms of confidence and desire to support our business.

Once invoices are agreed we pay our SMEs within our agreed payment terms. We sometimes ask to have longer payment terms with some suppliers, usually ones we have long term relationships with, to allow us to support smaller suppliers with cashflow issues.

Our Prompt Payment Action Plan outlines how we will endeavour to improve our performance on payment to our suppliers. Our goal is to pay at least 95% of supply chain partners within 60 days and we review our performance monthly.

Our current status (August 2020)

Company Number **08428819**

Invoice data Jan 20 - June 20,

Percentage of invoices paid within 60 days – **86%**

Primary Cause of Non-Compliance	Actions to address the Cause
1. Lost, or misplaced, Proof of Delivery (POD) tickets from site not input into the accounting system in a timely manner.	Site staff reminded of the importance of ensuring that PODs are input into the system in a timely manner. Sites/Offices to be performance managed on percentage of PODs input on time.
2. Many of our clients, especially on non-public contracts, require us to agree with them longer payment terms than 30 days.	Engage with our customers that are requiring longer than 30-day payment terms during the procurement process and encourage them to modify their contract conditions in line with the Prompt Payment Code.
3. As the business has grown the number of invoices needing to be paid has increased, reducing the time to process them. If the payment process identifies any issues with the invoice the time to address the issue and make corrections is limited.	In September 2019 we introduced an E-invoicing platform (Tradex), to assist with processing invoices more quickly. We now have 63% of our invoices on Tradex and intend by onboarding more of the key supply chain partners to have 80% by December 2020. As more go onto the system we expect our ability to pay them more quickly to continue to improve.
4. Invoicing errors are not systematically highlighted to suppliers until after they have been processed.	Supply Chain visibility of unagreed invoices on our system through Tradex will ensure that suppliers are aware early if an invoice has errors and may not be paid. Supply chain partners to ensure that invoices always have the correct order numbers included on each invoice.

Primary Cause of Non-Compliance	Actions to address the Cause
5. No system in place to identify invoices that are close to exceeding payment terms.	We have designed an R&W Financial Report to monitor invoice queries that are close to exceeding agreed payment terms. Trends will be looked for and raised at our 360° performance reviews with Supply Chain Partners

This Action Plan has been approved by our board of directors and is signed below to show this.

Signed:

Mr A Theobald
Managing Director

