

# 2017 NEW ZEALAND DEFENCE INDUSTRY SURVEY RESULTS & ACTIONS UNDERTAKEN

This customer satisfaction survey was established in 2016 as a repeatable annual assessment to measure the New Zealand Defence Industry's satisfaction with their engagements with New Zealand Defence and prime contractors.

The feedback from the 2017 survey has been taken onboard and incorporated into work plans. Some of these plans are already underway.

## SUMMARY OF FINDINGS

Of the 399 people who received the survey 165 (41.4%) completed the survey. The respondents came from 102 different organisations.

Respondents answered questions about the organisations they engaged with during the 2017 calendar year. Figure 1 shows there were 114 responses for the Ministry of Defence, 125 for the New Zealand Defence Force, and 44 for prime contractors.

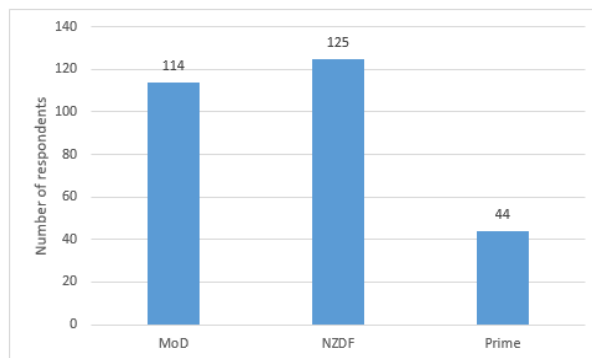


Figure 1. The number of respondents answering questions on the organisations they engaged with in 2017

For the overall satisfaction questions, more than 80% of respondents recorded that they were “somewhat satisfied” or “very satisfied” with the New Zealand Defence Force, and just under 80% were “somewhat satisfied” or “very satisfied” with the Ministry of Defence and prime contractors (see Figure 2).

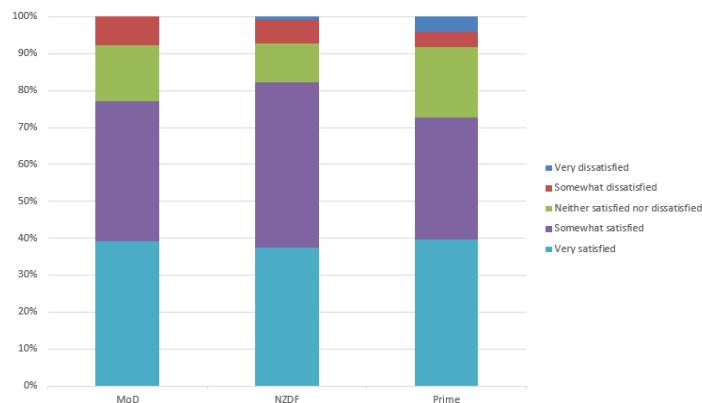


Figure 2. Overall satisfaction with the organisations respondents engaged with in 2017

There were a number of satisfaction questions specifically about the Ministry of Defence and New Zealand Defence Force. Figures 3 and 4 highlight the responses with the highest and lowest combined “somewhat satisfied” and “very satisfied” responses for the two organisations.

The highest satisfaction scores for the Ministry of Defence (Figure 3) were for “knowledge of personnel”, “information on upcoming projects” and “access to personnel”. The lowest scores were for “partnering opportunities with other NZ suppliers”, “partnering opportunities with international suppliers”, and “risk assessment and management”.

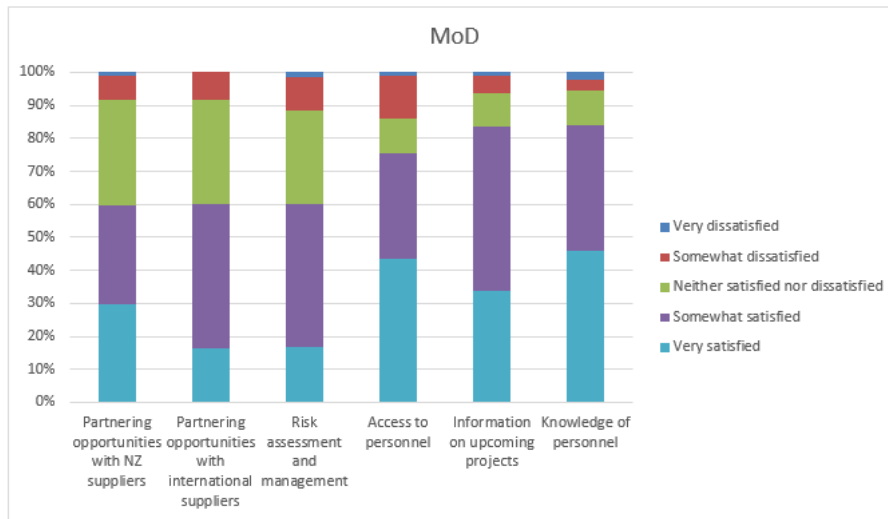


Figure 3. Questions with the highest and lowest satisfaction scores for MoD

The highest satisfaction scores for the New Zealand Defence Force (Figure 4) were for “knowledge of personnel”, “access to personnel”, and “interactions with the industry engagement team”. The lowest scores were for “annual procurement plan”, “time for tender process”, and “feedback on tender submissions”.

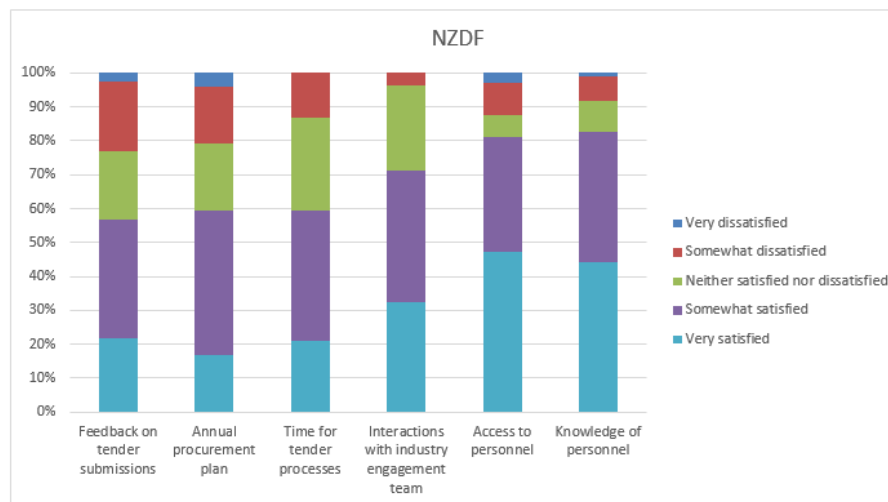


Figure 4. Questions with the highest and lowest satisfaction scores for NZDF

The survey included 4 open-ended questions where respondents could provide feedback. There is some very positive and encouraging feedback from the survey about the progress MoD and NZDF are making. However there were also a number of comments on areas where more work needs to be done.

The topics with the largest number of comments in response to the open-ended questions in 2017 were around communication, information, and the tender process. There were a number of comments about the need to improve the clarity, channels, and frequency of communications from MoD and NZDF to the Defence Industry. Respondents also want more information provided from MoD and NZDF, especially around the tender process and how MoD and NZDF operate.

# ACTIONS UNDERTAKEN

## MINISTRY OF DEFENCE

In light of the findings from the 2017 Defence Industry Annual Survey, the following action items have been, or are to be, undertaken by the Ministry of Defence in regard to major capability delivery projects:

### To Improve opportunities for companies to partner with New Zealand Suppliers:

1. Increased opportunities for inter-company collaboration and partnering have been made available via an online Portal on the Ministry's website.
2. Following an external procurement review, the industry team, working with the practice office and acquisition leads, will develop smart buyer training on the value of early engagement.
3. Industry Days where collaboration and partnerships can result are held earlier in our project lifecycles. This was tested with the Protected Mobility project and a survey following that event showed positive feedback.
4. New early industry engagement guidance, in which a minimum number of early engagements is mandated. Guidance has been incorporated into the Capability Management System and the Ministry briefed members of the Defence Industry Association in May 2018.
5. Along with an ongoing outreach programme, we have partnered with New Zealand Trade and Enterprise (NZTE) to brief regional businesses about the opportunities available in Defence, both in New Zealand and in Australia.
6. The Ministry of Defence and NZTE will host winning Australian Prime Contractors in conjunction with industry associations so that NZ industry can promote their capabilities.

### Information contained in tender documentation:

1. Draft MoD Contract Templates have been made available to industry on the website portal, along with other information that will support industry to respond to Requests for Tenders (RFTs)
2. Ministry staff have consistently attended and will continue to attend Defence Industry Association member meetings, providing updates on project activities and procurement improvements
3. New RFT, Whole of Life Costing, RFI and Contract templates have been developed using plain English. Industry has been given access to the templates via the online portal.

## NEW ZEALAND DEFENCE FORCE

As presented at the February 2018 NZDIA meeting, the key areas of focus of the NZDF based on the results of the 2017 survey are:

### 1. Forecasting, NZDF will focus on

- Our commitment to the provision of information and our understanding of the importance of the Annual Procurement Plan (APP) to industry.
- Emphasising the importance of the APP to our personnel who seek to complete projects using external parties.
- Encouraging them to utilise the APP as a method to communicate our intent.
- Encouraging clear, concise, consistent, correct communications within Defence about our intent

### 2. Tender Process, specific areas of focus for upskilling and process consideration include:

- Quality of documentation
- Timeframes
- Feedback content which is effective, useful, constructive and timely
- Risk assessment

### 3. Engagement, NZDF will continue to:

- Build on engagement levels across the NZDF with industry
- Develop and deliver programmes which upskill industry facing NZDF personnel, including:
  - Better understanding, training and implementation around probity and the Government Rules of Sourcing and NZDF Framework.
  - Continue to develop a set of How to Guides, consistent with the Framework, to continue to build on the business acumen and engagement competency across the organisation
  - Reinforce and encourage clear, concise, consistent correct communications within Defence about our inten
- Develop Opportunities to engage early on projects
  - Increased industry days and briefing sessions– both physical and virtual. Including “show & tell” and hackathons
  - Develop better communications channels to communicate such events.
  - Ensure availability of personnel
- Support significant opportunities to engage
  - NZDIA Forum as a vehicle to enable NZDF to engage with industry.
  - NZDF Engineering, Science and Technology Conference, which engages NZDF engineering functions and industry with a specific focus

*Our thanks go to all participants for taking the time to complete the survey and for their valuable feedback. This survey will be repeated at the end of 2018 after the NZDIA Forum.*

*If you have any further feedback or questions please contact:*

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