

FIDIC-GAMA 2017



Conference on Infrastructure

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African Partnerships for Sustainable Growth

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Engineering skills in Africa – Partnerships



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Introduction

- Number of Consulting firms are increasing as Africa experiences increased growth in infrastructure development;
- Most consulting firms are started by one or a few partners with specific experience
- The firms initially focus on their area of expertise and create brand recognition/value over time.
- As the number and size of the clients increase, the need for services in other areas increase(complete solutions).



Introduction (Cont.)

- The firms turn to other firms for additional capacity and additional skills to attract and retain clients requiring bigger and multifaceted projects;
- Public procurement legal requirements force firms to partner in order to submit bids for larger projects .
- Initially, most partnerships between firms or individuals are loose and informal and are largely based on trust;



Introduction (Cont.)

- Challenges experienced in such partnerships include:
 - Misalignment in quality and delivery of services
 - Clash of cultures
 - Misalignment of management systems (may lack good systems)
 - Lack of integrity
 - Lack of adequate trust etc.
 - Inadequate capacity for effective due diligence;



Introduction (Cont.)

- As the projects become bigger and more complex, firms need increase their capacity, diversify their skills and put in place robust management systems to grow and sustain their businesses.
- However the need for partnerships still exists given the level of specialization (complexity) and size of the projects and this renders many firms to look for structured and sustainable partnerships.



Partnership Levels

Partnerships occur at different levels and are summarized as follows: -

- Firms within the same country;
- Firms within regional economic blocks;
- Firms within the continent;
- Partnerships with global firms;



Partnership Levels (Cont.)

All these levels require the following:

- Open communication between firms: capacities, skills offering, Financial strength, Vision, Values etc.
- Partnerships can be in the form of sub-consultancies or joint venture partnerships;
- Most partnerships start based on specific projects and over time, partnerships become close with the firms bidding together, executing projects together, sharing information etc.



Benefits of partnerships

Benefits of partnerships include:

- Complementing each other on skills;
- Complementing each other with capacity;
- Reduction of cost through optimization of resources;
- Higher chances of winning bids through strength of preparation, offering of services, experiences, etc.
- Wider network



Benefits of partnerships (Cont.)

- More cooperation in skills development including opportunities for cross posting of staff.
- Better branding offering (Clients likely to be more comfortable) and more marketing capability
- Sharing business intelligence and emerging trends of client requirements
- Wide opportunities (geographical, areas of specialization etc.)
- Sharing of risks



Way forward

- Given the trend in local content requirements, Partnerships are important in ensuring capacity building, skills development, knowledge/technology transfer and ultimately ensuring compliance with requirements
- We expect greater competition in bids and greater focus on Africa by global firms;
- We expect better quality delivery especially for large projects and projects requiring very specialized skills to meet high expectation by clients
- Local firms can build capacity, embrace better management skills and processes;



Way forward (Cont.)

- Use of sophisticated software for engineering solutions
- Enhancement of integrity;
- More active role of membership associations for references and training etc.
- Associations to have members sign codes of conduct and promote corporate governance.
- Associations can promote partnerships through sharing of data on members, and promoting next working through regional forums, etc.



Conclusion

- Well-structured partnerships have the potential to grow local consulting firms into large well established firms that can compete effectively in the global arena.
- Partnerships will promote Win-Win relationships

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Thank you for attending.



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