



TERMS OF REFERENCE FOR DEVELOPMENT OF KAM SME ROUTE TO MARKET STRATEGY

1. BACKGROUND

Established in 1959, Kenya Association of Manufacturers (KAM) is a representative of manufacturing and value-add industries in Kenya. The Association has grown into a dynamic, vibrant, credible Association that unites industrialists and offers a common voice for businesses.

We have been front and center in driving fact-based policy advocacy towards the formation of industrial policies to strengthen and support the country's economic development. Through fact-based advocacy, KAM partners with Government and its associated agencies to ensure a dynamic and flourishing manufacturing sector in Kenya, to realize a double-digit contribution to GDP.

KAM members are categorized into 14 sectors, 13 of which are in processing and value addition while the other two offer essential services to enhance formal industry. Sub-sectors are defined by the type of raw materials companies import or the products they manufacture.

The Association also plays a crucial role in advocating the government to create an environment conducive to entrepreneurship and SME development to secure the future of industry. KAM set out to provide strategic leadership in supporting Manufacturing SMEs towards inclusive global competitiveness.

SME development offers value added services to growth oriented and market ready manufacturing SMEs. It is geared towards preparing, nurturing, and growing businesses to take full advantage of new emerging market frontiers both locally and in the international space.

The mission is to foster the development of a flourishing entrepreneurial culture and competitive small and medium manufacturers in Kenya and in the region.

2. RATIONALE

The crucial role of MSMEs is underscored in Kenya's Vision 2030 - the development blueprint which seeks to transform Kenya into an industrialized middle-income country, providing a high-quality life to all its citizens by the year 2030. The MSME sector has been identified and prioritized as a key growth driver for the achievement of the development blueprint.

Micro and Small Enterprises (MSEs) contribute about 12% of the Gross Domestic Product (GDP), employ millions of adult Kenyans and consume and pay for publicly funded services through licenses and taxes.

MSMEs employ approximately 14.9 million Kenyans with unlicensed enterprises contributing 57.8 per cent. Paid employees in licensed businesses were about four million. Overall, the sector accounted for 81.1 per cent of employment opportunities in the country.

KAM, therefore, seeks to ensure the growth of manufacturing MSMEs and forestall total collapse of demand (consumption) and create preconditions for a robust recovery in business, incomes, jobs and employment by Development of a KAM SME Go to Market Strategy. We are therefore seeking the services of a consultant to provide technical assistance as follows:

3.0 SCOPE OF THE ASSIGNMENT

3.1 Overall Objective.

Export-led growth is a key pillar in KAM's organizational strategy. A Route to Market SME Strategy Design is therefore relevant to build capacity of SMEs for export competitiveness under the various trade frameworks which Kenya has entered.

3.2 Specific Objectives

- i. Market entry strategy: A comprehensive strategy to outline the recommended approach for SME access to global export, identifying both traditional and non-traditional markets for entry.
- ii. SME Compliance programme: Propose strategies to ensure SME compliance with regulations that facilitate market access incorporating relevant agencies.
- iii. Market support ecosystem: Identify relevant market support initiatives for the route to market strategy incorporating agencies that provide trade liaison support.
- iv. Financial assessment: Identify financing and investment gaps that exist for SMEs and players in the export value chain and suggest relevant financial instruments available to support route to market strategy.
- v. Capacity gap assessment: Identify capacity-building needs to enhance the exchange of knowledge and technology to improve productivity, including quality control, export procedures, market intelligence and business development.
- vi. Risk Assessment; Conduct a risk assessment to identify potential risks and challenges associated with SME exports to different markets.
- vii. Monitoring and Evaluation: Establish key performance indicators (KPIs) to measure and evaluate the success of the route to market strategy.

3.3 Deliverables

- i. Inception report on the KAM SME route to market strategy
- ii. Draft report on the KAM SME route to market strategy
- iii. Conduct two validation sessions with various stakeholders organized and guided by KAM
- iv. Comprehensive KAM SME route to export market strategy

4.0 DURATION OF THE ASSIGNMENT

The assignment should be completed within 45 working days.

5.0 REPORTING.

The consultant will be directly reporting to the Head of KAM Consulting and Business Development.

6.0 QUALIFICATION AND EXPERINCE

- I. The consultant should be a holder of Bachelor of commerce degree, entrepreneurship, or marketing or strategic management or any other relevant degree from a recognized University.
- II. He/She should have over 10 years' experience in developing and institutionalizing SME development programmes within Kenya or globally.
- III. The consultant should demonstrate ample experience in designing and implementing SME support programs in export development and promotion strategies
- IV. The consultant should demonstrate knowledge of the business environment relevant to the manufacturing sector.

7.0 Application for consultancy

Interested consultants are requested to submit both soft copy (to procurement@kam.co.ke) and physical proposal (technical and financial) by **17th September 2024** at KAM House, Westlands (15 Mwanzi Road, Opposite Westgate Shopping Mall).

1. Technical proposal

- i. Description of the firm and the firm's qualifications
- ii. Copy of company certificate of incorporation
- iii. Tax Compliance Certificate (Valid)
- iv. Statutory KRA PIN and VAT certificate copies
- v. Brief description of Understanding of the requirements for services, including assumptions
- vi. Proposed approach and methodology
- vii. Executive brief of relevant similar projects undertaken in the past 2 years.

2. Financial proposal

- i. A summary of the price.
- ii. The period of its validity

Note:

- Technical and financial proposal should be presented in different envelopes
- For individual consultant, please submit individual pin certificate as well as valid tax certificate

3. **Curriculum Vitae and two recommendations** (For a firm should contain CVs for all Consultants involved in the Consultancy)

Physical address

KAM Procurement

Kenya Association of Manufacturers

P.O Box 30225 -00100

Nairobi

KAM House (15 Mwanzi Road, Opposite Westgate Mall)

ENDS