



National Empowerment Fund

RFP No: NEF 02/2024/2025

REQUEST FOR INFORMATION: THE PROVISION OF INDUSTRIAL ENGINEERING SERVICES TO OPTIMIZE OPERATIONAL EFFICIENCIES AT THE NATIONAL EMPOWERMENT FUND (NEF)

CLOSING DATE: 04 DECEMBER 2024

TIME: 14H00

1. Introduction

- 1.1 The National Empowerment Fund Act No.105 of 1998 established the National Empowerment Trust (NEF), for the purposes of promoting and facilitating economic equality and transformation, by providing development finance for Black Economic Empowerment (BEE) empowered South African businesses. The NEF operates under the umbrella of the Department of Trade and Industry and Competition (dtic) and is committed to the Broad-Based Black Economic Empowerment Act 55 of 2003 and the Codes of Good Practice on BEE.
- 1.2 The NEF Head Office operates from offices at 187 Rivonia Road, Morningside, Johannesburg, 2057, South Africa

2. Purpose

- 2.1 The purpose of this Request for Information (RFI) is an information gathering and market analysis exercise. Only those who respond to the RFI will be considered for an RFP.

3. Enquiries

- 3.1 All enquiries regarding this RFI must be sent in writing to the Divisional Executive and Head of Supply Chain Management:

Commercial

Mr Nhlanhla Nyembe

Divisional Executive

Tel: +27 11 305 8000

Email: nyemben@nefcorp.co.za

Technical

Ms Kedibone Mboweni

Head: Supply Chain Management

011 305 8000

mbowenik@nefcorp.co.za

- 3.2 All questions must reference specific paragraph numbers, where applicable

- 3.3 The NEF will not entertain any enquiries regarding this RFI sent to any other email address or received through any other means, except as instructed in paragraph 3.1

- 3.4 All enquiries received by the NEF will be consolidated and responded to in one response, which will be published on the website of the NEF (www.nefcorp.co.za), next to the respective RFI on 11 November 2024.

4. Submission of Responses

4.1 Responses must be clearly marked for ease of reference.

4.2 All responses must be submitted in English language.

4.3 All responses must be submitted in PDF format on / or before the closing date and time to the following email address: tenders@nefcorp.co.za. Proposals received later than 14h00 on **04 December 2024** will not be considered.

5. Right of Cancellation

5.1 The NEF reserves the right to discontinue the tender procedure at any stage and not continue with a Request for Proposal (RFP), Request for Quotation (RFQ). Responding to this RFI does not mean that the supplier will be requested to submit a formal RFQ or RFQ.

6. Confidentiality

6.1 Any information relating to the submissions, through the process or otherwise shall be treated in strict confidence. In submitting a response, the responder agrees that it shall not be entitled to any information disclosed by another respondent to NEF, which the NEF has determined to be of a confidential nature, except instructed so by a court of law. The content and details of the evaluation of submissions will remain confidential to the NEF.

7. Protection of personal information

7.1 The NEF will comply with POPI as required by the Protection of Personal Information Act of 2013.

8. Cost

8.1 The NEF shall in no manner be responsible for any costs incurred by the Responder in preparation and submission of response in relation to this RFI.

9. Ownership of Responses

9.1 All responses to this RFI, will become the property of the NEF.

10. Form of RFI

10.1 RFI documents must be completed by the Service Provider in full.

10.2 Where the space provided in the RFI document is insufficient, separate schedules may be drawn up in accordance with the prescribed formats. These schedules must be bound with a suitable contents page and submitted with the RFI documents.

10.3 The RFI must be signed by a person who is duly authorized to do so.

SECTION: 2

TERMS OF REFERENCE /

SCOPE OF SERVICE

2.1 PREAMBLE

The National Empowerment Fund Act No.105 of 1998 established the National Empowerment Fund Trust (**NEF**), for the purpose of promoting and facilitating economic equality and transformation, by providing development finance for Black empowered South African businesses and by designing investment products in promoting savings and investment activity amongst Black South Africans. The NEF is an agency of the Department of Trade and Industry (**the dtic**) and is committed to the implementation of the Broad Based Black Economic Empowerment Act, Act 53 of 2003, and the Codes of Good Practice.

2.2 PURPOSE

This RFI seeks to gather information from qualified industrial engineering service providers regarding their capabilities and proposed approach to assisting the National Empowerment Fund (the NEF) in achieving the following:

- Streamlining and optimizing operational processes, particularly in the funding application assessment and disbursement stages.
- Reducing red tape and minimizing bottlenecks in line with NEF's objective to enhance efficiencies.
- Introducing technological tools, including automation and artificial intelligence (AI), to support the overhaul of the application system.

The NEF is therefore issuing this Request for Information (RFI) as the first step in the NEF's process of appointing an industrial engineer to optimize its operational model and ensure alignment with its strategic objectives. The second step of the process will be to issue a more detailed Request for Information (RFI).

2.3 PROBLEM STATEMENT

The NEF is currently facing significant inefficiencies in its funding application process, with typically long turnaround times. The inefficiencies are largely due to:

- Reliance on manual systems without sufficient technological support.
- A one-size-fits-all assessment approach applied to all applications, regardless of sector, scale, or complexity.
- Possible misalignment between staff expertise and the needs of diverse applicants.

These operational bottlenecks hinder the NEF's ability to meet its strategic goals, especially in light of the ambitious targets outlined in its revised strategy. Without operational improvements, the NEF will face challenges in delivering timely support to SMEs.

2.4 BACKGROUND

The NEF is a Development Finance Institution (DFI) which was established in terms of the National Empowerment Fund Act No. 105 of 1998 (the NEF Act or the Act). This Act sets out the mandate of the NEF, as an agency of **the dtic**, which directs the NEF to be a driver and a thought-leader in promoting and facilitating black economic participation through the provision of financial and non- financial support to black-owned and managed businesses, as well as by promoting a culture of savings and investment among black people.

The primary objectives of the NEF as per the NEF Act and its Objects are to:

- Facilitate the redress of economic inequality by promoting Broad-Based Black Economic Empowerment.
- Provide financial and non-financial support to entrepreneurs, or SMEs for purposes of starting, or expanding businesses.
- Support projects that contribute to job creation and skills development.

The appointment of an industrial engineer must align with these objectives by ensuring that NEF's internal processes are designed to efficiently support SMEs, in turn contributing to inclusive growth and economic empowerment.

2.5 INTRODUCTION

The NEF is currently undertaking a critical review of its business model to streamline operations and reduce red tape. This initiative is aligned with the NEF's strategic goals and the broader objectives of the Department of Trade, Industry, and Competition (**the dtic**), particularly its strategic pillars which are:

- Strategic Pillar #1: Inclusive Growth and Job Creation
- Strategic Pillar #2: Reduce Poverty and Tackle High Cost of Living
- Strategic Pillar #3: Build a Capable, Ethical and Development State

To this end, the NEF's new strategy has been aligned with the aforementioned strategic pillars and **the dtic's** objectives. In line with this alignment, the NEF will need to review its operational model to identify efficiencies and allocate resources effectively in order to meet the targets that support **the dtic's** strategic pillars and objectives.

To align with government objectives, the NEF has set ambitious targets that will significantly increase the number of SMEs it supports and drive the creation of a substantial number of

jobs. This strategic shift is necessary to achieve meaningful impact in fostering economic growth and development.

To reach these goals, the NEF must greatly enhance its productivity and streamline its operational processes. As part of this effort, the NEF plans to appoint an Industrial Engineer who will focus on eliminating bottlenecks, leveraging advanced technologies, and optimizing staff productivity to ensure these ambitious targets are met efficiently.

2.6 TERMS OF REFERENCE AND SCOPE

a) *Process Analysis and Optimization:*

- Conduct a comprehensive review of the current application, assessment, and disbursement process.
- Identify bottlenecks in the assessment and approval workflow, focusing on the initial assessment period and the committee review stages.
- Develop a tiered or differentiated process based on application size, sector, and urgency to reduce the one-size-fits-all approach.

b) *Skills and Expertise Alignment:*

- Assess the current staff's skillset and expertise in relation to NEF's product offerings.
- Propose a new organizational structure or staffing model that aligns expertise with specialized funding products.
- Recommend targeted training and recruitment strategies to ensure staff can deliver tailor-made financial solutions.

c) *Tailored Funding Instruments:*

- Analyze the current funding instruments used by NEF and propose differentiated funding models that are sector-specific and better suited to the varying needs of SMEs.
- Explore options for more flexible funding terms based on risk profiles, sector viability, and financial requirements of applicants.

d) *Implementation of IT and AI Tools:*

- Identify IT tools that can automate routine tasks in the application process, such as initial screening, document verification, and tracking of progress.
- Explore the use of AI for predictive analytics in assessing the commercial viability of applications and streamlining due diligence.
- Recommend a digital platform that can enhance communication between NEF staff and applicants, providing real-time updates and reducing manual follow-ups.

e) *Due Diligence Process Redesign:*

- Redesign the due diligence process to be more efficient, focusing on fast-tracking smaller or low-risk applications while still ensuring thorough review for larger or higher-risk applications.
- Introduce standard operating procedures (SOPs) that allow for flexibility in the due diligence process based on the type of funding request.

f) *KPI Alignment:*

- Work with the NEF team to revise Key Performance Indicators (KPIs) to reflect the streamlined processes and new operational goals.
- Ensure that KPIs are aligned with the NEF's broader goals of job creation, SME support and development.

g) *Change Management:*

- Develop a change management plan that ensures the smooth implementation of new processes and technologies.
- Provide a roadmap for transitioning from the current process to the optimized one, including timelines, training requirements, and communication strategies.

h) *Supporting Technology Procurement:*

- In collaboration with the IST department, the Industrial Engineer will also ensure that the procurement of new technologies aligns with operational needs and is implemented effectively. The focus will be on acquiring tools that directly support process improvements and enhance operational efficiency.

i) *Monitoring and Continuous Improvement:*

- Establish a framework for ongoing monitoring of the new processes, using performance data to make continuous improvements.
- Propose feedback mechanisms that allow staff and clients to provide input on the new system, ensuring adaptability and responsiveness to evolving needs.

By working closely with the Funds, support, including HR and IST departments, the Industrial Engineer must ensure that NEF's operational model is supported by the right people, processes, and technology, enabling the organization to meet its ambitious targets and strategic goals.

2.7 REQUIREMENTS

Expertise in process optimization, particularly in financial institutions or organizations that handle high volumes of applications.

- Experience in implementing IT solutions, including AI and automation, in workflow systems, preferably in financial services entities that provide funding to businesses.
- Strong understanding of project management and change management principles.
- Ability to align operational processes with strategic goals, particularly in the context of job creation, SME development, and economic growth.
- Proven ability to work with cross-functional teams, including finance, IT, and HR, to deliver integrated solutions.
- Experience in conducting skills assessments and designing organizational structures to align with business objectives.

2.8 INFORMATION SOUGHT

Interested service providers are requested to provide the following information:

- A company profile highlighting relevant expertise and past experience, particularly in the financial sector or organizations dealing with high volumes of applications.
- Approach and methodology for process optimization, staff productivity improvement, and technology integration.
- Experience in implementing automation and AI-driven solutions to streamline application and approval processes.
- Details on potential cost structures and timelines for delivering such services.

- Examples of successful projects that demonstrate the ability to achieve similar outcomes.
- Any other relevant information.

2.9 CONCLUSION

This RFI is the first step in NEF's process of appointing an industrial engineer to optimize its operational model and ensure alignment with its strategic objectives.