



THE DMA

DEFENCE MANUFACTURERS ASSOCIATION

VOICE OF THE UK DEFENCE INDUSTRY

Undertaking business in the defence sector can be challenging for both experienced contractors and newcomers. Technology, product and services diversification into and out of defence is growing. Smart Acquisition calls for innovative ideas, often already developed for commercial applications, to read across into defence. For companies to take advantage of this, they need to understand the requirements and culture of the MoD and to be aware of where the potential opportunities exist.

Exporting is also changing. Traditional market countries seek to develop their own indigenous defence industries and look for technology transfers and ideas. The value of international partnerships is increasing and is just as important for the smaller niche SME as it is for the big Prime.

Partnership is also a developing theme for doing business with the MoD, with the number of direct contracts decreasing as the MoD reduces its supplier base.

The SME's position is also changing, with fewer direct contracts with the MoD, and more with Prime Contractors and Vendors. It can be debated whether this climate is healthy for encouraging pull-through from SME innovation, particularly as many of the best ideas originate with SMEs.

Defence and security business can often call for the same technology and even the same equipment. Since 9/11, the visualisation of this has become reality with Homeland Defence being the emergent market.

All this means that, more than ever, companies need the support of an active and specialist trade association (TA) to help them do business in defence. Although the Defence Manufacturers

Association has changed considerably since its formation in 1976, the basic role of the DMA remains "to assist UK industry to benefit from defence and security business at home and overseas".

WHO BELONGS TO THE DMA?

Today, membership of the DMA (with its specialist Police and Public Security Sector – APPSS) ranges from large international Prime Contractors through to the smallest SMEs. With turnover varying from several billion pounds to less than £100,000, members need to demonstrate their support to the UK economy and jobs. Their activities cover the full spectrum of defence and security business, which includes everything from the supply of major war fighting equipment to facilities management, service support, banking, medical, logistics, component and clothing manufacture and catering. Some 65% of the membership make things, with 80% of these active in at least two of the traditional military sectors of land/sea/air. 35% provide services, including training, facilities management, finance, IT and wide-ranging consultancy.



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The DMA's aim is to support the generation of jobs and wealth in the United Kingdom defence and public security sectors. Reflecting globalisation, the membership includes major foreign-owned companies with a significant UK base that place work with second and lower tier UK suppliers.

HOW DOES THE DMA OPERATE?

The DMA is governed by an elected Council of Members. They direct the strategy of the association and ensure that the Executive is providing best value for money for the members. The Executive, including the APPSS, is 25-strong and is based in Grayshott, Surrey. The Director General is supported by dedicated departments responsible for Membership, Marketing, Seminars, Exhibitions, Export Information and the APPSS. Senior members of the Executive have wide-ranging knowledge and experience of defence issues, offering a unique one-stop advice and consultancy service on all aspects of defence business. Although many member companies also have non-defence interests, the DMA concentrates solely on defence business.

Membership services are provided from the generation of fee income and from revenue developed through activities such as seminars and exhibitions. Membership fees are kept as low as possible and are the lowest of any of the trade associations with defence interests. The fee charged to members 25 years ago was £300 – today the lowest fee, now based on company turnover, is only £780, a very small price to pay in view of the comprehensive level of support and information available.

In addition to the Council, there are central committees to support Membership, Marketing and MoD Contract Advice. Members are usually executives from the defence community – and both Primes and SMEs are represented.

WHAT DOES THE DMA DO?

The DMA provides a range of services to help members acquire information, develop contacts and have their views and concerns represented.

These are based upon three pillars:

- Representation.
- Consultancy and services to members.
- Organising events.

The key to all of these is networking.

Activities include:

- Providing advice and guidance on matters relating to defence procurement including marketing to the UK and foreign procurement agencies, contractual issues and export licensing.
- Identifying business opportunities within the UK and abroad.
- Providing a cost-effective approach for members to participate and network at exhibitions and symposia.
- Representing defence industry issues to the highest levels of government, parliament, the press, pressure groups and other interested parties in the UK and abroad.
- Developing special interest groups to cover issues of specific concern to members.
- Organising social and networking events including dinners, receptions and lunches with prominent speakers.

Regular seminars include MoD Equipment Capability Briefings to Industry, DPA/DLO

Integrated Project Team briefings, specialist MoD topics and export information and Customer 2 days where members can visit naval ships, air stations and military establishments and talk to users.

INTEREST GROUPS

DMA members are able to join the following special interest groups as part of their membership. These are focus groups that engage with relevant Procurement and Support (DPA/DLO) IPTs and Capability Managers (DECs).

These include:

- Simulation and Training Advisory Group (STAG)
- Defence Clothing and Personal Protection Interest Group (CLING)
- Maritime Interest Group (MIG)
- EEZ Industry Group (EEZING)
- NBC UK
- Section Five Special Interest Group (firearms legislation matters)
- Security Export Focus Group (APPSS)

OVERSEAS/EXPORT WORK

The DMA has a key role in supporting overseas business. The Association works closely with the MoD's Defence Export Services Organisation (DESO) to arrange seminars, symposia, missions and exhibitions in the most appropriate countries. Advice on Export Licensing and Offset/Industrial Participation are particular DMA specialities.

On behalf of British industry, the DMA administers the following export-related special interest groups:

THE BRITISH DEFENCE MANUFACTURERS OFFSET GROUP (BDMOG)

The BDMOG is a networking organisation, allowing its members to share in knowledge and experiences in doing offset business around the world.

THE BRITISH DEFENCE MANUFACTURERS INDUSTRIAL PARTICIPATION GROUP (BDMIPG)

The UK's Industrial Participation (IP) policy involves overseas companies supplying goods to the (UK) MoD worth £10 million or more undertaking to place contracts with UK defence companies worth 100% of the value of the contract. Some £300 million worth of contracts are placed with UK industry each year by the overseas obligors. The BDMIPG assists overseas firms to identify potential UK suppliers and disseminates information to its members on potential IP business opportunities.

THE BRITISH DEFENCE MANUFACTURERS EXPORT LICENSING GROUP (BDMELG)

The BDMELG promotes constructive discussions between government and industry intended to make the export licensing system work more efficiently and better able to cope with the modern commercial needs of industry. The BDMELG provides help and advice to companies experiencing problems in obtaining export licences and acts as an industry focus for lobbying HM Government.

President:
 Field Marshal
 The Lord Vincent
 GBE KCB DSO



Chairman of the Council:
 Mr Nick Prest CBE
 (Alvis plc)

Chairman of the Policy, Finance and GP Committee:
 Mr AF Pryor CBE
 (Brown and Root)

Chairman of the Marketing Committee:
 Dr JF Miles
 (Thales Optronics)

Chairman of the Contract Committee:
 Mrs A Partington
 (Insys)

Chairman of the Membership Committee:
 Mr DR Evans
 (Chemring Group)

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DMA MANAGEMENT TEAM



Alan Sharman (Major General REME) is **Director General** of the DMA and is responsible to the Council for DMA policy and direction.

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Stephen Taylor (Captain, Royal Navy) is **Director Marketing** responsible for membership management and support and marketing services. Provides advice on naval and maritime issues, EEZ, defence clothing and personnel protection and NPPO.

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John White (Group Captain) is **Director Operations**, responsible for providing advice on aviation, CCCI, research and technology and the Dstl simulation and synthetic environments, and European agencies. Coordinator for seminars and missions.

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Willy Hockin (Captain, Royal Navy) is **Director Commercial**, responsible for MoD commercial issues, e-Business, support and land systems issues.

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Brinley Salzmann is **Director Exports**, responsible for the provision of export advice to DMA members. He manages the EO(DS)S, liaison with DESO, DTI, British Embassies and High Commissions and foreign trade associations.

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Tim Ives is **Director Exhibitions**, responsible for the coordination of DMA-supported UK participation in defence exhibitions in the UK and overseas. Contact for direct DTI support under the SESA scheme.

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Elaine Luck is the **Company Secretary**, responsible for organising the DMA's major social events, attache briefings, lunches and Council matters and is the Secretary of the NBC UK group.

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Peter May is **Director APPSS**, responsible for managing the police and public security sector business which includes major overseas exhibitions, targeted country events and the management of PSDB.

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MARKETING

In addition to events, exhibitions, seminars and symposia, the DMA provides a focus for action, advice and identification of member capabilities.

Services include:

- **WEBSITE:** The DMA website www.the-dma.org.uk gives access to information on the DMA, comments on topical issues and provides a full list of member companies, their products and services. It can be accessed worldwide to help advertise members' capabilities.
- **DMA REGISTER:** The DMA Register of Members, Products and Services is produced annually to make both members and the international defence community aware of the full scope of member companies' activities.
- **DMA NEWS:** This collation of news and views is published and widely distributed every 6-8 weeks.
- **MARKET NEWSLETTERS:** A series of market opportunities divided by interest group sector is sent to members by email and hard copy weekly.

REPRESENTATION

The DMA represents the interests of industry at the highest and most effective levels.

These cover:

- Parliamentary activities – briefing Ministers, Shadow Ministers and backbenchers.
- Giving evidence to House of Commons Committees and Parliamentary Groups.
- Representing individual members' concerns over government decisions or actions.
- MoD – the DMA maintains close links with MoD staff in Headquarters, DPA, DLO and DESO. Contacts with operational units of the Armed Forces also provide useful opportunities for industry visits.
- Other government departments – the DMA has regular meetings and liaison with DTI, FCO and the Home Office and is consulted by the NAO.
- DMA is represented on both the Defence Industries Council (DIC) and National Defence Industries Council (NDIC).
- Media – the DMA is frequently consulted for views by the national and international media.
- CBI – the DMA has a seat on the CBI Council.
- Trade Associations – the DMA has regular meetings with other TAs which have an interest in defence. Where appropriate, the DMA works with these other TAs to the benefit of the membership.
- Overseas Defence Attaches – these are briefed regularly on the UK defence industry and they are invited to DMA events to help develop networking opportunities and contacts.

So, WHAT IS NEW?

The DMA is managing a number of events for the MoD to brief or to hold workshops with industry. This is being achieved for the ECC (DECs), the DPA and DLO IPTs, as well as for a variety of agencies. Rather than have an events company arrange seminars and functions attracting



overheads and commercial profits which are retained, it is more cost-effective and beneficial for MoD departments to use the DMA for these activities since it is a non-profit organisation.

A sample of recent initiatives and issues undertaken by the DMA includes:

- **Customer Day for SMEs** to meet with a number of DPA IPTs. This was held in Bath in March and 250 companies had an opportunity to talk to DPA IPTs and establish links not only with a particular IPT, but also with that IPT's Prime Contractor. Many companies commented on the value and success of the day, which the DMA will endeavour to repeat in future.
- **MARS IPT Workshop.** At the request of the MARS IPTL, the DMA arranged for a Workshop for Industry to be held so they could put their views on how best to use the supply chain and hence lead to procurement plans which would advantage both the MoD and industry. This was staged at an early point in the acquisition cycle when lessons can be acted upon. Around 50 companies attended, both big and small and ranging from manufacturer through supplier to supporter. Valuable input was received by the IPT and further similar events are being planned, both with the DEC's and the IPTs.
- **Commercial.** The DMA has been attempting to streamline the input of commercial views into the MoD, thereby making the voice of industry more effective. In conjunction with the other TAs who sit on the DIC (SBAC and Intellect) it is planned to employ a commercial coordinator to manage common issues so that joint industry/MoD commercial business is conducted on an informed basis from the industry perspective.
- **DSEi.** The DMA is leading on the management of the largest UK Partnership pavilion yet at this major international exhibition to be held in London in September. Seventy companies

are within the UK pavilion and the waiting list is almost as long. Many of the companies attending found from experience at the last DSEi that they would have seen many more useful potential customers had they been located within the group.

- **Export Licences.** The recent Government secondary draft legislation for the Export Control Bill has been seen as extremely unwieldy and a bureaucratic nightmare for legitimate defence business. The DMA has been closely involved with this Bill all the way through, fighting on industry's behalf to make it user-friendly. Thanks to a spirited presentation under cross-examination at the Commons quadripartite House Committee, we are hopeful that the secondary legislation will be rewritten.
- **DMA/APPSS Events.** World events following 9/11 have put a new slant on defence security business, and the traditional divide between these two sectors is being bridged. The DMA is well placed to support such moves with its in-house Association of Police and Public Security Services group. A recent joint event held in Athens to promote UK companies' capabilities to the Greek Olympic Committee and to the industry consortium contracted to organise the physical security for this event was very successful. Of the 30 companies who attended (at a very reasonable cost), we know of four smaller SMEs who have since been contracted for business, one contract being for several million pounds. More events are being planned and will be aimed at supporting the export potential and drive of smaller member companies.
- **DCCD.** Later this year, the DMA, in conjunction with the Defence Clothing IPT of the DLO, is arranging a second two-day customer event when industry can display products and services and ideas to a wide range of users, including military, police and other uniform wearers.

- **EEZING.** A new interest group is being set up in conjunction with the MoD (DESO) and Trade Partners UK, to provide a focal point to represent and promote the interests of its members to UK government departments, overseas governments and other organisations that are concerned with the management and control of Exclusive Economic Zones worldwide. The function of this group, with membership open to any UK company, will be to provide, develop and act upon comprehensive market information where there is a market opportunity for EEZ capability and to support and encourage coordination of UK companies' capabilities to meet these market needs. An inaugural meeting of this group is being held in London on 20 May 2003 – for further information contact Stephen Taylor or Viki Blackwell at the DMA. *Email: v.blackwell@the-dma.org.uk*

HOW TO JOIN

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