

Terms of Reference on Developing an SME Diagnostic tool

1. Background Information

1.1 Beneficiaries

Firms and Business Support Organisations based in the CARIFORUM Region: Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts & Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad & Tobago

1.2 Contracting Authority:

Caribbean Export Development Agency

1.3 Relevant Background:

Caribbean Export Development Agency (Caribbean Export) is a regional export development and trade and investment promotion organization of the Forum of Caribbean States (CARIFORUM). Caribbean Export is also a beneficiary of funding assistance from the 10th European Development Fund (EDF), under which the Agency is responsible for implementing the Regional Private Sector Development Programme (RPSDP). The RPSDP has four specific objectives: a) Enhancing Competitiveness and Promoting Innovation among CARIFORUM's Private Sector; b) Promoting Trade and Export Development among CARIFORUM States; c) Promoting stronger trade and investment relations among CARIFORUM and French Caribbean Outermost Regions (FCORs) as well as European Union (EU) Overseas Countries and Territories (OCTs) in the Caribbean; and d) Promoting stronger trade and investment cooperation between CARICOM and the Dominican Republic (DR). There is also a complementary objective of strengthening the institutional capacity of Caribbean Export to implement trade and investment promotion programs in the region through its export development programming and through support to the Caribbean Association of Investment Promotion Agencies (CAIPA).

The overall objective of the Regional Private Sector Development Programme is to contribute to the gradual integration of CARIFORUM countries (Antigua and Barbuda, The Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago) into the World Economy and by so doing to enhance regional economic growth and by extension alleviate poverty. One of the specific objectives of the programme is to promote trade and export development among CARIFORUM member states.

1.4 The Current State of Affairs

The development of CARIFORUM firms into world class companies with globally competitive brands requires that trade promotion and business support organisations create an enabling environment to support this long term development objective. This means providing support programmes that are impactful and target specific needs. The identification of these needs must be scientific and assessed through a standard methodology that takes into account all business areas. As such, Caribbean Export has taken a proactive approach by initiating a project to develop an **SME Diagnostic Tool**.

It is expected that this tool will enhance competitiveness in the private sector by creating a standardised, expert-based methodology for accurately assessing SMEs and identify the areas where development is required. In doing so, Caribbean Export can then develop a tailored approach of

targeted interventions and other support mechanisms to address these gaps. The expected outcomes of course are firms better equipped to compete globally.

The Diagnostic tool developed must be able to identify strengths and weaknesses of the business, help to improve growth and arrest decline; focus on improvements within the business and increase the ability to attract investment. This investment can come from differing funding mechanisms, both traditional and non-traditional, including but not limited to; Angel Investors, VCs, Crowd Funding, Financial Institutions, etc. It should be directly related to measurable indicators that can be evaluated over a clearly identified time period.

2.0 Objective, Purpose and Expected Result

2.1 Overall Objective

The objective of this project is to develop and deliver a web-based enterprise level **SME Diagnostic Tool** that will enable a scientific assessment of regional exporting firms (across all key sectors). This Diagnostic tool will form the first step in a holistic approach to increase firm competitiveness in CARIFORUM Region. This first step involves a methodology for **diagnosing and identifying the strengths and weaknesses** of firms leading to interventions in the areas including but not limited to;

- I. Management
- II. Production
- III. Access to Finance
- IV. Marketing

2.2 Purpose

The purpose of this project is to help to increase the competitiveness of the Region's firms by providing a standardized, methodological assessment for diagnosing and identifying areas of support to be delivered through Caribbean Export and its various partners. This will enable Caribbean Export to better assist firms in addressing their areas of weakness through providing more focused and targeted technical assistance, training, and access to finance. Once firms have benefitted from these, they should be better equipped to compete globally, resulting in increased exports and employment.

2.3 Project Deliverables

The consultant is expected to deliver the following results;

1. A web-based, robust SME Diagnostic Tool that can be applied to evaluate any firm in an integrated way, by means of a standardized, expert-based methodology;
2. Training to CE Technical Staff on use of the tool and methodology for analysis of the data collected;
3. Testing of the tool and methodology with a small sampling of firms (i.e. 15 -20). Participating firms will be selected by Caribbean Export and will represent a wide cross-section of sectors.

3.0. Assumptions and Risks

3.1 Assumptions underlying the project

The consultant hired can successfully and effectively develop a robust diagnostic within the stipulated timeframe that meets CE's expectations.

3.2 Risks

Delays with data collection resulting from reluctance of firms to share information or to complete the assessment exercise, or delays resulting from other causes.

Relevance of the sampling instrument. This must reflect the realities of the Caribbean private sector and export environment and not be based on that of other economies or regions.

4.0 Scope of the Work

4.1. General

4.2. Specific Activities

To achieve the expected results, the Consultant will, at a minimum, do the following:

1. Participate in an inception meeting with the Caribbean Export team to define and clarify project parameters and expectations, including timelines, reporting, etc.
2. Meet with the Caribbean Export team to be briefed on the Organization's Export Development and Promotion Model
3. Assess existing tools based on globally recognized best practices
4. Conduct needs assessment on a selection of SME's in each CARIFORUM country. Data can be collected via Telephone and online forms/meetings.
5. Present findings to-date and suggested framework for Tool to Caribbean Export Team for approval.
6. Formulate survey instrument/questionnaire to be administered to each SME when doing the diagnosis. This will form backbone of the Tool.
7. Develop both print and web-based version of questionnaire
8. Develop analytical capabilities of the Tool: for example answers should enable us to produce statistics such as Debt to Equity Ratio's, Cash Conversion cycle timeline, etc.
9. Deliver prototype Tool to Caribbean Export Team for review and testing.
10. Conduct a Pilot Project (testing of the Diagnostic Tool) with a select group of CARIFORUM firms
11. Incorporating lessons learnt and feedback, deliver final web-based Diagnostic Tool
12. Train selected Caribbean Export staff on the use and maintenance of the Tool.

4.3. Project Management

4.3.1. *Responsible body*

The Caribbean Export Development Agency will be responsible for the management and coordination of this project.

4.3.2. *Management*

The Manager – Competitiveness and Innovation will retain overall responsibility for the project and will report the performance of the project to the Executive Director.



5. Logistics and Timing

5.1. Location

Barbados

5.2. Commencement Date and Period of Implementation

Commencement date is July 4th, 2014 and should be completed by December 4th, 2014.

6. Requirements

6.1. Personnel

6.1.1 *Qualifications and Experience Required*

- Demonstrable track record in developing web-based Diagnostic Tools and Surveys with analytical capabilities
- Experience working with SMEs and Trade Promotion Institutions (TPIs)
- Excellent presentation and communication (oral and written) skills
- Fluent in English, however able to speak any Spanish, French and/or Dutch would be an asset
- Applicants must be a national of or have a firm registered in an ACP-EU (African, Caribbean and Pacific – European Union) member state to be considered

6.2. Required Documentation

The Applicant will at a minimum submit the following;

1. Samples of similar work done for other clients
2. Separate proposal submitted which should include, at a minimum; company profile, understanding of the project and methodology, available experts and qualifications, timetable/ Gantt chart for activities and a detailed proposed budget
3. Proof of citizenship in the case of an individual or company registration for a Firm.

7. Reports

7.1. Reporting Requirements

7.1.1. Consultant will submit the following reports

- Inception Report: Presented 7 days after the Inception meeting. This report will clearly outline any changes or suggestions made as well as the agreed approach for moving forward.
- An interim Report: This report speaks to item 5 of 4.2 Specific Activities. It should include results from items 2 – 4 of 4.2 Specific Activities. Date of delivery will be discussed and agreed at Inception Meeting.
- Draft Questionnaire to be submitted for approval
- Present prototype Tool to Caribbean Export for review and testing
- Report on findings from Pilot Project
- User manual for CE staff specifically related to item 12 of 4.2 Specific Activities

7.2. Submission & approval of reports

- 7.2.1. The reports and deliverables as referred to above must be submitted to the Manager – Competitiveness and Innovation. All reports must be submitted in English in electronic format (Microsoft Word). The final report must be submitted in electronic format along with

three (3) hard copies. The Manager – Competitiveness and Innovation is responsible for approving the reports.

8. Monitoring and Evaluation

8.1. Definition of indicators

Performance on the project will be measured by satisfactory completion and timely submission of the deliverables outlined in Section 4.2 and as outlined within the work plan. Feedback, other than acceptance, on each submitted Progress Report is not a requirement for the continuation of the project. The Contracting Authority will provide feedback to the consultant within five (5) working days of receipt of the final report.

8.2. Special requirements

None