Request for Qualifications

*Diversified Route to Market Channel Pilot Implementation for Retail Bakery in Tanzania*

TechnoServe invites you to participate in this competitive solicitation for qualifications related to the position Route to Market (RtM) Specialist Consultant for support to a Retail Bakery in Tanzania. The work will be conducted closely with the ZEBU Africa Food Security Fund (AFSF) Technical Assistance Facility (TAF) team based in Johannesburg, South Africa.

**Position Location:** The project will be completed in Dar es Salaam, Tanzania, based at a retail bakery company’s head office.

**Anticipated start date:** 7-10 November 2022

**Estimated Duration:** The timing of the project is November 2022 - August 2023

**Budget:** $100,000

I. **About TechnoServe**

TechnoServe is the implementing agency for the AFSF TAF. The AFSF is a second-generation fund managed by Zebu Investment Partners (ZIP) and targets high-growth Small, Medium Enterprises (SMEs) across the food value chain in Africa. Africa’s food requirements are expected to double in the next 30 years with a food import bill estimated to reach USD 50 –70 billion per annum. Food value chains remain weak and under developed, while agriculture is the main form of economic activity for most people on the continent. Private investment in the agriculture sector is critical for Africa’s food security and growth. The AFSF will target deal sizes of USD 2–8 million, with the goal of investing in a minimum of 10-12 agribusiness SMEs over the next 8 years. This segment of SMEs often faces challenges related to business skills, weak accounting and management systems, poor visibility and/or limited bandwidth to take advantage of market opportunities. And yet, SMEs are able to pivot and scale quickly, when the right resources are provided.

TechnoServe works alongside ZIP to implement the AFSF TAF alongside the AFSF. This is a $1.9m grant-based facility tasked with supporting the capacity building of AFSF portfolio companies and deepening the development impact of the AFSF investments. The facility is tasked with providing TA to AFSF portfolio companies that receive investment through the AFSF, promoting new opportunities for smallholder farmers, farmer business groups, rural communities and enhancing local economic development. This will be achieved by linking private equity investments to economic opportunities for smallholder farmers (including women and youth) and micro-enterprises; promoting uptake by AFSF investee companies of inclusive business models thereby increasing beneficiary incomes and thus enhancing economic access to food. Moreover, the TAF will support AFSF investee companies with their growth objectives by providing them with expertise and support that drive best practice and innovation.

The AFSF TAF is able to support projects in and around portfolio companies under the following components:

*Inclusive Business Technical Assistance*
Inclusive business TA supports investee companies to plan and pilot new business models that improve commercial and broader community (or development) impact often demonstrating the business case for smallholder sourcing and supporting SMEs to integrate more farmers into their supply chains and micro-retailers into their distribution chains.

**Core Business Support**
The Core Business TA is intended to enable AFSF portfolio companies to attract and take full advantage of capital investments from the AFSF, realising their potential as high-growth companies, creating jobs and contributing to the agricultural and economic development of Africa.

**Ecosystem Development Technical Assistance**
Ecosystem Development projects will seek to strengthen market systems around AFSF portfolio companies and will be measured by quantitative indicators such as finance mobilised as well as qualitative indicators for market development such as policy change, industry influence and stakeholder learning. This component will serve as an important knowledge sharing conduit emphasizing key thematic and common areas/issues identified through the scoping, design and execution of TA.

II. Background

To meet our objectives, we are working with Royal Oven Limited (ROL), Tanzania (a AFSF portfolio company) to diversify its RtM channel and have recently completed a thorough operations diagnostic, and market assessments to provide a comprehensive feasibility study for diversification options, specifically developing a B2B and informal market channel for the company. The objective is to support the design and implementation of a commercially viable, high-impact and sustainable diversified RtM channel model to increase its top-line growth and drive the company to break-even by the end of 2023.

Royal Oven (ROL) is an established retail bakery and quick-service restaurant chain operating in 19 retail store fronts across 3 regions in Tanzania through a hub-and-spoke model. Compared to its rivals, the Company has a strong and reputable brand in Tanzania, supported by a strong retail store footprint in Dar es Salaam, Mwanza and Mbeya.

The Company is in a position to increase its top-line and profitability by leveraging the increased capacity of its refurbished main production facility in Dar es Salaam— its Central Hub Kitchen which was commissioned in October 2021.

The Company requires key market insights and Route to Market diversification options to sustainably support revenue growth and de-risk its top-line.

III. Duties and Responsibilities

| PHASE I: PROJECT INITIATION |
1. Review and refine the pilot design recommendations developed in the operational and market diagnostic

1.1 ROL Management Workshop on Project Design, Needs & Targets

1.2 Individual Management follow-up Project Design, Needs & Target Planning

1.3 Finalise Project Design, Needs, Targets and M&E framework

1.4 Online order, sales and RTM management platform design & set-up

**PHASE II: FIELDWORK IMPLEMENTATION**

2.1 ROL Project Support Staff Employment & Capacity Building

2.2 ROL Central Kitchen, Logistics, 3 X B2C Hubs & Informal RTM needs audit

2.3 Search for and purchase RTM equipment & other according to needs audit

2.4 Engage suppliers of TukTuk/Tricycle/Cart on design & purchase

2.5 B2C Informal RTM geospatial sales planning

2.6 Design & Finalise Systems - Online Orders/Delivery/POS/SOP’s/Logistics/Micro-entrepreneur selection criteria etc.

2.7 Identify & employ additional informal RTM sales people & engage and onboard micro-enterprises

2.8 Integrated B2C RTM model training on systems & marketing at various points in the chain

2.9 Roll-out informal RTM marketing & trader registrations

2.10 Stock Hubs and implement RTM sales systems (production/order/tracking/delivery/payment/POS)
PHASE III: LIGHT TOUCH SUPPORT AND PROJECT WRAP-UP

3.1 Support RTM sales systems management towards meeting targets

3.2 Conduct RTM endline surveys

3.3 Integrated B2C RTM model experience sharing workshop

3.4 Reporting

3.5 Monitoring & Evaluation

OVERALL

Effective management of all stakeholders including micro-retailer customers and any other service providers from project initiation to close

Prepare and provide bi-weekly progress updates to Steering Committee and facilitate bi-weekly meetings

All the above activities form the major and critical parts of the scope. Candidate selection and performance will be judged on capability to implement and successful achievement of these.

IV. Deliverables

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<tr>
<th>Activity</th>
<th>Deliverable</th>
<th>Anticipated due date</th>
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<tbody>
<tr>
<td><strong>Pilot design and refined implementation action plan</strong> for diversified RTM channel including optimal logistics model and resource requirements (assets, people, processes, etc.)</td>
<td>Informal market channel design including comprehensive action plan and KPI/impact measurement framework and monitoring (M&amp;E) plan. Completion of Phase 1: Project Initiation.</td>
<td>20 December 2022</td>
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Sign-off of pilot design by Committee.

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<tr>
<th>Pilot set up and implementation; Project management of TA project</th>
<th>Submission and approval of bi-weekly project progress reports to Steering Committee</th>
<th>From 1 Jan 2023 – 31 Jul 2023</th>
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<tr>
<td>Development of Implementation Report and results chain</td>
<td>Implementation Report and Results chain with detailed KPI/impact metrics based on framework developed in Phase 1 and indicators set out in Section V.</td>
<td>31 August 2023</td>
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V. **KPIs and Expected Impact:**

In addition to the current revenue generating initiatives and expansion of the retail network, ROL requires RtM channel diversification options that will sustainably support its top-line growth going forward. The diversified RtM channel is expected to support the company’s profitability break-even by Q4 2023.

TAF will track the following **project outputs:**

- **Diversification of the RTM (RTM) and improving product reach** – Test RTM approaches for bread and confectionary products in new and existing areas in the informal market, and measure the Return on Investment (ROI) of ROLs informal market channel
- **Achieve new area penetration** - increased penetration for bread and confectionary products based on the baseline of areas that the business currently services
- **Micro-enterprises impacted** - The Company is expected to be able to distribute its products through at least 600-700 micro-retailers
- **Micro-enterprises income growth ($)** – achieve minimum $300 000.00 in income growth across all micro-enterprises served in the channel
- **Sales growth** – achieve a 15-20 percent increase in total sales (production capacity dependent)
- **Market intelligence capacity building** – Gathering of initial market intelligence and developing the capacity of the in-house team to do this independently after project exit
- **Micro-enterprises capacity building** – skills training of all micro-enterprises served in channel
• **Sales & CRM automation** – Installation of sales, marketing allied systems to support and improve the efficiencies of the sales and marketing departments for this channel; integrated to existing ERP system if possible.

• **Production, Sales force and Logistics development** – Capacity development of the in-house production, sales and logistics team by providing strategic direction, tactical support and tools of the trade that will ensure sustainability beyond the project

With this mind, TAF will track the following **business metrics**:

• **Revenue growth ($)**: diversifying the RTM, conducting brand and product promotions and ramping up the sales team should result in improved sales performance across the confectionary and bread categories

• **Improved EBITDA ($)**: higher sales coupled with a more direct, diversified RTM as well as automation of the sales force and logistics should result increased profit margins and break-even.

**VI. Skills Required**

- Experienced Strategy Consultant with expertise in implementation of diversified RtM model involving informal markets, and developing social impact focused business models in developing countries.
- Track record of successfully supporting companies in RtM channel diversification required; with experience in Africa and agribusiness preferred.
- At least 8-10 years of relevant experience required.
- Advanced degree in business management or other relevant field preferred.
- Experience working with private agribusiness companies required.
- Prior strategy consulting experience will be reviewed favourably.
- Strong stakeholder engagement and communication skills required.
- Demonstrated leadership skills, teamwork and relationship building.
- Proven expert analytical and quantitative skills.
- Excellent written and verbal communication and interpersonal skills.
- Strong computer skills, including MS Word, PowerPoint, and Excel.
- Ability to work independently, flexibly, and responsively.
- Ability to adapt to changing working conditions.
- Ability to prioritise and meet deadlines.

**VII. Instructions**

Interested candidates should submit their CV, with cover letter; budget and a workplan which captures their indicative approach to implementing the required assignment. Travel to Dar es Salaam, Tanzania is expected.

TechnoServe reserves the right to award the contract to the submission that is deemed to be in the best interest of TechnoServe and the Donors. The winning submissions will be notified in writing. Those who were not selected may or may not be notified, at the sole discretion of TechnoServe.
Submission deadline: 3 November 2022

Questions regarding this request may be addressed to Wadzanai Nyambayo (wnyambayo@tns.org) and must be received no later than 3 November 2022.

TERMS AND CONDITIONS

1. The Request for Qualifications is not and shall not be considered an offer by TechnoServe.

2. All responses must be received on or before the date and time indicated on the RFQ. All late responses will be rejected.

3. All unresponsive responses will be rejected.

4. All awards will be subject to TNS contractual terms and conditions and contingent on the availability of donor funding.

5. TNS reserves the right to accept or reject any submission or cancel the solicitation process at any time, and shall have no liability to the proposing party submitting for such rejection or cancellation of the request for qualifications.

6. TNS reserves the right to accept all or part of the submission when award is provided.

7. All information provided by TNS in this RFQ 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. TNS is not responsible or liable for any use of the information submitted by bidders or for any claims asserted therefrom.

8. TNS reserves the right to require any bidder to enter into a non-disclosure agreement.

9. 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 TNS, subject to claims of confidentiality in respect of the response and supporting documentation, which have been clearly marked confidential by the bidder.