

# FIDIC-GAMA 2017



## Conference on Infrastructure

7 - 10 May | Cape Town | South Africa

---

### African Partnerships for Sustainable Growth

---

**Eng. James N. Mwangi,**

**CEO Kurrent Technologies Ltd**

**Engineering skills in Africa – Partnerships**



**#FIDIC\_GAMA2017**



# Contents

1. Introduction
2. Partnership Levels
3. Benefits of Partnership
4. Way forward
5. Conclusion



# 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

FIDIC-GAMA 2017



Conference on Infrastructure

7 - 10 May | Cape Town | South Africa

**Thank you for attending.**



**#FIDIC\_GAMA2017**