

Terms Of Reference (Tor) For Investor Ready Support Services

Introduction

Sahara Consult is a dynamic management consulting firm specializing in strategic advisory services and project management across three core areas: development (impact), innovation, and technology. With a commitment to excellence and a diverse team of experts, Sahara Consulting collaborates with development partners, corporate entities, and public institutions and agencies to drive sustainable growth, foster innovation, and leverage technology for positive societal impact.

Sahara Consult is implementing the Mastercard Foundation Edtech Fellowship Programme, which aims to support 12 Edtech startups by providing technical assistance to enhance their digital platforms and products. This initiative seeks to foster growth and create a sustained impact within the education technology sector. The Edtech Fellowship Programme supports innovative educational technology ventures that aim to improve learning outcomes.

Sahara Consult is seeking a competent company to provide comprehensive investor readiness support services to fellows participating in the programme.

Background

Tanzanian companies face unique challenges in achieving investor readiness, largely due to limited access to equity finance and a high level of equity aversion among entrepreneurs. Consistent with the "pecking order" hypothesis, many Tanzanian business owners prefer to rely on internal funds or debt rather than relinquish ownership and control to external investors. This aversion to equity finance is compounded by a lack of familiarity with the expectations and requirements of potential investors, making it difficult for startups to attract the necessary capital for growth and scaling.

Additionally, the invest-ability of Tanzanian companies is often hampered by structural and presentational failings. Many businesses do not meet the stringent criteria of business angels and venture capital funds due to gaps in their operational frameworks and business strategies. Even when the underlying business propositions are strong, poor construction and presentation of business plans can result in high rejection rates. Overcoming these hurdles requires targeted support to improve both the substantive and presentational aspects of their business cases, ensuring they are well-prepared to secure external equity financing.

Addressing these challenges is essential for the growth and sustainability of Tanzanian startups. The Mastercard Foundation Edtech Fellowship Programme seeks to enhance the investor readiness of participating startups by ensuring they are well-prepared to attract and secure financing from external investors to enhance their sustainability.

Objectives

The primary objectives of this engagement are to:

1. Reduce equity aversion among startup and SME entrepreneurs.
2. Enhance the invest-ability of participating businesses.
3. Improve the presentation and construction of business plans to meet investor expectations.

Scope of Work

The scope of work for the selected company includes the following key areas:

1. Conducting Investor Readiness Assessment

- Evaluate the current level of investor readiness of each startup/SME.
- Identify strengths, weaknesses, opportunities, and threats (SWOT analysis) related to investor readiness.
- Produce a detailed report for each startup/SME outlining findings and recommendations.

2. Facilitating Investor Readiness Workshops

- Design and deliver workshops covering essential investor readiness topics such as equity finance, investor expectations, and business plan development.
- Provide general feedback on common issues and best practices.
- Ensure workshops are interactive and cater to varying levels of experience among participants.

3. One-On-One Coaching Sessions

- Schedule and conduct personalized coaching sessions with each startup/SME.
- Provide detailed, customized feedback and advice on improving investor readiness.
- Help startups/SMEs develop actionable plans to address their specific challenges in attracting external equity finance.

Deliverables

The selected company is expected to deliver the following:

1. A comprehensive investor readiness assessment report for each participating startup/SME.
2. Detailed training materials and feedback from the investor readiness workshops.

3. Summaries and action plans from one-on-one coaching sessions.

Timeline

The project is expected to span a period of 1 month, starting from the date of contract award.

Required Expertise

The ideal company should have:

1. Proven experience in providing investor readiness support to startups and SMEs.
2. Expertise in equity finance, business plan development, and investor relations.
3. Strong facilitation skills for workshops and coaching sessions.
4. Ability to offer tailored advice and create actionable plans.

Evaluation Criteria

Proposals will be evaluated based on the following criteria:

1. Relevant experience and expertise.
2. Quality and comprehensiveness of the proposed approach.
3. Demonstrated understanding of the challenges faced by startups and SMEs in securing external equity finance.
4. Cost-effectiveness of the proposal.

Submission Requirements

Interested companies should submit the following:

1. A detailed proposal outlining their approach to delivering the services.
2. Profiles of key team members who will be involved in the project.
3. Examples of previous similar work.
4. A cost proposal.

Contact Information

For any inquiries or to submit your proposal, please contact:

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Deadline

The deadline for submitting proposals is **June 6th, 2024**.