



DELIVERING SUSTAINABLE SOLUTIONS

VENTURE SET-UP

All information contained within © BusinessMinds B.V. 2007-2009

The Globe Urban Offices
Waldorpstraat 13E
2521 CA The Hague
Netherlands
KvK: 272721280000



www.businessminds.eu
[e]: info@businessminds.eu
[t]: +31 70 392 78 94
[f]: +31 70 392 78 95
BTW: NL8139.46.074.B01

VENTURE SET-UP

VENTURE SET-UP

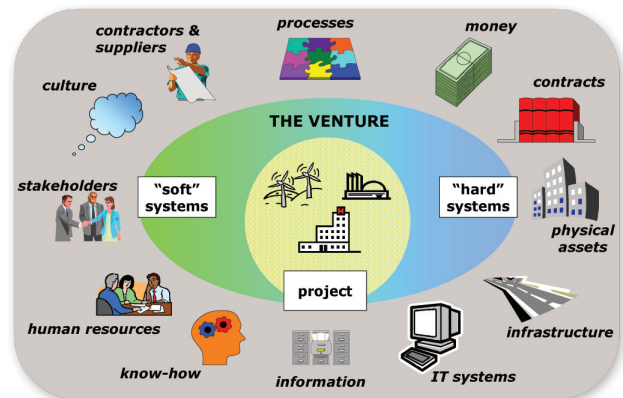
When setting up a new venture, most people focus on the development of the business idea and not so much on the total value chain and support structure required to make the idea work. The quality of the overall structure, however, has proven to be one of the main success criteria for a smooth venture start and subsequent success.

WHY SHOULD I BE INTERESTED?

Experience has shown that in the set up of new ventures, particularly in complex and unknown territories, there are often two “projects” to be managed. The first project is the “technical” project (establish a new plantation, construct a new power plant, build a new hospital etc.) with which most of the project staff are familiar.

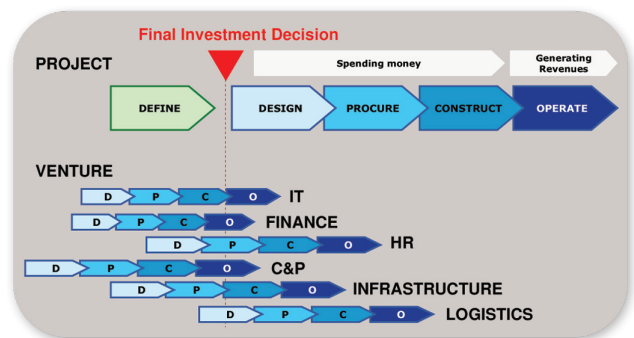
The second “project” concerns the setup of the new venture - i.e., the creation of management systems, business (support) processes and new infrastructure such as offices, camps, IT and telecommunications systems.

Whereas the technical aspects of the project are generally well planned, the other elements often are neglected.



WHAT ARE THE TYPICAL COMPLICATIONS?

Project developers often create ambitious execution plans to allow a project to be executed in an efficient and quick manner. The faster a project will be executed the earlier revenues will be generated and the more attractive the returns for the investors will appear. What is often overlooked is that in order to allow a quick effective execution of the project following an investment decision, the support structures already need to be in place. In many project execution plans this aspect is overlooked, leading to: substantial delays due to the fact that contracts cannot be awarded as planned; significant extra costs as remediation plans need to be invoked or project elements must be accelerated; or general inefficiencies because the organisation is not ready to function properly. A quote from a Venture Director of a large scale complex project highlights the complications:



“...totally inadequate attention was paid to laying the foundations for the venture in advance of [the investment decision]. Furthermore, totally inadequate provisions and considerations were included within the approved budget of costs and resources that would be required to obtain the “license to operate” in-country and the impact that associated bureaucratic processes and permits would have on the project schedule...”



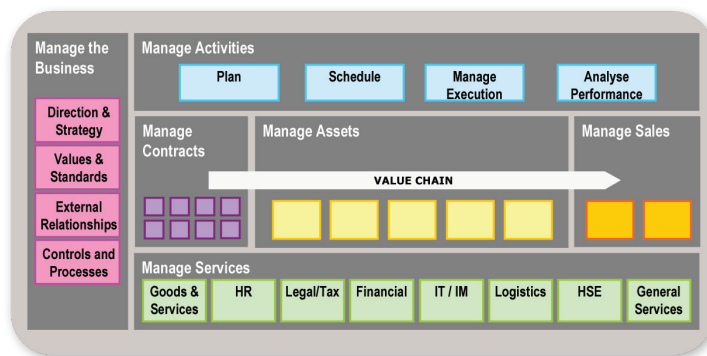
VENTURE SET-UP

A key issue developers are always faced with is how much to invest prior to a project receiving the full go-ahead to be executed, given that until that point there remains a risk that expenditure will be wasted if the project does not proceed. Not spending resources upfront however does mean that the foundations for the new venture will need to be designed and constructed after the investment decision which will impact the execution schedule and delay the point at which revenues will be generated.

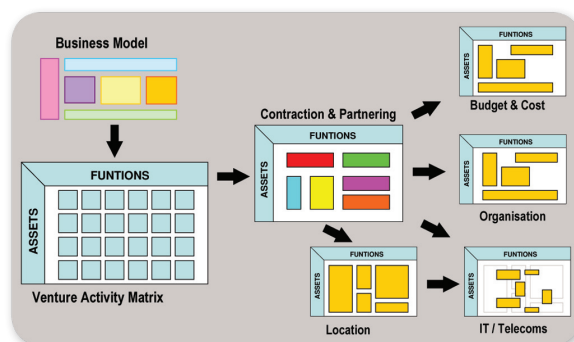
HOW CAN BUSINESSMINDS HELP?

BusinessMinds has many years of experience developing and setting up new ventures. We can leverage best practice and a proven approach to offer the structured processes, tools, skills and competencies needed in order to help establish any venture. We can help you identify holistically which activities you need to focus on and when each should be executed, during the lifecycle of the venture.

One key step is to outline an overall "model" for the new venture. This model will bring together the assets that are key to the "value chain", the supporting services needed to "operate" these assets, the approach to "constructing" these assets, as well the overall context in which these assets will be "delivering" value.



In a structured, but flexible manner we will use the Venture Model to develop the Venture Activity Matrix, which will drive the overall design of the venture as a total system.



Understanding the project's business environment is key to understanding the partnering and contracting needs, which in turn will shape the internal organisation structure, the people needs, and the infrastructure needs such as telecommunications.

VENTURE SET-UP

WHAT ARE THE BENEFITS?

- A total Venture Execution Plan (VEP) is developed as opposed to solely a Project Execution Plan. This VEP brings together all the elements of a Project Execution Plan and recognises that the project will continue to become an ongoing venture requiring the integration of trigger points/ dates to initiate activities, and required resources; both in terms of quantities of resources as well as the right skills.
- This will give you a complete view of what is needed to bring your new venture to a successful start up and long term success. Being properly informed will allow you to make better decisions on what foundations to lay before taking an investment decision, facilitating the balancing of risk and reward.
- You will be able to develop, apply and maintain/update the framework for your key processes, policies and procedures that align the project activities with the venture objectives.

WHO DO I TALK TO?

For more information on this or other *BusinessMinds*' activities please do not hesitate to contact Harry van Neer in the Netherlands on +31 70 392 7894 or h.vanneer@businessminds.eu.



BUSINESSMINDS B.V.

www.businessminds.eu

All information contained within © BusinessMinds B.V. 2007-2009