IDENTIFYING PRIVATE SECTOR BUSINESS PARTNERS

ATTRACTING AND PREPARING FOR PRIVATE SECTOR INVESTMENTS

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4 IMPORTANT FACTORS

1. Know and prove you current and potential market.
2. DBIA/GMAX contract to build
3. Address Risk Factors early
4. Revenue
Know Your Market

- Demonstrate your current market’s viability
  - Container, Bulk, Break Bulk
  - Revenue Streams, profitability
  - Can do in-house

- Validate your proposed/future/anticipated market with an independent third party validation
DBIA/GMAX Contract to Build

- Investors hate uncertainty-never say "about," "around," "approximately," or "beats the heck out of me"
- Most port facilities are not rocket science - cost of docks, cranes, equipment, etc are reasonably common
- Identify a "known" contactor to give you a DBIA/GMAX contract - Does not cost much to produce - May be a little high, but has contingency built in - Have incentive clauses to encourage economies and ultimately reduce cost.
RISK FACTORS

- Investors have seen a million deals and can recognize risks that you may not see.
- Market Risk - Is it what you say it is?
- Competitive Risk - that business is already somewhere else, what can they do to keep it?
- Technology Risk - Doing something new?
- Operational Risk - Will it work as advertised?
ULTIMATE RISK: REVENUE

- Ports are not toll roads, parking garages, or utilities. Revenues rarely guaranteed.
- Most Investors want to see the revenue from the investment or from existing continuing operations (debt and equity investors).
- Most Important to address.
- Match your potential investors to your revenue risk.