



# Contracting & Services Sector: Opportunity Assessment Framework

Example of “frameworks” which will introduce methodical, consistency of approach

Working Document





# Understanding Quality of Opportunity

Driver needs to be to create a quality set of low risk profitable work streams

## Frameworks

- For contractors understanding the commercial profile of key contracts is critically important from both a day to day operational and a corporate value perspective
- Any framework can be flexible both in terms of data points it is identifying and the application at various points in time
- LCC Asia Pacific has worked with clients over extended periods of time to “shape” parts of their revenue footprint

## Relevancy

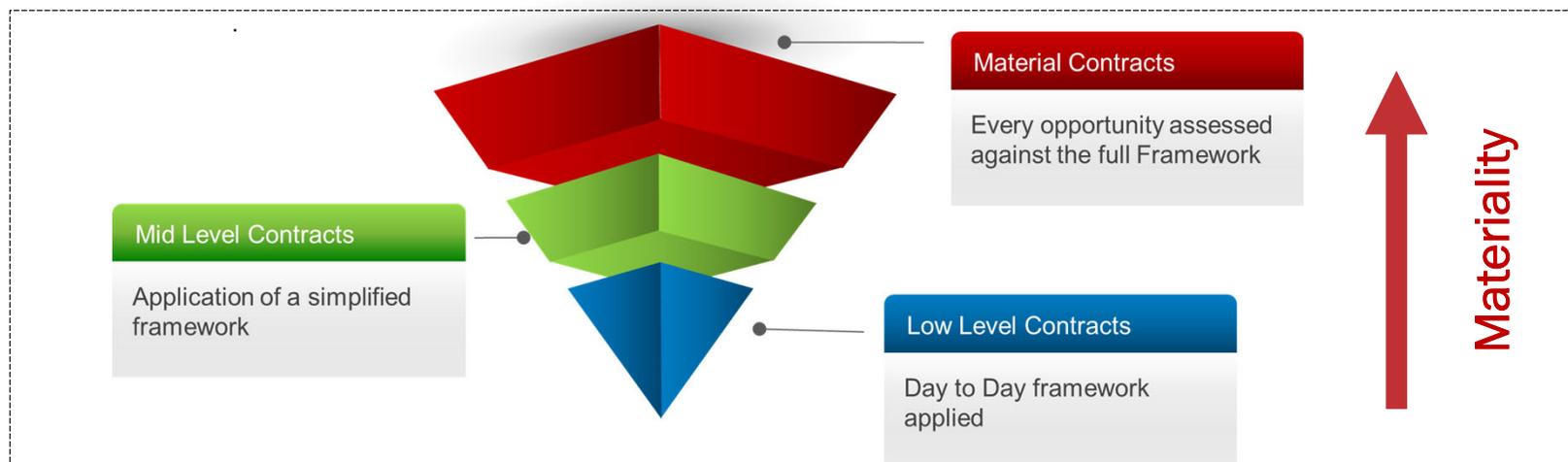
- Not all contracts need be considered by an extensive framework, but it is sensible to integrate even basic frameworks with Risk Assessment & Management activities
- A simple inverted “Risk Pyramid” can be applied to assess the relevance of any contract to assessment

## Application

- Any framework should be able to be applied sensibly and efficiently to assessing an opportunity. In the event there is extensive consideration and consultation required, this may in and of itself raise a “flag”
- A simple inverted “Risk Pyramid” can be applied to assess the relevance of any contract to assessment
- Ensuring levels of management are aware of these dynamic “frameworks” will lead, in time, to overall organizational improvement

## Dynamic Thinking

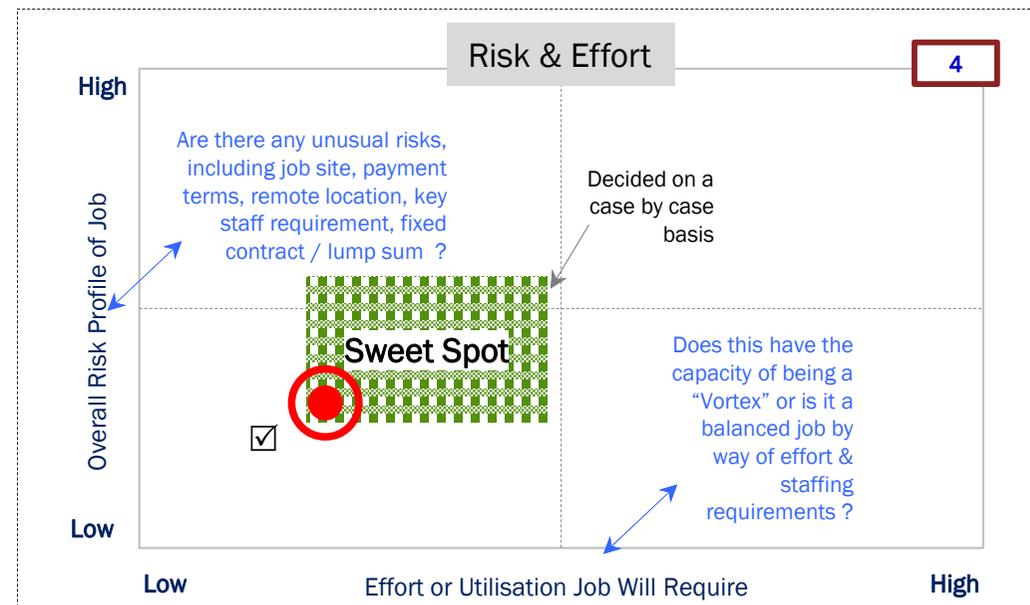
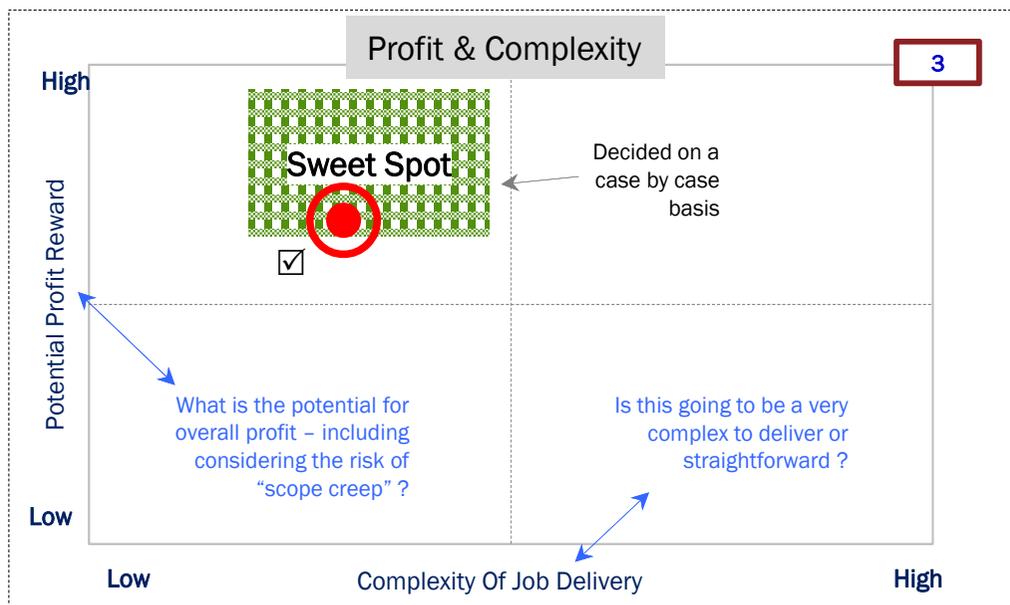
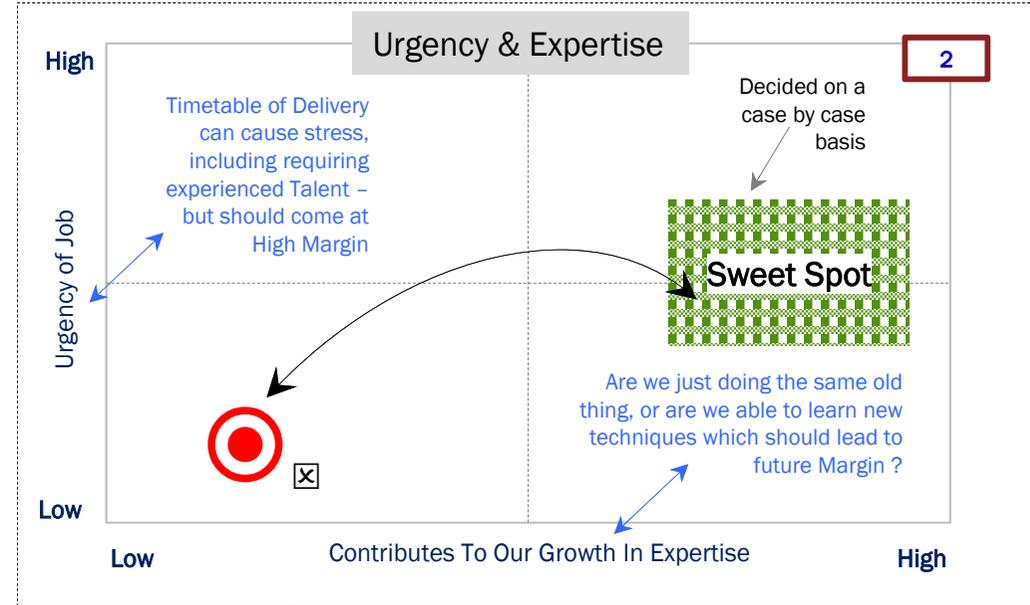
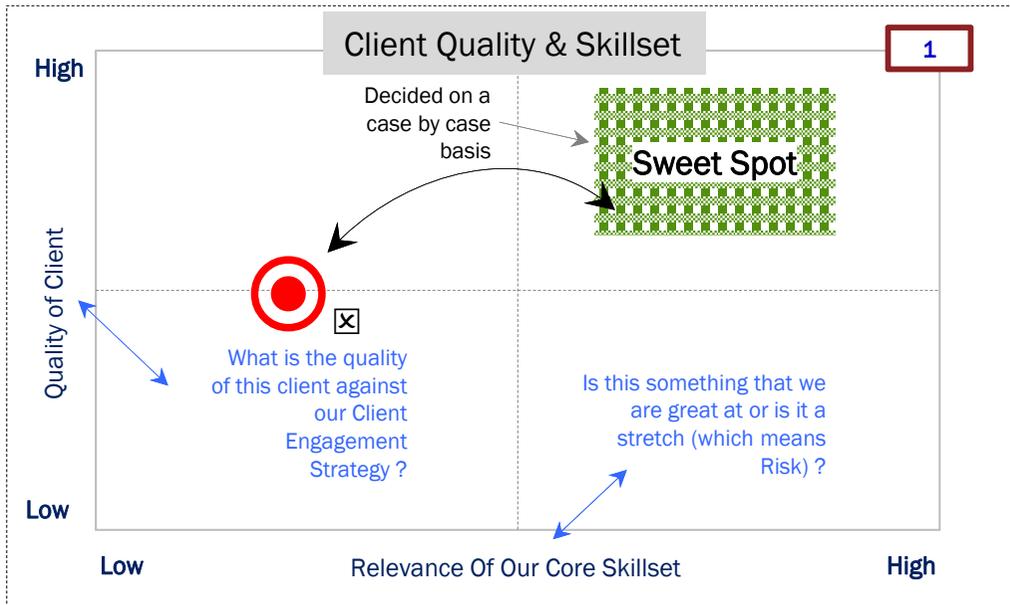
- Frameworks are intended to be “dynamic”. Shifts in position in one will result in shifts in another. For example a lower quality client or opportunity kicks up the Risk elements
- Being outside “sweet spots” does not mean dropping an opportunity – but it should be a “flag” to prioritise jobs for additional vigilance and monitoring (*to maintain a consistent risk management envelope*)





# Opportunity Assessment Matrix

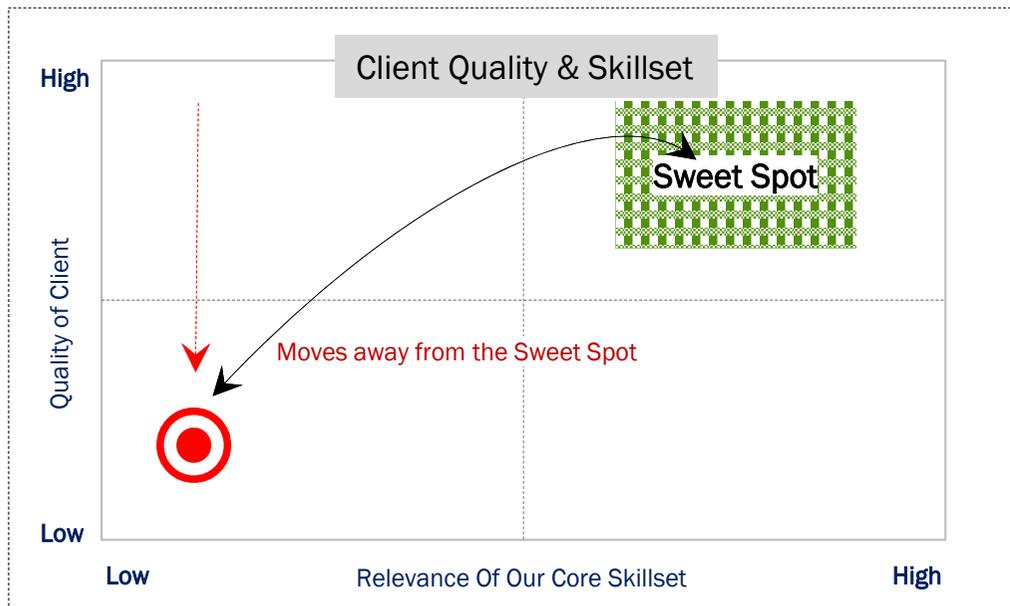
Having a basic framework to consider material opportunities against strategic “sweet spots”





# Approaching The Task

One needs to think “dynamically” as to what a shift in one Framework will mean for others



Using Frameworks is not simplistically about not taking on opportunities, but rather to look at potential opportunities in a consistent fashion with clear eyes. If riskier jobs are taken on then vigilance around them needs to be higher, profit margins at the outset fuller and other “risk areas” planned for BEFORE mobilisation to site

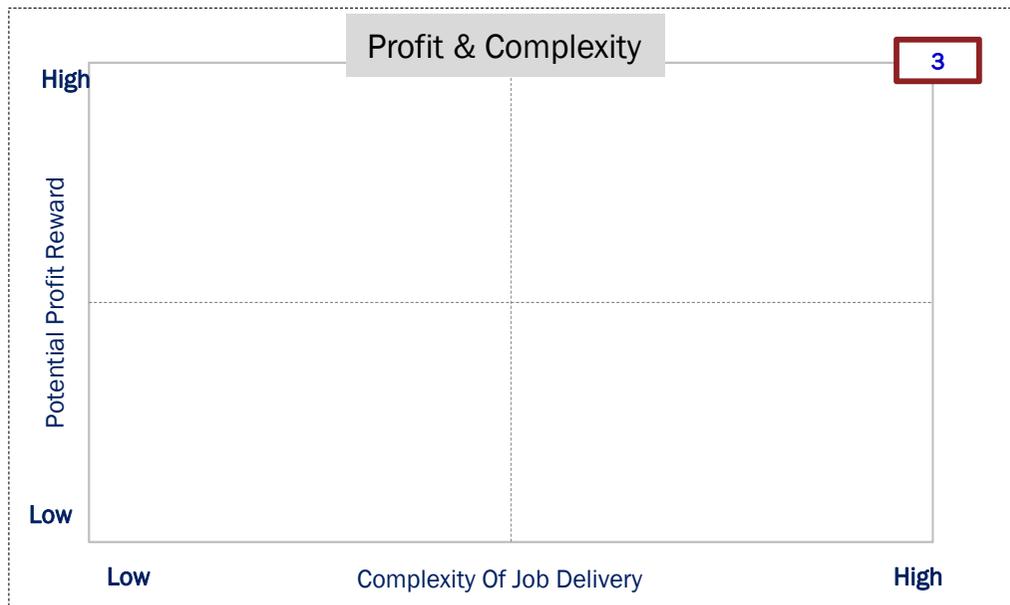
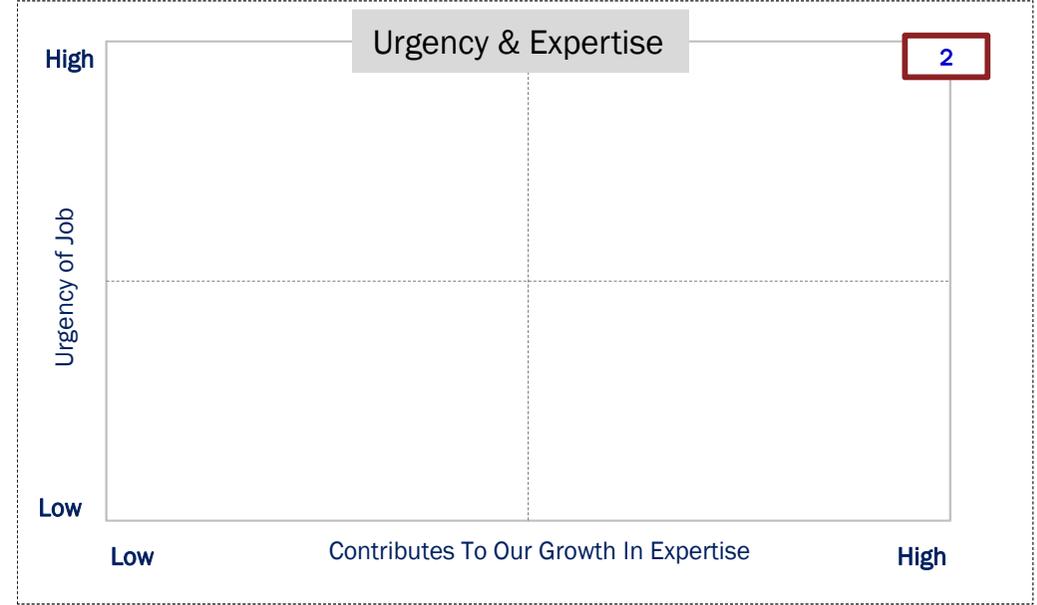
If client quality falls as an example this can have a direct impact in other elements of the “framework” including :

1. Risk profile moves in terms of payment, quality of operational site, approach to OHS and other factors
2. Potential profit can be anticipated to be lower from a variety of areas including cost over runs, likelihood of variations & claims and required staffing levels
3. Complexity can be higher due to inexperience or approach of the Client compared to that of a higher quality client



# Opportunity Assessment Matrix

“First Cut” Assessment of a material opportunity should be completed within 10 to 15 minutes discussion





# How we assist our Clients

Founded in 2004, LCC Asia Pacific is an award-winning boutique investment banking & strategic advisory firm that specializes in the engineering & contracting sector as well as general & specialised services – including mining, drilling, energy & oilfield (onshore & offshore)

We specialise in assisting our clients with the development of strategic opportunities in the Engineering, Contracting, Mining Services and Oil & Gas Field Services Sectors

## Investment Banking Services

- Mergers, Acquisitions & Divestments
- Equity Capital & Debt Capital Advisory
- Balance Sheet Review & Optimisation
- Project & Infrastructure Financing
- Yellow Metal Financing
- Strategic Corporate Investment Planning & Implementation
- Consortia Development & Deal Structuring
- Joint Venture Design, Partner Selection & Commercial Structuring
- Shareholder Disputes & Activism

[lccasiapacific.com](http://lccasiapacific.com)

SYDNEY | BRISBANE | NEW YORK

[privateequityaustralia.com](http://privateequityaustralia.com)

[insights@lccapac.com](mailto:insights@lccapac.com)

LCC Asia Pacific is a boutique investment banking practice, providing independent corporate finance & strategy advice to clients in Australia and across Asia Pacific markets. We have acted for ambitious clients ranging from “emerging” companies, up to Fortune 100 & “Mega” Asian listed entities.

LCC Asia Pacific provides clear, unbiased counsel to CEOs and Boards of Directors considering growth strategies, business transformation and challenging corporate decisions. We understand that to service such clients requires a high performance approach, and a tenacity to deliver results.

© 2019 LCC Asia Pacific

## Strategic Advisory Consulting

- Corporate Strategy Development & Implementation
- Complex Negotiation Planning & Execution Including For Commercial Contracts & Dispute Resolution
- Financial Modelling, Scenario Analysis & Business Case Development
- Analysis Of Commercial Arrangements Including Tolling, “Services For Equity” & Royalty Agreements
- Tender Research & Preparation Support
- Bespoke Industry Specific Research & Data Analysis, including “Benchmarking” &
- Domestic & Cross Border Market Entry & Exit Planning & Analysis
- Mining Technology Research, Recommendations & Implementation
- China Belt & Road Initiative Strategies & Responses

### Disclaimer

This general information has been prepared by LCC Asia Pacific Pty. Limited (“LCC”). The research is based on public information obtained from sources believed to be accurate and reliable. LCC does not guarantee the accuracy, reliability, completeness or suitability of any such information and makes no warranty, guarantee or representation, expressly or impliedly about this research. LCC accepts no obligation to correct or update the information. No opinion or recommendation is made within this research. This report is not intended to be, nor should it be relied on, as a substitute for professional advice. This report should not be relied upon as the sole basis for any investment decision or planning, and LCC does not accept any responsibility on this basis for actions made.



# Australian & North American Contact Details



**LCC ASIA PACIFIC**  
CORPORATE FINANCE & STRATEGIC ADVISORY

[www.lccasiapacific.com](http://www.lccasiapacific.com)

AFSL 278054  
ACN 105 807 645

## SYDNEY

**Aurora Place**  
Suite 3, Level 39  
**88 Phillip Street**  
Sydney NSW 2000  
AUSTRALIA

**T: +612 9262 2121**  
**F: +612 8088 1239**

## BRISBANE

**Waterfront Place**  
Level 19  
**1 Eagle Street**  
Brisbane QLD 4000  
AUSTRALIA

**+ 617 33 600 215**

## NEW YORK

**The Seagram Building**  
Suite 2607  
**375 Park Avenue**  
New York City  
NY 10152 USA

**T: +1 212 634 6849**

### Contracting & Services Sector Practice Leader



**Nicholas Assef**  
Principal & Founder

[naa@lccapac.com](mailto:naa@lccapac.com)

**IMPORTANT INFORMATION:** This presentation ('Presentation') has been drafted by LCC Asia Pacific Pty Limited and/or its affiliates (together, "LCC") for the exclusive use of the party to whom LCC delivers this presentation (the "Recipient") using information provided from a variety of sources, including publicly available information and potentially information from the Recipient. You acknowledge and agree LCC has not independently verified the information contained in this Presentation, nor does LCC make any representation or warranty, either express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation. This Presentation should not be regarded by the Recipient as a substitute for the exercise of its own judgment, and the Recipient is expected to rely on its own due diligence, including separate legal, tax and accounting, if it wishes to proceed further in relation to any transaction concept outlined in this Presentation.

The indicative valuations, forecasts, estimates, opinions and projections contained in this Presentation involve elements of subjective judgment and analysis. They are based on facts and data that are often subject to rapid change. Any opinions expressed in this material are subject to change without notice. This Presentation may contain forward-looking statements, included those reported by various Companies. LCC undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates or to update or keep current any of the information contained in this Presentation. Any estimates or projections as to events that occur in the future (including projections of revenue, expense, net income and stock performance) are based upon the best judgment of LCC from the information provided by the Recipient and other publicly available as of the date of this presentation. Any statements, estimates or projections as to LCC's fees or other pricing are accurate only as at the date of this presentation. There is no guarantee that any of these estimates or projections will be achieved. Actual results will vary from the projections and such variations may be material.

Nothing contained in this Presentation is, or shall be relied upon as, a promise or presentation as to the past or the future. LCC, its affiliates, directors, employees and/or agents expressly disclaim any and all liability relating or resulting from inaccurate or incomplete information and the use or reliance of all or any part of this Presentation or any of the information contained within this Presentation.

By accepting this Presentation, the Recipient acknowledges and agrees that LCC will at all times act as an independent contractor on an arm's-length basis and will not act in any other capacity, including in a fiduciary capacity, with respect to the Recipient. LCC may provide services to any member of the same group as the Recipient or any other entity or person (a "Third Party"), engage in any transaction (on its own account or otherwise) with respect to the Recipient or a Third Party, or act in relation to any matter for itself or any Third Party, notwithstanding that such services, transactions or actions may be adverse to the Recipient or any member of its group, and LCC may retain for its own benefit any related remuneration or profit.

This Presentation has been prepared solely for informational purposes and is not to be construed as a solicitation or an offer to buy or sell any securities or related financial instruments. The Recipient should not construe the contents of this presentation as legal, tax, accounting or investment advice or a recommendation. The Recipient should consult its own counsel, tax and financial advisors as to legal and related matters concerning any transaction described in this Presentation. This Presentation does not purport to be all-inclusive or to contain all of the information that the Recipient may require. No investment, divestment or other financial decisions or actions should be based solely on the information in this Presentation.

This presentation has been prepared on a confidential basis solely for the use and benefit of the Recipient. Distribution of this presentation to any person other than the Recipient and those persons retained to advise the Recipient, who agree to maintain the confidentiality of this material and be bound by the limitations outlined herein, is not authorized by LCC. LCC specifically prohibits the redistribution or reproduction of this material in whole or in part without the written permission of LCC and LCC accepts no liability whatsoever for the actions of third parties in this respect.

LCC holds a series of registered trademarks in the United States of America and Australia to protect its intellectual property. Examples of regional engagements detailed in this Work Book are typically advisory or consulting in style, or involve an Australian company that is either seeking to expand into a market or has assets within that market. Today LCC is a licensed wholesale securities dealer in Australia only.