



# CASE STUDY

## OPERATIONS: RECAPITALISATION

### Client Industry: Higher Education

#### **BUSINESS CHALLENGE**

The institute in question was originally built for a student population of 3 500 and the present enrolment is in excess of 10 000 students.

When moving around the campus the lack of adequate facilities is clearly evident with students congregating in any empty venue and the open to do group assignments and study. There is also a severe lack of office space and in certain cases academic staff do not have an office or common area where they can prepare for lectures or mark assignments.

The institute had not received significant infrastructure funding from the DoHET during the previous funding cycles and was in desperate need of interim funding as well as funding from the next years allocations.

The DoHET has very stringent requirements for funding applications and these must be submitted in the required format.

PSP Icon was appointed to undertake a needs analysis and then to develop a submission for infrastructure funding and submit this to the DoHET.

It was extremely important to determine whether the MUT could fund the ongoing costs related to the increase in infrastructure such as maintenance, services, additional staff etc. and this formed an intricate part of the needs assessment and feasibility study.

#### **PSP ICON APPROACH**

The Project Team worked very closely with the head of Technical Services and the Professional Team (Architect, QS, Project Managers and Engineers) to fully understand the master plan for the campus and the sequence in which infrastructure should be created.

This was supplemented by a series of focus interviews with all the deans, deputy vice chancellors, directors, registrar and heads of departments. This provided the Team with a good understanding of the infrastructure needs and priorities of the university community. This was then matched against the information provided by the institute's Professional Team and a recommendation was developed. This was presented to the Project Steering Committee, the Vice Chancellor (V.C) and the Council and once approved the application was constructed on this basis.

The Director of Finance provided the required financial data and a financial model was constructed to allow the Project Team to forecast the cash flows for the next 10 years based on the increased infrastructure capital and operational costs.

The formal application to the DoHET was developed and presented to the DoHET officials in Pretoria.

This application was supported by a power point presentation setting out the process, the findings and

the basis on which the requirements were determined.

The financial model was a key element of this presentation.

## **RESULTS**

Feedback from the DoHET at the presentation in Pretoria was that they would like to use this approach as a model for all infrastructure funding applications. They were very complimentary about the thorough needs assessment and the convincing case which was made for the required infrastructure.

The submission was accepted without any changes.

Over the years PSP Icon has interacted with the DoHET on many occasions and has built an excellent reputation for insightful and high quality work with HEIs.