



The Association of
Police and Public
Security Suppliers



www.the-dma.org.uk
www.appss.org.uk

DMA, APPSS AND SBAC PROPOSED MERGER

QUESTIONS AND ANSWERS

Question: What are the major benefits of the proposed merger?

Answer: The merged Association will:

- Create a larger, more robust Association - strength in numbers.
- Provide a single, more powerful voice to government for the Defence and Security sectors.
- Create a much larger network of contacts across Industry providing new business opportunities right through the supply chain.
- Preserve and enhance the voice of SME Members through a democratic Governance regime.
- Create a single fee structure, eliminate duplicate fees, reduce or stabilise some fees for genuinely small Members under £5m turnover.
- Sustain and grow Special Interest Groups where required
- Maintain current services and open up additional service opportunities to Members.
- Provide more, better, business development and networking events.

Question: Will the Primes carry more weight and influence than SMEs in the merged Association?

Answer: Both the DMA, APPSS and SBAC represent the complete supply chain from the Primes through the mid-tiers to the SMEs, as will the new Association. SME's will make up 90% of the new organization and therefore have the opportunity to have significant influence on all the boards and committees which will be democratically elected. The creation of the two new Small, and Medium Companies Committees will ensure SMEs carry their respective voice and influence, as they will each have a seat on the Operating Board and Council by right.

Question: What are the Primes going to get out of merger?

Answer: Their interest is in a unified voice which influences Government. Currently, there are a number of voices which can be played off one against the other. The new Association will sit at the top table of national trade associations, able to influence Government and argue for investment for our sectors alongside other major sectors in the economy. Government will not be able to ignore a single voice.

Question: Will Membership fees go up?

Answer: The new Association's proposed fee structure will be more equitable than the current DMA structure where the burden on the small company is disproportionate. Fees for companies in the lower bands can be expected to be reduced, or stabilised, whilst those in the mid and top bands can be expected to increase proportionately in line with turnover. Companies that are currently Members of both DMA and SBAC (a large number) can expect to make a saving by paying one fee instead of two.

Question: Is the proposed merger a "done deal"?

Answer: No. The DMA and SBAC Councils are both in favour of the merger and have agreed that it should be put to both memberships for a vote. In order to be agreed, 75% of votes cast need to be in favour of the proposed merger. The result will be announced at an Extraordinary General Meeting on 23 March 2009.

Question: What will happen to the DMA if the Membership does not vote in favour of a merger?

Answer: The DMA will continue to serve its Member companies as an independent Trade Association. It can be expected to be in stiff competition for Members, event revenues and influence with Government, from the SBAC, which will be a formidable challenge. The DMA and APPSS forward business plans are structured for either eventuality.

Question: What about the DMA and APPSS brands which have recognition and credibility both nationally and internationally?

Answer: Whilst the proposed new Association does not yet have a name, it is recognised that there will need to be a period of 'brand transition' to ensure that the value of the DMA and APPSS brands are transferred and retained in the merged organisation. This approach will also apply to Civil Aviation and Space retaining the SBAC brand value. The DMA and APPSS will also benefit from association with the Farnborough International brand at home and abroad. Independent specialists in branding will be consulted and lead the name and brand transition project, both DMA and SBAC Council are engaged and have agreed to this process. Both Councils have also endorsed that the final name choice should be left to the Chairman and Director General of DMA, APPSS and the President and Chief Executive of the SBAC to agree.

Question: What is the view of the Government?

Answer: The proposal has been discussed with MoD, Home Office and UKTI DSO. The merged Association will provide a single point of contact for the Defence and Security sectors and has many benefits for Industry and government interaction. Government Departments have indicated that, while it is for the Trade Associations to determine their own structures, they welcome any simplification of the interface with Industry. We hope that, overtime, we will become the organisation that departments turn to for Industry advice and engagement.

Question: Will DMA and APPSS get a fair voice on the Defence Industries Council (DIC), which is currently weighted in favour of SBAC?

Answer: Yes. Under the merged arrangement, the current DMA Director General will take over as the Defence Industries Council Secretary, thereby removing the perception of undue SBAC influence.

Question: Does APPSS have to be part of the proposed merger?

Answer: Yes. APPSS is bound to DMA, and the DMA is committed to the continued support of the Police and Public Security sectors. Within the proposed merged Association, APPSS will become the core of the Public Security Sector with enhanced autonomy and voice. It is recognised that Public Security is the growth area for the future, and under merger Public Security will be resourced more effectively to support its growing Membership. Public Security sector representatives will also have seats on the Operating Board and Council of the merged Association.

If you have any additional questions you would like answered regarding the proposed merger, please contact: a.short@the-dma.org.uk