

How to Develop a Capability Statement



Small Business
Development Corporation

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Small Business Development Corporation

About us

We are a Western Australian government agency that has been delivering relevant, practical support to small businesses since 1984. Our primary role is to offer free, confidential advice and guidance to small business owners at all stages of their business development from start-up to succession planning. We also provide a broad range of business resources (available in printed and online formats), business workshops, business licensing information and a dispute resolution service.

Led by the Small Business Commissioner, our team also works at State and Federal levels to advocate on behalf of the small business sector.

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Introduction

What is a capability statement?

This is a document that defines the capabilities, achievements and skills of your business. It outlines what you can offer to potential clients and provides relevant information to assist them when deciding whether to do business with you. It can also be used to open doors to new suppliers or incorporated into tender documents.

How to develop a capability statement

This workbook will help you determine which aspects of your business you may want to capture in your capability statement. There are some short exercises to help you build your statement. A template has also been provided. However, if possible, it's preferable to develop a format that best fits your business profile and brand.

Which information should be included

The information to include will depend on your target audience. At a basic level this may be:

- Introduction and company profile
- Core competencies
- Management and team profile
- Major client list
- Description of products and/or services
- Contact details

However, more detailed capability statements could also include:

- Vision and mission statement
- Experience
- Awards and recognition
- Accreditations
- Quality assurance
- Governance and risk management practices
- Management systems
- Client testimonials

Key points to consider

Capability statements can be a few pages or much more complex documents. Your statement will depend on the audience's needs and the type of industries you may be targeting. Some businesses also include their statement on their website for potential customers to view.

Some general points to consider include:

- Think about who your audience is and write specifically for them. Consider what they need to know.
- Use the language and terminology appropriate for your target industries. You may need different versions for different audiences.
- Explain the features and benefits of your business that will help solve customers' problems.
- Keep it simple.
- After reviewing your first draft have someone else check it.
- Use graphics to explain your brand values. Online tools such as Canva are an easy way to create engaging images.

Preparation and planning

Understanding your unique selling proposition (USP)

Your USP is the reason your clients or customers buy from you and not your competitors – it's what makes your business stand out from the crowd.

It's important to define what you do differently and be able to simply and rapidly convey that to potential customers. You should be able to state your USP in a short sentence. For example, Kmart has capitalised on the phrase 'irresistibly low prices'; this appeals to their market and sets them apart from other low-cost clothing retailers.

Your USP should address what your customer actually values. Some examples from well-known brands include:

- Rio Tinto – World leader in finding, mining and processing Earth's resources.
- Qantas – The leading Australian flagship carrier servicing global destinations.
- Serco – Provider of frontline services and business process outsourcing services.

Developing your USP

Start by answering the following questions:

- What do customers love most about your products or services?
- What makes customers come to you instead of your competitors?
- How do customers benefit by purchasing your products or services?
- Which aspects do you generally highlight when describing your business to strangers?

What is your USP?

Preparation and planning

Understanding your capabilities

Noting the key points below will help you to develop a better understanding of your business and its capabilities.

Describe the types of products and/or services you offer.

Describe the nature of your business including which industry or sectors you are involved in.

Preparation and planning

Define your current target markets.

List your current customers, categorised by industry or sector.

Define your competitors in Western Australia, Australia and/or internationally.

Preparation and planning

List what makes your business different from your competitors.

List any significant projects or achievements (including dollar value).

If you export or plan to export, describe how you will deliver your goods and/or services to your markets.

Developing a basic capability statement

Structure

A basic capability statement may include:

- Introduction and company profile
- Core competencies
- Management and team profile
- Major client list
- Description of products and/or services
- Contact details

Introduction and company profile

Provide a brief overview of your business, including when you started operating and key areas of expertise (include your USP).

Core competencies

Outline your experience in managing client projects and past performance.

Developing a basic capability statement

Management and team profile

Outline your key personnel, their roles, experience and credentials. Include an organisational chart if your business warrants it.

Major client list

List all your major clients as outlined in the planning and preparation section.

Developing a basic capability statement

Description of products and/or services

Describe your products and/or services, and how you deliver them.

Contact details

Include the full contact and location details for your business including ABN or ACN numbers and company website.

Developing a basic capability statement

Basic capability statement checklist

Once you have all the information to develop your basic capability statement transfer it to the template on page 17.

Information	Completed
Introduction and company profile	
Core competencies	
Management and team profile	
Major client list	
Description of products and/or services	
Contact details	

Developing a more detailed capability statement

Depending on your target audience and business needs, you may need to include additional information. This could relate to:

- Vision and mission statement
- Experience
- Awards and recognition
- Accreditations
- Quality assurance
- Governance and risk management practices
- Management systems
- Client testimonials

Vision and mission statement

Write down your business vision and mission statement. They should reflect the direction of your business and what your brand stands for.

Developing a more detailed capability statement

Experience

Describe your experience that is relevant to your target audience. Include information on projects and contracts you have previously won, categorised by location or service.

Awards and recognition

List any industry awards or recognition your business has received.

Developing a more detailed capability statement

Quality assurance

List the processes and procedures you have in place to prevent mistakes or defects in manufactured products and to avoid problems when delivering products or services to customers.

Governance and risk management practices

Outline policies and practices that inform your approach to managing risk within your business and how you ensure compliance with regulations. This could include information about ways you collect and store client data, how you keep abreast of industry standards and compliance issues etc.

Developing a more detailed capability statement

Client testimonials

Provide a list of clients who would be prepared to provide a testimonial for your business.

Detailed capability statement checklist

Check to make sure you have all the information to add to your detailed capability statement.

Information	Completed
Vision and mission statement	
Experience	
Awards and recognition	
Accreditations	
Quality assurance	
Governance and risk management practices	
Management systems	
Client testimonials	

Basic capability statement template

Company logo	Company name and contact information	
Introduction		
Company profile		
Core competencies	Major client list	

Basic capability statement template

Products and/or services	
Management and team profile	

Notes

Turn to us.



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