



# BAM FM Ltd Payment **Action Plan**



## Introduction

BAM FM is a strong advocate of fair treatment for all our supply chain partners. BAM FM trades with over 4,000 suppliers per year, and we are committed to meeting the objectives of paying 95%+ of suppliers within agreed payment terms. We monitor our payment performance monthly, reporting in detail to senior management in the business.

As part of monitoring our performance, we also identify risks that prevent us from meeting our prompt payment objectives and we plan and implement mitigation to reduce the likelihood of these risks occurring.

There is always room for improvement in the prompt payment of invoices.

Our response is the creation of this payment action plan, the identification of risks, the mitigation measures we plan to take, and the current status of their implementation.

**Andrew Cox,**  
Finance Director- BAM Ventures

| Objective   | Status    |
|---|-----------|
| We endeavour to pay all suppliers within agreed terms   | Improving |
| Give clear guidance to suppliers on terms, dispute resolution and prompt notification of late payment                         | Improving |
| Support good practice throughout our supply chain by encouraging Prompt Payment Code  | Improving |
| The requirement to pay 95% invoices within 55 days  | Improving |
| Recognise the right of suppliers to charge late payment interest and charges if an invoice is paid late without justification | Achieved  |
| Suppliers provided with a contact point for payment queries   | Achieved  |



# BAM FM Ltd

## Payment Action Plan



| Objective  | # | Risks to success  | Risk Status | Risk Mitigation   | Risk Status | Status  |
|--|---|---|-------------|---|-------------|---|
| Ensure that >95% of valid invoices payable to supply chain are paid within 30 days of date of invoice for suppliers with <50 direct employees. | 1 | Large volume of transactions from multiple suppliers requiring a three-way match in our Bought Ledger (Purchase order, Goods Received Note and Invoice) require a high level of manual intervention to process. | <br>High    | <p>Upgrade invoice matching software, BASWARE and leverage e-invoicing technology to reduce the level of manual intervention when processing invoices for invoice matching. We can also notify suppliers of invoice issues at the earliest possible time from within BASWARE.</p> <p>Implement SAP Materials Management, which allows the creation of purchase orders and record goods received electronically. This data is shared with BASWARE and allows for automatic three-way matching.</p> | <br>Low     | <p>Implemented</p> <p>In progress Q4,2024</p> |
|  | 2 | Analysis of supplier payment performance within the business lacks sufficient detail to identify poor performance.  | <br>Low     | We already carry out analysis of our payment performance, reviewed monthly and distributed to the wider business through presentations. By adding extra data, we can produce greater depth of analysis to identify poor payment performance.  | <br>Low     | Implemented                                   |
|  | 3 | Our supply chain is not always familiar with BAM's invoice matching process because we have a high number of single use suppliers, this results in processing delays.   | <br>Medium  | Suppliers can e-invoice BAM, see <a href="https://www.causeway.com/tradex-bam">https://www.causeway.com/tradex-bam</a> , for details  | <br>Low     | Implemented                                   |
|  | 4 | Our projects do not always process goods received notes in a timely manner leading to delays in the invoice matching process.   | <br>High    | In addition to detail guidance within our Business Management System, we have also created a toolbox talk for projects, we may also seek to create an e-learning module on prompt payment.  | <br>Low     | In progress Q4,2024                           |
|  | 5 | Our supply chain does not always provide the information required when invoicing BAM.   | <br>High    | Identify which suppliers are affected and discuss requirements with their relationship manager.   | <br>Low     | In progress                                   |