

# *Statement of Work for International Consultant*

## *Strategic Segmentation of the Global Handicraft Value Chain*

### ***I. Context***

FHI 360 is expanding its project funded by the Department of State’s “Creating Greater Economic Wealth through the Handicraft Value Chain in Tunisia” program. The **Collaborative Action for Handicraft Exports (ACEA)** project focuses on improving the production capacities and increasing exports of handicraft products from Tunisia. With a primary focus on marketing, branding and commercialization, ACEA aims to create employment opportunities by providing technical expertise to Tunisian artisans to enhance their participation in international markets and increase exports.

During the first 18 months, ACEA concentrated on a group of 16 women’s cooperatives and various SMEs in the natural extracts value chain (essential oils, cosmetics, herbs and related products of aromatic and medicinal plants) in the northwestern area of Tunisia (El Kef, Jendouba, Béja and Siliana). The combination of an accurate market segmentation study as an input to strategy, and a well-organized cluster working group to develop the strategy and collaborate on implementation has proven to be effective. Over the coming years, ACEA will apply the same approach to other value chains within the handicrafts sector in Tunisia.

### ***II. Mission***

ACEA requires a strategic segmentation of markets for the remaining value chains in Tunisia’s handicraft sector. This entails i) defining the relevant product categories, ii) describing the global value chain, iii) identifying the most attractive market segments; iv) conducting a detailed competitive analysis of two selected market segments and v) providing recommendations.

The selected consultant will conduct the assignment in two phases. The first phase is intended to identify and assist with prioritization of value chains and segments to be addressed over the next several years. The second phase provides detailed actionable information and strategy on selected market segments.

#### **Phase 1: Market Analysis**

The consultant will prepare an analysis of the channels and end markets in the global handicraft value chain, with respect to products that Tunisian artisans (especially women and youth) currently produce or could produce with moderate innovations. The report will identify the global value chain (GVC) governance structures including key international players, channels, market trends (including growth potential as well as volatility/risk), key success factors for participation in those GVCs, market segments and broad-brush competitive analysis. Based on this analysis, the report will identify the eight value chains<sup>1</sup> with the highest potential for inclusive and sustained benefits to artisanal producers, based on the above criteria (or others that the consultant may propose), and make recommendations regarding the suggested positioning of Tunisian handicraft products.

➔ **Deliverable:** a draft market analysis and prioritization for Tunisian handicrafts in the international market place. Word document and Power point presentation. Copies in English and in French.

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<sup>1</sup> One or more specific priority products and market segments should be identified within each value chain.

Based on the Phase 1 draft report, ACEA and counterparts will evaluate the results, providing feedback and comments within one week, and the offeror will have three additional days to provide an updated version, which could result in a slightly different ranking of recommended product/market opportunities.

### **Phase 2: Detailed Market Segmentation Strategy**

Offeror will provide an in-depth market segmentation strategy of two of the selected value chains.

Within two weeks of receiving the Phase 1 draft, after consulting with counterparts, ACEA will indicate to the offeror which two market opportunities will be selected for the second phase.

These will not necessarily be the two top-ranked market opportunities from the Phase 1 report, but they will most likely be drawn from near the top of that list.

In Phase 2, the consultant will undertake:

- International benchmarking: interviews to gather best practices and compile buyer purchase criteria (BPC);
- Competitive strategy development: ideal value chain, strategic options, and key success factors; and
- Recommended upgrading pathways: current value chain, identification of areas of improvement, recommendations.

The additional information provided in Phase 2 should constitute a fact-based blueprint for successful development of the value chain by focusing on one or at most two specific market segments.

➔ **Deliverable:** a detailed strategic segmentation and recommended approach for two selected handicraft value chains. Copies in English and French. Following a one-week review period, consultant will receive comments from ACEA, and will have one additional week to submit the final integrated report (Phase 1 and Phase 2) as well as a PowerPoint presentation (English and French versions).

It is not required that the consultant spends time in Tunisia. Although visits are encouraged, travel budgets may be better directed toward visiting target market regions. Most information the consultant requires regarding production conditions and product characteristics can be provided to the consultant by ACEA. The key knowledge gap the consultant needs to fill is the understanding of international consumer trends and preferences, sales channels, and the differences between KSF for various product types in various market segments.

### ***III. Recruitment process***

Offerors will find in attachment to this SOW various reports and data provided by ACEA and ONAT. Offerors should submit a technical and a financial offer as follows:

#### ***1. The Technical Offer***

- Approach: present the offeror's methodology to undertake the Strategic Segmentation, based on the reports and data in attachment to the current ToR. Offeror can indicate information requirements regarding the Tunisian situation which, once recruited, would be requested from ACEA and ONAT.
- List of relevant references, and at least two but not more than four sample documents from comparable assignments related to market analysis and/or segmentation.
- Profile of the company and CVs of the consultant / team of consultants
- Comments on the ToR.

## 2. The Financial Offer

- The daily rate of the consultant / the consultants' team, if individual, by fulfilling the Employee Biodata Sheet in attachment
- Global financial bid, including all taxes and mentioning the nationality/location of the bank account to transfer payments to. Budget shall not exceed US \$70,000.
- Financial offer should be separately sealed.

### **Selection Criteria**

#### 80% – Technical Offer

- *25% – Approach.* Demonstrated knowledge of strategic segmentation and Tunisian context, responsiveness to the SOW, level of innovation.
- *25% – Past performance.* Based on references and sample reports. Demonstrated international experience with strategic segmentation, with handicraft sector and MENA/Tunisian context.
- *30% – Personnel.* Quality of proposed consultant or team of consultants. French language in some team members is highly desirable, as most documents regarding Tunisian context are available in French.

#### 20% – Financial Offer

Questions for clarifications to the RFP can be submitted at any time up to April 8. FHI 360 will post responses to questions on a rolling basis on the <https://www.acea-tunisia.com/> website.

Please deliver the global bid to [acea@fhi360.org](mailto:acea@fhi360.org).

The deadline for the global bid submission is 5pm GMT, April 18, 2019.

## **IV. Schedule**

The schedule of the mission will be as follows:

<u>Date</u>	<u>Activity</u>
Mar 19	RFP Released
Apr 8	End of Question Period
Apr 15	Deadline for proposal submission
Apr 18	Phone interview with shortlisted offerors
Apr 22	Negotiate contract
Apr 29	Contract begins
Jun 10	Draft Phase 1 Report Due
Jun 17	Comments from ACEA
Jun 19	Revised ranking (potential)
Jun 21	ACEA selects 2 value chains for detailed analysis
Jul 19	Draft Phase 2 Report Due
Jul 26	Comments from ACEA
Aug 2	Consultant submits final Phase 1 & 2 Report

## **V. Confidentiality**

All the results of this consultancy mission will be the exclusive property of the United States Department of State. All collected and provided information, documents and electronic exchanges will remain confidential.

## **VI. Documents**

The following reference documents are available on the <https://www.acea-tunisia.com/> website:

- Strategic Segmentation of the Global Value Chain of Essential Oils and Natural Extracts, Competitiveness.com, June 2018
- A Strategic Segmentation of the MAPS Industry, World Bank, June 2018
- ONAT Plan National de Développement de l'Artisanat 2017-2021
- ONAT Handicraft Yearbook (only available in Arabic, selected pages will be translated)
- Employee Biodata Sheet (only needed for individual consultants?)

### **FHI 360 Disclaimers**

- FHI 360 may cancel the solicitation and not award
- FHI 360 may reject any or all responses received
- Issuance of the solicitation does not constitute an award commitment by FHI 360
- FHI 360 reserves the right to disqualify any offer based on failure of the offeror to follow solicitation instructions
- FHI 360 will not compensate any offeror for responding to solicitation
- FHI 360 reserves the right to issue award based on initial evaluation of offers without further discussion
- FHI 360 may choose to award only part of the activities in the solicitation, or issue multiple awards based on the solicitation activities
- FHI 360 reserves the right to waive minor proposal deficiencies that can be corrected prior to award determination to promote competition
- FHI 360 will be contacting each offeror to confirm contact person, address and that bid was submitted for this solicitation