



TERMS OF REFERENCE (TOR) FOR CONSULTANCY ASSIGNMENT FOR AN ASSESSMENT OF A DAIRY PROCESSOR

Job Details: Short Term Consultancy

Assignment Duration: 1month

ORGANISATION DESCRIPTION

TechnoServe works with enterprising people in the developing world to build competitive farms, businesses, and industries. We are a non-profit organization that develops business solutions to poverty by linking people to information, capital, and markets. Our work is rooted in the idea that given the opportunity, hardworking men and women in even the poorest places can generate income, jobs, and wealth for their families and communities. With more than four decades of proven results, we believe in the power of private enterprise to transform lives.

PROGRAM DESCRIPTION

TechnoServe is implementing the USAID funded *Alliance for Inclusive and Nutritious Food Processing* (AINFP) regional program in collaboration with Partners in Food Solutions (PFS). The program leverages the power of the private sector to create better nutritional outcomes for base-of-the-pyramid consumers and more profitable market opportunities for local farmers. This is achieved by supporting local food processing companies in Kenya, Tanzania, Zambia and Ethiopia through remote technical assistance and training from world leading food processing companies under PFS to increase the availability of safe, affordable and nutritious food.

ROLE DESCRIPTION

Position Description: We seek a dairy expert to undertake an assessment of a dairy processor in Ethiopia. The position involves engaging with the AINFP project team, the dairy processor and their eco-system.

Generally, the assessment will seek to address the following objectives:

1. Assess the entire value chain of the company and clearly describe the current and the future business case
2. Assess the financial performance and the financial sustainability of the company
3. Assess the currently available human resource capacities viz a viz the ideal situation.
4. Provide a sneak-preview of the company's marketing practices with a view to providing recommendations
5. Provide tailored technical recommendation to the dairy processor to sustainably grow their business.
6. Assist to develop and practice innovative business plans to mobilize financial resources internally (own sources/retained earnings and externally (capital providers) as well as develop tools and models that can easily be adopted by dairies within East Africa

Scope of the Assessment

A) Value chain Mapping

In-order to provide an in-depth understanding of the operations of the dairy, conduct an entire value chain mapping exercise, starting with the sourcing of the raw milk upto the final consumer (i.e from grass to glass). This mapping is to identify any inefficiencies/gaps/cost loopholes and appropriate mitigation measures provided to improve the running of the company.

Based on the reported elements, focus will be given to the following key areas:

- i. Milk Collection: Quality of milk is key in a dairy enterprise, therefore keen attention will be given to the way raw milk is collected, tested at the milk collection centre, bulked and transported to the processing plant. How is the milk received at the factory, is there any wastage?
- ii. Milk processing; How is milk processed? Is it efficient? How is the raw milk allocated to the various final products of the company? What basis does the company apply, how does the allocation vary in the year? Is this allocation optimal? What would be the optimal allocation per product?
- iii. Warehousing of the final product and inventory control. To understand the efficiency of the warehousing practices
- iv. Marketing; their strategy, target market, distribution strategy, promotional activities, general market outlook and generally the company's feel on marketing

B) Financial Assessment

Based on the provided financials the proposal is to take a deep dive into the finances of the company with a view to understanding what the dairy needs for them to grow into the future, with a clear focus on understanding the following:

- i. Implications of their current financial performance on their existing debt obligation
- ii. The breakeven point more so in quantities and specific products
- iii. The product costing and pricing
- iv. Their current finance gaps and what the business requires to access the required capital

This section will also contain scenario analysis based on recommendations on milk allocation to their final products (milk, yoghurt, cheese, butter). The assessment will seek to show bottom line scenarios on what will happen if they were to vary their current raw milk to their various products

C) Human resource Assessment

This is to understand the available human resource capacity viz a viz the demands of the company in short, medium and long term. This assessment will yield into an appropriate human resource action guide that fits into the current and future plans of the company.

D) Marketing Strategy Assessment: This assessment will strive to add into the on-going marketing work. Specifically, this high level assessment will provide an understanding, document and provide some key recommendations on the following:

- i. General dairy market outlook in Ethiopia
- ii. Competitor analysis based on available secondary data
- iii. Market size based on the secondary data
- iv. Market growth rate based on key dairy products
- v. Target market of the company, unique selling point, and assess the distribution strategy

Specifically, the consultant will accomplish the following deliverables:

Generally, the assessment will seek to address the following objectives:

1. Clearly describe the current and the future business case
2. Provide tailored technical recommendation to the dairy processor to sustainably grow their business.
3. Assist to develop and practice innovative business plans to mobilize financial resources internally and externally
4. Develop tools and models that can easily be adopted by dairies within East Africa to create and sustain growth
5. Document all the process and outcome and share the experience, learning and recommendations through technical briefs, case study, etc.

REQUIRED TECHNICAL SKILLS & EXPERIENCE:

The consultant to be delegated for this particular assignment should possess the following competency and academic qualifications:

- Master's degree either in Agriculture Economics or Business Management/Finance with at least 8 years of practical experience working in the dairy processing sector with particular focus in business assessment and business-turn around within East Africa;
- Profound experience of at least 8 years, knowledge and skill in the dairy value chain development approaches, marketing and business developments within East Africa
- Experience in undertaking similar assignment/s
- At least 5 years' experience in designing and undertaking processor capacity gap assessments, designing practical tools to improve the processors business growth;
- The consultant/team should be active with shared responsibilities and practical engagements in the activities;
- Regional experience (preferably to include Ethiopia);
- Excellent communication, documentation and facilitation skills
- Excellent English skills
- Integrity, timeliness,

DESIRED SKILLS:

- Self-starter, energetic, outgoing and friendly
- Strong networking and relationship building skills
- Strong interest in development and commitment to TechnoServe's mission to reduce poverty through business solutions

EVALUATION OF BIDS

The Bids will be evaluated on the following criteria;

1. Technical capability demonstrated by consultant experience and past similar assignments – 50%
2. Key considerations for the assessment and detailed work plan – 30%
3. Financial proposal – 20%

TERMS AND CONDITIONS

- i. The Request for Proposal/TOR is not and shall not be considered an offer by Technoserve.
- ii. All responses must be received on or before the date and time indicated above. All late responses will be rejected.
- iii. All unresponsive responses will be rejected.
- iv. All proposals will be considered binding offers. Consultancy rates proposed must be valid for entire period provided by respondent or required by the TOR.
- v. All awards will be subject to TechnoServe contractual terms and conditions and contingent on the availability of donor funding.
- vi. TechnoServe reserves the right to accept or reject any proposal or cancel the solicitation process at any time, and shall have no liability to the proposing organizations submitting proposals for such rejection or cancellation of the request for proposals.
- vii. TechnoServe reserves the right to accept all or part of the proposal when award is provided.
- viii. All information provided by TechnoServe in this RFP is offered in good faith. Individual items are subject to change at any time, and all bidders will be provided with notification of any changes. TechnoServe is not responsible or liable for any use of the information submitted by bidders or for any claims asserted therefrom.
- ix. TechnoServe reserves the right to require any bidder to enter into a non-disclosure agreement.
- x. The bidders are solely obligated to pay for any costs, of any kind whatsoever, which may be incurred by bidder or any third parties, in connection with the Response. All responses and supporting documentation shall become the property of TechnoServe, subject to claims of confidentiality in respect of the response and supporting documentation, which have been clearly marked confidential by the bidder
- xi. Bidders are required to identify and disclose any actual or potential Conflict of Interest

APPLICATION GUIDELINES:

Qualified and interested applicants should submit to AINFP-DigitalRFP@tns.org a PDF Word-formatted **single document** consisting of:

- 2-page Technical and Financial proposal detailing the work plan for assessing a dairy processor, key considerations and specific activities with specific billable days and rate inclusive of all taxes in USD
- Max 3-page Consultant CV or profile
- Relevant similar assignments undertaken including daily/hourly rate of each of the assignments using the table format below:

Consulting/Employment Assignment Undertaken	Organisation/Client name/location and contact person	Duration of assignment	Daily/Hourly rate charged by consultant	Accomplishment/Deliverables
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The deadline for submission is **COB 28th of February 2020** and late submissions will not be considered.

N/B We welcome hearing from qualified and interested applicants. Due to a high volume of applicants, please understand that we are able to ONLY contact those who meet the minimum qualifications. No phone calls, please.

THE END