

## **Consultants for Development of Business Plan to Maximize Profitability**

### **Business planning to maximize profitability (8449)**

#### **Background**

SNV Vietnam is looking for 2 local consultants to develop a business plan for Hoa Tien Agricultural Cooperative in Hoa Vang district, Da Nang province.

SNV ([www.snvworld.org](http://www.snvworld.org)) is a not-for-profit international development organization. Founded in the Netherlands 50 years ago, we have built a long-term, local presence in 38 of the poorest countries in Asia, Africa and Latin America. Our global team of local and international advisors work with local partners to equip communities, businesses and organizations with the tools, knowledge and connections they need to increase their incomes and gain access to basic services – empowering them to break the cycle of poverty and guide their own development.

SNV has been working in Vietnam since 1995. Using market based approaches, SNV is committed to reducing poverty by catalysing environmentally sustainable solutions for the poor in agriculture, energy, water & sanitation, and REDD+. In the agriculture sector SNV in Vietnam has a strategic alliance with Agriterria ([www.agriterra.org](http://www.agriterra.org)).

Agriterria is a Dutch agency that aims to professionalize farmers' organizations and cooperatives worldwide, with advice from experts from the Dutch agricultural sector. Agriterria's opinion is that strong farmers' organizations and cooperatives lead to more participation, economic growth and a better distribution of income. Agriterria focus on economic development and work closely together with the Dutch agribusiness.

Agriterria cooperate with farmers' organizations and cooperatives, professionalizing their functioning and service provision to their members, where the members want to increase their productivity and income, their position in the markets, access to finance and to add value to their products.

In Da Nang province, Agriterria is supporting Hoa Tien agricultural cooperative (HTC) boost their business and bring more benefits to its members. In order to facilitate HTC in newly identified services, SNV is currently looking for two consultants to help in developing a comprehensive business plan for HTC.

#### ***Hoatien Cooperative***

HTC is one of the few "old" (1977) traditional cooperatives which today still has an outstanding performance. Working in five villages in the Hoa Vang district in central Vietnam. The cooperative has 1370 members mainly growing rice seed on 265 ha of outstanding land. Additionally consumption rice is grown and vegetables on 45 hectares. Circa 90% of the rice seed is sold to Vinaseed.

There are two rice seed crops (4 months) realized a year (Jan-April and June-September). The cooperative supports its members very directly by determining the sowing time, to give water, fertilizers and pesticides and to determine the harvest date. The performance of the cooperative is good (year by year in the top in nationwide ranking), they communicate regularly and well with the members and has a stable and good financial position.

Moreover, a value chain analysis had been conducted in November 2016 pointed out that "HTC appeared to be a traditional operating cooperative: many farmer members, not much innovation, and rather internally oriented than acting outside-in. HTC performed well so far, however they are not well-prepared for 'the next round'. HTC hardly participates in innovations on seed variety, new machinery and pest-control. And HTC lacks young and business driven farmers. Rice seed farmers of HTC are locked-in by the rice seed oligopoly. This leads to small margins for the farmers, and very limited opportunities to improve their income. The management of HTC has the knowledge, nor the drive to change for the better. Serious shifts in management and operation are needed."

### ***Background of the situation and problem statement***

As mentioned above, a value chain analysis for potential commodities of HTC was conducted in November 2016. The value chain report recommends HTC to improve rice seed production and start with a new business opportunity – vegetable farming. However, based on the fact that, members of HTC have no experience on vegetable farming and therefore HTC decided not to go with vegetables.

Regarding the rice seed production, HTC agreed to take below recommendations from the value chain analysis:

- Improving yield by using better technique and machines
- Finding new buyers of rice seeds

- Applying food safety farming practices
- Opening shop(s) for input supplies
- Investing in suitable high quality machinery

However, HTC hesitates to take concrete actions because they are currently not so clear about the business such as when to do what, cost-benefit of each investment and so on. Therefore in order to give HTC a comprehensive picture of rice seed business that takes value chain recommendations into account and provide HTC with calculation-based scenarios, a business plan mission is agreed to be carried out in the 2017 action plan.

The assignment has to deliver a comprehensive business plan that brings clear cost-benefit analysis calculations with a detailed operational plan so that HTC would be confident to operate the business and they will use this business plan as a tool to attract potential funds/subsidies.

### **Mission**

- Composition of the mission: 2 local consultants with strong background and practical experience on business planning and operating and a local business advisor of Agriterra.
- Duration of the mission: the mission will take place for 5 days in the period of 17-22 July 2017.

### **Objective(s)**

The objective of this business plan advisory service is for HTC to see a set of business goals, the reasons they are believed attainable and the plan for reaching those goals, enable HTC to become confident to operate its business plan that takes value chain creator into account and use the plan as a tool to attract potential loans/funds/subsidies.

### **Activities**

The assignment will include but not limited to following activities:

- Field visits; competitors
- Study HTC CA and VC mission reports
- Work sessions with board, management, staff and members;

- Interviews with related stakeholders
- A tentative programme can be found below.

### **Expected results**

One mission report containing the following information:

- Business description with information about products and services of HTC, especially new products and services recommended by the value chain creator (such as shops for input supplies, collective spraying, machinery)
- Market analysis and market strategy
- Design and development a SMART operating plan (roadmap)
- Operation and management plan
- Financial analysis/projection including investment/ financing plan, now and future financial positions, income statement and cashflow per business option
- Determination of own contribution (financially)
- Risks and mitigation measures

### **Qualifications of Consultant(s)**

- Master's in Business Administration / Finance / Technology/Innovation/Economics or related fields is a bonus;
- Having experience in delivering Business Plan and supporting enterprises in writing the Business Plan;
- At least 5 years of experience working in rural financial services, and/or market and value-chain investment;
- Having experience in working with agricultural cooperatives;
- Excellent analytical and writing skills;
- Good English speaking and writing is prioritized

### **How to apply?**

The interested consultant team is expected to submit interest letter, CVs, and technical and financial proposals, including consultancy workplan, for consideration to SNV by 12:00 pm on 30 May 2017 with the title: “Business Plan development for HTC”

The proposals will be sent to [snvvietnamprocurement@snvworld.org](mailto:snvvietnamprocurement@snvworld.org).