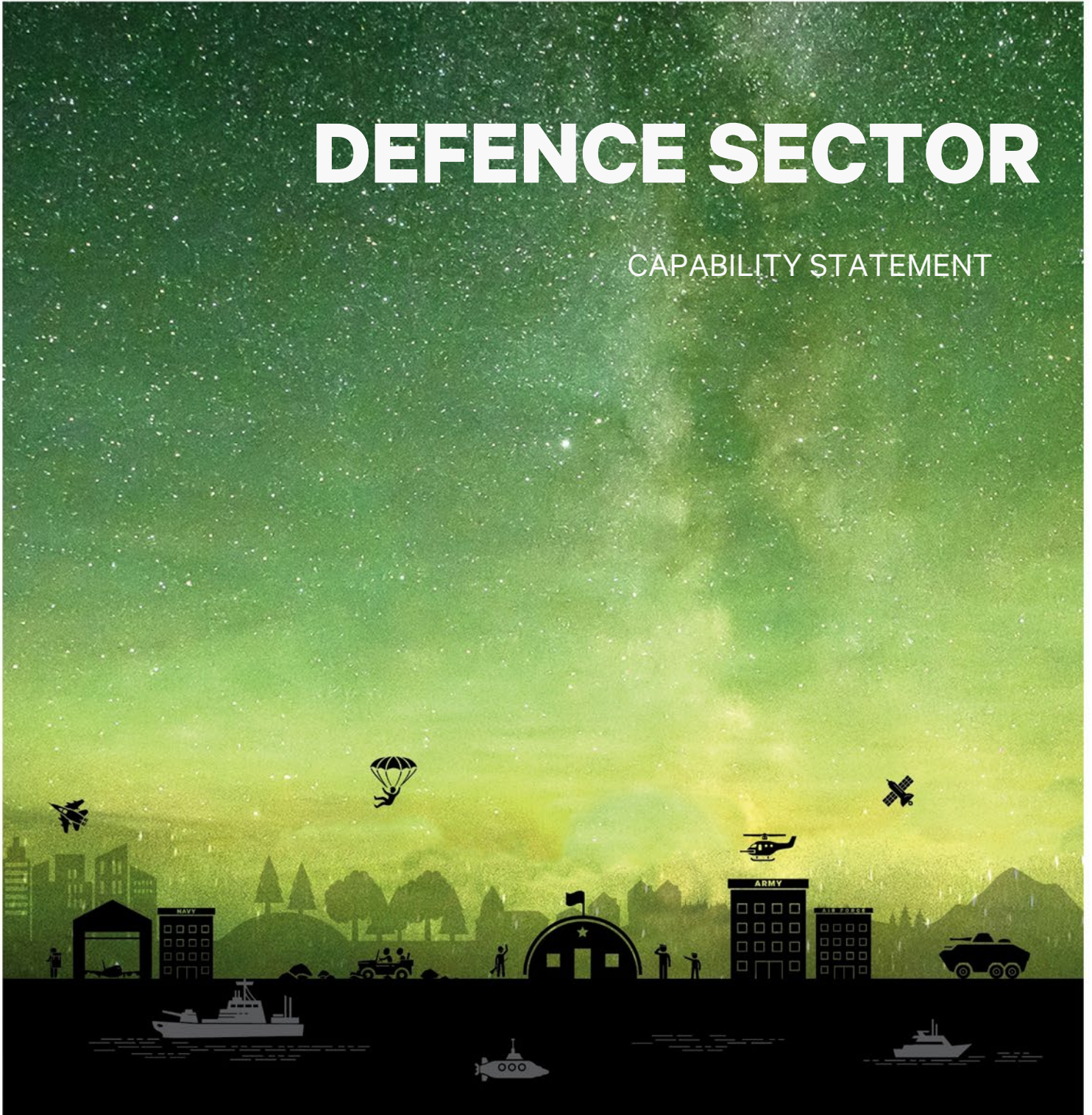




TENDERS | BIDS | PROPOSALS | SUBMISSIONS

DEFENCE SECTOR

CAPABILITY STATEMENT





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Projects that advance capability

Having the primary objective of defending Australia, promoting security and stability, and supporting our diverse communities, the safety of our nation is in the hands of the Australian Department of Defence. With unparalleled scope spanning land, sea, air, cyber and space, the responsibility that the men and women of Defence carry every day is one of vital importance to all of us.

To achieve such a complex and critical mission, the defence industry generates and facilitates mega projects that simultaneously support our economy and transform our nation. Projects that keep us safe and ensure we are at the forefront of technological advancements in security as well as defence. This includes long-term programs of work that drive innovation and evolution, as well as minor projects that make a difference to everyday Australians.

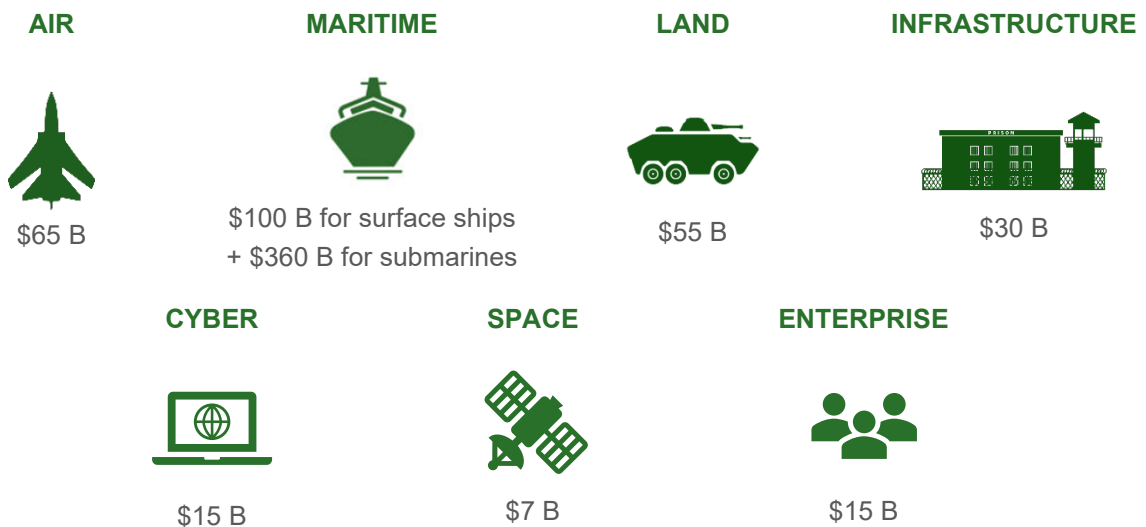
Being part of this immense supply chain provides incredible opportunities. Fortunately, Defence is keen to be supported by businesses of all sizes right across Australia, including regional and remote areas. Many of the opportunities will not be directly with Defence, but in the supply chains of the 'prime' companies that deliver many of the major Defence projects in Australia. In fact, there are currently over 3,000 Australian businesses already working in the defence industry.

As a potential supplier to Defence you need to learn the distinct way that procurement is undertaken in this industry, how to identify business opportunities, how to understand the purchasing policies and guidelines, and how to deliver value-for-money outcomes. Importantly, you also need to know how to compete to win in a space where everyone is keen to get a slice of the pie.

A \$50 B per year pipeline

Minister for Defence's 2023–24 budget media release summarises the Defence pipeline, shown in Table 1 and on next page. The pipeline demonstrates the incredible opportunities for supply contracts.

Table 1: Defence plans to spend \$270 B between 2020–30.





'Over the next four years, the Albanese Government will invest more than \$19 billion to implement the immediate priorities identified in response to the Defence Strategic Review. These include:

- *\$9 billion for the nuclear-powered submarine program through AUKUS*
- *\$4.1 billion for long-range strike capabilities*
- *\$3.8 billion for northern base infrastructure*
- *\$400 million to support Australian Defence Force personnel through a new continuation bonus \$900 million on defence innovation, to establish the Advanced Strategic Capabilities Accelerator and through AUKUS Pillar 2.'*



Defence's unique complexities

From a bidding perspective, the defence sector presents its own particular challenges which are highlighted in Table 2.

Table 2: Challenges in the defence industry.



Many Defence projects are incredibly complex. Spanning the breadth of air, sea, land, cyber and even space, while navigating high security requirements, joint command and long-term programs comes with unique challenges. Add to this that Defence is always looking for the most innovative solutions and latest tech, and you begin to understand the intricacies that come with bidding for Defence contracts.



The Australian Standard for Defence Contracting (ASDEFCON) suite of tendering and contracting templates provides a set of proforma documents for procurement officers to use when drafting solicitation documents and contracts for the acquisition of goods and services by Defence. Each ASDEFCON document is tailored to meet a different procurement need and needs to be followed precisely to ensure compliance.



Australian Industry Capability (AIC) – Defence is eager to be supported by businesses of all sizes right across Australia. However, many of the opportunities will not be directly with Defence but in the supply chains of the ‘prime’ companies that deliver many of the major Defence projects in Australia.



Defence has its own language which can be hard to translate. The bid team needs Olympic-level linguistic dexterity to synthesise, translate and communicate complex information to ensure it's accessible to all without losing its potency.



High level security requirements mean additional compliance steps. Defence Industry Security Program (DISP) is a risk management and assurance program that ensures companies who work with Defence understand and meet their security obligations when engaging in Defence projects and tenders.



Familiarising yourself with the complex relationships and partnerships within Defence can be a challenge. There are many industry associations for small and medium enterprises doing business in the defence industry in Australia. These include Australian Business Defence Industry, Australian Industry & Defence Network, Australian Industry Group Defence Council and the Defence Teaming Centre.



Defence: a fiercely competitive sector

The defence industry is made up of thousands of Australian businesses and people across the country who aren't officially in Defence but who use their expertise, experience and trade skills to supply and support it. New opportunities arise every day for businesses to become part of the defence supply chain, everything from small enterprises to large multi-national companies. **In fact, there are currently over 3,000 Australian businesses already working in defence industry.** The impact of this industry and the opportunities it presents, is matched only by its extraordinary complexity.

If you're about to embark on a Defence tender, you'll need specialised knowledge and familiarity with their unique systems to win.

Because of the sheer volume and complexity of Defence contracts, they have implemented a standard for all procurement requests, a system known as the Australian Standard for Defence Contracting (ASDEFCON). Navigating this unique process is compulsory when tendering for Defence contracts.

ASDEFCON is a suite of consistent, standardised and transparent contracting templates for use by Defence procurement officers when drafting solicitation documents and contracts for the acquisition of goods and services. Each ASDEFCON template is tailored to meet a different procurement need and profile, depending on the size, complexity and nature of the procurement activity.

Most templates include: a covering letter to tenderers, conditions of tender with response volumes, a draft contract and where appropriate, a draft statement of work (SOW). While every tender should be approached as a unique opportunity and not an exercise in cut and paste, this stringent process does offer the advantage of predictability. Once you are familiar with ASDEFCON, you can start to anticipate what will be required for each defence bid with some confidence.

Despite the variation in bid process, typical bid budgets are quite consistent, even across the defence sector. **A comprehensive bid budget, including allocation of internal costs, typically runs to around 2% of project value.**

From our experience, we consistently see that the winning defence bids are those that have been developed and prepared by teams that have a clear partnership between the 'project team' and the 'bid team'. Success comes when the project team can focus on developing a smart solution while the bid team takes responsibility for selling the solution through a persuasive submission. The important point here is that both elements are needed – a smart solution and a persuasive submission.

In terms of bid team resources, the winning bidders are typically scaling up their bid team with:

- Performance coaches and teaming experts (like Alliance Coaches)
- Industry experts and people with client insight (like our Shadow Catalysts)
- Bid strategists and innovation experts (what we call Bid Catalysts)
- Bid managers and team leaders (like our Bid Whips)
- Bid writers and content developers (our Bid Writers)
- Formatters and production experts (our Production Managers)
- Graphic designers (our Design Team).

A strong bid team frees the bid director to focus their effort on leading the team, driving the solution and negotiating the commercial arrangements, knowing that the submission is under control.

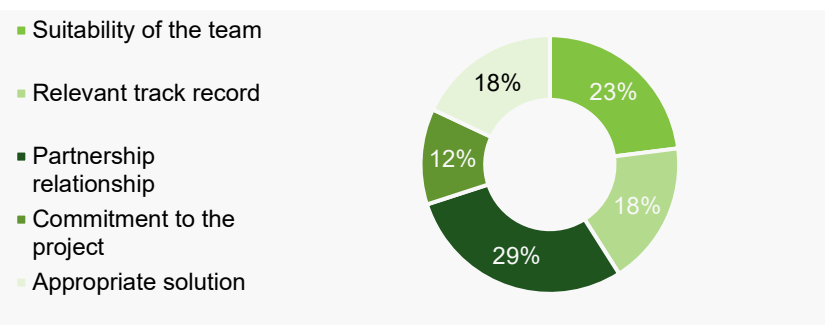


Lessons learnt from our major projects research

In 2019, we conducted a major research program with ~100 evaluators from major projects. The purpose of the research was to collect confidential, non-identified and non-specific feedback from evaluators that would provide open, honest, and helpful direction to bidders.

KEY FINDINGS

Evaluators are looking for 5 key factors when choosing a winning bid



Note the even spread across these 5 factors: this is the formula for success.

Figure 1: An even spread of these 5 key factors is a winning mix.

Almost one-third of respondents said that a partnership relationship between the buyer and the bidder was the most important factor. The evaluators went to pains to clarify that this didn't necessarily mean an existing relationship; it meant the perceived ability of the buyer and bidder to work well together in delivery.

Evaluators are looking for 4 key elements in submissions

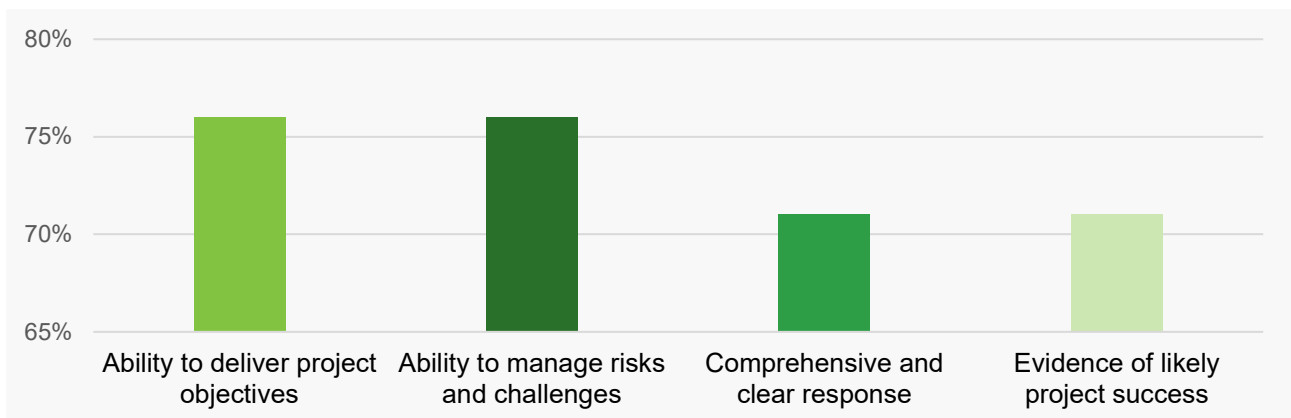


Figure 2: Demonstrating these key elements is vital.

In the wise words of one evaluator:

'The bidder must show they understand the risk allocation and objectives, they understand what the measure of success of the project is, understand the expectations of the buyer and show how they will commit and meet these expectations throughout the project delivery phase.'



Bidders are most frequently let down by simple – and avoidable – failings

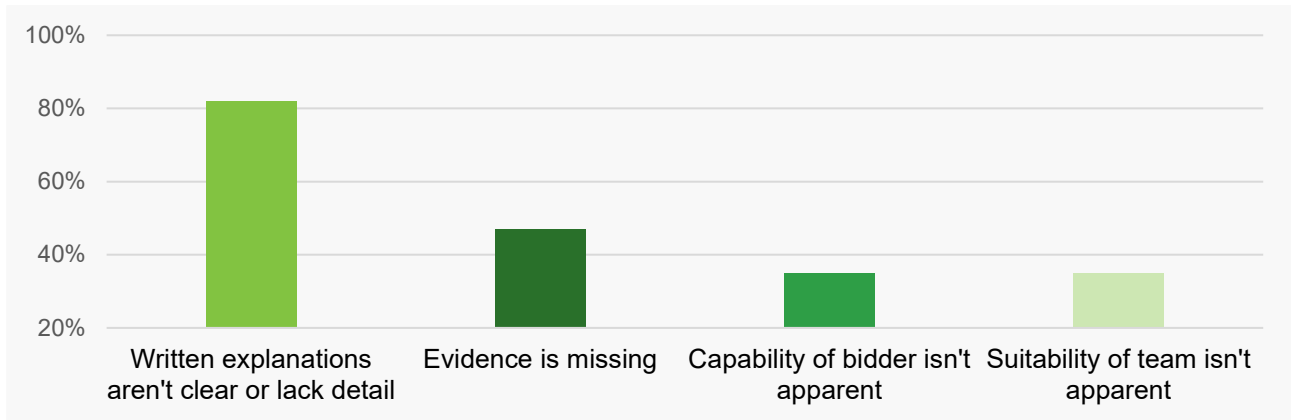


Figure 3: Paying attention to the simple things will improve a bidder's chances of success.

With obvious frustration, one evaluator reported:

'These have all happened: didn't answer the question, provided poor and business-as-usual answers, didn't demonstrate skill or experience, didn't demonstrate understanding of project scope / objectives, and exceeded page limit.'

Poor quality documentation leads to project delays and drives up bid costs

Common problems include:

- Proposals are vague or ambiguous
- Proposals are missing key information
- Proposals do not address the specific tender requirements
- Risk allocation, assumptions and warranties are not clearly defined
- The transition between bid team and delivery team is not clearly planned.

Almost **50%** of buyers say that poor quality documentation drags out negotiations and engagement.

Evaluators struggle to provide open feedback...

Some of the key concerns for buyers in giving open and honest feedback were:

- Confidentiality requirements which lead to comments being general and vague
- **Hostility from losing bidders (including physical threats!)**
- Discomfort providing feedback where it relates to the team members proposed
- Risk of legal or political action.



...and feedback frequently lands on deaf ears anyway

In the words of one evaluator:

'Do something with the feedback you receive. Make sure the right people are at the debrief to take the feedback on board and make it happen. In one contract it was evident that one of the bidders had taken on board past feedback, whereas the others hadn't, despite being told multiple times.'



Takeaways for writing defence tender responses

There are 6 simple ways to improve your success in defence tenders:

Provide a comprehensive answer to every question

This is so basic it astounds us, but for buyers, their biggest frustration is an incomplete tender and it happens more than you can imagine. Blank questions introduce risk and confusion. Is it a mistake? Left out intentionally? Don't know the answer? Can't be bothered?

Ask questions

One area that baffled buyers was the widespread reluctance to ask questions. Buyers hold briefing sessions and site visits to provide information, outline their priorities, set boundaries and define risks to save bidders time and effort, but the opportunity is frustratingly being wasted. And while bidders always think that asking questions will give away their competitive advantage, the buyers wanted to see bidders be bolder and more confident that if they really are the best team they'll be able to prove it in the end.

One buyer's advice was:

'Bidders need to make sure their responses address the questions being asked. If they don't understand the question, they need to ask questions and seek clarifications to understand what the buyer is asking for. Be honest – don't try to bluff your way through.'

Provide a clear commercial response

Again, another no-brainer from our perspective, but according to buyers a very common phenomenon is to avoid the commercial conversation and remain silent on commercial or contractual terms. Buyers were adamant that they expect to receive a mature commercial response.

For those bidders thinking they are sneakily giving themselves a lower cost offering, the buyers said that it's a false economy. Buyers calculate their own version of the cost of the risk and add it to the offer, effectively enabling them to compare apples with apples on the risk anyway. By staying silent, the bidder has given away control over the risk costings by that stage.

Keep it professional

As for style, the general rule is to keep it formal and to be precise. Naturally, Defence organisations and defence industry take what they do very seriously, and so a flippant, informal writing style is not recommended. Similarly, they are very particular about the use of fonts, punctuation and formatting, so it pays to be fastidious. Attention to detail and care in the crafting of tender submissions matter more in this sector than in any other.

Steer clear of the 'bait and switch' ruse

Yep, buyers are sick of being sold the 'A Team' but given the 'F-Troop'. They understand competing commitments, but it's critical you replace like with like and provide a succession and transition plan. And don't nominate someone who could be named on a competitor's submission – that could be very awkward.

Offer value for money

And lastly, what we've all heard before and the buyers are adamant is true: it really doesn't come down to price. Indeed, if you're running a low-price strategy, think carefully because it's more likely to raise suspicions and concerns rather than create excitement or secure the work.

On this topic, one buyer had a firmly worded message to bidders:

'Tenderers should submit realistic tenders even if it means losing the bid. Aggressive low bid / claim strategies are unsustainable and not good for industry.'



Factors for success in defence bids

From our experience in defence bids, there are a few key factors that enhance your likelihood of success as shown in Table 3.

Table 3: Key factors for success.



BID MINDSET

Embrace the bid mindset to win the competition and go beyond business as usual. Submitting a compliant tender is the starting point; submitting a winning tender requires a completely different attitude.



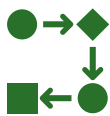
EARLY AND BROAD ENGAGEMENT

Engage early to position and prepare for the tender. Don't wait for the bid documents – get your project and bid team up and running, aligned and focussed. It's also crucial to engage early with your project partners, and potentially also with stakeholders, community groups and local industry.



OUTSTANDING SOLUTION

Develop an outstanding approach or solution that differentiates you and provides real and genuine value to your client. Pack your proposal full of smart initiatives that minimise risks, maximise opportunities and create value.



DISCIPLINED PROJECT MANAGEMENT

Follow a disciplined bid management process including detailed content analysis, iterative content development and collaborative document review. Did you know: a first draft usually scores only 40%? If your process is to gather it all together three days before the deadline, you may be in trouble...



CONTENT THAT SCORES

Develop compelling and persuasive content that goes beyond a compliant answer to maximise your score through the formal evaluation process. Remember: a compliant answer usually scores only 4 out of 10. To elevate your submission, you need to create more potent and comprehensive content.



Get the edge with Aurora Marketing

Over the last 20 years, Aurora Marketing has pioneered the submission management space in Australia.

At the pointy end of our expertise is the work we do in tenders, bids, proposals and submissions. In many sectors, a submission like this is where all the effort our clients invest in marketing, promotion, sales and business development culminates in an all-or-nothing competitive offer. It is an opportunity to really showcase their unique offering and close the deal.

This is the space where we thrive.

We're experts at developing **pragmatic business growth programs**. These programs help position companies as market leaders across selected industry sectors and give guidance on how to actively pursue a targeted list of clients and prospects. Our expertise covers all aspects of marketing, promotion, sales and business development, but always with the crystal-clear focus of driving revenue through more or bigger clients, and more or bigger contracts.

We can help you to **assemble the team** for your tender using your own internal resources and preferred suppliers, or we can assemble a full team of our own resources. We work with teams of all sizes, shapes and skills. Some of our clients are very well resourced with high calibre, experienced tender experts, a strong internal bid culture, and well-honed bid systems. Others are at the opposite end of the spectrum, with limited resources and processes. Depending on what your team needs and the scale of your tender, we can provide **extra resources** to fill gaps or an **entire holistic solution**.

And while this is what we are best known for, our expertise goes beyond tenders, bids, proposals and submissions. We excel in preparing **any kind of highly technical document** that needs to be clear and compelling for its target audience. Think capability statements, white papers, research reports, grant applications, award submissions, information memoranda and annual reports.

Importantly, the size and scale of our team enables us to ramp up **resources when you need them**. Whether you need a team dedicated to a key project for three months, a tender coach in-house for three weeks, a team of writers working around the clock for three days, or a document formatter for a few hours, we have the solution you need.



Deep understanding of the defence sector

Aurora Marketing is deeply and passionately engaged in the defence sector.

Since cutting our teeth on back-to-back mega projects around Australia over 20 years ago, we've embraced this exciting, challenging and dynamic industry. Our involvement in the defence sector includes representing Team Defence Australia at EuroNaval in Paris 2018, participating in the Defence and Industry Study Course 2019, as well as regular attendance at major Defence activities including Avalon, LandForces and IndoPacific, as well as Defence Congress and Defence + Industry Conference. We are also actively involved in industry associations including Australian Industry and Defence Network, Australian Defence Association, Defence Teaming Centre, Industry Capability Network and SME Gateway.

To further support our clients and provide clearer pathways to begin working within the defence sector, we have also recently partnered with ADCG and OpSys. By coming together we offer a trifecta of opportunity for organisations aiming to get defence ready. Covering cyber intelligence and tech readiness, security clearance and DISP accreditation, as well as comprehensive bid management, our alliance ensures support in three of the most critical areas of access to the industry.

Furthermore, since 2019 we have been driving a behind-the-scenes investigation of the tender evaluation process to broaden our understanding of how evaluation panels score tenders, what they are really looking for and what are the common shortfalls. **Our latest Behind Closed Doors program was completed in 2022.** You can view and download the full report from our website www.auroramarketing.com.au.

Our bidding experience reflects the full diversity and complexity of the defence sector including:

Table 4: Aurora Marketing has experience that spans the full breadth of the defence industry.





A track record of winning landmark deals

We've worked on literally thousands of live tender opportunities for organisations of all sizes and we're proud to have contributed to some of Australia's biggest contracts including:

- Australian Singapore Military Training Initiative, Greenvale
- Riverina Redevelopment
- HMAS Cairns Redevelopment
- North QLD Mid-term Refresh
- Major Services Provider Panel
- Defence Base Services Contract
- Air 6000 Phase 2A/B New Air Combat Capability
- SEA 5014 Capability Assurance Program
- Land400 Phase 2 Combat Reconnaissance Vehicles
- RAAF Base Amberley C-17 Maintenance Facilities
- Space Branch Support (OPP4204)
- Market lead proposals
- Australian Industry Capability plans
- Plus extensive work with Defence Primes including BAE Systems, Thales, Raytheon and Lockheed Martin to enhance the capability of SMEs in their Global Supply Chain and Australian Industry Capability programs to prepare better proposals.



1500
PROJECTS



\$160 B+
SUCCESSFUL
PROJECTS



98.5%
SUCCESS RATE



Offices
 Teams
 Major Projects
 Projects

Figure 4: The Aurora Marketing presence continues to grow in stride with our success.



Trusted by the leaders in defence

We're particularly proud of the client base we've served and the partners with whom we align. Across the defence sector, we've worked with some of Australia's best-known companies as shown in Table 5 and proudly partner with the organisations in Table 6.

Table 5: Our clients are as diverse as the industry itself.



WE PROUDLY PARTNER WITH THE FOLLOWING ORGANISATIONS:

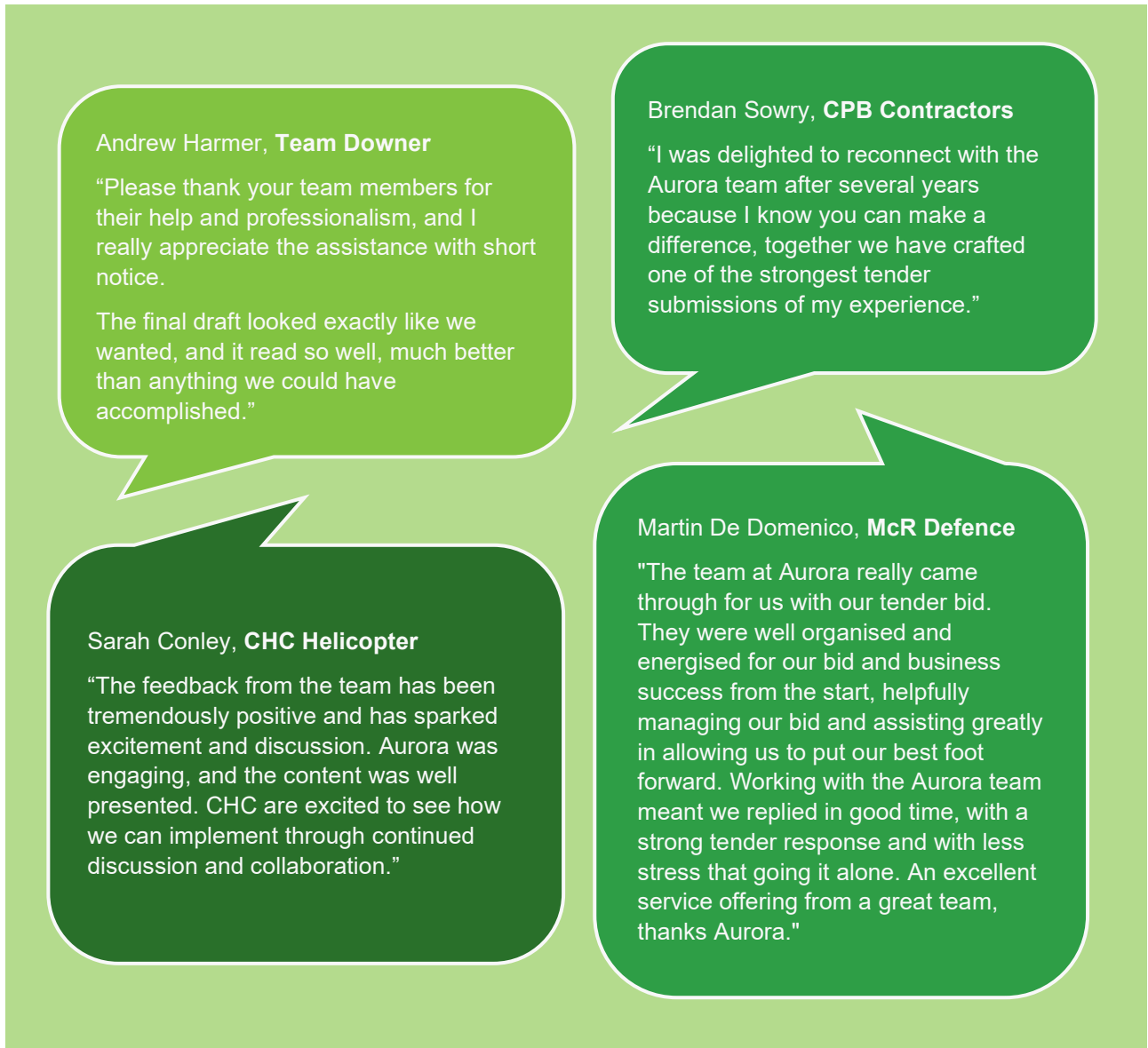
Table 6: Our industry partners have deep defence experience.





Delivering exceptional results

Don't just take our word for it – our clients sing our praises too:



Andrew Harmer, Team Downer

“Please thank your team members for their help and professionalism, and I really appreciate the assistance with short notice.

The final draft looked exactly like we wanted, and it read so well, much better than anything we could have accomplished.”

Brendan Sowry, CPB Contractors

“I was delighted to reconnect with the Aurora team after several years because I know you can make a difference, together we have crafted one of the strongest tender submissions of my experience.”

Sarah Conley, CHC Helicopter

“The feedback from the team has been tremendously positive and has sparked excitement and discussion. Aurora was engaging, and the content was well presented. CHC are excited to see how we can implement through continued discussion and collaboration.”

Martin De Domenico, McR Defence

“The team at Aurora really came through for us with our tender bid. They were well organised and energised for our bid and business success from the start, helpfully managing our bid and assisting greatly in allowing us to put our best foot forward. Working with the Aurora team meant we replied in good time, with a strong tender response and with less stress than going it alone. An excellent service offering from a great team, thanks Aurora.”

Figure 5: Client testimonials.

Talk to us

Brisbane | Sydney | Melbourne | Adelaide | Perth | Canberra

We can help you win that ‘must win’ bid, improve your success rate or improve your bidding methodologies.

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 Email: info@auroramarketing.com.au
www.auroramarketing.com.au