

## **SELECTED DEAL CASE-STUDIES**

*(Identity of organizations have been excluded due to client-confidentiality clause)*

### **I. Fund-Raising Transaction Mandate - Marine Logistics/Oil-Gas Industry**



#### **The Problem:**

A mid-sized company specialized in offering marine logistics and technical support services in Africa to major operators in the oil/gas industry has been successfully existing for over 15 years. It had built quite an enviable reputation and has strong income-stream from ongoing activities. However the company hadn't quite maximized its potentials so senior management was seeking avenues for harnessing new opportunities. Then suddenly after protracted effort, the company won a competitive bid to supply new-built vessels on long-tenor charter contract to service offshore production activities of a major global energy company.

#### **Our Critical Assessment:**

Given that such charter contract was the first of its kind for this company, (especially as a local entity) there was initial trepidation as to whether it can actually deliver on the contract and how it will go about doing that. The concern mainly bordered on availability and/or access to financial resources and requisite technical skills in the face of inadequate understanding of intricacies of market conditions and other technical issues relating to contract of such scale.

#### **Our Solution:**

Upon engaging our firm in this transaction, first we diligently reviewed the charter party contract – looking at terms and conditions, tenor and daily charter rates to gain better insight on key issues at stake. We pinpointed few questions to the client that were later clarified by the vessel chartering company. Secondly, working in close cooperation with the client-company we embarked upon a diagnostic review of pertinent aspects of the contract to understand its viability and how it will impact the client's financial status in the long-run – including macro economic background, industry/market analysis and growth prospects.

Our initial assessment revealed that in-principle the client could execute the deal under the right circumstances. Consequently, we went ahead to develop a time-critical strategic action-plan that encompassed the following:

- a) *Defining fund-raising strategy, suitable types of funding, impact on operating balance sheet and asset value;*
- b) *Outlining potential funding sources, interest rates, amortization schedule, impact of exchange rate on cash-flow and pay-back period;*
- c) *Conducting needs analysis of how much is required to fund the project, weighed against the backdrop of cash-flow projections from the asset during the contract tenor;*
- d) *Determining what is required of the client to obtain funding and within what reasonable time frame.*

Upon completing this process we supported the client in approaching financiers, participated in negotiating the transaction and remained engaged until the deal closed. Through this process the client was able to secure requisite financing and placed order for the new-built vessel. (The photograph above is not the actual vessel).

## **II. Strategic Planning & Advisory Mandate – Medical Tourism/Healthcare Industry**



### **The Problem:**

A US-based medical practitioner, focused on delivering specialized care to patients had been operating for well over 20 years. The CEO is a highly talented and visionary medical professional with broad knowledge of the industry and emerging trends in various regions. He was particularly enthused by the concept of “Medical Tourism” and therefore became interested in developing a medical tourist complex in Africa, offering high quality fee-for-service specialized treatment to both local and foreign patients in a serene, hospitable four-star environment.

### **Our Critical Assessment:**

True, medical tourism is a growing and popular trend around the world especially in Asia (India, Thailand), Latin America (Mexico, Costa Rica, Brazil) and Middle East (Dubai, Saudi Arabia). Such institutions are patronized by patients from advanced countries who flock in to receive same or better quality treatment at cheaper prices, while combining rest and restoration in hotel-like environment. If well managed such an enterprise can be highly successful and profitable. But except in South Africa, such an idea is yet to be practicalised on the African continent. The question therefore is – will it work and what will it take to work in Africa?

### **Our Solution:**

Upon learning of the client’s aspirations and engaging us, we first embarked on a critical analysis to ask the hard questions; – will it work in Africa? If not why, if yes what will it take to work? How can such a project be packaged, what is the starting point and exit strategy?

We then conducted an in-depth feasibility study that entailed in-country site-visit to proposed location of the complex where the client had acquired parcel of land. The outcome of the feasibility studies was our Strategic Business Plan (SBP) that contained key elements and much more, for implementing the project, such as:

- a) *Market research and analysis;*
- b) *SWOT Analysis;*
- c) *Operating Model;*
- d) *Financial Projection;*
- e) *Funding Strategy;*
- f) *Potential Strategic Alliances;*
- g) *Implementation Milestone.*

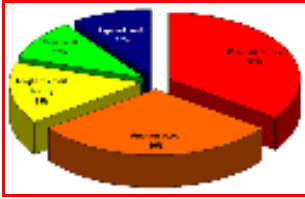
After finalizing and presenting the report, it was determined that capital outlay for setting up a hospital and hotel all at ones could be quite significant for an untested concept in Africa hence the need to phase-in the project. Through pre-existing client relationship

and our method of approach, we identified a potential strategic partner and master-franchisee of major international hotel brand that might be interested in co-locating a hotel in the complex. We proposed the idea and the client accepted.

We matched the two parties and as negotiations on cooperation progressed, a public sector partner was identified who expressed interest in offering incentives for the complex to be sited in their jurisdiction. The new partner offered to provide an existing specialized health center as initial base for the project. The implementation strategy was then tweaked to accommodate new strong and willing partner, which culminated in a multi-year concession deal for the existing medical facility based on public-private partnership (PPP) model.

Our firm then helped negotiate Memorandum of Understanding (MOU) between the parties and subsequent concession agreement, which resulted in transfer of the medical facility to the client as first phase of the medical tourist complex. Strategic plan calls for refurbishing the hospital, upgrading and expanding existing amenities, building a four-star hotel and over a four-phase time-line add other components of the complex.

### **III. Public Sector Advisory Mandate – *Sub-National International Credit Rating***



#### **The Problem:**

Recent pace of reform has enabled several African countries turn a new page in socio-economic development, growing at historically faster rate. Thanks to modernized and prudent financial policies, namely fiscal responsibility, efficient debt management and sovereign credit rating, the second largest economy on the continent has continuously been gaining renewed international prominence and currently considered a “Frontier market”.

A sub-national entity within the country in question with significant liquidity and focused political leadership was seeking means of re-defining its fiscal policy by obtaining an international credit rating and creating new management systems. Our firm was therefore mandated to spearhead and coordinate this exercise, while supporting process of creating new public sector financial architecture in the state.

#### **Our Critical Assessment:**

Based on our initial assessment we clearly understood the task ahead, while realizing and shared with the client, the underlying philosophy that such an endeavor will not only be useful for accessing funds in the capital market (assuming it so desires) but that can truly help re-align fiscal framework of the state with international standards, by providing benchmark for independent risk assessment, while ensuring efficient resource-management and build investor-confidence.

#### **Our Solution:**

Upon obtaining the mandate for this assignment we approached major international rating agencies to discuss the modalities – timeline, pricing, requirements and procedure for this exercise. The first and major requirement from the agencies was for us to provide an Information Memorandum on the state with broad financial analytics.

Our firm through field research, site-visits and interviews with government officials and key private sector players in the state was able to assemble and analyze vital economic and fiscal data. After completing and submitting the financial report, management meetings were then conducted between the parties and decision-makers in respective government establishments to clarify some issues; update financial data and obtain additional information. Consequently a credit rating report was issued, which will entail annual review and ongoing surveillance to achieve long-term goals.

#### **IV. Strategic Planning & Advisory Mandate** – *Start-Up IT/Bio-Pharma Industry*



##### **The Problem:**

One of the most serious issues confronting the pharmaceutical industry today is the link between corporate gifts (meals, drug samples, golf-trips, vacation packages etc) to medical professionals/offices and how that influences drug prescriptions. Regulating and adhering to strict compliance guidelines in this regard presents quite a formidable challenge to Bio-Pharma companies yet tremendous opportunity to discerning entrepreneurs. A start-up tech company formed by a retired pharmaceutical corporate executive rightly identified this problem and decided to capitalize on it. However there's always a great divide between an idea and actualization, which is where we come in.

##### **Our Critical Assessment:**

Upon being approached to help develop an operating model for the company. We conducted an initial assessment that revealed the flaws in that very essential interaction between drug companies and medical professionals. We reviewed existing regulations and legislation within the industry and various states to understand where things stand today and how that might change in future. More importantly we tried to uncover how the client can benefit from the problem assuming it finds the right solution – so we asked what are the options and how can it be brought to fruition?

##### **Our Solution:**

We then proceeded to assemble the necessary set of information by conducting field research and interviews with the entrepreneurs, tech-companies, pharmaceutical sales-force as well as medical professionals/offices. The end-product of that effort was our Strategic Business Plan, which outlined:

- a) *An operating model;*
- b) *The technology architecture (front and back-end) for delivering such solutions;*
- c) *Key players in the arena and how they will interface with the client company;*
- d) *Cost elements/sources of financing for the operation;*
- e) *And finally milestones for achieving results.*

After delivering the report with visual flow-charts and essential reference sources we remained engaged in subsequent phases to help advice and negotiate fund-raising transactions, participated in tech-build requirement sessions while providing ongoing operational guidance. The company assembled an interim team and board of directors, developed wet-demo of the technology application and closed preliminary round of fund-raising as it continues to strive in executing its business model.