

REQUEST FOR PROPOSALS (RFP) DEVELOPMENT OF A BUSINESS PLAN FOR: SOMA AND E- RECORDING

Ref: 005-PDP-FSDMoç/2018

Title of the RFP: Development of a business plan for SOMA and E-Recording

Date of this RFP: 25th July 2018

Closing Date for Receipt of RFP: 17th August 2018

Individual / Organisation: Consulting firm

Language required: Portuguese/English

1. About FSDMoç

The Financial Sector Deepening-Mozambique (FSDMoç) is a 5 year (2014 - 2019) program funded by the UK Government's Department for International Development (DFID). FSDMoç's three core objectives are (i) to improve access to financial services for Small and Medium Enterprises (SMEs), (ii) to improve access to finance for smallholder farmers and households, and (iii) create the enabling environment for financial inclusion by supporting knowledge sharing and capacity building.

The vision of FSDMoç is a dynamic financial sector offering quality services that enable resilience and economic empowerment for all Mozambicans. Our mission is to identify and partner with key market stakeholders, offering targeted investments and insights to leverage the potential of the financial sector to improve financial inclusion.

The program has 5 main Strategic Objectives:

- Improve the understanding of the business case for better product design and delivery for MSMEs, individuals and smallholder farmers.
- Catalyse financial services innovation and expansion through supply side investments.
- Ensure success of business models by improved financial education and literacy of MSMEs, individuals and smallholder users and suppliers.
- Alignment of the Regulatory Environment to ensure success of business models and market take up.
- Build knowledge and implementation capacity of key financial inclusion stakeholders.

FSDMoç uses an M4P, 'making markets work for the poor' (M4P) approach assessing comprehensively all key constraints to market system development from policy through to institutional and demand side issues, identifying the most appropriate levels of intervention.

As part of this facilitative approach, FSDMoç seeks out appropriate partnerships that can drive a change in the market system rather than a grant-based approach. As part of this approach, technical assistance and grants via FSDMoç can be offered to private sector partners in order that the interventions deliver their objectives.

In 2016, FSDMoç started the implementation of the Sustainable Formation of the Savings Groups Project (SFSG) under two partnerships: CARE Mozambique (CARE) and Aga Khan Foundation Mozambique (AKF), with the objective of improving the quality of the Savings Groups (SGs) through the development of digital tools that would support training and SGs operations.

In the partnership with CARE, we adapted a SGs management mobile application called e-recording. ¹E-Recording is an app that runs on Android phones. It aids with all the bookkeeping of a Savings Group. It begins by asking the user to list all the members of the group, then guides the members through writing the group's constitution, and the steps of each meeting, recording each transaction. It reduces the calculation of share out amounts to a process of less than five minutes. One of the widely appreciated features of the e-Recording app is that it will not permit loans to be recorded that exceed the leverage ratio specified by the group.

This tool has been very positively received in the pilot groups with real prospects for major improvements in transparency, efficiency and accuracy of the groups meetings and operations in general. This system was initially developed by FSDKenya from 2008 to 2013 in a successful project reaching about 13,400 SGs serving over 356,000 members as at December 2013.

In partnership with AKF, we developed SOMA which is a rural development platform that connects remote communities to market opportunities through Savings Groups. The service is provided through a network of extension workers that live in rural villages and use a smartphone to learn from training videos, collect data, and deliver training to peers in their communities. SOMA provides a new approach to savings group formation through the incubation of a private company (SOMA), tasked with the creation of savings group at a lower per member cost. SOMA has also developed a digital platform containing data on savings groups that may serve as a future source of revenue and provide a means of linking savings groups to digital financial services.

FSD is looking for a consultant to develop the business plan for both SOMA and the e-recording app.

2. Objectives

The general objective for this assignment is to prepare a Business Plan clearly outlining the overall development strategy for both SOMA and E-recording, in terms of service providing, management, infrastructure, customers/stakeholders, marketing and others.

3. Scope of Work

Based on the objectives the consultant(s) will be required to provide an analysis of the present scenario and develop a detailed business plan, including costing and marketing plans that are expected to provide sustainable delivery and maintenance of both, SOMA and E-recording, operations making it efficient and growth oriented in the long run.

The plan should be time bound, show clear achievable targets within defined timelines, and, demonstrated buy in from relevant stakeholders to ensure its implementability. The Business Plan must have the following sections at the minimum:

- Executive summary
- Analysis of the services offered
- Analysis of the organizational status, skill sets, running cost (per each service) and gaps thereof
- Analysis of the market and potential customers for SOMA and E-recording app (e.g. how it can be accessed by the beneficiaries at an affordable cost)
- Comparative advantage
- Business Model and description of operation/s for each services

¹ <http://donoharmseep.weebly.com/tools-for-training-savings-groups-and-for-sgs-to-use-themselves.html>

- Costing for each services
- Marketing strategy
- Modified organizational management structure & new skill sets
- Projection of business returns over 5 years
- Financial/funding needs till break-even status;
- A realistic sale forecast including prices, sale volume, timing, etc. A risk assessment, financial ratios and key performance indicators such as break-even, turn-around time, profitability ratios, payback period, rate of return on investment, liquidity ratios and stock turnover in order to have a better understanding of the financial and operational performance.

It is anticipated that the consultant has at least basic understanding of savings groups methodologies and operations.

4. Required skills and qualifications

- Experience working with SGs especially on technologically driven solutions for the market
- Developing a marketing strategy preferably for the financial sector
- Writing business plans preferably for the financial sector
- Working with diverse cultural and skills background
- Following strict time frame
- Understanding of human-centred design techniques
- Evidence of effectiveness of previously executed programmes
- Fluency in Portuguese and English.
- Good communication (written & spoken English) skills

5. Deliverables

All deliverables should be in Portuguese and, English, except where specified.

The expected primary outcome of this assignment is a complete Business and Marketing Plan clearly detailing the services and structure of the tools.

The specific deliverables under this component will be:

- Operational/management tools as per proposed strategy
- a financial and operational plan;
- a plan for measuring performance and impact of the system.

Level of Effort

It is expected that the present assignment, and shall require no more than 120 working days for its completion.

6. Information Required for Proposals Submissions

FSDMoç invites eligible and experienced consultants to send their proposals for conducting this work. Interested companies must provide information indicating that they are qualified to perform the task.

The proposals should contain a maximum of 5 pages A4 (excluding CVs and accompanying firm profiles) with the information below:

- Name of firm and place of business
- Contact information (email, Skype, etc)
- Location (city, country)
- A short description of your firm's expertise in relation to the Project scope, including description of similar assignments undertaken, and evidence of their effectiveness;
- A short description of how the assignment will be performed;
- Proposed methodology and approach and indicative work plan with timeline to undertake the present assignment;
- CVs of key team members proposed; (maximum 2 pages each); and

- Financial proposal; the costs must be broken down into professional fees and expenses, which will incorporate travel and accommodation.

7. Selection criteria

The proposals will be evaluated against the selection criteria listed in the table below.

| Selection Criteria | Weighting |
|-----------------------------------|-----------|
| Technical capabilities | 30% |
| Proposed methodology and approach | 30% |
| Work plan | 15% |
| Budget | 25% |
| TOTAL | 100% |

8. Submission of proposals

The proposals should be emailed to FSDMoç at fsdmoc@fsdmoc.com and katia_agostinho@fsdmoc.com with the subject line "Technical and Financial Proposal: FSDMoç – Savings Groups". It should be received by 17:00 hours (CAT) on 24th August 2018.

Questions or comments in respect to this RFP should be directed to FSDMoç Technical Expert at fsdmoc@fsdmoc.com no later than Monday, 1st August 2018.