

DEFENCE SUPPLIERS FORUM
SME FORUM
EEF Technology Hub, Birmingham
Record of Meeting – 30 October 2017

Government

Harriett Baldwin MP	Minister for Defence Procurement (Chair)
Dr Simon Cholerton	Director Defence Science and Technology
Kristina Murrin	Director Innovation
Andrew Forzani	Chief Commercial Officer
Howard Gibbs	Head, Small Business Unit, DIT DSO
John Kite	Deputy Head Supply Chain Development
Andrew Bates	Assistant Head Industrial Policy
Craig Deal	Industrial Policy (Secretary)

Trade Associations and Industry

Paul Everitt	ADS
Andy Johnston	TechUK
Andy Tuscher	NDI/EEF
Oliver Welch	EEF
Matt Snelson	Grainger & Worrall
David Hansel	MSI Defence Systems
Alan Back	UKCloud
Richard Skan	Oldbury Engineering
Tim Bidie	BGB Innovations

1. Welcome

Minister(DP) thanked EEF/NDI for hosting the SME Forum at their facility in Birmingham. She launched the new Science and Technology Strategy and highlighted an increase in direct spending with SMEs.

2. Science and Technology Strategy

The SDSR 2015 committed us to investing at least 1.2% of a rising Defence budget in our core science and technology research programme. The Science and Technology Strategy presents the MOD's vision for science and technology and will drive science and technology into the heart of MOD's strategic planning and decision-making. The aim is that MOD will become more responsive to emerging technology opportunities and threats, and seek to remove barriers to innovation to which SMEs are indispensable. The Strategy sets out the research areas we are investing in and our capability priorities for the future. We will adopt a collaborative approach with our suppliers to deliver research and sustain the science and technology capabilities Defence needs. The Strategy complements, but does not alter, the activities of the Defence Innovation Fund and the Defence and Security Accelerator. The Science and Technology Strategy is available on gov.uk

3. Making Opportunities for SMEs in the Defence Innovation Initiative

The Defence Innovation Initiative was launched in September 2016 by the Defence Secretary with the vision of maintaining the Military Edge of the UK Armed Forces into the future. Its aim is to transform the Ministry of Defence's creative culture and the way Defence does business. The Innovation Initiative is backed by an £800m Innovation Fund, a new Innovation and Research InSight Unit, and a Defence and Security Accelerator with Defence innovation areas co-ordinated through a central team, Defence Innovation Unit. Since the launch of the Accelerator £19m funding has been committed to successful innovative projects through themed competitions and Open calls. The potential for internal innovation in MOD's Top Level Budget areas was highlighted as pull through will involve SMEs. Innovative companies are encouraged to find solutions to defence issues and use the Defence portal to engage with MOD. This will help to foster innovation within the defence supply chain allowing better access to defence for innovators, who are often Small Medium Sized Enterprises (SMEs).

4. Making it easier to do Business with Defence

The new Chief Commercial Officer has responsibilities as SME champion and the lead for commercial policy. SMEs are a priority for defence so we need to ensure commercial policy is not a barrier to innovation and change. It is pleasing to note the 10% rise in direct SME spend in the recently published 2015/16 figures, although of course a rise in the overall position would have been preferred. Since 2015/16 we have published our refreshed SME policy and we are taking material steps to make doing business with defence easier, particularly for smaller businesses. Recent measure include the new MOD Supplier Portal which brings together useful information for suppliers, including advice on current opportunities and on support to innovation. The new portal is being supplemented by our new Twitter feed (@defenceproc) and the Cabinet Office recently launched the new Government Suppliers' Code of Conduct which sets out the ethical standards and behaviours expected from all suppliers to government. The overall objective is to drive improved performance through supply chains. Defence is looking to tighten up its delivery plans for SMEs next year including governance, barriers and supply chain visibility.

5. Harnessing Innovation from Adjacent sectors – Grainger and Worrall

Grainger and Worrall gave their perspective on innovation from adjacent sectors. The company highlighted some of the cutting edge technologies they have used in the automotive industry and how they had benefited defence. It is their philosophy that innovation is something that can be embedded for the long term looking for advances in each area of the business. Working with a range of companies in different sectors and especially in high technology helps to cultivate innovation and realise improvements. Cutting edge digital techniques coupled with a more whole of service orientated model have lead Grainger and Worrall to compress manufacturing timelines dramatically. Underpinning these efforts is a sustainable and talented skills base particularly through the Centre for Manufacturing and Technology in Shropshire. In summary they spread risk and look to deliver on a sustained basis for the customer, ensuring they have the skills to support them and keep the company nimble to developments.

6. Any Other Business

No issues of substance were raised.

Date of next SME Forum meeting: Provisionally Thursday 1 March 2018, Location TBC

Industrial Policy
Ministry of Defence