

Tender Number: T07/02/20

Tender description: REQUEST FOR PROPOSAL FOR THE DEVELOPMENT AND IMPLEMENTATION OF AN ENHANCED OPERATING MODEL TO SUPPORT THE PORTFOLIO MANAGEMENT STRATEGY

Question and Answers Version 1

No.	Question	Type	Answer
1	There are technical requirements for which we will not be able to comply with. Examples include 10yrs experience in PE and BT or a portfolio value of at least R10bn for the firm. Are these technical requirements to be interpreted as 'knock-out' criteria in the proposal process?	Commercial	The RFP stipulates the relevant technical criteria that will be used for purposes of evaluating all bids received. It will be left up to each bidders' discretion to identify whether or not they comply with the stipulated technical requirements and ultimately whether or not they intend on making a submission for this tender. This criterion forms part of the mandatory requirements and will therefore be assessed accordingly.
2	Section 1, paragraph 12.3.3 makes reference to a "Copy of Board Resolution, duly certified" – we would like to confirm that this is referencing the same resolution detailed in section 1, paragraph 5.3?	Commercial	Yes, that is correct. It is referencing the same resolution detailed in Section 1, par 5.3.
3	Please confirm whether submitting Annexure 10 is required? Section 1, para 12 does not reference/require this document, but it is included in para 13 as part of the bid evaluation criteria and the Annexure itself is also included (though with the stipulated minimum local content thresholds left blank?)	Commercial	Annexure 10: Local Content Declaration is not relevant to this tender and as such it can be submitted as N/A or it doesn't have to be submitted. The requirement for local content is part of our standard bidding documents and is only required IF RELEVANT, which in this case, is not.
4	Please confirm the anticipated project timeline? The RFP appears to contain references to 9 months, 6.5 months and 6-9 months respectively?	Technical	It would be ideal for the project to be completed within 6 months however, a timeframe of between 6-9 months is referenced in the tender. The timelines should ideally not exceed 9 months, due to the IDC's need for service.

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5	Please clarify what is meant by “business turnaround” within the context of this RFP, specifically what role the IDC currently plays (or intends to play) in the business turnaround field?	Technical	Business turnaround refers to the change or the transformation of IDCs distressed clients in order to reverse the financial performance from non performing to performing.
6	Should we be aware of any prescribed requirements in terms of project governance (e.g. involvement of the Board)?	Technical	A working team and a steering committee will be formed. They will report to the executive committee.
7	It is our belief that an operating model needs to appropriately serve the over-arching corporate strategy. Given this, we would like to confirm if there is a need or opportunity to begin the project with a review of this overall strategy, in addition to the review of the more granular “enhanced strategy for portfolio management” mentioned in the RFP.	Technical	The corporate strategy has already been formulated and finalised, There will not be an opportunity to change it but it may be engaged and if necessary comments on the parts that will impact on the scope of this project will be welcome. Sufficient information on the corporate strategy will be provided in order to ensure alignment with the portfolio management strategy and the operating model.
8	Phase 1 calls for a review of the “proposed high-level strategy and operating model”. Can you give any more details of the proposed operating model and its genesis?	Technical	The origin of the Client Growth and Support strategy was to address the challenges experienced by the Corporation with the declining financial indicators. The declining financial indicators, which were influenced by amongst others, declining collection rate, low growth in reserves and high impairment rate. The new strategy is to provide support for growth and value creation to our clients. To treat our equity investment using the private equity model with a clear growth strategy and exit plan for each investment. To enhance the portfolio management using the appropriate segmentation and the use of technology. The proposed operating model at this stage is limited to the key capabilities identified to execute on the new strategy, a review and a build on this will be required as part of the project. The new capabilities referred to are Growth Management, Business Performance Management, Exit Management, Client Management and Business Turnaround

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9	The RFP makes reference to “monthly status report to the Divisional Executive for Customer Growth and Support for the period of the contract (9 months)” however the high level project timelines indicate a duration of 6 months- please could you clarify the exact duration of the project support required and impact on phases (if any)	Technical	It would be ideal for the project to be completed within 6 months however, a timeframe of between 6-9 months is referenced in the tender. The timelines should ideally not exceed 9 months, due to the IDC's need for service.
10	For phase 3 -Implementation of the Operating Model and Skills transfer. The guidance is to “use some of IDC’s existing investments to evidence and fine-tune the workings of the operating model”. To what level are the existing investments to be engaged on? Will this purely be advisory at a board or management level or implantation within the pilot business areas of the operating model/levers?	Technical	The existing investments may be engaged as and when necessary however with and through the IDC contact/account manager. In the case of distresses client the implementation of the turnaround methodology should not be purely advisory but should include the actual steps and actions needed to turnaround the businesses.
11	For phase 3- Implementation of the Operating Model and Skills transfer. Is there any further guidance in terms of how many investment companies/businesses will be engaged with over the 3 month duration?	Technical	In the case of the overall portfolio, the implementation of the methods can be practiced and skills transfer be exercised within the premise of the new 'business as usual' of the new operating model for the duration of 3 months. In the case of business turnaround implementation of the operating model on at least two distresses investments.
12	We note that the deadline for questions is 16:00 this afternoon. With this in mind, we respectfully request an extension to the submission deadline due to the complexity of the scope and requirements. You will appreciate that a scope that is this broad and detailed requires the input of many divisions within our company including: Consulting, Operations, Digital, Transaction Services, Corporate Finance and Restructuring Services. In order for us to put forward a comprehensive proposal that addresses all of the IDCs requirements in sufficient detail and of the required quality, does take time. It is for this reason we would request an extension of one week to 18 March 2020.	Technical/ Commercial	The request for an extension to the bid closing date has been granted. The bid closing date shall be extended by one (1) week and it is now scheduled to close on Wednesday, 18 March 2020

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13	Who is the project sponsor and which function is leading this engagement? Which additional functions are on the steering committee for this project?	Technical	<p>Project Sponsor: CEO</p> <p>Project Owner and function leading this engagement: DE Client growth and support</p> <p>Steering Committee: DE Client growth and Support, COO and CFO as a key stakeholder, Client growth and support heads</p> <p>Working team: Staff from Client Growth and Support Division and Innovation and Continuous Improvement</p>
14	What industry data sources / standard reports do the post investment, workout, restructuring units currently consume on a regular basis?	Technical	Financial model projections, Market and industry trends, Economic trends
15	Is work force performance management for the specified functional units expected to be part of this initiative? Additionally, is work force review and rationalization expected to be part of this initiative?	Technical	<p>Out of scope: workforce performance management</p> <p>In scope: workforce review and rationalisation and design of KPIs</p>