

Value Proposition Guide Information Session

Publication Launch Remarks

January 13th, 2015, Westin Hotel, Ottawa, Ontario

Check Against Delivery

GOOD MORNING CADSI AND AIAC MEMBERS, LADIES AND GENTLEMEN, AND OUR GOVERNMENT PARTNERS AND WELCOME TO A KICK-OFF FOR THE RELEASE OF THE VALUE PROPOSITION GUIDE.

FOR OVER A YEAR NOW, CADSI, IN COLLABORATION WITH THE GOVERNMENT OF CANADA AND AIAC HAS BEEN WORKING CO-OPERATIVELY ON THE VALUE PROPOSITION GUIDE. TO INDUSTRY THE VALUE PROPOSITION CONCEPT AND THE NOW-ARTICULATED FRAMEWORK ARE VITALLY IMPORTANT; THEY FORM, BY DESIGN, THE BASIS FOR THE EXECUTION ON A DEFENCE INDUSTRIAL STRATEGY.

THE VALUE PROPOSITION GUIDE DESCRIBES SOME OF THE MECHANICS AROUND HOW VALUE PROPOSITIONS WILL ACTUALLY WORK IN PRACTICE KNOWING FULL-WELL THAT AS THE GOVERNMENT GOES TO TENDER THE IMPLEMENTATIONS WILL VARY BASED UPON THE CHARACTERISTICS OF EACH INDIVIDUAL PROCUREMENT. I KNOW THAT THIS GUIDANCE IS WHAT MOST OF YOU HAVE BEEN LOOKING FOR SINCE THE GOVERNMENT ANNOUNCED THE DEFENCE PROCUREMENT STRATEGY LAST FEBRUARY.

EQUALLY IMPORTANT IS THAT THE GUIDE FLESHES OUT SOME OF THE GOVERNMENT'S OBJECTIVES THAT UNDERPIN THE DEFENCE PROCUREMENT STRATEGY OF WHICH THE VALUE PROPOSITION LEVERAGING INSTRUMENT IS THE "STAR OF THE SHOW" AND STANDS AS A POTENTIAL GAME CHANGER FOR OUR INDUSTRY.

FOR THOSE COMPANIES IN CANADA WHO CAN AND DO PLAY THE ROLE OF PRIME, THE GUIDE SENDS A MESSAGE THAT WHEN IT MAKES BUSINESS SENSE, WE SHOULD BE LOOKING TO GROW OUR ECOSYSTEMS, TO CREATE AND EXPAND THE CLUSTERS THAT EXIST AROUND YOUR ORGANIZATIONS AND IN YOUR VALUE CHAINS. THIS, INEVITABLY, IS A WAY IN WHICH WE WILL CONTINUE TO BUILD A STRONG, IMPACTFUL AND LASTING DEFENCE INDUSTRIAL BASE IN THIS COUNTRY.

FOR THOSE SUBSIDIARIES OF FOREIGN PRIMES, THE GUIDE PROVIDES YOU LEVERAGE WITHIN YOUR ORGANIZATIONS. YOUR BUSINESS LEADERS ARE AT TIMES CHALLENGED TO BUILD THE CASE FOR YOUR HEAD OFFICES TO INVEST IN CANADA. THIS GUIDE AND THE DIRECTIONALITY IT CONVEYS, I IMAGINE, WILL BECOME A PART OF YOUR JUSTIFICATION TO DO SO. AS ACTUAL VALUE PROPOSITIONS ROLL OUT ON A CASE-BY-CASE BASIS IT IS EXPECTED THAT THE COMPETITIVE ENVIRONMENT AND THE

WEIGHTING AND RATING OF THE VALUE PROPOSITION WITHIN THE BID EVALUATION CRITERIA WILL PROVIDE THE NECESSARY IMPETUS TO GROW YOUR CANADIAN FOOTPRINTS HOWEVER YOU CHOOSE STRATEGICALLY TO DO SO.

FOR SMES THE GUIDE IS CLEAR THAT INCREASED PARTICIPATION WITHIN GLOBAL VALUE CHAINS IS A DESIRED OUTCOME. PRIME CONTRACTORS WILL TELL YOU THAT TO BEAT OUT YOUR COMPETITION FOR A PLACE ON THE TEAM AND A ROLE AS A SUPPLIER THAT THEY ARE LOOKING FOR YOUR "SECRET SAUCE" WHETHER IT BE INNOVATION, QUALITY OR AGILITY AND COST AND THAT YOU ARE AN IMPORTANT PART OF BRINGING THIS TO THE TABLE. MORE THAN EVER IT IS A TIME TO BE OUT THERE AND AS VISIBLE AS POSSIBLE. IT'S FOR THIS REASON THAT CADSI IS MAKING A FEW CREATIVE CHANGES THIS YEAR TO OPEN UP MORE BOOTHS AT CANSEC TO SHOWCASE WHAT YOU HAVE AVAILABLE.

GIVEN THE CRITICALITY OF THE GUIDE AND THE VALUE PROPOSITION INSTRUMENT TO UPCOMING PROCUREMENTS WE KNOW THAT AS AN INDUSTRY WE CANNOT AFFORD FURTHER DELAYS IN MOVING FORWARD ON PROCUREMENTS. AS SUCH, TO SOME EXTENT LIKE THE DEFENCE ACQUISITION GUIDE, THIS MAY NEED TO BE REFINED OVER TIME. THE PERFECT, IN THIS CASE, CANNOT BE THE ENEMY OF THE GOOD.

AND SO NOW IT'S TIME TO GET MOVING! CADSI WILL CONTINUE TO WORK WITH OUR PARTNERS DIRECTLY AND THROUGH OUR COMMITTEES TO PROVIDE CONSTRUCTIVE FEEDBACK DURING THE IMPLEMENTATION PHASE. CONSIDER THIS KICK-OFF THE LAUNCH OF SUCH A PROCESS.

LET ME NOW TURN THE FLOOR OVER TO MR. PHILIP JENNINGS OF INDUSTRY CANADA WHO WILL PROVIDE YOU WITH AN OVERVIEW WHICH WE WILL FOLLOW BY A QUESTION AND ANSWER SESSION.