



## Prompt Payment Action Plan

In order to meet its contractual obligations regarding invoice payments, Blend Associates has developed and is implementing the following 7-step action plan.

### 1. Implement Clear Payment Terms and Communication

**Objective:** Establish clear and transparent payment terms to set expectations and minimise confusion or disputes.

**Actions:**

- a. Define payment terms (e.g. 30 days) and include them in all contracts and supplier agreements.
- b. Communicate these terms to all suppliers and ensure they are documented in any project initiation discussions.

**Outcome:** Suppliers are fully aware of payment timelines, reducing misunderstandings and improving trust.

### 2. Streamline Invoice Processing Workflow

**Objective:** Optimise the internal process for receiving, approving and paying invoices to reduce bottlenecks.

**Actions:**

- a. Assign a dedicated team member responsible for tracking incoming invoices and ensuring they reach the correct approvers.
- b. Implement a simple, standardised approval process with tracking via Xero to avoid delays.
- c. Ensure invoice clerk is trained in the approval and payment process, and has access to support where required.

**Outcome:** Reduced processing time, ensuring invoices move swiftly from receipt to approval.



### **3. Set Up Regular Payment Runs**

**Objective:** Create consistency and predictability in payments.

**Actions:**

- a. Schedule weekly payment runs to address outstanding invoices and prevent last-minute approvals.
- b. Prioritise smaller suppliers and individuals for payment runs, as they often depend on timely cash flow.

**Outcome:** Suppliers experience predictable payment schedules, improving cash flow reliability.

### **4. Monitor Payment Performance and Address Delays**

**Objective:** Identify delays and take corrective action to ensure timely payments.

**Actions:**

- a. Track key payment metrics (e.g., average payment days, percentage of invoices paid within terms) and review them monthly.
- b. Address delays immediately, investigate root causes, and work to resolve any internal bottlenecks (e.g., approvals, data entry).

**Outcome:** A clear overview of payment performance to maintain consistency and address issues quickly.

### **5. Enhance Communication with Suppliers**

**Objective:** Maintain open lines of communication to build trust and transparency.

**Actions:**

- a) Inform suppliers proactively of any changes in the payment process or delays, explaining the reasons and expected resolution time.
- b) Establish a single point of contact within the finance team for suppliers to address payment queries.

**Outcome:** Strengthened supplier relationships and reduced complaints or issues arising from payment timing concerns.



## **6. Implement Early Payment Options for Strategic Suppliers**

**Objective:** Support key suppliers with cash flow needs by offering early payment options.

**Actions:**

- a. Set up early payment options (e.g. pay within 14 days for a small discount).
- b. Prioritise this option for strategic suppliers whose services are critical to meeting NHS coaching needs.

**Outcome:** Improved supplier satisfaction and loyalty through flexible payment solutions.

## **7. Regularly Review and Update the Action Plan**

**Objective:** Ensure continuous improvement and responsiveness to NHS standards.

**Actions:**

- a. Review this action plan quarterly to assess its effectiveness and adjust based on supplier feedback and internal performance data.
- b. Engage with suppliers regularly for feedback and identify areas for improvement in the invoicing and payment process.

**Outcome:** A responsive, adaptive approach to maintaining high standards in payment practices.

### **Monitoring and Evaluation**

Implementation of this action plan is monitored on a monthly basis by the Managing Director and the senior team.

**KPIs:** the following metrics are tracked monthly: Days Payable Outstanding, percentage of invoices paid within 30 days and supplier satisfaction.

**Feedback:** supplier feedback is requested on an annual basis to gauge satisfaction and identify any recurring issues.

*Approved by Managing Director  
25<sup>th</sup> September 2024*