



# SMEs in defence: standing together, standing tall

*How can SMEs in the defence sector overcome their limitations and offer the market something far more? Here, David Claxton, Chairman of the Infrastructure Response Equipment Group (InfREG), talks about the benefits of being a collective force in the defence market.*

**S**MEs across the country, in whichever sectors they operate, all suffer from common issues such as limited resources; skills and experience; and access to markets within the business that restrain development opportunities. In addition to these limitations, contracts and tender opportunities are often passed over as only part of the requirement can be met by an SME itself, thus business opportunities are missed.

Even if an SME wants to explore new markets or export possibilities, the support opportunities from government are limited and a company may not meet the requirements for support. It is fair to say that the demands on the UKTI DSO Small Business Unit (SBU), for example, are broad, varied and numerous so support is more easily justified where a greater tangible return is likely.

Membership of industry associations can be a useful source of market knowledge and such organisations are often well placed to influence government policy. Equally such organisations can put together major events such as exhibitions and inward missions which act as focal points for members to present their products and services. However, such events can be almost taken over by the major member companies and global corporations, leaving the SMEs trailing, if not invisible, in their wake.

So how can an SME ensure that it can benefit from tenders and contracts which, on the face of it, fall mainly outside the company's usual business? They can benefit best by contacting those companies known to be tendering and seeking out sub-contract opportunities. An SME may well be successful; but would it not be better to have a real bite of the cherry?

Perhaps, however, we should look back on ourselves from the point of view of the end customer. Why do governments and NGO's use the tendering process? Maybe they are being altruistic and looking for a fair and competitive outcome, but also because it is far more efficient for them to have one point of contact for their requirement.

Why not take control of the situation? Where there is a major requirement, actively seek out SMEs who specialise in those products and/or services which, like yours, will meet only some of the contract requirement. With a measure of effort, both on your part and on the part of others who, like you, can see the benefit, there will eventually be a group of independent companies capable not only of meeting the needs of the tendering authority, but also of agreeing a prime

member for that particular tender and providing a single point of contact.

By developing these collaborative relationships with other companies, it can even open up a wide range of opportunities within the collective group. As the members become more familiar with each others capabilities, it follows logically that they look to each other if a particular need arises.

Another benefit of forming such informal liaisons is that personnel within other SMEs will have particular skills and experiences – not to mention business contacts – that can be utilised. If looked at collectively, these benefits can have a further reach than any individual member organisation.

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Furthermore, SMEs each have their own profile with the various tender portals. By working as a group when it comes to seeking out tenders, we will come across a greater number of tender opportunities. Of course, by acting as a group we will also have a louder voice in the wider marketplace, and provide a stronger proposition when looking for support and guidance from organisations such as UKTI. In short, it is the collective strengths that benefit every individual member company.

But what does all this cost? In order to make the group effective there has to be a good level of individual participation from all members. Time and effort needs to be dedicated to the partnership or alliance in order to make things work. The group should be organised and proactive, and willing to work alongside each other in order to make the relationships work. By sharing both costs and resources with other group members, individual SMEs will undoubtedly benefit from pooling with a collective.

The member companies of InfREG first came together for an event at Gibraltar Barracks under an initiative from the UKTI DSO SBU, which brought companies together with the help of Bovington's Export Support Team. The SBU then encouraged the participating SMEs to develop the programme for ourselves. However, even knowing the companies involved still required a conscious effort to draw all the elements together, and while it hasn't always been easy, the members of InfREG are committed to making it work in the longer term.

As budgets get smaller and markets contract, SMEs have to do everything in their power to stay ahead of the game. With effort and initiative, our individual members now stand together as a stronger force in a difficult market place, and like us, SMEs could gain far more by working alongside each other than by acting alone.



*InfREG is a number of SMEs who individually manufacture and supply products and material capable of being used in Emergency and Disaster Response scenarios*



David Claxton  
Chairman, Infrastructure Response Equipment Group (InfREG)  
Tel: 01794 525400  
Email: dc@dmstech.co.uk  
Web: www.infreg.com