# Call for Proposal

**Development of Business Plan for FAIRMED supported Hospital Projects Background:**

FAIRMED India formerly known as Swiss Emmaus Leprosy Relief Work India (SEI) is a non-profit development organization that works with the mandate of ‘health for the poorest’. FAIRMED India started its work in India in 1960 and initially worked to eliminate leprosy as a public health problem. For the last 59 years, FAIRMED India has dedicated itself to improving the lives of people affected by leprosy and other poverty related diseases through social and medical rehabilitation.

FAIRMED India works in collaboration with the Central and State Governments in the Leprosy Control Program and in active partnerships with local NGOs. FAIRMED India is also mainly supporting five tertiary care hospitals in three states, namely Andhra Pradesh (3), Karnataka (1) and Tamil Nadu (1), which are recognized by the Government of India’s Central Leprosy Division.

All of these hospitals have been originally set up as pure leprosy hospitals, which until now provide quality tertiary care services to the people affected by leprosy - both inpatient and outpatient services free of cost. Usually, the beneficiaries are people from the same or adjoining districts or sometimes from adjoining state. Each hospital has dedicated and trained staff to carry out the implementation plan of the leprosy unit. The official district health functionaries including the district leprosy team work in close collaboration with the hospitals.

The details of the hospitals and organisation are as follows:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **State** | **District** | **Organisation Name** | **Population** | | **Total Population** | **Nos of leprosy Services Provided from 2016 to 2019** |
| **Rural** | **Urban** |
| Andhra Pradesh | East Godavari | RISDT | 38,40,324 | 13,13,972 | 51,54,296 | 14,971 |
| Guntur | GRETNALTES | 32,35,075 | 16,52,738 | 48,87,813 | 16,100 |
| Chittoor | ESRHLP | 29,42,678 | 12,31,386 | 41,74,064 | 9,998 |
| Tamil Nadu | Thanjavur | SHLC | 15,54,531 | 8,51,359 | 24,05,890 | 5,939 |
| Karnataka | Dharwad | HHH | 7,97,484 | 10,49,539 | 18,47,023 | 2,818 |
| Hubli(U) | 9,43,788 | | 9,43,788 |  |
| **Grand Total** | | | | | | **49,826** |

Over the years the hospitals have expanded their services beyond leprosy services to more comprehensive healthcare services adding other units such as maternal and child health care, eye care, prosthetics and orthotics, handicraft business (employing and training of persons with disability), general health care etc. Besides the leprosy services all other services are paid by people and the hospitals do make profits out of these services, which is used to cross-subsidize the leprosy services. They have also expanded beyond pure health care services by establishing educational institutions and other income generating activities, such as petrol stations, handicraft enterprises etc. The aim of this expansion was to create own sources of funding and to decrease the dependency on external funding.

Currently there are four main sources of funding for this organisations (comprising the hospitals, education institutions etc.) – 1. FAIRMED headquarters in Switzerland, 2. Fund- raising contributions from within India through activities managed by FAIRMED India, 3. Funding by other NGOs and 4. Profits generated by specific activities run by the hospitals and associated educational institutions themselves.

FAIRMED has been involved throughout in the history of these hospitals and educational institutions, playing a critical role right from their inception to continuous capability enhancement. As the willingness of Swiss private donors and institutional donors to finance running costs of FAIRMED supported hospitals in India is decreasing, FAIRMED is keen to support these organisations in further strengthening own funding sources and to achieve financial self-sustenance in the long-term, while continuously supporting core leprosy activities free of charge for the beneficiaries. As a vision, in the long-run also leprosy activities should be financed by own income so that external donors, such as FAIRMED, only need to be approached for financial support for investments (other than running costs).

# Purpose of the Assignment:

To achieve the goal of self-sustenance, FAIRMED recognizes the need for a sustainable and solid business plan. Such a business plan will not only improve the chances of the organisations (hospitals and associated institutions) of being successful by giving them a direction, visualising potential risks, assessing viability, and assisting with planning, but that will also help them to attract interested donors, with the ultimate goal of reaching self- sustenance in the long-term.

FAIRMED is therefore looking for a consultant that provides strategic direction by creating a business plan for four of the five FAIRMED supported organisations (RISDT, GRETNALTES, SHLC, Hubli) in close collaboration with the management of the organisation, using an understanding of the hospital’s core operations, competitive

advantages, and goals to provide direction on how to structure, run, and grow the business and make it self-sustained.

It has to be emphasized that FAIRMED is not looking for a simple business plan writer, but for a business plan strategic consultant, who will help to refine the above mentioned four organisations management’s ideas and strategies, and mold them into a viable business plan. She/he should challenge assumptions, fill thinking gaps, do independent research and analysis, provide expertise and help formulate business models, tactics, and strategies and express all of this in a compelling business plan, while sustaining the objective of the hospitals of being a referral centre for leprosy and of providing access to qualitative health care services for the poor and marginalized.

# Objective:

The overall objective of this assignment is to develop and write a three-year business plan (2021-2023) for the organisations (hospital and associated institutions and businesses), in close collaboration with the management of the organisation.

Specific objectives:

* Develop an understanding of the existing business and of the organisation (including products/services, unique selling points, customers, management, financial situation etc.) through careful research and analysis.
* Support the organisation in conducting an analysis of their strengths, weaknesses, opportunities and threats or risks (SWOT analysis).
* Conduct a total addressable market analysis for the organisation’s business’ core market, assess major trends affecting their business, describe what impact these trends may have on the business and make recommendations based on these findings for the business plan. Map out direct and indirect competitors, including potential future competitors, for existing and potential revenue channels.
* Understand how the management of the organisation is thinking about near-term growth, generally and in reference to specific growth initiatives, through interviews with the management. Based on the assessment of the organization and the market analysis understand their ideas and strategies and help them to refine these ideas and strategies and to mold them into a viable business plan.
* Build a detailed financial analysis showing all of the assumptions, drivers, and financial statements for the next 3 years, accounting for an optimistic, realistic and a poor scenario.
* Define a marketing strategy, including testing out potential marketing channels (if applicable)
* Review organizational structure and staffing patterns to ensure the health of the organization in the long-run

The following table with questions can guide the consultant in its work:

|  |  |  |  |
| --- | --- | --- | --- |
| **Analysis of the Present Situation** | **Business Plan Objectives** | **Strategic plan** | **Financial Plan** |
| Who are we? | What do we want to do? | How do we want to do it? | How are we going to finance it? |
| What is the sector like? What is the present situation of the sector and the future outlook? | What are the reasons for investing in this business? | The Mission statement | Income and Expenditure Projections |
| Who are the competitors in the sector in which the company participates?  What is the degree of rivalry among competitors? Who are the potential competitors? | What does the business consist of?  What are the goods or services that are expected to offer? | How are the strategic lines of the project going to unfold as long-term objectives? | Investment Budget and Depreciation Schedule |
| What are the main factors that determine the success or failure of a competitor in the sector? | What strategies are to follow in order to maintain a competitive advantage over time; specialization, differentiation or competition in costs? | Have specific action plans been defined for achieving the long-term objectives?  Have resources been allocated to such plans? | Profit and Loss Account |
| In what way is our business different from the business of our competition? | What areas or processes are critical for the development of the business? | How is our marketing policy structured? | Borrowing Requirements |
| Identify weaknesses, threats, strengths and opportunities of the business. | What areas are supports for the critical processes of the business? | What are the personnel management policies?  Is there a planning for the financial needs that could arise in the long term? | Balance Sheet etc. |

# Approach:

The consultant is requested to submit an offer to FAIRMED India (4-5 pages) in which she/he explains her/his approach, the methodology that will be used, a work plan with time schedule, references regarding their qualification and experience, a list of documents that the organisations have to provide to the consultant and two-three references of organisations, whom the consultant has supported in developing a business plan.

# Deliverables:

The consultant/agency shall provide a business plan document with the corresponding budget tables in hard and soft copy.

To achieve the given objectives, the business plan should comprise the following:

* **Summary:** (max. two pages) purpose of the business plan, vision, business idea, services and products, type of organisation and management, market, financial planning, possibilities and risk.

# Vision, mission and objectives of the organisation

* **Organisation:** legal structure and capital structure, board, strategic and operational partners, management control, advisor, history of development of organisation, financial situation based on the audited statements for the last 3 years (balance, I/E statement, cash flow), risk and insurance policy, public commitment.
* **Management and staff:** governance, organizational structure, responsibilities, management competences and experience of key staff, staff planning and development.
* **Products and services:** Type of business with detailed description of products and services along with usefulness to customer base, subsequent development and innovation.
* **Present infrastructure:** site, accessibility, equipment, suppliers
* **Market and situation analysis:** Outlets (potential and growth), structure of customer base, number of customers envisaged, competitors, analysis of competition and market.
* **SWOT analysis of the organisation:** Strengths, weaknesses, opportunities and threats or risks and how to mitigate them.
* **Strategy for the coming 3 years:** Unique selling point of the organisation, positioning compared to competitors, resulting customer benefit, strategic priorities with regards to services, customer structure, target market (segments, niches).
* **Action plan for the coming 3 years:** New products and services, marketing (target markets and customer groups, PR, advertising, product, service and price selection policy, infrastructure (what is needed additionally?), human resources (adequately available or need for expansion?)
* **Financial plan for three different scenarios (optimistic, realistic, poor) for the coming 3 years:** Revenue plan, investment plan with detailed costs, balance and income/expenditure statement, liquidity planning
* **Annexe:** Details of analyses, CV of key persons of organisations, etc.

Layout of the business plan

The business plan should be directed at possible external funders. Simple clear tables and graphs should set out each main idea in detail. A clear distinction should be made between estimated scenarios/figures and facts. The document is expected to be of 25-30 pages (without annexes), logically structured with a clearly arranged table of content (cf. content of business plan above).

# Qualifications and Work experience of the consultant:

It is expected that the consultant being engaged has the following expertise:

* At least a master’s degree in Business Administration, Finance, Economics, Hospital Management or a related discipline
* Working experience / knowledge of Hospitals and NGOs, and in-depth understanding of their organizational structure, functioning and role
* Experience in developing business plans and strategic action plans
* Financial management experience with planning, forecasting, and business analysis; prior experience as an advisor to or executive at an early-stage company a plus
* Proficiency with analytical and presentation tools
* A natural curiosity and a “big picture” mentality
* Experience of conducting market research, including analysing and synthesizing research reports and conducting primary research
* An understanding of marketing channels and go-to-market strategies
* Excellent spoken and written communication; comfort reaching out to and interviewing the organisation’s management, employees, and customer base
* Excellent command, written and spoken, of both English and desirably the language of the target state.

**Time schedule of activities:** The process of the development of a business plan should start at the earliest in consultation with FAIRMED India and the concerned organisations depending on the current COVID-19 situation. In case a field visit is not possible due to Covid-19 online solutions can be mutually considered. The scheduled plan may be carried out for a period of 10 working days per organisation (including field mission and elaboration of written business plan).

**What we offer**- We will offer a fixed term contract for the development of a business plan for each of the above mentioned organisations, which will include terms and conditions agreed upon during the signing of the contract between the consultant and FAIRMED India (ideally the same consultant can do this consultancy for all four organisations).

FAIRMED India shall pay a consultancy fee for a total of 10 days per organisation, whereas the travel, lodging and boarding for the assignment will be reimbursed additionally. The consultant is expected to make an offer of the consultancy fee for the total assignment on or before 18th of September 2020.

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