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## TERMS OF REFERENCE

Ref: PN/FJI-44-17

<b>Consultancy Title</b>	Lead DFS Service Design Consultant
<b>Project Name</b>	Westpac PNG Innovation Hub Project
<b>Location</b>	Home-based with primary travel to Mt. Hagen and Port Moresby in Papua New Guinea and some travel to Sydney, Australia and Suva, Fiji
<b>Application deadline</b>	08 <sup>th</sup> October 2017 (Fiji Time)
<b>Type of Contract</b>	Individual Contractor
<b>Post Level</b>	International Consultant
<b>Languages required:</b>	English
<b>Duration of Initial Contract:</b>	125 days from tentatively 16 <sup>th</sup> October 2017 – 31 December 2018

### BACKGROUND

PFIP and Westpac PNG have entered into an agreement for a project to support Westpac's efforts to improve customer enrollment and usage of financial services offered through the Instore and mobile banking channels as it expands its retail footprint in PNG. The project aspires to design, test and validate new methods for enrolling customers and new products, to develop and grow the Instore Merchant network, and to provide an overall service experience that inspires low-income customers to adopt and use Westpac services through the Instore and mobile banking channels.

The project funds a management structure capable of implementing all phases of the design process with the guidance of consultants with experience in developing digital financial service channels. These terms of reference define the role of the Lead Service Designer in the project.

This terms of reference describe the scope of work for the Lead Service Designer, who will lead the efforts on customer acquisition, merchant network development, and product & service design innovations for Westpac PNG under PFIP's existing project, 'PNG Highlands Financial Services Innovation Hub.'

#### Project Management Structure

Westpac Pacific has partnered with Westpac PNG to establish the "Innovation Hub" (IH) as an implementation unit at Westpac's Mt. Hagen branch in the Western Highlands for this initiative. The Head of Retail for Westpac Pacific based at the bank's HQ in Sydney, Australia, is the senior manager responsible for this partnership and the IH project. The IH is managed by a resident Hub Manager, who is responsible for implementing the workplan of the Innovation Hub, supervising the IH team for day to day activities, and provide locally-based thought leadership for the new products and service design work to project stakeholders.

The Lead Service Designer (LSD) is engaged by PFIP to provide strategic guidance and technical oversight

and support to the project. PFIP will supervise the work of the LSD. The LSD shall answer directly to The Head of Retail, Westpac Pacific for all significant strategic and operational decisions related to the IH work. S/he will be responsible for finalizing key strategic decisions and associated workplans with Westpac and PFIP, executing the agreed tasks, and supervising the implementation.

Decision making and reporting shall be organized to provide Westpac and the PFIP Team with oversight of key strategic decisions and visibility on the work progress. In all project work streams, the LSD will be responsible for identifying key initiatives, providing an evidence-based explanation of the problem and proposed solution, and a plan and budget for the proposed initiative. With PFIP and Westpac's consent approval, the LSD will then be responsible for oversight of Innovation Hub implementation of the initiative.

The LSD may also assume direct responsibility for specific technical items in the workplan, and otherwise will define and supervise the activities implemented by consultants or by the IH Manager. The IH Manager shall take guidance from the LSD regarding the definition of the workplan and assessment of workplan execution.

The LSD will perform this role through a combination of off-site monitoring and technical support, on-site work in PNG and if necessary with the approval of PFIP Manager or designate travel to Westpac HQ in Sydney on a need basis.

## **DUTIES AND RESPONSIBILITIES**

### **Scope of Work**

The LSD shall be responsible for design and implementation of four core workstreams:

- Workstream 1: Improve the customer experience and business processes for a scalable customer acquisition model
- Monitor the execution of the recently improved customer acquisition process ensuring that the IH team implements the processes as described
  - The process is already in motion. The task would be to do remote oversight and regular check-in calls
- Design and test a new scalable and cost effective customer acquisition system, including defining the technology options, customer experience, business rules, and operational processes
- Execute and monitor the testing phase of the new process, including co-creating business process documents for the IH team to carry out the tasks on a daily basis.
- Workstream 2: Develop and implement a scalable merchant network model
- Provide ongoing coaching to the IH team and supervise their work for merchant development and management
- Develop and implement a functional merchant management information system
  - the expected outcome is the availability of merchant transaction and liquidity data to the IH Manager
- When required, define the requirements for a merchant management solution that supports a scalable merchant network model. Supervise selection and implementation of the new solution.
- Test innovative approaches to improving the merchant experience and the customer experience with the Instore transaction network.
- Workstream 3: Design and develop new products and services to drive utilization of financial services, as well as mobile banking and InStore channels.

This workstream will focus on improving the Westpac customer experience with using Westpac services and being a Westpac customer. All phases of human-centered design processes shall be employed to understand customer attitudes and to create products, services, branding, and pricing that inspire customers. The LSD will be responsible for the following:

- Present options for enhancing customer value and high level testing plans to PFIP and Westpac Regional for approval.
- For selected work, detailed design plan and terms of reference for specialty designers or additional resources should be presented.
- Prepare operational plans for the IH team to implement the tests.
- Present test results and high-level plans for product roll out to Westpac Pacific and PFIP for approval.
- Prepare operational plans for a full product roll out in collaboration with Digital Program Manager, Westpac Pacific.

PFIP and Westpac are considering several product and service innovations (see below the priorities, indicative). The LSD is expected to bring industry experience and thought leadership for the design effort for these initiatives.

- Liquidity facility linked to customer's saving account (with the possibility of creating a data driven digital credit product)
- Bulk payments for growers, factory workers, and other industrial workforce participants
- Product or service specifically designed to offer value to Women customers
- Customer engagement for driving adoption

An estimated 2/3<sup>rd</sup> of the level of effort would be assigned to this workstream.

- Workstream 4: Business analysis, data analytics and reporting
- Development of a financial model to analyze the business case for Instore channel model and all associated products and services.
- Analyze customer data to develop and refine reporting formats for monitoring the performance of the Instore channel and the customers' transaction and usage behavior

This includes helping the IH team and PFIP run operational analysis on the initiatives by creating special purpose dashboards, and working with the Westpac's team in ensuring they can provide the reports.

#### **Expected Outputs and Deliverables**

PFIP uses Decision Gate and Workplan as two primary tools to manage the project. The Decision Gate is used to profile specific innovation efforts justifying resource allocation as well as identify primary tests to validate several assumptions for the identified effort. All key efforts are first assessed for customer demand, feasibility, and viability. Key assumptions are identified for the effort or solution to be successful, followed by defining several low-fi tests.

Similarly, the quarterly Workplan with monthly level of effort is used to define the deliverables and associated tasks. PFIP will use these two tools to agree on specific activities and the associated level of effort (i.e. actual number of days worked) with the consultant. The Progress Report (see below) will be used to supervise the ToR. The progress report is expected to be 2-4 pages highlighting the satisfactory progress made against the agreed work plan. PFIP will provide the template for the report.

Following are two main outputs:

- A quarterly workplan highlighting the key activities and outputs, including an agreement on level of efforts in terms of contracting days.
- Project Progress Report, submitted monthly or at a mutually agreed point of time, e.g. after the completion of a specific task.

#### **Institutional Arrangement**

- The consultant will report to Jagdeep Dahiya, Financial Inclusion Specialist, PFIP PNG and whenever required to Krishnan Narasimhan, Deputy Program Manager, PFIP, Suva, Fiji
- The consultants are required to submit the supporting documents and evidence of the work completed along with the Progress Report. The payments are subject to the submission of the finalized documents, after incorporating the feedback from PFIP and Westpac, and the subsequent approval of the Project Progress Reports.
- The consultant is required to work closely with Westpac Bank, PNG and the Innovation Hub team located in the Highlands region of PNG. The consultant will also be required on need basis interact with Westpac Bank, HQ in Sydney and Bank of Papua New Guinea, the regulator

#### **Duration of the Work**

- The duration of the consultancy is for 125 days.
- The consultant is expected to commence from 16<sup>th</sup> October 2017 and finish by 31 December 2018.
- PFIP will provide feedback to the work of the consultant to ensure the quality of deliverables are in line with the expectations its partner and that the work is aligned with the broader project objective. PFIP will aim to provide the feedback as quickly as possible but may take up to 10 days after receiving the completed set of documents.

#### **Duty Station**

- The consultant will be Home-based with primary travel to Mt. Hagen and Port Moresby in Papua New Guinea and some travel to Sydney, Australia and Suva, Fiji.
- LSD will provide feedback to PFIP by engaging via monthly calls (or more frequently if necessary) with the PFIP PNG program manager, and the submission of required project work plans and progress reports.

#### **COMPETENCIES**

- Strong interpersonal and communication skills;
- Strong analytical, reporting and writing abilities skills;
- Openness to change and ability to receive/integrate feedback;
- Ability to plan, organize, implement and report on work;
- Proficiency in the use of office IT applications and internet in conducting research;
- Outstanding communication, project management and organizational skills;
- Positive, constructive attitude to work;
- Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability.
- Strong verbal and written skills in English
- Knowledge of innovations in the DFS space would be an advantage

## REQUIRED SKILLS AND EXPERIENCE

### Educational Qualifications:

- Minimum Master's Degree in economics, humanities, sciences, management and/or related discipline.
- Qualifications in human centric design or any discipline related to financial services is desirable

### Experience

- Minimum 10 years' experience leading service design implementations related to digital mass market finance.
- At least 5 years' experience in specialty design area, e.g. financial service design, customer experience, product development, etc. Must demonstrate the experience in designing mass market products and services in developing markets
- Demonstrated experience in product and service design for digital channels either with banks or telecom companies in low-fidelity, low-resource environments, deploying human centric design approaches is highly desired
- Demonstrated ability to use evidence-based assessments to drive business and/or policy decisions

### Language requirements

- Fluency of English language is required;

### Price Proposal and Schedule of Payments

Consultant must send a financial proposal based on **Daily Fee**. Consultant shall quote an all-inclusive Daily Fee for the contract period. The term "all-inclusive" implies that all costs (professional fees, communications, consumables, etc.) that could be incurred by the IC in completing the assignment are already factored into the daily fee submitted in the proposal. If applicable, travel or daily allowance cost (if any work is to be done outside the IC's duty station) should be identified separately. Payments shall be done monthly based on actual days worked, upon verification of completion of deliverables and approval by the IC's supervisor of a Time Sheet indicating the days worked in the period.

In general, UNDP shall not accept travel costs exceeding those of an economy class ticket. Should the IC wish to travel on a higher class he/she should do so using their own resources

In the event of unforeseeable travel not anticipated in this TOR, payment of travel costs including tickets, lodging and terminal expenses should be agreed upon, between the respective business unit and the Individual Consultant, prior to travel and will be reimbursed.

### Evaluation Method and Criteria

Individual consultants will be evaluated based on the following methodology.

### Cumulative analysis

The award of the contract shall be made to the individual consultant whose offer has been evaluated and determined as a) responsive/compliant/acceptable; and b) having received the highest score out of set of weighted technical criteria (70%). and financial criteria (30%). Financial score shall be computed as a ratio of the proposal being evaluated and the lowest priced proposal received by UNDP for the assignment.

**Technical Criteria for Evaluation (Maximum 100 points)**

Relevant educational qualification in economics, humanities, sciences, management and/or related discipline.	5
Qualifications in human centric design or any discipline related to financial services	
At least 3 prior engagements leading a design effort related to mass market financial services in developing markets	20
Specific design expertise in any of the relevant design areas: product and service design, customer experience, prototyping and testing	20
Experience in DFS products and channels for digital channels in low-fidelity, low-resource environments with banks or telecommunication service providers	20
Experience leading teams and managing projects of similar nature and setup	5

Only candidates obtaining a minimum of 49 points (70% of the total technical points) would be considered for the Financial Evaluation.

Candidates may be called for an interview which will be used to confirm and/or adjust the technical scores awarded based on documentation submitted.

**Documentation required**

Interested individual consultants must submit the following documents/information to demonstrate their qualifications. Please group them into **one (1) single PDF document** as the application only allows to upload maximum one document:

- **Letter of Confirmation of Interest and Availability** using the template provided in **Annex II**.
- **Personal CV or P11 (Annex 1)**, indicating all past experience from similar projects, as well as the contact details (email and telephone number) of the Candidate and at least three (3) professional references. Examples of your work that is most relevant to the ToR
- **Technical proposal**, including a) a brief description of why the individual considers him/herself as the most suitable for the assignment;
- **Financial proposal**, as per template provided in Annex II. (Quote only daily fees in USD and expected travel cost). The selected individual will be required to provide confirmation or copy of their medical insurance for the course of the assignment before signing the contract.

**Annexes**

- Annex I – [P11 Form](#)
- Annex II – [Offeror's Letter to UNDP Confirming Interest and Availability for the Individual IC, including Financial Proposal Template](#)
- Annex III - [Individual IC General Terms and Conditions](#)

For any clarification regarding this assignment please write to Mr. Ronald Kumar on [procurement.fj@undp.org](mailto:procurement.fj@undp.org). All proposals shall be sent to [etenderbox.pacific@undp.org](mailto:etenderbox.pacific@undp.org).

Incomplete proposals and proposals sent to the wrong mailing address may not be accepted.