gfa CONSULTING

Growing Forward in Africa

PRESENTATION OF GFA CONSULTING'S BUSINESS DIAGNOSTIC

FOR BUSINESSES, DFIS & PRIVATE EQUITY FUNDS

Content

Introduction to GFA Consulting Ltd

Assisting African businesses

"Access to finance is critical to unlocking Africa's great growth potential, and to make sure economic growth is enjoyed by all." *Peer Stein – Director, International Finance Corporation (IFC)*

OVERVIEW

- GFA Consulting is an **independent corporate finance and business support services company** based in Accra (Ghana) and dedicated to high growth businesses in Sub-Saharan Africa and African entrepreneurs who want to leverage on their entrepreneurial experience.
- GFA Consulting specializes in:
  - Analyzing and optimizing of the way African businesses **finance their growth**;
  - Assisting management in the context of **strategic transactions**; and
  - Supporting African SMEs' fundraising efforts through dedicated **business support** programs.

FOCUS

PARTNERSHIP WITH ASER CAPITAL

ASER Capital is a US-headquartered impact investment advisory firm founded in 2011 and which entered the African market in April 2018, with a strong focus on East Africa. ASER Capital is a certified Woman-Owned Small Business and has supported over 64 clients in Latin America and Africa on transactions spanning 17 countries, helping to catalyze impact investor commitments for 35 deals totaling USD 412.0 million.

April 2011
GFA Consulting Ltd is founded by its current Managing Director Carole Ramella to provide advisory services to businesses in Sub-Saharan Africa

June 2013
GFA Consulting and Urban Inclusion (www.urbaninclusion.co.uk) partner to develop innovative business support programs.

April 2015
GFA Consulting launches the Business Diagnostic tool to assess African businesses' investor-readiness

January 2020
GFA Consulting has deployed the Business Diagnostic tool in more than 20 companies in 8 different countries across West and Central Africa

June 2024
GFA Consulting further improves the Business Diagnostic tool to include a new questionnaire to analyze and assess the impact of businesses

Background to the Business Diagnostic (BD)

A unique enterprise development solution

The Business Diagnostic is an enterprise support solution specifically designed to provide investment-readiness support to African MSMEs for inclusive and sustainable growth.

The BD tool is a proprietary excel-based questionnaire and scorecard which is used to analyze the operational and financial performance of businesses while developing actionable and growth-oriented recommendations in the context of fundraising!

- An innovative enterprise support solution for African MSMEs
- Helps to meet the expectations of demanding financiers.

- Launched in April 2015 as a unique approach to assessing the investment readiness of African MSMEs.
- Has been deployed in about 10 countries in Sub-Saharan Africa so far.

- Objective is to facilitate the attractiveness of African MSMEs to investors by bridging the gap between entrepreneurs' knowledge and financiers' needs.

Context for deploying the Business Diagnostic

A flexible tool that can accommodate a diversity of institutions

The BD is targeted at businesses (MSMEs), development finance institutions (DFIs), and private equity funds that are looking for a practical and holistic approach to drive sustainable and inclusive business growth within the African context.

Businesses

- Identifies the businesses' operational and financial strengths and weaknesses in the context of investment.
- Provides a clear and holistic approach to becoming investor-ready.
- Enhances the credibility of businesses with potential investors.
- Provides actionable recommendations to spur business growth.

Development Finance Institutions

- Offers insights into the readiness and potential of MSMEs.
- Assists in aligning capacity building and support programs with the needs of MSMEs.
- Is impact-focused and an inclusive way of engaging MSMEs for sustainable development.
- Offers a holistic and comprehensive approach to supporting enterprise development, especially within the African context

Private Equity Funds

- Can serve as a starting point for due diligence processes on potential investment targets.
- Supports better investment decisions through comprehensive assessments.
- Increases investment success rates by identifying and addressing risks early.
- Facilitates the efficient allocation of capital and reduce the likelihood of investing in unprepared and/or high-risk businesses.

Track Record of the Business Diagnostic approach

Ten years of practical and holistic support for African MSMEs

Since 2015, GFA Consulting has deployed the business diagnostic for more than 50 MSMEs across diverse sectors in around 10 different countries.

GHANA (30+)

- 2015 – Medical devices
- 2015 – Plastic waste collection
- 2016 – Advertising agency
- 2017 – Fruit juice manufacturing
- 2018 – Civil engineering services
- 2018 – Financial services
- 2019 – Maggot feed
- 2019 – Agriculture technology
- 2019 – Greenhouse solutions
- 2019 – Solar energy solutions
- 2020 – Distribution of sport items
- 2020 – Transport and logistics
- 2020 – Fire management services
- 2021 – Music streaming platform…

NIGERIA (1)

- 2015 – Property management

KENYA (5)

- 2024 – Manufacturer and distributor of dried fruit snacks
- 2024 – Solar-powered irrigation solutions
- 2024 – Agritech solutions
- 2024 – Manufacturer and distributor of baobab powder and oil
- 2024 – Fresh fruits exports

SENEGAL (2)

- 2015 – Recycling of plastic waste
- 2015 – Recycling of electrical waste

COTE D'VOIRE (2)

- 2015 – Marketing and sales Activation
- 2016 – Telecommunication services
- 2018 – Agro-chemicals manufacturing

TOGO (1)

- 2016 – Mobile phone services

BURKINA FASO (1)

- 2021 – Oil and gas distribution

MALI (2)

- 2017 – Insurance brokerage
- 2020 – Power generator distribution

UGANDA (1)

- 2020 – Courier services

CAMEROON (2)

- 2015 – Agro-chemicals distribution
- 2019 – Education (university)

Description of the Business Diagnostic methodology

The business diagnostic process

Interviews	Data Collection & Analyses	Financial Review	Scoring	Report Writing
• Interview of 2-3 managers, including the CEO/Founder • 7 diagnostic areas: cash management, risk management, financial information, people management, governance, impact, and project's credibility	• Collection of operational and financial information • Assessment of the credibility of the information provided given the outcomes of the diagnostic interviews	• Review of the historical financial statements of the business to identify potential risks • Completion of an analyses of financial ratios • If applicable, review of financial forecasts	• Scoring of the business to reflect its level of readiness for a debt and/or equity investment. • Positioning of the company (Tier 1, Tier 2 or Tier 3)	• Consolidation of the detailed findings, analyses, and rating • The design of recommendations is largely driven by the clients' objectives

The whole process can be completed in maximum 10 to 30 business days.

Business Diagnostic Report

Overview of a typical diagnostic report

The business diagnostic report is the main deliverable communicated to clients. It outlines the detailed findings, analyses of risk areas and historical financial performance, rating of the business when it comes to referral to financiers, and recommendations that will improve the business' readiness to attract investment for its growth.

Executive Summary

Overview

- Brief overview of findings and recommendations.
- Highlights of key diagnostic results and high-level recommendations.

Content

- Introduction
- Description of the Business Diagnostic Methodology
- Diagnostic Scoring
- Summary of recommendations
- Conclusions

Detailed Diagnostic

Overview

- Analyses of operational and financial status of the business versus its investment readiness.
- Detailed findings, conclusions, and recommendations for each of the seven diagnostic areas.

Content

- Status of recommended information
- Rating
- Identified risk areas
- Description of findings for each sub-section
- Recommendations

Financial Review

Overview

- In-depth analyses of historical financial performance.
- Assessment of the financial health of a business versus its investment readiness.

Content

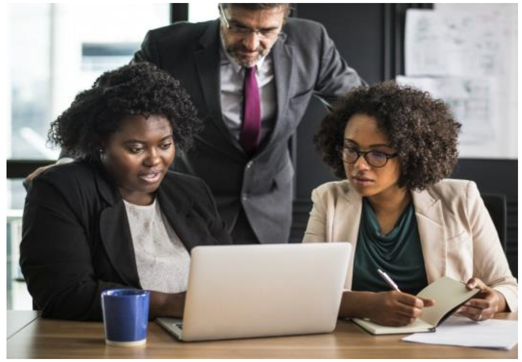
- Introduction
- Analyses of historical financial statements
- Analyses of financial ratios
- Review of financial forecasts

Key elements to consider for a Business Diagnostic engagement

Organization of a Business Diagnostic engagement

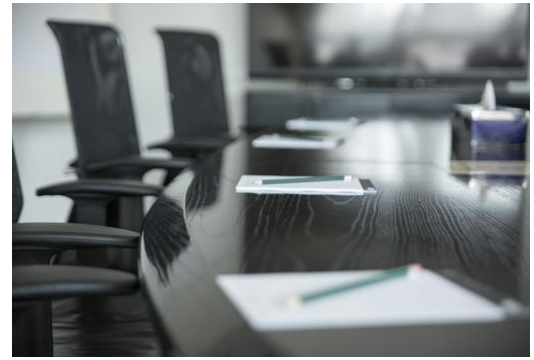
Timing of a BD engagement

- Completed by the business ideally prior to starting any fundraising process or engagement.
- Valid for all three categories of targeted clients (MSMEs, DFIs, and funds)



Kickoff meetings

- Review of the business diagnostic process, clarification of expectations and agreement on timelines and;
- Agreement on the expected deliverables of the project with potential clients



Debrief sessions

- To discuss the outcomes of the diagnostic process (report) using a high-level presentation
- The debrief session with clients is only available under the Platinum package

Value of the Business Diagnostic

Benefits of the business diagnostic

The Business Diagnostic enhances the overall readiness of MSMEs to attract and secure investment, fostering their growth and sustainability in the competitive market.

Businesses

- Gives a clear understanding of businesses' strengths and weaknesses
- Provides actionable recommendations that can translate into sustainable growth.
- Enhances the ability to attract and secure the right kind of investment.
- Diagnostic reports can be used as a strategic tool for business planning and management.

DFIs

- Gives a better understanding of MSME needs in the context of access to finance.
- Enhances alignment of support programs with MSME needs.
- Is an inclusive and sustainable way of providing valuable and impactful enterprise development support for African MSMEs.
- Provides a baseline for monitoring and evaluating the performance of funded MSMEs over time.

Private Equity Funds

- Aligns the interests of MSMEs and investment funds, fostering long-term partnerships and collaboration.
- Helps to make better investment decisions through holistic assessments and provision of growth-oriented recommendations.
- Increases investment success rates by identifying and addressing risks early.
- Provides a good understanding of how entrepreneurs do/manage their businesses.

Overview of the Business Diagnostic packages (1/2)

Different packages with unique value propositions

The Business Diagnostic has been tailored to meet clients' needs, time availability, and financial resources. The more comprehensive the package, the more thorough the process, requiring a higher commitment of time and financial investment.

	Interview of CEO only	Interview of CEO + 2 managers	Data collection	Rating	Review of historicals	Ratio analysis	Review of the financial forecasts	Debrief presentation
Bronze package	✓							
Silver package		✓	✓					
Gold package		✓	✓	✓	✓			
Platinum package		✓	✓	✓	✓	✓	✓	✓

The different packages correspond to the phasing out of a full Business Diagnostic (Platinum package) solution. Each package can be tailored to specific needs of clients.

Overview of the Business Diagnostic packages (2/2)

Cost and timelines for the completion of a Business Diagnostic

The Business Diagnostic can be completed within 2 to 6 weeks, and ranges in cost from 1,500 USD to 8,000 USD, depending on the selected package.

	Bronze package	Silver package	Gold package	Platinum package
Fees	**1,500 EUR/USD or 25,000 GHS** + applicable taxes in Ghana	**3,500 EUR/USD or 57,500 GHS** + applicable taxes in Ghana	**6,000 EUR/USD or 98,500 GHS** + applicable taxes in Ghana	**8,000 EUR/USD or 132,000 GHS** + applicable taxes in Ghana
Schedule of payments	100% upon signing the engagement letter	• 30% upon signing the engagement letter • 70% within 5 business days of the last interview	• 20% upon signing the engagement letter • 40% immediately upon completing the interviews • 40% within 10 business days of the last interview	• 20% upon signing the engagement letter • 40% immediately upon completing the interviews • 40% within 10 business days of the last interview
Expected duration	2-2.5 weeks, depending on the availability of the CEO for the diagnostic interview	3-4 weeks, depending on the availability of management for the diagnostic interviews	5-6 weeks, depending on the availability of management for the diagnostic interviews	5-6 weeks, depending on the availability of management for the diagnostic interviews

Contact Details

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