

## Terms of Reference – HCSA Business Model Consultancy

### I. HCSA Background

The [High Carbon Stock Approach](#) Steering Group (HCSA SG) is a membership-based, multi-stakeholder initiative with a mission to end commodity-driven tropical deforestation by providing land managers with practical, credible, and inclusive tools for land use planning.

The High Carbon Stock Approach (HCSA) Steering Group is an organisation with [three functions](#):

- 1) **An Approach (HCSA Toolkit development) function:** The HCSA Steering Group (SG) develops and periodically reviews the [High Carbon Stock Approach Toolkit](#), and associated methodologies and guidance, to provide practical guidance for land managers on how to implement No Deforestation commitments on-the-ground through an integrated conservation and land use planning approach. The Toolkit and associated methodologies are adapted for implementation at different scales by land managers in commodity supply chains in the tropics.
- 2) **Quality Assurance (HCSA Toolkit Implementation support) function:** The HCSA Secretariat, Quality Assurance Working Group, and peer reviewers provide a quality assurance process for stand-alone assessments. The HCSA also provides accreditation of HCSA trainer organisations and registered HCSA practitioners, as well as maintaining a grievance procedure. These functions aim to support HCSA Toolkit implementation in addition to quality assurance processes undertaken by the High Conservation Value Network ALS system for HCV-HCSA Assessments.
- 3) **Monitoring Implementation of the HCSA (Impacts) function:** The HCSA monitors the long-term effectiveness (i.e., maintenance of identified conservation areas) of the implementation of the HCS Approach. The HCSA monitoring system is established through spatial data from HCSA assessments which delineates areas for development and areas for conservation or community use. In addition, the monitoring is supported by the provision of spatial data from SG members and other land managers, practitioners, or collaborators using the HCSA. The result of the monitoring will inform future revisions of the HCSA Toolkit and associated methodologies, internal membership performance evaluation processes, alert, and response protocols, and support the organisation and members in communicating publicly on the impacts achieved by HCSA implementation.

The High Carbon Stock Approach is a registered [charitable foundation](#) in the Netherlands (Algemeen Nut Beogende Instelling, (ANBI); with two subsidiaries located in Malaysia and Singapore.

The HCSA's core revenue is accrued through HCSA Steering Group annual membership fees which historically has been sufficient to meet HCSA's operational costs. Support for HCSA's priority workstreams and Toolkit development has been mainly reliant on donors' support. HCSA is seeking to explore and define a scalable business model for HCSA to effectively meet

HCSA's future needs and ambitions outlined in its [2021-2025 Strategic Business Plan](#) and provide services, products, and benefits that complement HCSA's main functions to a wide variety of actors. Moreover, it is integral that the business model is one that is tied to enhancing the value proposition for HCSA Steering Group member organisations which is: *'The most widely recognized and credible method for implementation of tropical no deforestation commitments, offering clear, consistent definitions and practical methodologies for all parties.'*<sup>1</sup>

## II. Objective

The HCSA Secretariat's Executive Director (ED), with support from the HCSA's Executive Committee (EC), is seeking to work with a consultancy to explore and define a scalable business model for HCSA, one that is tied to enhancing the value proposition for HCSA Steering Group member organisations, HCSA stakeholders and/or other potential clients.

## III. Consultancy Remit

We are seeking the expertise of a consultant to support HCSA's ED and EC to develop and design a business model with member benefits to meet HCSA's future needs and ambitions outlined in its [2021-2025 Strategic Business Plan \(SBP\)](#) and to complement HCSA's three functions to make the organisation long-term financially robust. The consultant will conduct the following tasks:

### 1) Business Canvass Model Analysis

**Output:** Business Canvass Model Analysis report and produce three HCSA business model proposals.

**Objective:** To scope and canvass business model options for HCSA through conducting an analysis to identify new opportunities to expand HCSA's services and products to enhance the value and benefits to its current and future clients.

**1.A.** The **Business Canvass Model Analysis report** should include the following components:

- **Clients - Toolkit User/Members/Donors/Other supporters and partners** – review HCSA's client/stakeholder groups including its membership base, toolkit user clients, donors, partners, and other stakeholders like: financial institutions, communities, and governments to identify HCSA's client target segments.
- **Service Valuation** – conduct a review of:
  - i. Previous feedback/surveys from key target client audiences (*current and prospect HCSA members, partners, Toolkit users, and others*) on HCSA's services and values

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<sup>1</sup>This is evidenced by: incorporation in leading certification schemes, as well as production, procurement, and financing policies; application in 10 countries; ongoing adaptation in a full range of applications and contexts (e.g., smallholders, landscapes).

(review recent feedback from HCSA members and external parties gathered in 2020 & 2018);

- ii. HCSA current services (see HCSA's three main functions and the SBP) and survey a sample of target client segments; to identify which services and products should be maintained and enhanced; and what new services and products that HCSA should potentially develop.
- **Market Review characteristics** – A market review (including reviewing a 2020 review of potential competitors in the marketplace) on the current market demand for responsible integrated conservation land-use and no deforestation tools, where HCSA plans to expand (See HCSA's SBP and HCSA main functions), and conduct market trend analysis to understand potential future demand for HCSA's services and products.
  - **Expansion plan** – support the review of HCSA's plans to expand into new geographies and commodities at different scales with an array of implementation tools and identify new opportunities (See HCSA's SBP).

**1.B. Business Model Proposals & Recommendations** – identify at least three fully defined business models proposals for the HCSA ED and EC to review:

- **Business model options** - Building upon the outcomes of the business model scoping analysis the consultant will produce three key business model proposals with: targeted clients including HCSA members, benefits, services, and product options; clearly defined value propositions; etc. The proposals should also outline respective strengths, weakness, opportunities, and threats.
- **Business Model Recommendation** - Recommendations of which business model options are most viable will presented and consulted with the HCSA ED and EC to support a decision for which model will be adopted.

## 2) Business Model Plan

**Output:** HCSA Business Model Implementation Plan

**Objective:** Based on the feedback from the HCSA ED and EC take forward the supported preliminary recommendation(s) to produce a detailed Business Model Plan that will include:

1. **Resource Analysis** – Review HCSA's 2021-2025 SBP to assess if the current plan provides the adequate resources and support for delivering the new business model and identify any gaps or changes needed for supporting effective implementation of the business model.

2. **Implementation Plan** – Support the development of a plan for HCSA to effectively implement its new business model and membership services which should include client segmentation, service channels, key activities and partners, demand generation strategy, resources requirements, risk mitigation.
3. **Performance metrics** – Identify the key performance metrics HCSA will track and regularly report to the HCSA EC upon to monitor progress and manage risks.

## Deliverables & Timeline

Output	Timeline
Business model analysis report & recommendations	February 2021
Business Model Implementation Plan	April 2022

## IV. Budget

Commensurate with experience and expected deliverables.

## V. Qualifications and skills

- At least 8+ or more years of business-related experience supporting and servicing clients on business services/model development.
- Proven track record of past client performance and business model support success.
- Experience and/or knowledge related to land use management and conservation, commodity production systems and natural resource management certification schemes and/or initiatives is an advantage.
- Strong analytical, conceptual, and problem-solving abilities
- Proven track record of excellent project and time management skills.
- Fluency in English is a requirement.
- Does not have a conflict of interest (independent/not part of HCSA SG).

Please submit tender submissions to HCSA Secretariat at [info@highcarbonstock.org](mailto:info@highcarbonstock.org) by the deadline 9<sup>th</sup> November 2021.