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**COMPETITIVE**

**SUSTAINABLE**

**Developing a Powerful Capability Statement**

Participant’s Workbook

**INFORMED**

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1. **Preface**

## 1.1 PURPOSE OF ThIS WORKBOOK

The purpose of this workbook is to equip South Australian businesses with a tool that will assist them to construct a powerful Capability Statement1.

1 To participate in this module, ideally participants would have prior knowledge of, or are undertaking further training in preparation to exporting services, including understanding risks and financial commitment, market research and pricing. Other training courses are available to cover these topics. This module only covers the topic *Developing a Powerful Capability Statement*.

# Introduction

## WhAT IS A CAPABILITY STATEMENT? WhY IS IT IMPORTANT?

A Capability Statement is a business document or record of your individual and organisational competencies, achievements, associations and accreditations. Its purpose is to communicate clearly and effectively to potential business partners, stakeholders, suppliers, customers and even employees about your business and business capabilities.

A Capability Statement is important because it provides target audiences with specific information about your organisation that will assist them to make a decision on whether they should do business with your company.

When written powerfully and persuasively, a Capability Statement will differentiate your business from your competitor, helping to reinforce your business brand and value proposition in the minds of existing and potential new customers.

## MODULE AND WORKShOP OVERVIEW

This learning module is available to participants through Department for Manufacturing, Innovation, Trade, Resources and Energy, either by:

* Help and/or instruction from a workshop facilitator, or
* Undertaking self development, and accessing a learning resource.

## WORKBOOK OVERVIEW

As a learning tool, this workbook will help participants to clearly understand:

* Why a value proposition is important and how to construct one
* Basic features of Capability Statements, and options for making them more powerful
* Why features and benefits messages are important for persuasive and effective sales and marketing communication
* Practical steps to write a powerful Capability Statement to suit different business purposes.

## WhAT ThIS WORKBOOK CONTAINS

* Preparatory exercises to help participants clearly define their value proposition
* Six parts and learning modules with exercises
  + Part 1: Basic Capability Statements
  + Part 2: Developing a Powerful Capability Statement
  + Part 3: Writing for Your Audience
  + Part 4: Powerful Marketing Communication
  + Part 5: Keys to Better Business Communication
  + Part 6: Practical Writing Tips for Companies
* Capability Statement Checklist
* Links and References
* Capability Statement Template Part 1 and 2

## AUDIENCES

### Who should attend this Workshop?

This Workshop is ideal for businesses or individuals exporting their services and who operate in the:

* Professional, scientific and technical services sector
* Information media and telecommunications sector
* Franchising services
* Employment services
* Education and training, specifically vocational and higher education training
* Arts and Recreational services sector
* Medical and allied services sector
* Services and consulting to mining, manufacturing, aAgriculture, forestry, fishing and aquaculture

## OBjECTIVES OF ThIS TRAININg MODULE

The objective of this training module is to help participants:

* Develop a basic Capability Statement
* Develop a powerful Capability Statement

## OUTCOMES FROM ThIS TRAININg MODULE

Participants will:

* Understand the basic features of a Capability Statement
* Learn how to write powerful features and benefits messages
* Commence drafting of their own Capability Statement

# Preparation and Planning

## PURPOSE

To develop an effective base of information for a Capability Statement, participants in this workshop will undertake a nine (9) point preparatory exercise prior to commencement of learning in this module.

## OBjECTIVES

The objective of the preparatory exercise is to facilitate participant’s ability to:

* Clearly define current target markets by geographical boundaries
* Clearly identify existing and potential customers
* Clearly identify existing competitors
* Collate essential information for a Capability Statement.

## OUTCOMES

* Participants will develop their own value proposition.

## WhAT IS A VALUE PROPOSITION?

Selling services locally, in Australia and in the international market is a competitive process and requires considerable commitment and investment of time and resources.

Having a clear understanding of your value proposition and nature of your business is essential to viability and remaining competitive in the market. Having a proper and clear understanding of your value proposition is also essential for helping customers to understand exactly what it is that you

can offer them. A value proposition is meant to explain to people what it is that is superior about your products and/or services and encourage decision-makers to do business with you instead of with your competitor.

A value proposition represents the contribution of the performance of your business in the market, the position you take on price, the level of service you offer to customers, the distinction you make through branding and marketing. It is your unique selling position (USP), point of difference or key area of specialisation.

A value proposition is the reason why customers choose your brand, your product or service over someone else’s. It is important to fully understand your value proposition and be able to demonstrate it or back it up with evidence.

Remember, your value proposition is one that the customer understands; most importantly a value proposition is what your customer actually values.

## ExAMPLES OF VALUE PROPOSITIONS

### Please Note:

The four examples in this section are purely fictitious and given as a guide only. Participants should exercise individual skill and judgment when writing and developing a value proposition for their own business.

Each of the Value Proposition examples given below provide the reader with a:

* A clear understanding of exactly what products or services the business offers,
* What the business does, and
* The value that the products and services bring to customers

### Example 1: Financial Services

Helping small business owners to survive end of financial year by offering practical administrative assistance at a time when it’s needed the most is just the beginning of how ABC Accounting services works with small business.

### Example 2: Business Consulting Services

Increasing the operational efficiency of an organisation is easy when the right systems are in place. Our consultants are specialists in showing business owners how to implement standard operating systems that deliver higher profitability gains.

### Example 3: Renewable Energy Consultants

Installing commercial solar energy systems will reduce electricity consumption by up to 20% and this means that your business can potentially save thousands of dollars on electricity bills.

### Example 4: Information Technology Experts

As Information Technology experts with certification to install Oracle Server Solutions, our job is to ensure that your confidential business data is safe, secure and easy to access at all times.

Do you notice how a Value Proposition informs the customer what benefit they will receive from doing business with you?

Now that you have a better understanding of what a basic value proposition is, please proceed to Exercise 1—Developing Your Value Proposition.

## ExERCISE 1: DEVELOPINg YOUR VALUE PROPOSITION

The first preparatory exercise in this workshop requires participants to develop a value proposition. Participants will use the information in this exercise to build the information that they will need to include in their own Capability Statement.

Please use the space below to commence a draft of your value proposition.

What is your value proposition to your customer, e.g.: price, reduction in current costs, unique service, employer of choice, tailoring/customising solutions for customers?

Well done! Now that you have written your own value proposition, please proceed to Exercise 2

—Understanding Your Capabilities.

## ExERCISE 2: UNDERSTANDINg YOUR CAPABILITIES

Exercise 2 requires participants to work through eight (8) planning steps. These preparatory exercises are useful for developing a clear understanding of the value proposition and for making notes of what basic information to include in a Capability Statement.

Please use the space below to write down a list of your products/services.

### Step 1

Describe the type/s of products and/or services you offer to customers.

Now that you have written a list of your products and/or services, please proceed to step 2, and describe the nature of your business.

### Step 2

Describe the general nature of your business—your role in the industry/sector/community and category of products/services you operate in.

Now that you can describe of the nature of your business, use this information in your Capability Statement. Please proceed to step 3, defining your current target markets by their geographical location/s.

### Step 3

Define your current target markets by geographical boundaries and locations.

Now that you understand the geographical boundaries of your target markets, you can effectively explain how your business operates in the market and where you compete. Please proceed to step 4, developing a list of current customers by industry and sector.

### Step 4

Develop a list of your current customers, and categorise them by the industry or sector they come from.

Now that you have a list of current clients by industry or by sector, use this information in your Capability Statement. Working with various clients from different industries or providing services to customers in a particular sector indicates you have competency to deliver and respond to customer needs. Please proceed to step 5, defining your position against competitors.

### Step 5

Define your competitors in South Australia, around Australia and/or internationally. How do you position against competitors and compete in the market?

If you do not already know your competitors, you may wish to contact Tradestart at the Department for Manufacturing, Innovation, Trade, Resources and Energy by telephoning 8303 2400 or Austrade on 8202 7800; you can also search on the internet.

Now that you have written a list of your competitors, and understand how you compete against them, use this information to describe your competitive advantage and explain how your service is better than your competitor. Please proceed to step 6, your key areas of specialisation.

### Step 6

What makes your business different from your competitor/s? Define this by your one point of difference and key areas of specialisation.

Now that you have written a description of what your key areas of specialisation are, remember

to highlight this in your Capability Statement as part of your introduction or list of services. Please proceed to step 7, listing your track record on projects.

### Step 7

What is your track record? List significant client projects and their dollar value.

Now that you have written down a list of your track record in managing projects, you can use this information to explain how you manage projects. Please proceed to the final step 8, how you will deliver your services to your export market.

### Step 8

How do you (or will you) deliver your service/s to your export market?

Export Services are deliverable by four different ways, i.e.:

* Cross Border (banking or architectural services transmitted online or email);
* Incoming buyers (tourists, students, patients);
* Temporary travel overseas to supply the service (consultants, lawyers, teachers);
* Established presence overseas to provide the service in the market

Congratulations. You understand how your business will deliver export services and have enough information to develop a basic Capability Statement. Please proceed to Summary of Preparatory Exercises and check that you have all of the information together.

## SUMMARY OF PREPARATION AND PLANNINg

After completing preparatory Exercises 1 & 2 you should have the following information:

Value Proposition that clearly defines the value you offer to customers

A list of your products/services

A definition of the nature of your business

A list of your target markets by geographical locations

A list of clients by industry group and sector

An understanding of how you position your business in the market against competitors

A point of difference, something unique about your products/services

List of your experience in managing client projects and also the value of client projects

—your track record

Understanding of how your business manages client relationships in an export context

### Internet Search:

You may find it useful to undertake this additional exercise. Go to the internet and find out from publicly available Capability Statements how other companies are presenting their capabilities. Type search words Capability Statement into Google and see what examples of Australian and International Capability Statements you can find.

Make a note of what features you like about the examples you have found? What features do you dislike? How will you make your own Capability Statement powerful?

All preparatory exercises are now complete. Please proceed to the introductory learning module, Part 1: Developing a Basic Capability Statement.

# Part 1: Basic Capability Statement

## OBjECTIVES

* Understand the structure and features of a basic Capability Statement.

## WhY YOU NEED A CAPABILITY STATEMENT?

Increasingly, customers and business partners want to learn more about companies before deciding to enter into business arrangements. A Capability Statement is an essential communication tool and its purpose is to help individuals and companies:

* Win contracts
* Respond appropriately to tenders and projects
* Inform decision makers
* Stand out from the crowd
* Become successful

When responding to a Government Tender, for example, the application may require you to submit a Capability Statement to support your submission.

The departmental decision-maker wants this information as additional evidence of your organisational achievements. They will use the information you provide them with to verify your abilities and experience to meet project specifications or departmental criteria.

The same principle applies for all contract services, including commercial dealings with Project Contractors, Government and Non-Profit organisations. Influencers and decision-makers within an organisation will request a Capability Statement and use the information you give them to make a choice on whether to have further discussions or enter into a business arrangement.

As a communication tool, a Capability Statement enables you to convey general and specific information about your business, including company background, experience and areas of expertise that are particularly relevant and compatible to the requirements of the project or tender request.

For more information and on selling services to Government we recommend visiting [http://www.targetgov.com](http://www.targetgov.com/) or reviewing the useful references and links suggestions in Section 11 of this learning program.

## STRUCTURE OF BASIC CAPABILITY STATEMENTS

Please note: The headings and titles in this section are given as a guide only for structuring a basic Capability Statement. Participants should exercise their own skill and judgment in making choices about what to include in their own Capability Statement.

A basic Capability Statement includes information about your company, and includes elements and features such as:

* Introduction and company overview
* Core competencies
* Organisational achievements
* Management profile/s
* Client list by industry or sector
* Description of products and/or services
* Contact details

### Definition:

A Core Competency is the level of expertise that is fundamental to doing a particular job or providing a particular service. Expertise allows an organisation or individual to beat its competitors.

Source: <http://dictionary.reference.com/>

Now that you know the basic informational requirements for a Capability Statement you can begin to develop your own, using the template that is an attachment at the end of this Workbook as a guide.

Please proceed to the next step, Exercise 3.

## ExERCISE 3: DEVELOPINg A BASIC CAPABILITY STATEMENT

Exercise 3 helps participants to develop the basic information that will go into their own basic Capability Statement.

There are six (6) steps to work through in Exercise 3. Please use the spaces given to make notes.

### Step 1

Introduction and company overview

In the space below, please write a brief business background. Include when your business began operating, what areas of expertise you specialise in and highlight your key points of difference.

Remember to begin with your value proposition from preparatory exercise 1.

Well done. This information is ready to transfer to the Company Overview section on Page 1 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

### Step 2

Core competencies and achievements

In the space below, write an overview of your experience in managing client projects; indicate past performance and organisational achievements. Also consider a paragraph of how your business continuously improves products/services to customers, for example holding ISO 9000, or ISO 14001 accreditation.

Nice work. This information is ready to transfer to the Organisational Achievements section on Page 2 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

### Step 3

Management profiles

In the space below, write down who the key personnel are in your business. Describe each person’s roles, responsibilities, experience and list their credentials. Include an organisational structure if your business has multiple departments and key personnel.

You are now at the half way point! Transfer the information from this section to the Management Profiles section on Page 3 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

### Step 4

Clients by industry/sector

Write a list of your clients and organise them by sector and type of project. Remember you can use the information from your preparatory exercise to complete this section.

When you are done, this information is ready to transfer the Industry and Sector Experience section on Page 4 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

### Step 5

Products and/or Services

Write down a list of all of your products/services, and how you deliver each of them. Remember to use the information from your preparatory exercise.

Almost there! Transfer the information you have to the Products and Services section on Page 5 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

### Step 6

Contact details

Include full contact details of head office location, names of managers/owners/directors, mobile phone number(s), personal email, office phone number, office fax number, company website address, company ABN or ACN numbers, licensing details (if applicable).

Outstanding work! Make sure to include full contact details in the last section on Page 6 of your Capability Statement Template, which is in Part 1 of the attachment document at the end of your Workbook.

After completing these steps you will now have content to develop and produce a Basic Capability Statement.

Remember to transfer the information from each section to your Basic Capability Statement which is attachment one (1) at the end of this Workbook.

Please proceed to the last step in this section which is your Basic Capability Statement Checklist.

## SUMMARY OF PART 1: BASIC CAPABILITY STATEMENT

The objective of Exercise 3 is to help participants understand the structure and features of a basic Capability Statement. After completing Exercise 3 check that you have the following information ready for your Capability Statement Template:

### have you got the right information for a Basic Capability Statement together? Remember to transfer the information from each step in Part 1 across to your Basic Capability Statement Template at the end of this Workbook.

Step 1: Introduction and company overview

Step 2: Core competencies and organisational achievements

Step 3: Management profiles

Step 4: List of clients by industry/sector

Step 5: List of products and/or services

Step 6: Contact details

Congratulations!

Part 1 of this Workshop is now complete and you are ready to continue to the next learning module, Part 2: Developing a Powerful Capability Statement.

# Part 2: Developing a Powerful Capability Statement

Please note: The headings in this section are given as a guide only and are meant to emphasise that a powerful Capability Statement requires more than basic level information. Participants should exercise individual skill in determining the categories that are relevant to their business needs and exercise discretion in deciding what they consider as important information to include or exclude from their own Capability Statement.

## POWERFUL CAPABILITY STATEMENTS

A powerful Capability Statement offers audiences more than basic level information about your business.

A powerful Capability Statement includes elements and features that contain insightful and informative detail and is professionally written. A powerful Capability Statement also offers the reader visual appeal and interest.

The more precise and relevant detail you can provide about your organisational competencies and capabilities the more that potential customers and business partners will gain a true understanding of your value proposition—the reason they should do business with you.

A powerful Capability Statement may include sections that have more headings and titles than a basic Capability Statement such as:

* Mission statement
* Organisational structure and organisational chart
* Awards and accreditations
* Quality and standardisation
* Social responsibility statement
* Governance and risk management practices
* Management systems and policies
* Global partnerships
* Client testimonials

It is also important to recognise that these categories of information will have more relevance to some industries and sectors than others. For example, a Capability Statement that targets a potential client operating in the Education sector will require different headings and content than one targeting a potential client operating in the Technology or Defence sector.

Remember, Powerful Capability Statements contain more than basic information about your organisation, they contain detail about the way you conduct business. Please proceed to the next stage, Exercise 4.

## ExERCISE 4: DEVELOPINg SECTIONS AND CONTENT FOR A POWERFUL CAPABILITY STATEMENT

Please note: Before commencing a draft for a powerful Capability Statement, work through each of the following nine (9) sections. Participants can then make decisions about what additional information and elements to include in their own Capability Statement to make it more powerful.

### Mission Statement / Vision and Values Statement

Use this space to write down your overall business philosophy—your mission statement and business vision. By stating company vision target audiences can learn more about the direction you are taking your business and what your business brand stands for.

Now that you have written your mission statement, use this information as a feature in your Capability Statement or integrate the key messages into your company overview.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook.

Please proceed to the next section, Experience by Sector by Project.

### Experience by Sector by Project

When detailing experience by sector by project, discuss the scope of your experience by listing the types of contracts you have won, the nature of client work (including pro-bono), assignments and projects. Itemise your achievements either in date order (chronological), alphabetically, by service category or by geographical location.

The more detail you can provide about your experience by sector by project, the more potential customers will understand your capabilities. Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is attachment document two (2) at the end of your Workbook. Please proceed to the next section, Associations, Accreditations or Awards.

### Associations, Accreditations or Awards

If your business is a Certified Partner, Registered Provider or Professional Member of an Association you should write down this information as it can lend credibility to your competency.

Listing your achievements, accreditations and awards shows your reader that you are a professional business operator. Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Please proceed to the next section, Quality and Standardisation.

### Quality and Standardisation

Quality policies are relevant for all business structures. Here you can outline your organisational approach to customer service and what assurances you can give to potential customers about doing business with you (i.e. ISO accreditation) and how this framework impacts on your ability to effectively deliver products and/or services.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Now that you have an outline of your approach to Quality and Standardisation, please proceed to the next section, Social Responsibility.

### Social Responsibility Statement

Sustainability policies indicate that you are a good business citizen. Here you can highlight your approach to environmental practices, employee relations or community participation, or all of these.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Please proceed to the next section, Governance and Risk Management.

### governance and Risk Management Practices

How prudent is your business? Governance and Risk Management policies outline your approach to the way you manage investments, innovation and confidential data securely, such as your compliance mechanisms and adherence to external and industry regulations.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Please proceed to the next section, Management Systems and Policies.

### Management Systems and Policies

Write down how your organisation approaches development of business systems and manages operations. The objective is to provide assurance to potential clients that you are competent, reliable and trustworthy.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Please proceed to the next section, Strategic Relationships.

### global Partnerships/International Relations/Strategic Partners

Explain how you communicate and what steps your organisation takes to ensure consistent delivery of reliable services for the duration of the international partnership or relationship.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook. Please proceed to the last section, Testimonials.

### Testimonials

Client testimonials are powerful because the endorsement comes from a third party and helps the decision maker to get to know your business or individual team members. Write down a list of clients you can approach for a testimonial or use ones that you already have.

Remember, if this section is relevant to your business, transfer this information to your own Capability Statement template, which is in Part 2 of the attachment document at the end of your Workbook.

Well done, you are now at the end of Part 2 and have made some decisions about what additional information to include in your own powerful Capability Statement.

Remember to include or add each section to your Capability Statement Template which is in Parts 1 and 2 in the attachment document at the end of this Workbook.

Please now proceed to the final step in Part 2, Developing a Powerful Capability Statement Checklist.

## SUMMARY OF PART 2: DEVELOPINg A POWERFUL CAPABILITY STATEMENT

### What sections will you include to make your Capability Statement powerful?

Mission Statement

Experience by Sector by Project

Associations, Accreditations, Awards

Quality and Standardisation

Social Responsibility Statement

Governance and Risk Management Practices

Management Systems and Policies

Global Partnerships / International Relations

Client Testimonial

It is now time to proceed to the next level of this program where you will work on developing and improving the structure and content in your Capability Statement.

Part 3: Writing for your Audience will help you to target your communication and write your own Capability Statement more effectively.

Please proceed to the next learning module, Part 3: Writing for your Audience.

# Part 3: Writing for Your Audience

## OBjECTIVES

* Develop clear objectives about your audience’s needs and target the information
* Understand why it is important to write for your audience

Please note: You have now come to the point of writing for your target audience. Part 3: Writing for Your Audience, Part 4: Communicating With Your Audience, Part 5: Keys to Better Communication and Part 6: Practical Writing Tips are complementary in order to help you progress towards an effective written Capability Statement. The information in this section is given as a guide only. Participants should exercise individual skill and judgment in determining the number of pages, tailoring of content and presentation of information to match industry standards or meet customer expectations.

## TARgETINg INDUSTRIES / TAILORINg CONTENT

The process of submitting a Capability Statement is much like applying for a job where specific information is often necessary for each new situation, application or submission. It is very important to continually structure the information to meet your readers’ expectations and their specific needs or interests.

Capability Statements can vary in length and subject matter. They can range from a simple two (2) page introductory document to a more complex presentation document that contains more detail about your business, your services and experience.

Successful and powerful Capability Statements are adaptable and often need tailoring of content to fulfill precise informational requirements for different industries and sectors or need to meet certain criteria.

Generally, each industry or sector will have its own standard and style of communication or expectations regarding presentation and content. This means that each submission of a Capability Statement presents an opportunity to tailor information to different audience groups by meeting specific standards relating to:

* Language
* Terminology
* Formatting
* Presentation
* Nature of content
* Data and statistics
* Style of document

## WRITINg FOR YOUR AUDIENCE

When writing a Capability Statement, it is important to write it for the audience you are presenting to. Remember to always keep your audience’s needs and interests in mind and write as if you were talking directly to a person in the sector you are targeting.

For example, a Capability Statement that targets a potential client operating in the Health sector will address different needs than one targeting a potential client operating in the Education or Information Technology sector. At all times, a Capability Statement should match the needs and expectations of the audience you are presenting and communicating to.

This section is meant to help you give some thought to the needs and interests of your audience. Please consider your responses to the following questions and make notes in the spaces given.

### Who are you writing a Capability Statement for? What is your objective in doing so?

1. **Who is your audience? What information do they need to know from you?**
2. **Are you presenting to a client in the local, national or international market? What level of technical detail does the target client understand and are there any communication barriers to overcome?**
3. **Is your potential client someone from the government, Non-government or Commercial sector?**
   1. **SUMMARY OF PART 3: WRITINg FOR YOUR AUDIENCE**

Taking time to properly understand exactly what the customer needs to know or expects to find out from you will ensure your efforts reap the rewards. Getting to know your customer by learning to “speak the language” and knowing how each target organisation works will ensure you are able

to match your Capability Statement to meet your potential client’s informational needs.

### Are you writing for your audience’s needs?

Are you giving your readers the information that they want to know about you?

Does your Capability Statement answer the question in your reader’s mind?

Does your Capability Statement focus on meeting the customer’s needs and interests?

Part 3 has given you a chance to consider how you will respond to the needs and interests of your audience and identify how you will answer the questions in your reader’s mind.

When you are ready, please proceed to the next learning module, Part 4: Communicating with your Audience.

Part 4: Communicating with your Audience will equip you with more knowledge and tools to communicate the features and benefits of your services to your target markets.

It is important to apply the learning in Parts 3 and 4 by reviewing any of the work you have already written and finding ways to make improvements to the ways in which you communicate the features and benefits of your services.

# Part 4: Communicating with Your Audience

## OBjECTIVES

* Understand the “what’s in it for me?” principle, from the customer’s point of view
* Understand why features and benefits messages are important for powerful marketing communication

Please note: Part 4: Communicating with your Audience will equip you with more knowledge and tools to communicate the features and benefits of your services to your target markets.

## ThE WIIFM PRINCIPLE: WhAT’S IN IT FOR ME?

When approaching the task of writing a list of features and benefits, remember the WIIFM principle. The WIIFM principle asks you to think of your value proposition from the customer’s point of view.

Customers will ask themselves, “what’s in it for me?”

Your job is to answer that question. It is also your job to find out from customers what benefits they perceive as good value. Do this by asking customers for their feedback or by actively listening to their concerns.

The key to framing powerful and persuasive marketing communication messages is to convey clear features and benefits that help customers understand exactly how your service will solve their problem. Translating customer problems into solutions makes for powerful and persuasive marketing communication.

When developing marketing communication messages, consider:

* What is your customer’s problem?
* How will your product or service solve the customer’s problem?
* Does your value proposition offer the customer good value?
* Can improve on explaining the features and benefits messages of your products and/or services?

## FEATURES AND BENEFITS MESSAgES

When selling services it is important to clearly explain your value proposition to target customers. Listing features and benefits messages will help you to become more effective in communicating exactly what it is about your service/s that fulfills customer or market needs. Most importantly, features and benefits messages help people to understand the value they can expect to receive when doing business with you.

### Feature

A feature is a characteristic or attribute of a service. It is a point of difference that you believe will ultimately add value and appeal to the needs of the target market.

### Benefit

A benefit is the value a customer gains or perceives that they will gain through a specific feature of a product or service. The value of a benefit is entirely at the customer’s or end-user’s discretion. In many cases more than one benefit can (and does) apply to one service feature.

### Linking Features and Benefits

By linking features to benefits, you can influence the customer’s perception of what they perceive as value. The more effective the features and benefits messages are, the more a customer realises that you understand their needs.

For powerful marketing communication, it is essential to link the features of a service to the benefits the customer receives. To link a feature to a benefit always follow the—which means formula, i.e.:

XYZ Company has ISO 9000 accreditation which means that our focus on quality guarantees our products always meet ± 0.002 tolerances and 99.99% customer satisfaction.

## gOLDEN RULES FOR EFFECTIVE MARKETINg COMMUNICATION

* At every opportunity, always attempt to link a feature with a benefit
* Where possible, use multiple benefits to reinforce the value of specific features
* Appeal to customer needs through emotion and logic

Powerful marketing communication begins with a list of features and benefits messages that describe your products and services. Most importantly, remember to rank features and benefits messages in order of highest importance to least importance. Do this from the customer’s perspective.

To practice linking a feature with a benefit, please proceed to exercise 4.

## ExERCISE 5: WRITINg EFFECTIVE FEATURES AND BENEFITS MESSAgES

|  |  |  |
| --- | --- | --- |
| **Feature** | **Link** | **Benefit Rank** |
| Feature of a Service |  | Benefit the Customer Receives |
| Describe each feature of your services—what it is, how it works. |  | Describe the benefit/s the customer receives—what does the feature do to solve a customer problem. |
| 1. | Which means |  |
| 2. | Which means |  |
| 3. | Which means |  |
| 4. | Which means |  |
| 5. | Which means |  |
| 6. | Which means |  |
| 7. | Which means |  |

Which means

Congratulations! Reaching this stage of the program is a real achievement. You are now ready to proceed to the learning module, Part 5: Keys to Better Communication.

Part 5 will help you to review the work you have already done and identify where you can make improvements to your sentences and paragraphs using active language protocols.

# Part 5: Keys to Better Business Communication

## OBjECTIVES

* Gain useful tips to improve business communication
* Review the content in your own Capability Statement and make improvements to sentence and paragraph construction

Please note: It is important to apply the learning in Parts 3 and 4 by reviewing any of the work you have already written and finding ways to make improvements to the ways in which you communicate the features and benefits of your services.

## ACTIVE VOICE, PASSIVE VOICE

A key to writing effective and persuasive business communication is to eliminate the bulkiness and repetition of awkward, ineffective and wasteful words. Writing in the active voice results in clean and simple content that accounts for every word being on the page.

### Active voice:

* Places the subject before the object i.e.: (subject, verb—the doing word, object)
* Improves clarity
* Shortens sentences
* Reduces bulk
* Emphasizes customer focus

### Passive voice:

* Places the object before the subject (object, verb—the doing word, subject)
* Clutters messages
* Makes sentences long
* Increases reading difficulty
* Devalues the customer

Recognising passive language and changing it to active language means deleting passive verbs and replacing them with active verbs. This is the process of placing the subject before the object. Remember, subject before object.

In the three examples to follow, look for the words that have a strikethrough like this ~~strikethrough~~. These are passive words and phrases that are we are deleting or changing to make each sentence active and more powerful.

Please note: There are some exceptions to converting some passive verbs to active verbs and sometimes it is impossible to convert every single word, but generally the rule of converting passive into active will make your communication effective and persuasive.

### Step 1. Original Sentence:

Our software systems can be easily integrated with Oracle servers.

### Step 2. To convert the original sentence from passive voice to active voice, do the following steps:

1. Identify what is the subject and what is the object
2. Identify all past tense words i.e.: those ending with “ed” or that say “have been”
3. Remove any future tense words i.e.: “can be” or “to be”
4. Place the subject before the object
5. Rewrite the sentence

### Step 3. Explanation of the process:

In the original sentence above, the software system is the object and the oracle server is the subject. By deleting any passive verbs out of the sentence and converting them into active verbs, and placing the subject before the object, the sentence becomes shorter and easier to read.

### Step 4. Editing—look for passive words to delete that will make the sentence shorter and easier to read:

Our software systems can be easily integrated with oracle servers.

### Step 5. Active Tense:

Oracle servers integrate easily with our software systems.

### Step 6. Result:

Reduce from 10 to 8 words, successful conversion from passive to active phrasing.

Did you notice what changes were made to the sentence in example 1?

The word *integrated* became *integrate* and the words *can be* were taken out of the sentence altogether.

Please review the next example, example 2.

## ExAMPLE 2

### Step 1. Original Sentence:

Throughout his mining career, John has worked on a number of large projects and managed department budgets in excess of $1m.

### Step 2. To convert the original sentence from passive voice to active voice, do the following steps:

1. Identify what is the subject and what is the object
2. Identify all past tense words i.e.: those ending with “ed” or that say “have been”
3. Remove any future tense words i.e.: “can be” or “to be”
4. Place the subject before the object
5. Rewrite the sentence

### Step 3. Explanation of the process:

In the original sentence above, the person’s career is the object and their experience is the subject. By deleting passive verbs out of the sentence and converting them into active verbs, and placing the subject before the object, the sentence is shorter and is easier to read.

### Step 4. Editing—look for passive words to delete that will make the sentence shorter and easier to read:

Throughout his mining career, [John] has ~~worked~~ on a number of large projects and ~~managed~~

department budgets in excess of $1m.

### Step 5. Active Tense:

[John’s] experience working on large projects and managing $1m department budgets comes from an extensive career in the mining industry.

### Step 6. Result:

Reduce from 20 words to 16 words, successful conversion from passive to active phrasing.

Did you notice the changes that were made to the sentence in example 2? The words *worked* and *managed* became active ones i.e. *working* and *managing*. Please review the next example, example 3 where we change a short paragraph from passive to active voice. You can also do an exercise to change a paragraph in your own Capability Statement.

### Step 1. Original Paragraph:

Our capability is enhanced by experience in the health, education and medical industries across the private and public sectors both in Australia and USA. Our services have been sold all over the world and we have developed solutions for organisations and institutions that have needed information management platforms built on Oracle technology.

### Step 2. To convert the two sentences in the original paragraph from passive voice to active voice, do the following steps:

1. Identify what is the subject and what is the object
2. Identify all past tense words i.e.: those ending with “ed” or that say “have been”
3. Remove any future tense words i.e.: “can be” or “to be”
4. Place the subject before the object
5. Rewrite the sentence

### Step 3. Explanation of the process:

In the paragraph above, the company’s experience is the subject and the object is their capability. By deleting passive verbs out of the sentence and converting them into active verbs, and placing the subject before the object, the sentence is shorter and is easier to read.

### Step 4. Editing—look for passive words to delete that will make the sentence shorter and easier to read:

Our capability is ~~enhanced~~ by experience in the health, education and medical industries across the private and public sectors both in Australia and USA. Our services ~~have been~~ sold to organisations and institutions all over the world and we have ~~developed~~ solutions for organisations and institutions that have ~~needed~~ information management platforms built on Oracle technology.

### Step 5. Active Tense:

Experience in the health, education and medical industries enhances our capability to deliver services to clients across the private and public sectors in Australia and USA. We sell our services worldwide and develop solutions for organisations and institutions needing Oracle information technology platforms.

### Step 6. Result:

Reduce from 56 to 43 words, successful conversion from passive to active phrasing.

## ExERCISE 6: NOW IT’S YOUR TURN!

### Step 1. Insert an original paragraph from your own Capability Statement below:

**Step 2. To convert your original paragraph from passive voice to active voice, follow these steps:**

1. Identify what is the subject and what is the object
2. Identify all past tense words i.e.: those ending with “ed” or that say “have been”
3. Remove any future tense words i.e.: “can be” or “to be”
4. Place the subject before the object
5. Rewrite the sentence

### Step 3. Copy the original paragraph and strike out all of the passive verbs and phrases.

**Step 4. Now rewrite your paragraph in active voice.**

Well done!

How many words did you reduce the paragraph by?

Repeat this same process to improve the copywriting throughout your Capability Statement.

It is important to apply the learning in Parts 3, 4 and 5 by reviewing any of the work you have already written and finding ways to make improvements to the content in your own Capability Statement.

The next section, Part 6: Practical Writing Tips for Business will also help you identify how to use fonts and formatting styles to finalise the written presentation of your Capability Statement.

Please now proceed to Part 6: Practical Writing Tips for Business.

# Part 6: Practical Writing Tips for Business

## KEEP IT SIMPLE

Avoid formal, big complex words and long “scripty” phrases. Write as if you are talking to someone. This will help you to present your information in a consistent, clear and logical manner. Clarity and simplicity in the active voice encourages and engages people to read on.

## ELIMINATE CONFUSION

If your reader has trouble understanding the terminology or has to stop and interpret what you are saying you run the risk of losing their interest. Spell words out in full, eliminate jargon and abbreviations and avoid using slang, for example:

* Write and instead of &
* Write it is instead of it’s
* Write ten instead of 10
* Write website instead of www
* Write Kevin instead of Kev

## ChECK SPELLINg

You have spent hours working on this document and after it is sent you find an error. There is nothing worse. Poor spelling reflects negatively on business image. So make your first impressions count and run a spell check, three times if you have to.

## FIx ANY ERRORS

Powerful and persuasive communication that is clear and error free leaves a lasting and positive impression in your readers’ minds. Check for errors in names, numbers, titles, statistical facts, figures, diagrams, words and formatting.

## EDIT, EDIT, EDIT, POLISh, POLISh, POLISh

Before sending any piece of marketing communication to someone, take the overnight test. Looking at work with fresh eyes the next day will sometimes make all the difference. Use the editing process to:

* Review your work
* Check for errors
* Improve sentence structure
* Eliminate jargon
* Make the document readable and user-friendly
* Ask someone else to read it and check over it

## FORMATTINg AND LAYOUT

A powerful Capability Statement requires:

* Title Page that says Capability Statement
* Use of images and graphics for visual presentation and interest
* Even Margins
* Headings
* Sub headings
* Page Numbers
* Sparingly use dot points to highlight key facts and points
* Single line, even spacing
* Keep text and headings to a left hand alignment (avoid justifying paragraphs)
* Consistent use of font sizes and font styles

## FONT STYLES AND SIzES

### Text:

Use 12 point minimum for Serif fonts

(Times New Roman, Times, Bookman, Book Antiqua, Footlight, Garamond, Georgia)

Use 11 point minimum for Sans Serif fonts

(Arial, Lucinda, Verdana)

### headings:

Headings are useful for contrasting text and providing the reader with a user friendly way of navigating a document to find the information they need. Make headings a minimum of 2 points greater than text and no more than 6 points greater. Display headings in bold or regular typeface.

Regular Typeface

Headings (14 point)

Headings (16 point)

Headings (20 point)

### Bold Typeface

**Headings (14 point)**

**Headings (16 point)**

**Headings (20 point)**

## AT ThIS FINAL STAgE OF ThE WORKShOP YOU WILL hAVE:

* Information to complete your Basic Capability Statement
* Information to make your Capability Statement powerful
* Understanding of your target markets and how to address their needs and interests
* Understanding of how to make your marketing messages powerful through features and benefits messages
* Undertaken a review of your own work to identify opportunities for converting passive writing into active writing
* Found some practical tips to improve the communication and presentation of your Capability Statement

It is important to apply the learning in Parts 3, 4, 5 and 6 by reviewing all of the work you have already written and finding ways to make improvements to the content in your own Capability Statement.

Please now proceed to the next Section 10: Checklist for a Powerful Capability Statement.

# Checklist for a Powerful Capability Statement

### Item

* 1. Have you written your value proposition?
  2. Have you written out a list of features and benefits messages to use in your products and services section?
  3. Did you link the features with benefits to make the messages powerful?
  4. Did you follow the WIIFM Principle and write with the audience’s needs in mind?
  5. Did you tailor the information to match your audience’s needs and interests?
  6. Are you using bullet points to highlight key facts or points?
  7. Did you convert passive verbs into active verbs and make your writing style more effective and persuasive?
  8. Did you run a spell check and tidy up any errors?
  9. Have you taken out all of the jargon and abbreviations from the text?
  10. Is the text all the same size font and headings all the same size font?
  11. Have you made the document visually interesting and appealing with graphics and layout?
  12. Is your Capability Statement saved into a PDF format for easy handling and emailing?

Congratulations.

You are now at the end of the workshop. Remember, you can continue your research on the Internet and review the articles in the Useful Links and References Section. Good luck with writing your Capability Statement.

# Useful Links and References

## ONLINE ARTICLES ABOUT CAPABILITY STATEMENTS

What? You haven’t got a Capability Statement?

[http://ezinearticles.com/?What?-You-Havent-Got-a-Capability-Statement?&id=35237](http://ezinearticles.com/?What%3F-You-Havent-Got-a-Capability-Statement%3F&amp;id=35237)

How to Write a Powerful Capability Statement

<http://ezinearticles.com/?How-to-Write-a-Powerful-Capability-Statement-For-Government-> Contractors&id=2823879

## WRITINg AND PUBLIShINg

Style Guide for Authors, Editors and Publishers

<http://www.finance.gov.au/e-government/service-improvement-and-delivery/publishing-> information/style-guide.html

NSW Ombudsman Style Guide <http://www.ombo.nsw.gov.au/aboutus/policies/style%20guide.pdf>

Heath and Lang, 2005, “How to write things people will read” [http://www.viacorp.com](http://www.viacorp.com/)

## MARKETINg CASE STUDIES

James C. Anderson, James A. Narus and Wouter van Rossum (2006) Customer Value Propositions in Business Markets, Harvard Business Review, Harvard Business School Publishing Corporation [www.hbr.org](http://www.hbr.org/)

Create Noise in the Marketplace http://www.nswbusinesschamber.com.au/?content=/channels/Building\_and\_sustaining\_business/ Sales\_and\_marketing/Marketing/20080417\_create\_noise\_marketplace.xml

# Notes

**SUSTAINABLE**

**DISCLAIMER**

**COMPETITIVE**

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