

AUSTRALIAN  
TENDERS

# DEVELOPING A CAPABILITY STATEMENT

## What is a Capability Statement?

A Capability Statement is a snapshot of your skills, expertise, services, products, and past performance – like a resume for your business.

This document is often used as a “foot in the door”, so to speak, to introduce your business to prospective clients, another business or large organisation, a joint venture partner, and many times it will form part of a tender response when competing for work. Capability statements are used in nearly all industries, in Australia, they are most commonly used in the following industries:

- Trades – Electrical, plumbing, general services, and construction
- Mining, energy, and resources
- Infrastructure
- Engineering
- Earthworks, roadworks, and civil contracting
- Commercial Cleaning
- Landscaping
- Transport
- Equipment Hire

The standard of information and presentation of your document must be relevant to your potential client (the reader). And in some instances, creating a tender specific capability statement is more compelling than a general capability statement.

In any case, you need to outline how you solve your client's problem i.e., the outcomes you produce for them.

It's important to cover your key offerings and use positive, engaging language to start the “know, like and trust” process. An effective capability statement is often the first step in building a relationship with prospective new customers – consider it the next step after you've exchanged business cards or social network handles.

By providing valuable, informative, factual information, you'll equip the key decision makers with everything they require to make an informed decision about doing business with you.

However, please understand that a capability statement does not replace the important process of developing rapport and a trusted business relationship with your clients.





## Think About This Before You Start Writing

### Why write a capability statement? What is the intended outcome?

If, like most people, you're writing a capability statement to market your business, you must consider who will be reading it and answer the questions they are likely to have regarding doing business with you.

For those who are planning to include a capability statement in a request for tender document or as part of a tender submission, you'll need to check whether there are any guidelines or specific rules you must comply with in your content. There's no point in presenting a document which doesn't convey the information your prospective clients have requested.

In your capability statement, be sure to provide information relevant and specific to the type of work you're seeking. While it's a good idea to include a broad scope of options, it's best not to include every service or product if it isn't relevant to your target audience.

### Who is the intended audience?

Capability statements are mostly presented to other businesses or contractors who may wish to engage your services.

Quite often, a capability statement is required by businesses wishing to step into working with government departments, many of whom will request a capability statement at one of the first interactions you have with them. It's helpful to have your document ready to send to them.

### What does the reader need to know to make an informed decision?

A key skill in preparing your capability statement is being able to identify the information which is most relevant to your audience. Be sure to include what they need to know and leave out what's not relevant to them.

Think about the questions you're most frequently asked by prospective clients. The purpose of the capability

statement is to pre-empt these and answer them in your document. In doing so, you'll outline the problems you solve, in short – in short, your capabilities. This might sound obvious, but you need to ensure you highlight your best work, your specialties and portray the business in a positive light.

What's important to your clients? Delivering on time? Staying within budget? Being reliable or on-call? Be sure to highlight the most important factors, so the reader can only draw the conclusion that working with you would be a great decision.

### What tone should be used?

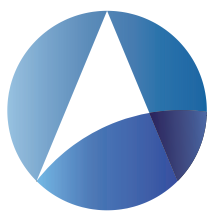
The tone you use will depend on your target audience. If you're seeking to connect with large corporations, you need to use a professional, corporate tone.

If you're connecting with other small businesses, you might want to come across as professional, yet friendly and approachable. This will depend on how you interact with clients and the type of service or product you provide. Where appropriate, you can highlight that you're a family-run business with a more relaxed approach. However most large corporations will be looking for a more polished, professional approach and want to be assured you can deliver on time and within budget.

### How often should I update the capability statement?

Your document should be reviewed quarterly or six monthly, with an update done at least annually.

Reviewing your capability statement regularly allows you to include your most recent and relevant accomplishments. If you've recently completed a major contract, include the details, and reinforce the outcomes you produced.



# ONE PAGE CAPABILITY STATEMENT INSTRUCTIONS

1

## Business Overview/Introduction

The business overview sums up what you do and who you service in one or two sentences. For example:

*We are a specialist team of highly competent and responsive service technicians delivering quality XX repairs and XX services throughout the XX region.*

*Our vastly skilled mobile technicians are fully trained in X and Y, with comprehensive experience and knowledge in all types of Z. We provide 24/7 support, expertly servicing and maintaining X, predominantly for clients in the A, B and C industries.*

*As a results-driven business, we aim to consistently minimise completion time, maximise productivity and advocate a zero-harm, incident-free workplace.*

In this sample, the company outlines the types of services it delivers, and the geographical area covered, the training and experience of their team, responsiveness, outcomes delivered for the client and the types of industries they serve.

The final paragraph underscores the company's values and their emphasis on efficiency, productivity, and safety.

Before commencing your overview, it is vital to clearly identify what is important to your clients – then emphasise those points.

### Writing your overview

In one or two sentences, summarise what your business is about. What's your mission? What did you set out to do when you established or bought the business? What do you want to achieve on behalf of your clients? What values are important to you (and your clients?).

### What's your WHY? Why are you in business?

How do you create the best outcomes for your clients? Outline how you and your team operate and describe the methods you use to complete projects. For example, if completion time is important, maybe you could say you have a 100% track record of completing projects on time (only if it's true, of course!).

What are your core business values? How will you conduct yourselves while pursuing your mission, vision, and purpose? Perhaps you provide honesty, a strong work ethic and a highly reliable team – or you may wish to highlight your focus on innovation, diversity, and customer service. Think about what matters most to your business AND to your clients.

Be sure to outline the outcomes you produce and the success you've achieved for previous clients – readers will want to know that you can do similar things for them too.

2

## Core Competencies

Your core competencies and capabilities are best outlined using bullet points.

They may include:

- A detailed list of your services or the types of work you produce
- Your skills
- Any specialist capabilities
- Areas of expertise
- Your service levels
- Do you emphasise quality or value-for-money? Or something else?
- Your focus on innovation
- Safety record and/or focus on workplace safety

3

## Track Record

Illustrate your track record in completing projects. Detail how you overcame challenges or exceeded your clients' expectations.

Include the most recent or relevant first. This section is one which could be adjusted depending on your target audience. For example, if you're a builder who does renovations and new builds, you may want to have two versions, one which outlines each type of relevant experience.

4

## Differentiators

This is one of the most important sections, as it demonstrates what makes you stand out from your competitors. From the reader's perspective, if you and your competitors all have similar experience, what will be the key factors that lead them to choosing you?

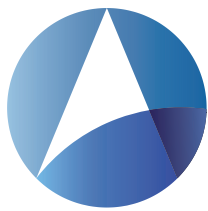
These will vary, depending on your type of business and work, however, they may include:

- Your location and/or the geographical area you cover
- The types of equipment you use
- The number or grade of technicians on your team
- Whether you offer a mobile service
- Your availability/responsiveness – Are you on-call extended hours or 24/7?
- Your capacity – How many projects can you manage at the same time?
- How many Widgets can you deliver at once?
- You could also include your specialist capabilities here – or instead of section 4
- What do you offer that others don't?

How do you add value for your clients? Perhaps you go above and beyond expectations to deliver or are you known for paying great attention to detail?

Again, think about what's important to your clients AND how you deliver this.





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## TAKE IT FURTHER...

**You could add a second page, which may include:**

### **Client Testimonials**

These are always very powerful in reinforcing your claims, while the social proof of satisfied clients holds great power and can be quite influential.

### **Case Studies Of Specific Projects**

These are a great way to illustrate your capabilities and the scope of projects you've already completed. Following is a suggested structure for case studies:

- Name of project:
- Client:
- Budget:
- Challenges:
- How we overcame those challenges:
- Outcome/s for client:
- Anything further you'd like to add

### **Bio Of Key Team Members**

For team members who are client-facing, it's a good idea to include their photo and title, as well as a brief description of what they do and how they assist clients achieve the outcome they are looking for.

### **Past or current clients**

Some businesses like to include a list of their clients, however, it's important to have permission from your clients and also to be aware that the information may be viewed by your competitors. Many businesses choose not to include a client list due to confidentiality.

### **Design**

A great capability statement balances its message between text, imagery, and a striking professional aesthetic. If you want to really wow your reader, our suggestion is to always have your capability statement professionally designed by a graphic designer.

Use our word document as your template to map out your content then pass it over to a designer to give it x-factor and make it memorable. We have included as part of this template pack an example of what a great capability statement can look like using the construction industry as our inspiration. This is the quality and professionalism you should expect in your design too.

For a quick solution, you can transfer our word template to your company letterhead and save it as a PDF.

### **Finished?**

Before you include your capability statement in a tender response, be sure to do a final proofread. It's a great idea to have someone else read the document as well – they often pick up typos or mistakes you may have missed. Once your document is finalised attach it to your bid submission and you're done!

**Good Luck!**

### **Please Note**

The type and volume of information will vary from business to business, so no two capability statements should be the same. These instructions are a GUIDE ONLY and should be altered in any way which works for you.

