Winning Business in the Defence World
19th September 2013
Future WEAF Networking Events

- WEAF Supporting You Roadshow:
  - Swindon, 24th September
  - Bournemouth (am) and Yeovil (pm), 1st October
- How to write Winning Bids and Proposals, 25th September, Clevedon
- Sales Training for Engineering Businesses, 2nd October, Plymouth
- Marketing for Engineering Businesses, 10th October, Poole
- Lead Generation for Engineering Businesses, 22nd October, Poole
- Open Day at Messier Bugatti Dowty, 6th November, Gloucester
- WEAF Annual Gala Dinner, 20th November, Bristol
- WEAF Annual Conference, 26th February, Weston-super-Mare
Setting the Scene

• Our focus here in the South West in recent years has been on commercial aerospace. **Why?**

  • In recent years, Civil Aerospace revenues have grown by 5.1%
  • The long-term outlook is good, showing continued strong growth
  • The international Civil Aerospace sector is forecast to be worth around $4 trillion by 2030
  • 27,000 100+ seat aircraft, 24,000 Business jets, 40,000 commercial helicopters required by 2031.
  • The the UK has the opportunity to expand its market share to $352 billion by 2030
  • Current forecasts indicate world Compound Annual Growth Rate (CAGR) will average 5.4% up to 2030

Setting the Scene

Air travel remains a growth market

World annual traffic (RPKs - trillions)

Source: Airbus Global market Forecast 2012 - 2031 "Navigating the Future"
However….. **We ignore Defence at our peril!**

- In the UK, the MoD spends £14bn and places over 6,000 contracts each year\(^1\).
- In 2012 UK defence and security exports totalled £11.5 billion\(^2\).
- In 2012, £8.8 billion new UK export business was won, up 62% on the 2011 figure, in a global market that grew by 45%\(^2\).
- The UK continues to be the second most successful defence exporter, only behind the USA\(^2\)
- The UK consistently captures 20% of the global defence export market\(^2\)

Sources: 1. Veale Wasborough Vizards 2. DSEi 2013
Setting the Scene

- Defence Aerospace Sales equal Commercial Aerospace Sales, at about £11 billion each

Source: ADS Aerospace Survey 2012
Many challenges remain but there are also opportunities:

- UK Unmanned Air Vehicle requirements are growing
- UK MRO opportunities are growing
- While Western governments may be forced to reduce defence budgets as a continuing deficit reduction measure, other governments are increasing their expenditure.
- Amongst these India, Brazil, Malaysia, Australia and Saudi Arabia are important as potential growth markets.
Aerospace & Defence executives face a tough question: “How will I re-align my company to find success in this changing landscape?”

- **Geographic diversification**: Should I expand internationally into Latin America, Asia and the Middle East?
- **Expansion into new or adjacent markets**: Can I offer maintenance, repair and overhaul services; commercial satellites and services; unmanned aerial systems; defence electronics; and cybersecurity?
- **Business combinations strengthen company**: Should I consider mergers and acquisitions to increase cost efficiencies?
- **Alliances and joint ventures**: How do I form collaborations to increase access to technology and capital as well as new market opportunities?
- **Focus research and development (R&D) spending**: What are the technology trends?
We hope that today’s WEAF event will help you to answer some, if not all, of these questions.

Today, we plan to tackle:

• The means of securing a position with an overseas prime and accessing new opportunities
• Learn what Boeing look for in suppliers and how you can gain access to their opportunities
• How to engage with the MOD to win domestic defence business, and what practical assistance is available
• What government and military support is available to SMEs to gain a foothold in overseas markets
• The legal defence landscape to help you avoid pitfalls
In Short:

“How to Win Business in the Defence World”