

2016 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 results provide a baseline to compare levels of satisfaction going forward.

The feedback from the 2016 survey has been taken onboard and has been incorporated into work plans. Some of these plans are already underway.

SUMMARY OF FINDINGS

Of the 327 people who received the survey, a third (109) completed. The respondents came from 67 different organisations. Their occupations ranged from "Account Director" to Vice President".

Respondents answered questions on the organisations they have engaged with during the 2016 calendar year. Figure 1 shows there were 82 responses for the Ministry of Defence, 91 for the New Zealand Defence Force and 42 for prime contractors.

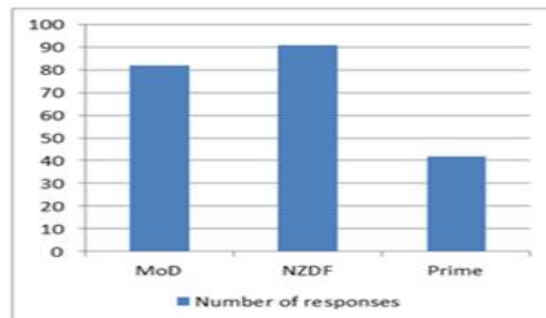


Figure 1. The number of people who responded that they have engaged with New Zealand Defence in 2016

For the overall satisfaction questions more than 80% of respondents recorded "somewhat satisfied" or "very satisfied" with the Ministry of Defence and New Zealand Defence Force. See Figure 2.

Prime contractors for the same measure recorded 65% and 30% for "neither satisfied nor dissatisfied".

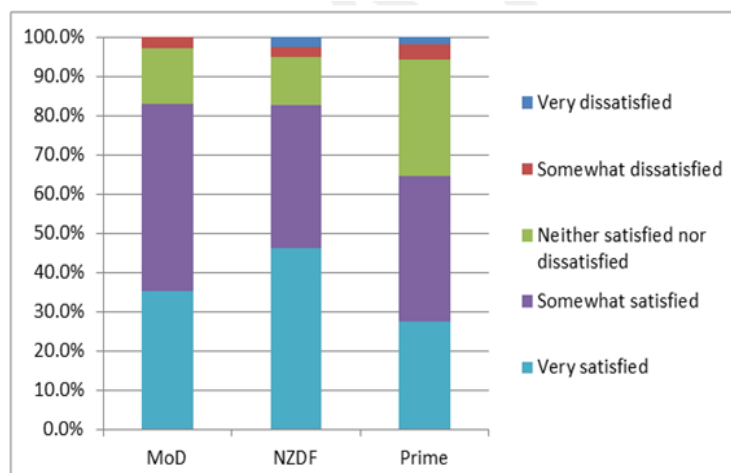


Figure 2 The overall satisfaction percentages for New Zealand Defence

There were a number of satisfaction questions specifically about the Ministry of Defence and New Zealand Defence Force. The responses with the highest and lowest combined “somewhat satisfied” and “very satisfied” responses were the same for both organisations.

The top satisfaction scores in figure 3 & 4 were for “Knowledge of Personnel” and “Access to Personnel”. The lowest scores were for “Time for Tender”, “Feedback from Tender” and “Risk Assessment and Management”.

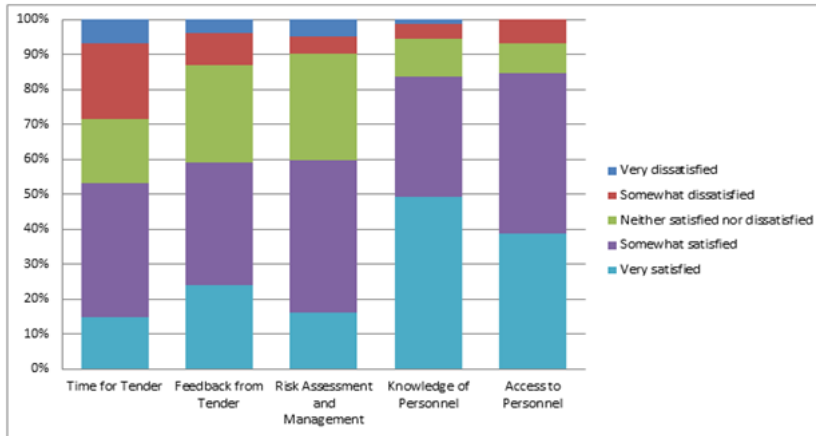


Figure 3 The questions with the highest and lowest satisfaction scores for the Ministry of Defence

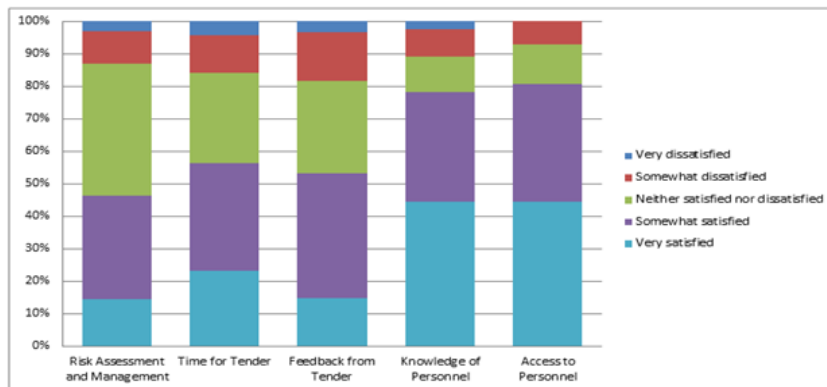


Figure 4 The questions with the highest and lowest satisfaction scores for the New Zealand Defence Force

The survey included four open ended questions where respondents could provide feedback. The main themes from these comments were:

1. Communication: improve the clarity, methods and frequency of communications from New Zealand Defence (Ministry of Defence and New Zealand Defence Force) to the Defence Industry
2. Information: provide more information from New Zealand Defence, especially around the tender process and how New Zealand Defence operates.
3. Access: ensure that the Defence Industry know who to contact within New Zealand Defence and have access to present their organisations products to the decision makers.
4. Early Engagement: allow more time for tender process and earlier engagement with Defence Industry in the tender process.

ACTIONS UNDERTAKEN

In light of the findings from the 2016 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 the clarity, methods and frequency of communications to the Defence Industry:

1. A new communications strategy has been drafted to guide future interactions with industry.
2. A communications implementation plan for the strategy will be drafted by early August 2017.
3. A new Communications role is being established in the MoD starting in June 2017 to support communications with industry.
4. An engagement plan is being implemented with a large number of visits and face to face meetings with New Zealand industry.

To increase information, including tender processes and how New Zealand Defence operates:

1. The Defence Engagement Strategy was published in November 2016.
2. The recently upgraded MoD website now contains further detail on processes and operating models.
3. A portal for industry on the MoD website will provide more granular access to projects. The portal will go live in 2017.

To help industry know who to contact and increase access to decision makers:

1. Defence will continue to attend member meetings, support forums and coordinate access to decision makers and senior project leaders across key external organisations including the New Zealand Defence Industry Association.
2. Specific contact detail information (single Point of Contact) is now available on the MoD website and also in the Engagement Strategy published in November 2016.

To provide more time for industry to prepare tender responses, including engaging earlier, the following action items have been, or are to be, undertaken:

1. Earlier and more frequent industry days - the 2016 Industry Engagement Strategy committed Defence to engaging industry early in acquiring military capability, i.e. prior to the release of a Request for Tender. In this context, early engagement involves a series of activities, including the holding of industry days following, for example, the release of a Request for Information. This will roll out later in 2017.
2. Engagement plan implementation including an agenda of site visits and face to face meetings to brief industry earlier on opportunities, from now until the end of 2017 has been developed to guide future engagement.
3. Information and advice will continue to be provided through the Defence Industry Association and other channels

4. The portal within the MoD website will include a brokerage function between Prime and Sub Contractors. This will allow interaction earlier in a project and specifically between the RFI and RFT phases.
5. Feedback to industry after RFI and RFT phases will continue to be improved, particularly in respect of the frequency and timeliness of industry days.
6. Whole of Life Costing assumptions, Whole of Life Cost templates, Draft RFIs, boiler plate contracts and RFT templates will be published within the Industry engagement plan specific to a project.

The **New Zealand Defence Force**, having noted the survey feedback, have implemented or is in the process of undertaking the following activities aimed at improving our engagement, information sharing, processes and partnerships through:

1. Continuing to build on the quality and quantity of information in the Annual Procurement plan and increase visibility to it.
2. Launching the NZDF Framework for External & Industry Engagement in June 2017 to both NZDF personnel and Industry partners.
3. Creating a range of “How to guides” for engaging with NZDF including a guide to procurement which was released at the NZDIA Forum in November 2016
4. Developing an Early Engagement process for Minor Capability and Operational projects within NZDF
5. Committing to undertake Industry days in advance of procurement cycles for Minor Capability and Operational projects across NZDF. Four Industry Days have been hosted in the last six months across the NZDF portfolio.
6. Maintaining industry access to key NZDF personnel through the Industry Engagement team.
7. Encouraging and promoting the active engagement at shows, events and meetings specific to Defence and the wider business community by NZDF personnel, enabling early engagement and informing our teams.
8. Continuing to support and work alongside industry associations and groups, including the New Zealand Defence Industry Association.

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 2017 after the NZDIA Forum.

If you have any further feedback or questions please contact:

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