## CAPABILITY STATEMENT

AIR FORCE

**DEFENCE SECTOR** 



NAVY









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### If you want to win defence contracts, prepare for war.



# **Projects that advance capability**

Imagine being part of a mission dedicated to securing Australia's future. Whether on land, at sea, in the air, through cyber or space, the opportunities to contribute to this critical sector are vast. Defence Strategy, which outlines a comprehensive approach to strengthening our defence capabilities and shifting the Australian Defence Force (ADF) to an integrated, focused force.

The defence industry not only safeguards our nation but also drives technological advancements that propel our economy to new heights. Defence spearheads transformative projects that protect and innovate. These initiatives range from ambitious long-term programs to smaller-scale projects that enhance everyday life for Australians.

The landscape ahead is rapidly evolving, driven by the National

Supporting this strategy is the 2024 Integrated Investment Program (IIP), representing a generational uplift in defence capabilities. This program ensures a cohesive, logical and financially sustainable plan for enhancing Australia's defence infrastructure. The IIP's strategic reset has overhauled the investment framework, aligning it with the overarching goals of the National Defence Strategy.

For businesses aiming to become part of the defence supply chain, mastering industry-specific procurement methods, identifying strategic opportunities aligned with the IIP, understanding purchasing policies and delivering cost-effective outcomes is essential.



## **Shifting** to an integrated, focused force

The ADF will shift to a force integrated across the 5 domains – maritime, land, air, space and cyber – focused on addressing the nation's most significant strategic risks.



NAVY

A larger, more lethal Navy with more surface ships and conventionally-armed, nuclear-powered submarines.



#### ARMY

An Army optimised for littoral operations in our northern land and maritime spaces with landing craft, long-range strike capabilities and a credible, combined-arms land system.



PFORCE

#### **AIR FORCE**

An Air Force that can provide air support for integrated operations by conducting surveillance, air defence, strike and air transport.



#### CYBER

Strengthened cyber capabilities to protect networks and systems, provide enhanced cyber and electronic warfare effects.



#### SPACE

Enhanced space capabilities to provide space-based situational awareness and communication capabilities.



## **Delivering** to an integrated, focused force

The Australian Government is investing \$330 billion in capability investment priorities through the Integrated Investment Program, aimed at developing a more integrated and focused force, from now until 2033-34.



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\$63-76 B

Undersea Warfare



## **Defence: uniquely complex**

From a bidding perspective, the defence sector presents its own particular challenges.



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.

ASDEECON

ASDEFCON

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.



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.



AUSTRALIAN INDUSTRY CAPABILITY 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.



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.

DEFENCE INDUSTRY SECURITY PROGRAM



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: fiercely competitive**

Australia's defence industry is a powerhouse of innovation and skill, where thousands of businesses and professionals, even those outside the official defence sector, make their mark. Every day, new opportunities emerge for businesses of all sizes, from agile startups to global corporations, to become pivotal players in this high-stakes arena. The sheer impact and vast potential of this industry are extraordinary, rivaled only by the fierce competition and intricate complexities that shape its landscape.

#### ASDEFCON

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.

## Strengthen your ranks

To build a winning bid team, it's essential to assemble and scale up with a variety of specialised resources. We support our clients by providing:

- **Performance coaches and partnering experts** (like Alliance Coaches)
- Industry experts and individuals with client insight (such as our Shadow Catalysts)
- Bid strategists and innovation experts (referred to as our Bid Catalysts)
- Bid managers and team leaders (known as 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 evaluators

Since 2019, we have conducted an ongoing major research program with 100 evaluators from major projects. Here are the key findings to consider in your next defence submission.

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



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



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



#### 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?

#### 2 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.

#### 3 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.

#### 4 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, buyers want to see bidders be bolder and more confident.

### 5 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.

#### 6 Offer value for money

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.

#### Launch your defence tender responses



# Factors for success in defence bids

From our experience in defence bids, there are a few key factors that enhance your likelihood of 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 & 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.



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.

## Defence Ready Essentials

Becoming defence ready takes steadfast commitment and a lot of effort. Our top 4 essentials will help you get started and understand what it takes to prepare your business for opportunities in the defence sector.

#### Activate yourself in the industry

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Engage in industry networking, attend major defence events, register for defence briefings and connect with support organisations to stay primed and ready.

> Identify opportunities you want to pursue

Study the 2024 Integrated Investment Plan, connect with Global Supply Chain contacts, explore key platforms and resources, review project pipelines and programs on Defence.gov.au and register for updates from relevant industry organisations.

## **2** Get defence ready

Familiarise yourself with defence terminology, create essential documents, join relevant programs, gain certifications, register in industry directories, access supply chain opportunities, connect through digital platforms and seek advice from support networks.

## Prepare and position NOW

Research targeted opportunities by analysing the competitor landscape, developing your value proposition, establishing partnerships, engaging with stakeholders, starting content development and tracking opportunities.



## Light up your story with Aurora Marketing.



Access deep industry knowledge for strategic positioning / pitching



Supercharge your content with our 8-layer methodology



Unlock exclusive evaluator insights to leapfrog your competition



Fast track your team's performance for bid success



Use AI technology to enhance efficiency of your bidding processes

We help teams navigate the unique process that comes with the hostile territory of a defence tender. As leaders in the tender services space in Australia, Aurora Marketing understands the battlefield on which defence tenders are fought and won.

• Bid strategy and messaging

We want

- Bid management
- Bid writing
- Al for defence tendering
- Document production
- Graphic design
- Partnering and teaming
- Client and industry insights
- Technical and SME expertise

And win.

- Presentation and engagement
- Contract renewal.

#### **EXPERTS IN ASDEFCON**



**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 is vast and includes representing Team Defence Australia at EuroNaval in Paris, participating in the Defence and Industry Study Course, as well as regular attendance at major Defence activities including Avalon, LandForces and Pacific, as well as Defence Congress, and Defence + Industry Conference. We are also actively involved in industry associations including Australian Industry and Defence Network, and Defence Industry Networking. As well as regular speaking engagements at industry events, we also host our own defence specific networking events to enhance industry knowledge and foster meaningful connections within the sector.

To maintain our standing as industry leaders, our dedicated Defence Corps team, trained specifically for defence bids, ensures exceptional focus and expertise. Additionally, our team includes several Shadow Catalysts with executive-level defence industry experience. They enhance our defence bidding strategies, share valuable training and insight with our team, and support our clients through senior consulting engagements. Our bidding experience reflects the full diversity and complexity of the defence sector.







## 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:



- Navy Aviation MSP IWP
- Defence Mulwala & Benalla Facility
- ASCA AUKUS Innovation Challenge
- Australian Singapore Military Training Initiative, Greenvale
- Riverina Redevelopment
- HMAS Cairns Redevelopment

- North QLD Mid-term Refresh
- Major Services Provider Panel
- Base Services Transformation Program
- Defence Base Services Contract
- Air 6000 Phase 2A/B New Air Combat Capability
- Land400 Phase 2 Combat Reconnaissance
  Vehicles
- SEA 5014 Capability Assurance Program

- 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.



## **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.





## **Delivering exceptional results**

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

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. Sarah Conley, CHC Helicopter

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. Andrew Harmer, **Team Downer**  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 Brendan Sowry, **CPB Contractors** 

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 that going it alone. An excellent service offering from a great team, thanks Aurora. Martin De Domenico, McR Defence

## Touch base

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