

building blocks

When it comes to strategic partnerships, a culture fit is key to changing the development infrastructure landscape in Africa, says Bigen Africa COO Anton Boshoff. **BY KERRY DIMMER**

When infrastructure development

companies speak of their business, they tend to talk about a supply chain of offerings. Bigen Africa is different. It talks of a supply chain, yes, but rather one of integrity. In so doing, Bigen Africa is almost unconsciously challenging what the infrastructure development industry in Africa currently is, with what it should be.

Bigen Africa has taken the approach that it is a development activist for Africa. In support, it has presented a value proposition that addresses sustainable infrastructure delivery to improve quality of life, linked to partnerships that forge integrity with value. This integration, combined with like-minded strategic partners, is a smart approach and one that adds validity to the services Bigen Africa provides across the continent.

Such services include a holistic package of engineering, management consulting and development financing and advisory services. Yet, as indicated, Bigen Africa is not just an average infrastructure development company. Instead it steps wider to ensure that it aids countries to address key public policy priorities such as integrated human settlements, rural development, basic human rights needs such as water, transport, sanitation, and further undertakes the operation and maintenance of existing infrastructure.

The outcomes of such a broad base result in job creation, poverty reduction, skills transfer

and empowerment, environmental protection and let's not discount that 'feel-good' factor from this humanist approach.

Anton Boshoff, chief operating officer of Bigen Africa, explains that the success of any cost-effective and sustainable project must start with four cornerstones of civil society and sustainable communities.

'These are social, institutional, financial and physical elements. This requires an intimate understanding of the requirements of governments, local authorities and all stakeholders, and this is why Bigen Africa has a value chain that encompasses all these aspects with a reach far beyond basic infrastructure development,' he says.

It is a concept that also embraces Africa's communal spirit by pulling together governments and private-sector enterprises, but only if those have a vision that resonates with the Bigen Africa group and the effect of the project extends into community development. This means that investing in sustainable infrastructure requires partners to not just conduct business ethically and with integrity throughout a project life cycle, but also to commit long term.

Boshoff says: 'Alliances and consortiums with Bigen Africa are not put together to take advantage of a once-off opportunity. You also cannot build a coherent culture with others unless your values are shared and have longevity.'

This is why Bigen Africa's annual Partnership Conference in June this year brought together its 'best-of-breed' partners to ensure that collective offerings are sustainable, integrated and scalable.

Results from the conference platform show that Bigen Africa acquired potential stakeholders from across the globe. These include US company Western Forms, suppliers of innovative modular housing solutions; Parsons Brinckerhoff in the Balfour Beatty stable has the potential for an international engagement; Nedbank signed with Bigen Africa as a strategic partner for an undisclosed but important African project and Urban Dynamics and Raubex signed for the Lufhereng City of Johannesburg development where 24 800 homes are to be built.

These corporations, and others, commit to more than just a strategic partnership with Bigen Africa – they are also embracing Bigen Africa's S-Vision 2016 ethos. The vision encompasses a number of activities that aim to ensure growth into Africa. In a nutshell it translates as a commitment to: making use of strategic tendering opportunities; building capabilities through other partnerships, mergers and acquisitions; and solidifying key partnerships.

This makes perfect sense, given that Bigen Africa has 30 years of experience on the continent in terms of growing sustainable infrastructural projects that not only achieve

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the financial goals of an organisation but also contribute to the socio-economic development of Africa. 'We have identified important business modalities with various balances of shared risk around which we build partnerships.

'Those modalities include: market focus or project focus; tenure of relationship; risk sharing and liabilities; intellectual property/intangible property that is the result of creativity; branding/promotion of a particular product or company by means of advertising and/or distinctive design; and framework agreements versus pre-bid agreements versus shareholder agreements versus service provider agreements,' says Boshoff.

In certain ways this is similar to the Chinese model, engineering, procurement and construction (construction management), plus funding (EPC+F or EPCM+F). By including funding facilities, which is effectively what Bigen Africa is doing, the risk is spread among its partners and stakeholders, which will minimise failure rates and thereby allow new markets to be explored.

Infrastructure funding has always been a problem in Africa, given the size of projects, lack of funding and expertise shortage, particularly for governments emerging from economic and political pressures.

Bigen Africa's approach is to continually improve operational efficiency along with delivering innovative solutions without compromising quality or lifting risks beyond what would be reasonable. And risk in Africa has always been a controversial topic.

'Bigen Africa's enterprise risk management framework is based on the international standard ISO 31000:2009, and establishes the key principles that guide how risk

management is embedded at all levels in the organisation. It also outlines how we will ensure that risk is managed effectively and efficiently in supporting our strategies,' says Boshoff.

'Further, and by applying these codes, Bigen Africa can assess, guard against and manage internal and external threats, which vary in complexity from a simple set of house rules on business ethics and conduct, to an advanced system in which all relevant risks are systematically identified, quantified, evaluated, remedied and administered.'

Aside from providing a risk-spread solution, a further compelling reason to partner with Bigen Africa lies in an innovative partnership solution that it has developed – virtual liaison.

'In this partnership we collaborate with a partner on a pre-agreed basis by means of a shareholder agreement. We aim to target certain projects, during which intellectual property may be created or generated.

'The "pre-agreement" specifies exactly how such intellectual property will be split between partners on the demise of the partnership. No long-term company facilities are created and capital is generated directly from project revenues,' says Boshoff.

Bigen Africa is also very adept at working with African governments. On a continent where one-size-does-not-fit-all, partners are reassured that Bigen Africa has the capability to assist with policy development.

Boshoff explains that Africa generally does not like being dictated to, which is again why local partnerships are highly valued and sought after. 'Bigen Africa's consulting arm is not just mandated to

explore opportunities but also to identify local role players who best understand how to work within government frameworks and cultural influences. This also translates into ensuring that we use, as far as possible, local supplies, contractors and labourers,' says Boshoff.

All Bigen Africa projects are broken down into short-, medium- and long-term targets that can be further differentiated by type, market penetration, number and size, sector specific and profit potential.

What are the projects that Bigen Africa is most interested in?

For a start it intends to build African capabilities in renewable energy, rail, mining, industrial, mechanical engineering and project delivery services. While most of the projects could be considered hefty infrastructure development, Bigen Africa does not exclude short-term contracts, such as affordable housing and supporting general infrastructure.

'Concentrated focus is currently being directed at West Africa and the SADC region. There is proof that capital-intensive property developments are showing a real return, particularly in Ghana. Thereafter we will be escalating our investments in East Africa. Acquisitions are also on the menu for our expansion plans on the continent,' says Boshoff.

Bigen Africa is a rarity – and a pioneer – in that it is breathing new life into infrastructure development in Africa. With the right approach, change in behaviour and mindset, potential partners have an opportunity to activate a complete culture change that proclaims that development activism is the only way to build a better life for all. **AD**