

[Quickstop logo]
Terms of Reference for Business Expansion Analysis

Background

Quickstop Personal Finance Center Ltd. (“Quickstop”) was established in 2006 to serve the personal finance needs of consumers in Belize, with a particular focus on providing short-term cash advances. The business began with one location and two employees in the capital city of Belmopan, and has since expanded throughout the country. Quickstop now has five different locations in Belize and over fifty employees.

Quickstop locations are clean, bright, and safe retail locations with a “community banking” atmosphere. Quickstop prides itself on providing high-quality customer service, and has longer opening hours than most local banks.

Quickstop is seeking to expand its operations beyond Belize, to other countries in the region with similarly attractive market characteristics. The company’s vision is to become a leading provider of consumer financial services throughout the Caribbean and Latin America. To facilitate this expansion, Quickstop seeks to hire an independent consultant to conduct an analysis of the payday lending markets in Caribbean and Latin American countries.

This project will proceed in two phases. In Phase I, the consultant will first conduct a brief analysis of Quickstop and the payday lending market in context of the wider economy in Belize to identify and verify the market drivers that have enabled Quickstop’s success. Phase I will also encompass the development and testing of a matrix that will be used to evaluate other countries’ economies in the region to see how favorable they are to payday lending. In Phase II, the consultant will utilize the matrix to conduct more extensive analyses of a wider group of Caribbean and Latin American countries. This document specifies the Terms of Reference for only Phase I of the project. Phase II will be pursued separately as a follow-on initiative.

Objectives

The objectives of Phase I are twofold: (1) identify and describe the driving influences behind Quickstop’s success in Belize; and (2) develop and test a matrix that Quickstop may use to identify other attractive payday lending markets in the region.

For the study of Belize, Quickstop would like to better understand which social and economic factors are most directly contributing to the demonstrated success of the business. For the matrix, Quickstop requires a useful framework that it can apply in Phase II to accurately determine which regional payday lending markets are most viable for entry. Phase I also includes some limited testing of the matrix in order to verify its usefulness.

Deliverables

The Phase I deliverables shall consist of a brief Summary Report, a Matrix, and Sample Analysis for 1-2 countries using the matrix. The requirements for each Phase I deliverable are specified below:

1. Summary Report (1,500-2,000 words)
 - Conduct a performance analysis of Quickstop stores in Belize
 - Compare Quickstop stores within Belize
 - Compare Quickstop Belize with comparable US payday lending businesses
 - Identify key economic and social drivers underlying Quickstop's continued success in Belize
 - Present a further analysis of the most impactful factors

2. Matrix
 - Create a matrix that can be used, for each country of interest, to analyze and numerically rank the following types of criteria:
 - Geopolitical
 - Economic
 - Legal
 - Social
 - Legal
 - The Appendix to this document contains a sample (incomplete) list of potential criteria.
 - Indicate within the matrix which criteria assess the business opportunity and which criteria evaluate the risks to Quickstop
 - Design the matrix such that each input is prioritized and ranked, to generate an overall numerical score for each country that is analyzed

3. Sample Analysis
 - Perform a relatively brief, cursory analysis for 1-2 countries (of Quickstop's choosing) to test the matrix
 - Present the results of the analyses by utilizing the matrix format and provide the overall numerical ranking

Methodology

To complete Phase I, the consultant will perform only a desktop analysis. Phase I will not include any in-country work. In addition, the methodology for Phase II will only be a desktop analysis; therefore, the matrix must be designed such that it can be effectively and thoroughly completed on a remote basis. Quickstop will provide the consultant (under NDA) with access to proprietary information about the company, in order to facilitate the consultant's Summary Report on Quickstop in Belize.

Qualifications

Quickstop is seeking an independent consultant with the following qualifications:

- PhD in Economics or related field
- Prior experience with conducting market evaluation studies
- Professional experience in the Caribbean and Latin America in one or more of the following areas:
 - International aid and development
 - Banking and consumer finance
 - Payday lending

Work Plan

Quickstop intends to initiate work on this project as soon as the consultant is selected. To complete Phase I of the project, the consultant will adhere to the following work plan:

- Gain familiarity with Quickstop in Belize
- Conduct research to determine the driving influences for Quickstop in Belize
- Prepare and submit the Summary Report on Quickstop in Belize
- Develop an initial matrix to evaluate payday lending in other Caribbean and Latin American countries
- Test the matrix by conducting a cursory analysis for 1-2 countries of Quickstop's choice
- Refine and improve the matrix based on the test analyses
- Finalize and submit the matrix and sample analyses

Contact Information

Interested candidates should send a letter of interest and CV to [name] at [email address]. For qualified respondents, Quickstop will follow up promptly to schedule an interview.

Appendix; Sample Matrix Criteria

- Country
- Region
- Languages spoken
- GDP per capita
- Strength and stability of general economy
- Population age
- Employment rate
- Most common types of employment
- Strength and stability of banking system
- Percentage of population banked vs. unbanked
- Income-to-Consumer Debt ratio
- Percentage of population living “paycheck to paycheck”
- Average checking account balances
- Credit card penetration in market
- Credit-worthiness of consumers
- Availability of small-dollar loans from banks
- Competitiveness of banks in lending market
- Effectiveness of legal system for small-dollar debt collection
- Cost of taking debtors to court
- Availability of ACH functions
- Level of market penetration by other payday lenders
- Sophistication of potential competitors
- Security practices for similar cash-handling businesses
- Regulatory framework and practices
- Licensing process
- Exchange control requirements