Star-Insight™

CLARITY IN THE COMPLEXITY

Strategic Exposure Assessment™

SEA/002 - UK Defence Industry Edition

Executive Discussion Asset

Prepared independently to support UK Defence Industry & Ecosystem

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How To Use This Asset

This asset is designed to help leadership teams structure a 20-30 minute executive discussion around the potential impact of recent UK defence policy, investment and procurement developments.

It works best when completed collaboratively by representatives from:

- Managing Director
- Procurement
- Operations
- Commercial
- Finance

The objective is not to produce perfect answers.

The objective is to build a clearer picture of where risks, assumptions and opportunities may exist across the organisation.

Most organisations already possess the knowledge.

This asset simply helps bring it together.

From Government Direction to Better Decisions

Government Direction
Defence strategies, investment plans and policy decisions create change, priorities and future requirements.

Assess Capability Impact
Identify how direction may affect your capabilities, technologies, people, infrastructure and partners.

Evaluate Readiness
Collect the right information across capability, supply chain, operations, finance, commercial and people.

Internal Discussion
Bring people together to share insights, challenge assumptions and understand the full picture.

Make Better Decisions
Make informed, timely decisions with a clear understanding of risks, opportunities and trade-offs.

Greater Resilience
Stronger preparation today leads to greater mission readiness, adaptability and long-term competitive advantage.

Good decisions often begin with a understanding of the whole picture.

Why This Executive Discussion Asset Exists

The purpose of this asset is not to predict the future.

Nor is it intended to tell businesses what decisions they should make.

Instead, it has been designed to help leadership teams bring together information that often sits across several different parts of an organisation and view it as a single, connected picture.

Recent discussions surrounding UK Defence have focused on wider industrial competitiveness.

Many organisations are naturally asking questions about:

- Strategic Defence Review
- Defence Investment Plan
- MoD procurement
- Supply chain
- AI
- Sovereign capability

Unfortunately, the answers to those questions rarely sit in one department.

Procurement may understand suppliers.

Finance may understand cash flow.

Operations may understand production dependencies.

Commercial teams may understand customer contracts.

Boards often have to make decisions by combining all of those perspectives together.

This asset has been designed to help facilitate that discussion.

Why A Strategic Exposure Assessment?

Recent months have seen considerable discussion surrounding the UK's Strategic Defence Review, increased defence spending, sovereign capability, procurement reform, industrial resilience and supply chain security.

Government announcements have highlighted significant investment and opportunity across the defence sector.

However, many leadership teams are now asking a different question:

"What does this actually mean for our business?"

The answer rarely sits in one department.

Procurement may understand supplier resilience.

Engineering may understand technical capability.

Operations may understand manufacturing capacity.

Commercial teams may understand customer relationships.

Finance may understand investment capability.

Boards must combine all of those perspectives into confident strategic decisions.

This Executive Assessment has been designed to help structure that discussion.

Awareness Is Not The Same As Understanding

Many businesses are aware that significant changes are taking place.

Far fewer have had the opportunity to systematically consider questions such as:

- Which capabilities differentiate us?
- Which capabilities should we strengthen?
- How much financial flexibility do we actually have?
- Where are our critical supplier dependencies?
- Are we defence-ready?
- Which partnerships are most important?
- Where are our greatest capability gaps?
- What assumptions are different across departments?
- Where do we have single-source risks?

This asset has been developed to help structure those conversations.

Building Better Organisational Knowledge

The asset has also been designed as a living document.

It can be reviewed as circumstances evolve, helping organisations compare what they expected to happen with what actually occurred.

Over time, this can help build valuable corporate memory and improve future decision making.

Strong organisations rarely eliminate uncertainty.

More often, they develop better ways of understanding and responding to it.

A Tool For Conversation

The most valuable output may not be the completed asset itself.

Often, the greatest value comes from the conversations that take place whilst completing it.

Different parts of the organisation often see different risks, opportunities and capability strengths.

Bringing those views together can often reveal opportunities, vulnerabilities and practical actions that might otherwise have remained hidden.

There Are No Right Or Wrong Answers

This is not a compliance exercise.

It is not an audit.

It is not a pass-or-fail assessment.

The objective is simply to organise information that many businesses already possess and present it in a way that supports clearer thinking and better internal discussion.

The asset should therefore be completed honestly, using the best information currently available.

Why Complete The Asset Carefully?

Small differences in individual answers may create a very different overall picture.

For example:

- a business with diversified suppliers may face different risks to one with a single-source dependency;
- a company with flexible customer contracts may have more options than one operating under long-term fixed pricing;
- organisations with strong cash reserves may be able to respond differently to those operating with limited working capital.

The more accurately the asset reflects the current position of the business, the more useful it may become as a future reference point.

A Living Document

This asset is not intended to be completed once and forgotten.

Many organisations may find value in reviewing it periodically as circumstances evolve.

Future policy changes, supply-chain developments or market conditions may alter the answers over time.

Maintaining a record of those changes can help build valuable organisational knowledge and support future decision making.

An Optional Independent Perspective

Many businesses will simply use this asset internally.

Others may wish to compare their own observations against wider market developments and emerging industry trends.

A completed Strategic Exposure Assessment™ can, if desired, provide the foundation for a more detailed Strategic Clarity Report™, helping organisations combine their own internal knowledge with an independent external perspective.

The purpose is not to replace internal expertise.

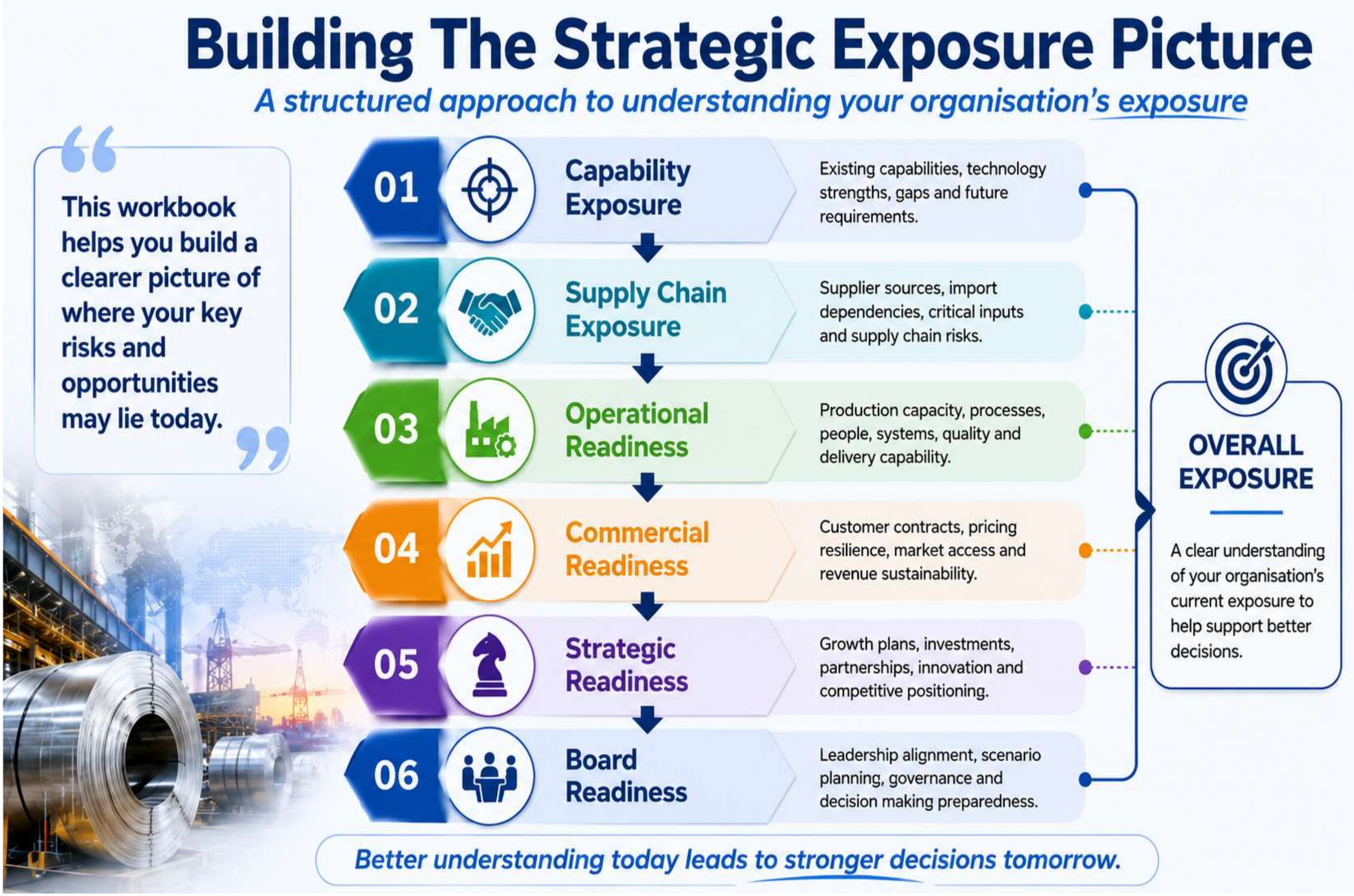
It is simply to help leadership teams see the wider picture with greater confidence and clarity.

Before You Begin

Suggested executive discussion time: 20-30 minutes

Recommended participants:

- Managing Director
- Procurement
- Operations
- Finance
- Commercial


Building The Strategic Exposure Picture
A structured approach to understanding your organisation's exposure
This workbook helps you build a clearer picture of where your key risks and opportunities may lie today.
01
Capability Exposure
Existing capabilities, technology strengths, gaps and future requirements.
02
Supply Chain Exposure
Supplier sources, import dependencies, critical inputs and supply chain risks.
03
Operational Readiness
Production capacity, processes, people, systems, quality and delivery capability.
04
Commercial Readiness
Customer contracts, pricing resilience, market access and revenue sustainability.
05
Strategic Readiness
Growth plans, investments, partnerships, innovation and competitive positioning.
06
Board Readiness
Leadership alignment, scenario planning, governance and decision making preparedness.
OVERALL EXPOSURE
A clear understanding of your organisation's current exposure to help support better decisions.
Better understanding today leads to stronger decisions tomorrow.

Most modern:

ERP systems

PLM

MES

CRM

Procurement systems

Operational systems

provide organisations with excellent visibility into day-to-day operations.

They help manage purchasing, inventory, production, finance, customer orders and many other critical business activities.

However, strategic decisions often require leadership teams to bring together information, assumptions and perspectives that sit across several different functions.

And strategic discussions still matter.

Questions surrounding supplier dependency, customer contracts, financial resilience, operational flexibility and future policy changes may each be understood by different parts of the organisation.

The purpose of this asset is not to replace existing systems.

It is simply to help structure the conversation that brings those different perspectives together into a single, connected view.

Many organisations already possess this knowledge.

This asset is designed to help make that collective understanding easier to see.

The strongest organisations often combine the discipline of good systems with the value of informed executive discussion.

Company Profile

Company Name ________________________________

Employees ________________________________

Annual Turnover ________________________________

Primary Defence Markets ________________________________

Current certifications ________________________________

Current security clearance requirements ________________________________

Existing Defence work ________________________________

Primary Countries of Origin ________________________________

Discussion Notes

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Capability Exposure

Core capabilities relevant to defence? _________________________________

Transferable capabilities identified? _________________________________

Capability gaps requiring investment? _________________________________

Critical skills or knowledge shortages? _________________________________

Relevant certifications already held (e.g. ISO, Cyber Essentials, security clearances)? _________________________________

Technology or equipment requiring upgrade? _________________________________

Discussion Notes

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Supply Chain Exposure

Critical supplier dependencies identified? ________________________________

Single-source risks understood? ________________________________

UK supply chain resilience assessed? ________________________________

Alternative suppliers available? ________________________________

Imported components creating risk? ________________________________

Key supply chain partners suitable for defence work? ________________________________

Discussion Notes

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Operational Readiness

Current production capacity available? ________________________________

Ability to scale production if required? ________________________________

Quality systems suitable for defence work? ________________________________

Operational processes sufficiently robust? ________________________________

Recruitment and skills pipeline adequate? ________________________________

Cyber security and digital resilience appropriate? ________________________________

Discussion Notes

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Commercial Readiness

Existing defence customers? ___________________________________

Target defence markets identified? ___________________________________

Prime contractor relationships established? ___________________________________

Commercial resources available to pursue defence opportunities? ___________________________________

Funding available for growth and investment? ___________________________________

Sales and bid capability sufficient? ___________________________________

Discussion Notes

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Strategic Readiness

Board has discussed defence opportunities? ________________________________

Target capability roadmap agreed? ________________________________

Investment priorities identified? ________________________________

Strategic partnerships being explored? ________________________________

Scenario planning completed? ________________________________

Capability development plan documented? ________________________________

Discussion Notes

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Information Becomes Understanding

The conversation is where the real value is created.

Individual Knowledge

Teams hold valuable insights based on their experience and perspective.

Procurement, Operations, Commercial, Finance and other teams each see different parts of the picture.

Shared Discussion

Bringing perspectives together to challenge assumptions and fill the gaps.

Open conversation reveals connections, challenges assumptions and builds a common understanding.

Better Understanding

A clearer, joined-up view of risks, dependencies and opportunities.

Seeing the whole picture helps identify what matters most and where action is needed.

Better Decisions

Informed, timely decisions that strengthen resilience and performance.

Clarity leads to confidence, better choices and more effective action.

THE VALUE IS IN THE DISCUSSION, NOT JUST THE ANSWERS.

The most valuable output may not be the workbook itself. Often, the greatest value comes from the conversations that take place whilst completing it.

Better conversations today lead to better decisions tomorrow.

Board Discussion Summary

What surprised us most?

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What worries us most?

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What should we investigate further?

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Immediate actions agreed:

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Circle or tick the RAG status that best reflects your organisation's current position.

Assessment Area	Status	Executive Comments
Capability Exposure	● ● ●	______________________________
Supply Chain Exposure	● ● ●	______________________________
Operational Readiness	● ● ●	______________________________
Commercial Readiness	● ● ●	______________________________
Strategic Readiness	● ● ●	______________________________
Board Readiness	● ● ●	______________________________

RAG Guide

● **Green**

Current capability appears appropriate. Continue monitoring.

● **Amber**

Some concerns or uncertainties exist. Further investigation or action may be beneficial.

● **Red**

Significant gap, dependency or risk identified. Priority discussion and action recommended.

Overall Executive Assessment

Immediate Priority Actions

1.

2.

3.

Next Steps

This asset has been designed primarily as an internal discussion tool. Many organisations may simply retain it for their own planning purposes.

A completed Strategic Exposure Assessment™ can also provide the foundation for a more detailed Strategic Clarity Report™, helping leadership teams convert internal knowledge into a clearer picture of future risks and opportunities.

Prepared independently to support UK Defence Industry & Ecosystem.

Executive Assessments Series

- ✓ EA-001 - UK Steel
- ✓ EA-002 - UK Defence
- EA-003 - UK Engineering (Coming Soon)
- EA-004 - UK Construction (Coming Soon)
- EA-005 - Chemicals
- EA-006 - Aerospace
- EA-007 - Food Manufacturing
- EA-008 - Automotive

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Star-Insight™ Decision Clarity Framework

Executive Field Guides and supporting resources are also available for organisations wishing to explore specific sectors in greater depth.