

FRIDAY, 3 MARCH 2017

COLES CUTS PAYMENT TIMES FOR SMALL SUPPLIERS *Invoices to be paid to suppliers within 14 days*

From 1 July, 2017, Coles will reduce payment times for more than 1000 smaller merchandise suppliers, providing a financial boost to the small businesses who provide great quality food and merchandise for Australian families every day.

Coles Managing Director John Durkan said small suppliers providing Coles with up to \$1m worth of merchandise annually will be paid on all electronically-submitted invoices within 14 days.

“We understand how important cash flow is for small suppliers and shortening payment times will help to make it easier for them to run their business,” Mr Durkan said.

“Most payment terms agreed with small suppliers are currently for a longer period, but we decided to reduce them across the board for any of our smaller suppliers who were currently on more than 14 days.”

Payment terms currently average around 30 days for smaller suppliers. Suppliers who are already on shorter payment terms will not be affected by the decision.

“Coles relies on small Australian businesses to deliver thousands of different products for our customers every day. By providing a little extra support, we want to help their businesses to flourish so that together we can keep providing our customers with great quality and value,” Mr Durkan said.

Leo Miller, Managing Director of Tasmanian salad dressings and dessert toppings supplier Red Kelly, welcomed the decision.

“This will make a huge difference to us. We are currently on 60 day payment terms so this decision will help our cash flow enormously and mean we can pay our suppliers more quickly,” he said.

“In turn, it will help our business relationships so we get better supply and service.”

Over the next three months before the change comes into effect, Coles will assist small suppliers who currently use paper-based invoicing and want to move to electronic billing. To electronically invoice Coles, all small suppliers need to do is have internet access.

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