



Africa
Foresight
Group

Foresight: Value creation strategy

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Portfolio performance can be enhanced by the adoption of the right principles towards portfolio management

People matter



Investors must be partners to their investees and support them with regards to people excellence

Flexibility is key



Flexible strategic value creation frameworks are important to align target expectations and delivery between investee and investor

360 knowledge



Deep knowledge of the company informed by a needs assessment to develop the right and adequate resources to assist the companies' journeys to success

Resource pooling



Shared resources such as a research and analysis desk offered by investors could offset resource limitations of individual portfolio companies and make them competitive

Relationship



Clear and structured journey between the investor and the investee to have a relationship with well-defined expectations

The value creation journey of an investment fund could follow the 4P framework that AFG has developed



PLAN: A good strategy process starts with deep status quo analysis

1

Internal analysis

Review financial, operational, administrative and HR data upon agreement of goals and scope with investee company been supported by external consultants or experts.

3

Benchmarking

Based on competitor benchmarking, the consulting team provides insights about the current growth stage and market positioning of each portfolio company

2

Management team interaction

Conduct series of interviews with management team members to better understand the results of the internal analysis and prevailing conditions and assumptions behind historical performance

4

Strategy generation

Build a 10-year strategic plan that stipulates the growth targets and focus of the company while carving out the key strategic initiatives that will deliver true value and exit opportunity for the investors

PEOPLE: Human capital needs to be prioritized ahead of driving operational excellence

Talent acquisition, onboarding and orientation:

Implement talent acquisition plan and develop onboarding plan for each role



Skill building and development:

Develop detailed training plan linked to role and career progression

Employee retention and engagement:

Develop and administer frequent employee satisfaction surveys

Performance management and promotion:

Develop feedback and performance assessment tools

PERFORM: Investment funds can consider offering toolkits to their portfolio companies in order to help drive operational excellence

Example of a typical toolkit investment funds can offer to their portfolio companies



Financial

- Sample financial models
- Financial and accounting controls
- Accounting templates
- Income
- Financial reporting templates
- Invoicing and payments template
- PAYE taxes documents



Operational

- SOP templates and best practices
- Technology and software manual
- Internal controls document
- Standard working templates (letterheads, PowerPoint templates)
- Compliance requirements documents
- Document management and controls



Human capital

- Training and development plan
- KPIs frameworks for variable compensation design
- Organization structure chart templates
- Sample employee performance review



Information Technology

- Cybersecurity self-assessment tool
- Accounting software subscriptions
- Open-Source ERP subscriptions
- O365 group packages
- Digital strategy assessment tool

PRESENT: Investors can support companies significantly to exit



Identify the right exit strategy

- Select the best exit strategy the fits your investee company, commonly:
 - Initial public offering (IPO)
 - Strategic acquisitions
 - Management buyouts
 - Secondary sales



Drive PR for the business

- An audience's attitudes and beliefs about a company can greatly influence its success in follow-on deals:
- Monitor and control conversations about investee companies
 - Maintain a consistent voice across communication platforms.
 - Manage its reputation in the marketplace



Build strong documentation for a follow-on deal

- Support company in creating best-practice financial model that can easily be analysed by follow-on investors
- Build strong documentation to sell the company that showcases market intelligence and experienced management team

Take action

Hire from a pool of AFG Freelancers to assist in developing a value creation strategy for your organization today.

Think ahead.

