M&C Saatchi UK Prompt Payment Action Plan

Introduction

This document details the company's commitment and actions to improving prompt payment results such that >95% invoices are paid within terms.

Primary causes of failure to pay within terms:

i) *Late posting*; there is often a delay between invoice date and posting date / receipt date on the M&C Saatchi finance system. Invoices are often sent to the wrong contacts / mailboxes.

ii) *Dispute*; when amounts or details are disputed this causes a delay to payment and the invoice date is often not reset such that terms lapse.

iii) *Payment timings from end client*; when project teams are passing down terms to subcontractors and the end client terms aren't matched.

Actions to address each of these causes:

i) *Late posting*;
   a. Improved clarity within narrative on POs about invoice receipt process
   b. More training for account management and project management
   c. Increased internal resources in finance team to manage volume of invoices
   d. More automated alerts from the system to budget holders on open POs

ii) *Dispute*;
   a. Increased internal resources in finance team to manage volume of queries
   b. More training for account management and project management
   c. Improved supplier process documentation available online
   d. Exploring a supplier portal to log and workflow queries with SLAs

iii) *Payment timings from end client*;
   a. Improved internal process to link accounts payable and receivables to sync payment terms
   b. Improved mechanism for account management and project management to flag specific payment timings on projects

Reporting performance:

The prompt payment performance of the business will be documented by the central accounts payable team and reported to the UK Finance Director and PLC Chief Financial Officer on a quarterly basis. Any anomalies will be investigated and analysed by management.

signed by Tim Duffy

Date: 20th April 2021

Plan can be found on our UK website https://mcsaatchi.london/

Please submit invoices/statements/ general enquiries to: ukagencypayables@mcsaatchi.com