

Partnering for IFI Success

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September 4, 2008
Winnipeg



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Why are partnerships important?

- Combine efforts to take advantage of IFI opportunities
- Greater capacity to provide suitable and more diverse services
- Learn from partners, explore holistic approaches
- Enhance advocacy position, influence and credibility



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Importance of Partnerships

IFI contract award trends:



- Companies from developing and transition countries winning more and more and more of the business – more than 60%



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Local Content Criteria: Prequalification and Proposal Evaluation

- Having local content is now imperative in order to earn points in most consulting services proposal evaluations
- Prequal / Shortlisting: Local content can account for 5-10 points (out of 100)
- Most RFP's now prescribe 10-20 points (out of 100) for local partner / content.

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Why Partnering

- Partnering now a financial imperative in most IFI funded contracts. Why?

QCBS

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'Quality Cost Based Selection'




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Why Partnering

- Local Partners enable bidders to meet criteria in a costs effective manner
- Local Partners provide key human resources necessary to effectively carry out work
- Local Partners can do follow-up and tracking as well as continuous research




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What will make partnerships work?

- Defining realistic scope (specific and limited vs. potential for involvement) and benefits of partnership
- Breaking new ground and acknowledging differences in approaches
- Developing effective and transparent communication strategy




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What will make partnerships work?



- Building trust through sharing of decision-making and planning and implementation of initiatives
- Working together to enrich each other's knowledge and build capacity
- Sharing responsibility and costs
- Effective planning




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Benefits vs. Risks

<ul style="list-style-type: none"> • Enhanced capacity • Creative solutions from differing perspectives • Profits or profit margins increase • Effective use of limited resources • Improved and enhanced communication • Sharing of knowledge and experience • Application of best practices 	<ul style="list-style-type: none"> • Unreasonable/unmet expectations • Transaction costs: time, money, opportunities foregone • Loss of trust or commitment between partners • Development of interdependence between partners • Differences in values and interests ('cultural clashes') • Financial losses • Legal disputes
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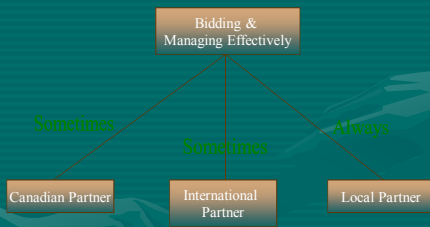
Experts agree...

- Partner selection is one of the critical strategic decisions.
- Most successful firms credit good partnership as the most key success factor; and most firms who fail blame weak partnership as the main failure factor...



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Selecting Partners



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Preparing to Partner

- Step 1: Will you be Lead Organization or Second
- Step 2: Considering potential partners
- Step 3: Partnership assessment
- Step 4: From exploration to commitment
- Step 5: Negotiating conditions of partnership
- Step 6: Confirming partnership commitment



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Step I: Finding a Partner

- Profiling partners;
- Searching for and identifying prospective partners;
- Short listing 2-3 best prospects;
- Contact and meet prospects.



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Case Study 1: Uzbekistan

A request for Expression of Interest (EOI) has just been published for the Basic Education Project in Uzbekistan.

You are a consulting firm with expertise and experience in this field but you've never worked in Uzbekistan. You've got 30 days. How do you find a local partner?



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UNITED NATIONS DEVELOPMENT BUSINESS

Procurement Notice

Country:	Uzbekistan
Project:	BASIC EDUCATION PROJECT
Financing:	World Bank
Abstract:	International Consultant on Monitoring and Evaluation
Sector:	Education/Training
Loan/Credit Number:	Loan No. 4240-UZ, Project ID No. P094042
Contract/Bid Number:	Expressions of Interest, (assignment No. UZ-4240/BEP/INT-5.5)
Deadline:	12 May 2008

The Ministry of Public Education of the Republic of Uzbekistan in the framework of the World Bank financed Basic Education Project intends to apply part of the proceeds for services of an individual consultant.

The services of consultant include assistance to the Ministry of Public Education and the Departments and Units involved in implementation of Basic Education Project in the design and establishment of a state of the art monitoring and evaluation system that will provide project managers and MPE officials with up-to-date reliable information to track progress in implementation of the project activities and to evaluate short, medium and long term impact of the project



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Good vs. Inappropriate partner

Characteristics of a good partner:

- Motivation and determination
- Trust and support of purpose and cause of the partnership
- Competence
- Willingness to share authority, credit and responsibility
- Interest in contributing resources to the partnership
- Interest in achieving desired results

Characteristics of a bad partner:

- Hidden motivations
- Unreliability
- Multiple agendas
- Tokenism
- Corruption
- No sharing of risk, responsibility, accountability and costs



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How to Find a Partner

- Complete a prospective partner profile (matrix, criteria, qualities, skills, qualifications...)
- Use a checklist approach (evaluate strengths/weaknesses)
- Travel to the Country



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Profiling – Partner Criteria

Qualifications

- Knowledge and expertise in the sector
- Project experience (including projects funded by World Bank, bilateral donors, etc.)
- Relationships and reputation in the country
- Domestic and international experience of firm (export success?)

Qualities (Skills)

- Honesty, integrity
- Communication skills
- Languages
- Work Ethic



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How to Find Partners?

- Recommendations
 - From other Canadian firms (CIDA Lines of credit)
 - From IFI project officials
 - Canadian embassies (*and reciprocal*)
 - Trade missions (i.e., Team Canada)
 - Chambers of Commerce
 - Industry associations
 - World Bank / IDB contract listings



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How to Find Partners

Searchable contract data bases:

- www.worldbank.org/sprojects/AdvancedContract.asp
- <http://condc05.iadb.org/idbppi/asp/mainpage.asp>
- www.adb.org/Documents/ADBBO/contracts.asp

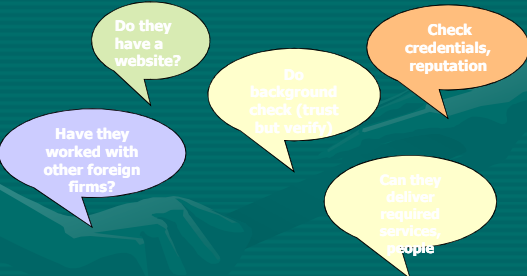
Other key sources of info on local consultants:

- www.developmentex.com
- www.dgmarket.com
- www.consultingbase.com



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Selecting Prospective Partners



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Meet and Interview Prospective Partners

- Try and schedule meetings to take place in their offices (*permits you to assess human resources, technical capabilities, etc.*)
- Cross-cultural sensitivities (be prepared to socialize, get to know each other).
- Partner relationships are a two-way street: always remember they are interviewing you as well.



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Choosing Overseas & Domestic Partners

- Skills and capabilities (includes Human Resources assessment, compatibility of organizational structures, quality of management, technical capability)
- Knowledge of technology and of local market
- Domestic and international experience of firm (export success?)
- Financial strength (consider cash infusions)
- Personal chemistry (the “social” factor)



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Choosing Overseas & Domestic Partners

- ♣ Partners should be prepared to jointly participate in all aspects of the project cycle (identification, design, management, monitoring, evaluation and reporting).
- ♣ Encouraging joint ventures between local and foreign firms may be advantageous
- ♣ Overseas and domestic partners selected/identified must have the capacity to meet project needs (maximize local partner input)



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Choosing Overseas & Domestic Partners

- Choose a firm which would continue from the feasibility study stage to project preparation and from project preparation to the execution stage
- Choose a firm which has carried out pre-investment studies for a project and is technically qualified to undertake the preparation services
- Overseas and domestic partners must be prepared to invest both financially and in terms of human resources.



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Preparatory Work

- Collect Corporate Profile of Firm – If they are serious they will have this available
- Collect Project Experience – If they have worked with IFIs before they should have documentation to demonstrate this
- Collective CVs of prospective local personnel – If it is a technical assistance / training project, the firm should be able to provide samples of key personnel in appropriate format



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Structuring the Partnership

- Short term (joint bid); Subcontracting agreement
- Memorandum of Understanding
- Issue of Exclusivity (i.e., On bids)
- Long term (joint venture)



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Before teaming...

...with another business you should check on its financial and business standing, in particular with IFIs.

You can even ask your potential partner for an exchange of financial information—which should not be a problem if you both sign a confidentiality agreement.



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A Teaming agreement should include

- Protection of confidentiality and data exchanged while negotiating the teaming agreement and writing the proposal;
- Whether the subcontractor will be allowed to participate in negotiations with the government agency;
- How/when the subcontractor will be paid;
- At what point the teaming agreement will no longer be in effect.



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Making The Partnership Work

- Communicate often... (the marriage parable: partners can drift)
- Consider exchanges of personnel... (good human resource development for both partners, integrates people bonds)
- Assign appropriate staff to the relationship



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In Order for the Partnership to Last

- Be aware and accept a wide range of cultural diversity;
- Be aware of partner's social and cultural values, religion, and identity;
- Understand how differences may impact the partnership;
- Have knowledge of history of partner's country.



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For More Information and Follow-up

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