

CHECKLIST FOR PREPARING A CAPABILITY STATEMENT

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One of the most important steps in targeting major project supply chain opportunities is to communicate your capabilities effectively to other companies in the supply chain – those that can potentially use your products and services.

These major project supply chains have particular ways of operating. This checklist includes tips and hints that can help you write a capability statement that 'hits the mark' with these decision makers.

There are two types of capability statements you need – the long version and the short version.

The long version gives an in-depth understanding of your firm and its capabilities. The short version can be used on website listings including the ICN Gateway.

This checklist can help you to prepare a thorough, high impact capability statement.

Some guidelines to remember when you write your capability statement:

- It is very much easier to write the **long version first** and then condense it down to the short version. This approach helps you make sure you include all the important information in a shorter version.
- **Use the headings** for your first draft. When you have a final draft, you can take out some of the headings to make the text 'flow' better.
- Get some 'editors' or 'critics' to **review what you write** – their feedback will help you improve the capability statement until you have a high quality story about your firm's capabilities. Pick someone who knows your firm but is outside the day to day work - the harder that editor is, the better the result.
- **Get to the point** – people won't read something long and boring. Decision makers want to read a compelling story about your capabilities. Keep sentences short, to the point and use a structured approach in your capability statement.
- **Include the good stuff** – what is it about your firm that makes it special?
- **Don't copy someone else's capability statement** – they are not you and you are not them. It is OK to look at how other firms present their capabilities but make sure you write your own version – it will always give you a better result.

- **Be truthful and accurate** – you must be able to deliver what you say you can do.

While this checklist is extensive, it will help you cover the areas that major project supply chains want to know about their suppliers. Use the suggested structure list and notes to build your long and short version capability statements.

LIST FOR THE LONG VERSION

These headings will help you structure your capability statement and make sure you cover the information clients want and need. Use the Checklist as a guide to make sure you understand and include all the important information you need in your capability statement.

The long version should be about 4 to 6 pages long.

1. Capability Information

Main Business Activities and Industries Served

Your elevator pitch

Preferred business – markets and areas you serve

Main service/product categories and key words (for your ICN Gateway Company Profile)

Products and Services

List of products and services (expand on the main service/product categories)

Technical and customer support services

Proprietary products / inventions / processes / patents

Your firm's approach – differentiating qualities, track record, response to clients' 'hot button' issues e.g. risk management, time pressures

Work Capacity

Certifications held

Preferred maximum value of contract (in the confidential version)

2. Resources

Equipment and Facilities

Facility location and size

Equipment listing

Management of equipment

Skills and expertise

Staff levels (average and peak) and the mix of skills in management and production/delivery teams

Specialised skills or expertise

Training and skills development

Capacity levels – subcontractor networks and scalability

Technology

Software used (work management/design /production or delivery/customer portal/accounting)

Infield or other technology that adds value

Continuous Improvement and Innovation

Approach to continuous improvement

Innovation and value created for clients

Industry Association Membership

3. Track Record

Major Clients

Notable clients

Prequalifications

Leading Projects

6 to 8 projects that demonstrate the range of work you deliver. Use projects in the last 4 to 5 years, include any international work, and use the ICN Gateway format

4. Management Systems

Management Systems

Statement on certification to or alignment with the ISO or AS/NZS standard:

- AS/NZS 4801:2001 occupational health and safety management system standard
- AS/NZS ISO 9001:2015 quality management standard
- AS/NZS ISO 14001:2015 environmental management standard

For integrated systems or specialised sector management systems, one statement can cover safety, quality and environmental management

Risk Management Approach

Statement on business risk management and financial stability.

Insurances

List WorkCover, public and product liability, professional indemnity and relevant specialised insurance

5. Contact Details

Firm Name

Street address

Main Contacts

Principal and title, phone and email

Other key contact and title, phone and email

Phone - general

Fax

Email - general

Web Address

Postal Address

Year Established

ABN

LIST FOR THE SHORT VERSION

Use the list headings and see the example to help you condense down your capability statement. This short version can be a one page document and you can use it to prepare a high impact ICN Gateway Company Profile. The short version can be expanded to 2 to 3 pages if you include the full list of products and services.

Strip out unnecessary words in this version (see the examples of the long version and the short version).

Capability Information

Introduction

Your elevator pitch

Preferred business – markets and areas you serve

Main service/product categories and key words (for your ICN Gateway Company Profile)

(This information goes into the Summary field in you ICN Gateway Company Profile)

Capabilities

- Performance – performance/delivery outcomes that add value
- Strengths – summarise strengths
- Capacity – area of operation, subcontractor network/scalability
- Track record – track record strengths
- Value adding – technology, approach, responsiveness, other
- Systems – summary statement
- Staffing – average and peak workforce
- Skills – skills mix, training approach
- Innovation and continuous improvement – approach and value delivered
- Work management – management/software tools used

(This information goes into the Full Description field in your ICN Gateway Company Profile)

Contacts

Principal contact, title, company name, general phone, mobile, email

Other key contact, title, mobile and email

Web, street and postal address

ABN

NOTES ON FOR PREPARING YOUR CAPABILITY STATEMENT

1 Capability Information – this explains what you do and what you are good at

1.1 Main Business Activities and Industries Served – List the main areas of work that you do and the markets you serve – what you are best at and what type of work you like to win.

Don't be tempted to overstate your capabilities - saying that you can do everything will quickly relegate you to the 'not able to do anything well' category. Be specific so decision makers get a very good understanding of what you do.

What geographic areas do you supply to? Major project supply chains want to know that you can provide support to specific areas for things like product support, maintenance and service.

1.2 Your Elevator Pitch – Two or three paragraphs that explain how and why you deliver value. Answer these questions and build your elevator pitch from the answers:

- What was the most complex or demanding job you have done? Why did it work well?
- What feedback do you get from customers about the work you do?
- Why do customers choose your business over others who do similar work?
- How have you helped customers improve the way they do or organise project work?
- Do you have the largest range of; largest capacity equipment for ...; only one in region who does; only one who specialises in; very in-depth knowledge/ experience in.....; best/longest track record in; only agent for?

What is your 'hidden gem' capability or knowledge?

1.3 Key words – Include key words for the main categories of products and services you supply. You need this key word paragraph in your ICN Gateway Summary – it can then be searched internally by ICN and externally by anyone using the internet.

- 1.4 Products and Services and Industries Served** – Use the same main categories as dot point headings for your full list of products and services. List your products/services and a description to show the full range of your capabilities.

Also include services and support – technical, customer/account, backup service, data analytics, quick response or afterhours assistance – that you provide.

It is often this support that SMEs provide that really make them stand out. Do you have an afterhours contact and the ability to respond to emergency requests? Include this information to show that you are customer focused.

Do you have customer support systems in place e.g. account management, or real time information on work progress? Mention client support strategies that support good communication and flexibility in responding to changing client needs.

- 1.5 Proprietary Products / Inventions / Processes / Patents** – Not everyone has something unique but innovation is very important to major project supply chains. They may not use your innovation but it sends an important message that you are a thinker and a problem solver. It doesn't matter if the innovation or product can't be used by the major supply chain – just the fact that you can achieve this can improve your standing as a supplier.

If you sell equipment or are an agent for branded products, include this information.

- 1.6 Export Capabilities** – This won't apply to everyone but if you do export something you make or value add to, it shows that you can compete in international markets – an important message about your competitiveness.

- 1.7 Other Capabilities** - If your capability statement focuses on one market or product/service area, but you do other things, mention these briefly. This gives the reader a better understanding of your overall capabilities e.g. your core work might focus on civil construction but you also have an equipment maintenance arm.

- 1.8 Your Firm's Approach** – Include a sentence on your firm's approach or the value add you are delivering to clients. This can also focus on 'hot issues' of primary concern to clients. This information gives you an opportunity to show that you align with priorities that are important to major projects.

Each major project or supply chain will have values and risk management priorities that drive their approach, their work and their performance. Do you know what those are for the major projects you are targeting? How does your own organisation line up with these values/priorities? Are there some gaps that you need to address?

- 1.9 Delivery performance and reliability** – Do you have a proven track record of reliability, timeliness, good performance on complex work or projects? A statement that explains your proven strengths is a positive addition. Make sure this is fact based.
- 1.10 Certifications Held** – This could be a firm certification or someone on the team has an important certification that supports your capabilities. These show the potential client that you have put effort into skills and systems to deliver good results.
- 1.11 Preferred Maximum Value of Work per Job** – This can be described in volume, size and in \$ terms. This gives clients an idea of the scale of work you can comfortably handle for one client.

Include this information in the confidential version that you send to targeted clients. You may not wish to have this information in a public document.

2 Resources

- 2.1 Facilities and Equipment** – Make sure you cover the base equipment and facilities you have but also specifically mention equipment that gives you an edge – it may be the size it handles, speed of operation, quality, or it might be only one of a few in the region.

List facilities, size, mix of spaces and whether you can establish workshops/camps or facilities on site.

Include a comprehensive list of equipment – grouping like items together if the list is long. Include capacity/size descriptions and, if relevant, age of equipment e.g. truck fleets.

If you are planning new investment or expansion (new premises, new major machinery, automation or other) include this information – it shows that you will be expanding your capacity in the future.

- 2.2 Management of Equipment** – Include a statement on how you manage and maintain your equipment e.g. maintained to manufacturers' specification, maintenance management plan, safety and prestart checks.
- 2.3 Staffing and Skills**– Include average staff numbers and your peak workforce size. Include the mix of skills in management and production/delivery teams.

Workforce diversity is increasingly important. If you employ Indigenous workers, encourage women in your workforce, or work with diverse communities, include this information.

You or your staff may have specialised skills e.g. design, specialised welding, or other skills. List these skills as they will help you stand out.

- 2.4 Specialised Capabilities** – This is often the most important information you can provide. You may think what you do is ‘normal’ but others may see it as a special capability. It might be customer service, backup, equipment used, quality of work, turnaround time. Ask your trusted customers – ‘what makes our services or products stand out to you?’ Draw this information out because it is GOLD.

If specialised capabilities are more skills based, include them here. If specialised capabilities are more product or service based, add them into the Products/Services listing.

- 2.5 Training and Skills Development** – As markets heat up, skills shortages will occur. Do you have a commitment to training your staff? Do you have strategies in place to retain key staff or multiskill staff? Include this information to demonstrate the depth of capacity in your firm and your ability to perform in a tight skills market. If you employ apprentices, trainees, graduates, include this information and describe your training strategy.

- 2.6 Capacity Levels** – Is your firm able to scale up to meet increased demand? Do you have subcontracting or partnering arrangements with other firms that helps you scale up your work capacity when needed?

Are you part of a network or cluster that works together or jointly bids on projects? This information lets the major project supply chain know that you can collaborate with others – a valuable quality in a subcontractor on a large project.

- 2.7 Technology and IT** – Proficiency in IT systems, innovation and absorption of new technologies is important to major project supply chains. If you have and use specialised software or technologies, include this and explain the how clients benefit from this e.g. timeliness, job management, productivity, etc.

- 2.8 Work Management** - Major projects and supply chains want to know that you have internal work management and information management systems. List your enterprise resource planning (ERP) system or a similar system that manages and tracks work in your firm – this demonstrate your commitment to efficient work management. Good project documentation and correct invoicing seem like simple requirements but are vital for everyone in the chain.

List the software that you use and its purpose. This gives confidence in your ability to interact with the supply chain.

Do you provide a client portal? Can clients order products and services online? Can they track progress on their requests/orders? Do you use infield technology e.g. GPS, apps to manage and track fleets or work?

- 2.9 Continuous Improvement and Innovation** – Demonstrating that you continue to improve your systems and that you innovate to solve problems is very important to major project supply chains – they want to know they are working with firms that are committed to ‘going the extra mile’.

Do you develop new products, commit to R&D or product innovation? Explain your approach and the value it delivers to clients.

- 2.10 Networks –Industry Association Membership** – Being a member of an industry association or group sends a message that you stay up to date with developments and get information and professional development about your industry or local area. Include this information in the ‘long version’.

3 Track Record

- 3.1 Major Clients** – Seeing notable clients listed in your capability statement is one of the most important factors for new clients – it shows that you know how to work with major customers. Include private and public sector (federal, state local) clients.

Are you prequalified to certain work standards, or prequalified to work with major customers or supply chains? Include this information.

- 3.2 Leading Projects Completed** – Include 6 to 8 projects that demonstrate the range of work that you undertake. If you have done work internationally, include an example – this illustrates that you can compete in a global market. Use the template that the ICN Gateway uses for projects:

Date:
Projects:
Client:
Brief scope:
Approx. Value (number only):

Include this information for each project:

- Date – year.
- Project – Include a title description of the project e.g. Conveyor Refurbishment.

- Client – Include the client name. You can include a subcontractor name on bigger projects e.g. ABC Contracting for ACME Global Mining.
- Brief scope - Describe the work briefly. Include information on any challenges you overcame and value that you delivered to the client. Keep it brief but demonstrate that you delivered value.
- Approx. Value (number only) – For example, \$2.5M.

4 Management Systems and Risk Management

4.1 Risk Management Systems – Risk management is a key driver for major projects and supply chains. Successful tier 3 and higher level suppliers have at least one third party certified management system. Suppliers may have:

- An integrated management system – quality, safety, environment – that is third party certified to ISO or AS/NZS standards.
- One or two third party certified management systems – quality, safety or environment management.
- Sector specific management systems with specific standards e.g. the National Heavy Vehicle Accreditation Scheme (NHVAS), that integrate risk management systems.

4.2 Safety Management System – Safety is a core driver of performance for major project supply chains. They want to work with firms that understand and commit to a high standard of safety performance. How do you manage safety performance in your company and on site? What level of safety management systems do you have?

- A Health and Safety Policy.
- A documented Health and Safety Management System that aligns with the standard.
- A Health and Safety Management System that is third party certified to the AS/NZS 4801:2001 occupational health and safety management system standard.

Include a statement about your safety management approach.

4.3 Quality Management System – Quality is very important to major project supply chains. How do you manage and improve quality in your firm? What level of quality systems do you have?

- A Quality Policy.

- A documented Quality Management System that aligns with the standard.
- A Quality Management System that is third party certified to the AS/NZS ISO 9001:2015 quality management standard.

Include a statement about your quality management approach.

4.4 Environment Management System – Environmental management is another core driver of performance for major project supply chains. You need signal your firm’s understanding of the importance of environmental management and your ability to minimise the impact on the environment.

What practices do you have in place e.g. recycling or minimising waste, reducing inputs, low energy usage equipment?

What level of environmental management systems do you have?

- An Environmental Management Policy.
- A documented Environmental Management System that aligns with the standard.
- An Environmental Management System and procedures that is third party certified to the AS/NZS ISO 14001:2015 standard.

Include a statement about your environmental management approach.

4.5 Risk Management Approach – Major project supply chains focus a great deal on risk management. While higher tier companies have leading responsibility for risk management, they want to work with subcontractors that understand and practice good risk management.

What do you do to manage high risk factors for your business?

Is your firm compliant with local, state and federal regulations that apply to your business? Mention compliance as part of your risk management information, particularly if there are industry sector specific compliance requirements e.g. Defence requirements.

Do you apply risk management assessments to new contracts? Is your business financially stable?

Include a statement about your business risk management approach.

- 4.6 Insurances** – List your main and any specialised insurance policies e.g. WorkCover, public and product liability, professional indemnity, plant and equipment and any specialised insurance.

5 Contact Details for your Firm

5.1 Firm Name

Include the company name and any trading names.

5.2 Street address

- 5.3 Principal and title** – Name and title e.g. Managing Director, Owner. Include a second contact as a backup if the main contact is not available. Include email and phone numbers for these contacts.

- 5.4 Phone** – Include the main phone number for the business.

5.5 Fax number

- 5.6 Email** – Always include a general email address for enquiries and for the main contact. Email contacts are essential - some major project supply chains will not deal with suppliers who don't have email.

- 5.7 Website** – Websites are very important for procurement teams who may search the internet for suppliers as well as looking on ICN Gateway and other supplier listings. They need to be able to find you on the web.

- 5.8 Postal Address** – If different to street address.

5.9 ABN

- 5.10 Year Established** – This tells potential customers that you have experience and stability.