

TERMS OF REFERENCE

Ref: PN/FJI-033-18

Consultancy Title	Lead DFS Service Design Consultancy
Project Name	Westpac PNG Innovation Hub Project
Location	Fiji
Application deadline	09 September 2018 (Fiji Time)
Type of Contract	Individual Contractor
Languages required:	English
Duration of Initial Contract:	160 working days

BACKGROUND

Pacific Financial Inclusion Program (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 initiated in March 2017 aspires to design, test and validate new methods for enrolling customers, offering new customer centric 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.

These 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 province of PNG for this initiative. The Country Manager - Westpac PNG, based in Port Moresby is 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 support to the project. PFIP will supervise the work of the LSD. The LSD shall answer directly to Country Manager

- Westpac PNG 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 limited off-site monitoring and technical support and largely on-site work in PNG and Fiji. LSD will provide feedback to PFIP by engaging via monthly calls (or more frequently if necessary) with the PFIP – Financial Inclusion Specialist, PNG and PFIP program manager, and the submission of required project work plans and progress reports.

This is a request for proposals from individual consultants specialized in the design and development of financial products and services that are delivered through mass market channels, such as agency and digital channels.

PFIP will be engaging a qualified consultant who will lead the efforts on digitisation and optimisation of customer acquisition process, merchant network development & management as well as new product & service design innovations for Westpac PNG under PFIP's existing project, 'PNG Highlands Financial Services Innovation Hub.'

DUTIES AND RESPONSIBILITIES

Scope of Work

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

- 1.0 **Workstream 1:** Improve the customer experience and business processes for a scalable customer acquisition model using one-touch approach of opening accounts within the communities
 - Provide technical inputs and monitor the development and execution of the technology based customer acquisition mechanism
 - Support design and enhancements of new scalable and efficient customer acquisition process, using technology options aligned to operational processes and leading to better customer experience.
 - Supervise the customization and/or development of the technology to ensure the user requirements and experience are fulfilled and ensuring that the IH team implements the processes as described;
 - Execute and monitor the testing phase of the new process, including creating business process documents for the IH team to carry out the tasks on a daily basis.

2.0 Workstream 2: Develop and implement a scalable merchant network model

- Develop, test and refine a scalable merchant network model strategy.
- Work with Westpac’s team to ensure key merchant management processes, forms, and business rules are well defined, documented, and IH staff trained.
- Provide ongoing coaching to the IH team and supervise their work for merchant development and management
- Develop, test and implement a functional merchant management information system that allows Westpac to control the quality of its merchants and the activities they perform on behalf of Westpac.
- Define the requirements for a merchant management solution that supports a scalable merchant network model.
- Test innovative approaches to improving the merchant experience and the customer experience with the Instore transaction network.

3.0 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 using Westpac services and being a Westpac customer using human-centered design approach 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 for approval.
- For selected work, detailed design plan and if required 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 plans for product roll out to Westpac Pacific and PFIP for approval.
- Prepare operational plans for a full product roll out in collaboration with management of Westpac.

4.0 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

Expected Output and Deliverables

PFIP will make the payment(s) against the following deliverables, subject to a written satisfactory acceptance report provided by PFIP project manager.

- 1) A quarterly workplan highlighting the key activities and outputs.
- 2) Project Progress Report, submitted after every 20 billable days or monthly, whichever is earlier.

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.

PFIP will provide feedback to the work of the consultant to ensure the quality of deliverables as per the expectations of PFIP and its client (Westpac) 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.

The consultant is required to submit the supporting documents and evidence of the work completed along with the Progress Report. The payments are subject to PFIP's approval of the Project Progress Reports and the submission of the finalized documents, after incorporating the feedback.

Institutional Arrangement

- The consultant will directly report to Financial Inclusion Specialist - PNG PFIP in seeking approval/acceptance of output.
- PFIP will organize and schedule relevant meetings with key partners. However the IC will need to independently work with Westpac Bank team in PNG (and liaise with their Sydney based team as well) to deliver the outputs.
- No logistical support, office space or internet/communication support will be provided and this will have to be arranged by the IC.

Duration of the Work

- The assignment will be for 160 days from September 2018 to September 2019.
- The assignment is expected to commence by mid-September 2018.

Duty Station

- The consultant will be partly homebased and partly based in PNG
- He/She will be required to make multiple trips to Mt. Hagen and Port Moresby in Papua New Guinea and limited travel to Sydney, Australia and Suva, Fiji. It is expected that the consultant will be required to travel up to 6 times during the consultancy period for approximately 75 days.
- The IC will be required to provide short email updates on a weekly basis to the PNG based PFIP Financial Inclusion specialist and a monthly narrative update with supporting data as required.

COMPETENCIES

- Strong verbal and written skills in English
- Excellent interpersonal and communication skills, ability to communicate and relate effectively with customers, project teams on ground as well as senior project stakeholders, such as PFIP Programme Management and Westpac's Executive Management in PNG, for the Pacific Region.
- Ability to work well as part of a multi-cultural team and displays gender, religion, race, nationality and age sensitivity and adaptability;
- Computer literacy (e.g. Microsoft Word, Excel, Power Point) is a prerequisite.

REQUIRED SKILLS AND EXPERIENCE

Educational Qualifications:

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

Experience

- Minimum 10 years' experience leading service design & project 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.
- At least 5 years' engagements in developing markets, with a strong preference for experience in hardship environments
- Experience in product or channel design for digital channels in low-fidelity, low-resource environments, deploying human centric design approaches is desired
- Experience and solid comprehension of various aspects regarding DFS deployments; e.g. Core Banking Systems, payments infrastructure (e.g. switches, POS terminals, cards), DFS operations, sales and risk management (e.g. AML/CFT, KYC and CDD)
- Experience working with banks and telecom companies in the space of financial services expansion
- 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

Lump Sum Amount. The total amount quoted shall be all-inclusive and include all costs components required to perform the deliverables identified in the TOR, including professional fee, travel costs, living allowance (if any work is to be done outside the IC's duty station) and any other applicable cost to be incurred by the IC in completing the assignment. The contract price will fixed output-based price regardless of extension of the herein specified duration. *It is expected that up to 6 trips to PNG may be required for approximately 75 days during the course of the assignment hence bidders are required to factor this in their financial proposal and payment for travel shall be made based on confirmed trips during the assignment as per rates proposed.*

Payments will be done on a monthly basis upon completion of the deliverables/outputs

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 70 points)

- Criteria 1: Education and other qualifications - Max 10 points
- Criteria 2: At least 3 prior engagements leading a design effort related to mass market financial services. Specific design expertise in any of the relevant design areas: product and service design, customer experience, and prototyping and testing, etc. - Max 20 Points
- Criteria 3 Experience in managing DFS deployments with paperless solutions for customer acquisition and agent network management. - Max 20 points
- Criteria 4 Experience in DFS products and channels for digital channels in low-fidelity, low-resource environments. - Max 10 points
- Criteria 5 Experience leading teams and managing projects of similar nature and setup – Max 10 Points

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

Shortlisted candidates shall 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.

- **Letter of Confirmation of Interest and Availability** using the template provided in Annex II.
- CV 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.
- **Technical proposal**, including a) a brief description of why the individual considers him/herself as the most suitable for the assignment; and b) a methodology, on how they will approach and complete the assignment
- **Financial proposal**, as per template provided in Annex II

Annexes

- Annex I - Individual IC General Terms and Conditions
- Annex II – Offeror's Letter to UNDP Confirming Interest and Availability for the Individual IC, including Financial Proposal Template

Incomplete or joint proposals and proposals received after the submission deadline will be rejected.

Individuals applying if successful have the option to sign an Individual Contract in their personal capacity or a Reimbursable Loan Agreement which shall be signed by the individuals employer or company/firm.

Complete proposals should be submitted to etenderbox.pacific@undp.org (attachments shall not exceed 10MB in capacity) or on UN JobShop (note UN JobShop supports single document upload hence ensure that technical and financial proposal is submitted as one single document) by 9th September 2018 (11.59 pm Fiji Time). For any clarification regarding this assignment please write to ronald.kumar@undp.org.