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BACKGROUND, OBJECTIVE AND METHODOLOGY:

BACKGROUND:
The African Training and Management Services (ATMS) Project is a regional project of the United Nations Development Programme (UNDP) Africa. The International Finance Corporation (IFC) is the executing agency of the ATMS Project, while the African Development Bank (AfDB) fulfills the role of the regional coordinating agency. African Management Services Company (AMSCO) and the ATMS Foundation are responsible for the implementation and funding of the Project respectively.

AMSCO was established to address the issue of management and management capacity building in private sector companies in Africa, enabling these companies to enter the global market competitively, profitably and in a sustainable manner. To achieve this aim AMSCO provides management and capacity building services to African businesses, particularly Small and Medium Enterprises (SMEs).

AMSCO has the following Shareholders: IFC - the private sector arm of the World Bank Group; AfDB; Agence Francaise de Development – AFD France; The Industrialization Fund for Developing Countries – IFU Denmark; Netherlands Development Finance Company – FMO Netherlands; Banco BPI Portugal; Norwegian Investment Funds for Developing Countries – NORFUND Norway; and Finish Fund for Industrial Cooperation - FINNFUND Finland. Donors for the AMSCO programme include: the African Development Fund; the World Bank; UNDP; the Governments of Norway; the Netherlands; Ireland; Sweden; Switzerland; the United Kingdom; and Denmark.

THE ROLE AND VISION OF AMSCO:

AMSCO Role and Vision:
AMSCO is the implementing agency for the ATMS project of the UNDP. The Project stipulates three main objectives for AMSCO:

a. To increase its assistance to African companies;

b. To concentrate AMSCO support on small and medium sized enterprises; and

c. To strengthen corporate governance of client companies.

AMSCO has a vision “to assist African companies in becoming globally competitive, profitable and sustainable”. Its mission is “to build management capacity within the African Private Sector by providing management and training support, primarily to African SMEs”.

In executing its mandate, AMSCO provides two critical services to African SMEs:

a. Senior Management Assistance; and

b. Support the transfer of critical skills through support to “Training and Capacity Development”.

It is widely acknowledged that SMEs play a critical role in any economy but face more daunting challenges centred on resources and capacity.

NATURE OF AMSCO CLIENTS:

AMSCO follows very strict and objective criteria for selecting projects and clients. Typically, ATMS/AMSCO projects fall into 4 main categories:

a. Turnaround Projects. These are projects seeking to improve current operational results into a “strategic and operational” paradigm shift – moving into a sustainable profit making model;

b. Expansion Projects. Seeking to increase capacity of existing operations and profits through operational leverage;

c. Empowerment Projects. Potential Corporate Action to improve African Shareholding / Strategic Partnerships; and

d. Greenfield / Start-up Projects. Companies at a start-up phase that require specialised skills and have high potential for development impact.
**AMSCO CRITERIA – PROJECTS SELECTION:**
Projects and Clients are selected for management and training support based on these guidelines:

a. The Governance and Development Criteria (ATMS/AMSCO).
   - **Commercial Impact.** ATMS projects will be undertaken upon reasonable certainty that the project makes a measurable contribution towards the enhancement of commercial viability and sustainability of the client company (Commercial Impact);
   - **Corporate Governance and Corporate Social Responsibility (CSR).** Corporate Governance is an essential ingredient for a sustainable commercial mission;
   - **Development Impact.** Whether the AMSCO intervention supports the economic agenda for host countries on key economic parameters such as job creation, poverty eradication (income generation), skills development and transfer, technology transfer, export generation, import substitution, linkages promotion, a sound accounting and financial reporting framework, empowerment of women, environmental protection, social impact and regional integration.

b. The funding Criteria (for projects seeking funds from the ATMS foundation).
   Allocation to projects that meet the criteria will typically be influenced by the size of the client company, its ownership structure and the host country situation. Host countries are grouped in three tiers – Tier 1, Tier 2 and Tier 3. Because AMSCO interventions are not designed to replace internal mission drivers to grow and succeed, client companies are required to make a contribution in line with the tier level of their host country.

**ATMS PROJECT IN TANZANIA – CLIENT CASE STUDIES:**
The impact of AMSCO interventions requires at least 3 years to manifest. The interventions are so far evenly split between “Start-up/Greenfield and Turnaround” operations. Given that the AMSCO clients span different sectors, we have chosen to review the performance data received over these indicators: Turnover Growth; Profit before Tax; Income Tax; Headcount; Development Impact and Training.

### 1st Case Study:

**AAR INSURANCE TANZANIA LTD**

<table>
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<th>Commencement:</th>
<th>January 2, 2008</th>
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<td>Sector:</td>
<td>Financial Services - Insurance</td>
</tr>
<tr>
<td>Location:</td>
<td>Dar Es Salaam</td>
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<tr>
<td>Number of Employees:</td>
<td>76</td>
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**A. Project Background**
AAR Insurance (T) Ltd is a health insurance company incorporated in Tanzania. It is a joint venture between of AAR Holdings Ltd of Kenya and EBM Trust of Tanzania that was set up by Mr Edmund Mndolwa. The company started out in Tanzania as a healthcare management organisation (HMO) in 1999.

As a result of changes in insurance legislation, it was obligated to separate the business of health insurance from that of provision of medical care. Tanzanian Insurance Act, prohibits health care providers from carrying the risk of medical insurance hence the need to register the health insurance as a separate entity.

At the time of commencement of the AMSCO intervention, the insurance industry in Tanzania was growing rapidly. This growth resulted in a shortage of skills in the country as more trained staff was required by the sector than the rate at which the industry was developing its human capacity. AMSCO recognised this as an opportunity not only to support the sustainability of the new insurer but also to support the growth and development of this important sector of the economy.

**B. The Challenges**
At the time of embarking on the collaboration with AMSCO, AAR Insurance Tanzania Ltd needed to improve the following areas of its business:

- The immediate need to align the group business with the provisions of the Insurance Act
- Take advantage of growing insurance business opportunity in the country
- Hedge against the loss of brand equity resulting from use of other insurers for the health care business
- Hedge against losing AAR health business to other competitors
- Enhance the sustainability of the health care business
C. The Solution
AMSCO’s intervention at AAR Insurance Tanzania Ltd included the secondment of Mr. Kain Mbaya as Chief Executive Officer of the company. The key responsibilities of the AMSCO manager included:

- Development and implementation of a strategic plan for the achievement of the growth objectives of the company especially with regards to the establishment of a competitive insurance business
- Development and implementation of a marketing campaign to popularise and enhance the company brand and products
- Put in place appropriate reinsurance arrangements ensuring the mandatory cessions are complied with
- Financial sustainability of the company so as to hedge against underwriting losses
- Ensure that the company complies with all legal requirements

D. The Impact
- Revenue has grown by 613% to stand at Tshs 16.1 billion
- Profitability has grown by 323% to stand at Tshs 601 million
- Employment creation has grown by 280% and female employment by 180%
- Over Tshs 100 million has been spent on training of employees to enhance the capacity of staff this year
- The company now controls 32% of the medical insurance market in Tanzania
- The company is now providing medical insurance to more than 61,000 members throughout Tanzania
- The company’s asset base grew by 103% to stand at Tshs 7 billion

F. The Conclusion
The company has made significant progress in becoming a much more profitable, competitive and sustainable business with more enhanced corporate governance and well trained and competent human capital. AMSCO is proud of the achievements made by AAR Insurance and glad to have partnered with them on this journey.
2nd Case Study:

ADVANS BANK TANZANIA

Commencement: May 2010
Sector: Micro Finance
Location: Dar Es Salaam
Number of Employees: 59
Foundation Grant: US$42,500

A. Project Background

Advans Bank Tanzania received a license to operate as a fully-fledged commercial bank and was incorporated in June 2010. Its initial shareholders were Advans SA as majority shareholder and FMO (the Netherlands Development Financial Company). It opened its first branch in Manzese Dar Es Salaam in February 2011.

The bank’s mission is to build a network of branches in Tanzania offering loans, deposits and other standard financial services to Micro Small & Micro Enterprises (MSMEs) which have limited or no access to formal banking services.

B. The Challenges

Micro and Small Enterprises in Tanzania represent an important part of the economic fabric of the country. Recent studies estimate the number of urban MSEs at 2.7 million, with an annual growth of 100,000 new urban MSEs per year.

The Tanzanian microfinance sector was a slow starter when compared with other countries in the East African region. It is only in the last ten years that through a new enabling environment, the large scale development of the industry has become possible. However, only a few of the existing microfinance institutions have reached significant outreach and loan portfolio.

Micro and Small Enterprises hence represent an important potential market for credit and other formal financial services, which commercial banks seem unable to serve adequately. On the other end, commercial banks and other traditional financial institutions have kept away from the MSE sector.
C. The Solution

AMSCO’s intervention was the secondment of 4 managers to the positions of Chief Executive Officer, Chief Operations Officer, Chief Finance Officer and Credit Expert. Their roles were as follows:

Chief Executive Officer

- Lead the establishment of the company operations in Tanzania
- Provide overall strategic development and execution for the company
- Responsible for institutional relations including investors, Government and other partners
- Ensure that the objectives set by the board are achieved, including operational, financial and human resources development targets

Chief Operations Officer

- To define the sales and marketing development plan for the Institution (opening of branches, launching of new products, etc)
- To develop new products, organise and supervise the market studies, manage the marketing activities of the institution
- Responsible for all banking operations
- Develop and implement operational procedures and policies and reviewing them on a timely basis
- Identify major risks affecting the service and support function and ensure that all the necessary steps are taken to measure, monitor, and control, these risks
- Automation – Oversee the development and implementation of the IT strategy

Chief Finance Officer

- Negotiate with both local and international financiers to ensure adequate and appropriate financing for the organisation
- Ensure effective policies and procedures for overall financial management of the bank
- Responsible for training and development of the finance department staff at the bank and ensuring succession to a local manager
- Ensure adequate financial reporting and compliance standards

Credit Expert

- Develop, implement and review credit procedures and policies
- Ensure effectiveness and soundness of the lending portfolio and compliance with regulatory requirements
- Maximise recoveries on NPA portfolio
- Identify major risks affecting the credit, operation, finance and reputation of the bank and ensure necessary steps are taken to measure, monitor, and control these risks
- Oversee the insurance portfolio to ensure adequate cover and efficiency
- Develop and manage the departmental team
- Play an active role in the development and implementation of the banks strategic plan
D. The Impact
• The Chief Finance Officer has implemented the AMSCO succession plan in recruiting, training and developing a Tanzanian for the CFO position and the person will be taking over the position of the AMSCO Manager in a few months’ time
• In the 14 months of its operations, the bank now has 2 branches in Tanzania
• The company now employs 59 people thereby creating gainful engagement that is supporting almost 200 people
• The bank’s loan portfolio has grown to US$ 749,000 made out to over 900 Micro and Small Enterprises which is helping to support many other income generation activities
• In the next 5 years, the bank hopes to be able to reach 50,000 clients and a loan portfolio of US$22 million
• It also hopes to provide employment to over 200 people and run 9 branches across Tanzania
• There was training and development of local capacity to be able to manage all aspect of the company’s operations

E. The Conclusion
The success of this project will have significant impact on poverty reduction as its target market is mainly the micro and small entrepreneurs.

3rd Case Study:
AKO LAW
Commencement: May 2010
Sector: Professional & Technical Services
Location: Dar Es Salaam
Number of Employees: 14
Foundation Grant: US$32,500

A. Project Background
Ako Law provides a full range of legal services and its lawyers are widely acknowledged as being amongst the top legal advisors and leading transactional lawyers in Tanzania. It provides services in such areas as Intellectual Property, Oil & Gas, Dispute Resolution, construction, Project Finance, Corporate Commercial, Taxation, Telecoms & Banking.

The objective of this project is to assist Ako Law to become a broad-spectrum law firm in Tanzania, capable of delivering timely services to local and international clients through ensuring that their partnership with Clyde & Co comes full circle. The long term objective is to transfer skills to Tanzanian Lawyers in the firms core competence areas whilst increasing business revenue and profitability and maintaining the quality of its products.
B. The Challenges
The Tanzanian economy is one of the fastest growing economies in Africa with GDP growth above 6% in the last 10 years. This growth rate has caused significant strain in human capital development. This strain has been even more profound in the legal profession since the sector cross cuts the rest of the economy. With many new organisations investing in the country’s wide variety of natural resources, the demand for legal services has grown exponentially over the last few years. AMSCO recognises this as an opportunity not only to support the sustainability of the critical service but also to indirectly support the growth and development of the economy.

C. The Solution
AMSCO’s intervention at Ako Law included the secondment of Mr Peter Kasanda as Legal Director, Asha Sabrina Ayub as Legal Consultant and Teresa Hettich as Associate Solicitor. The key responsibilities of the AMSCO Managers included:

- Enhance relations with Clyde & Co with the aim of increasing deal flow and developing internal capacity of the organisation
- Increase the capacity of the organisation to bid and win international contracts
- Increase capacity of the organisation to provide competent services in such complex transactions as Oil & Gas, Project Finance, Taxation, and Corporate Commercial.
- Deal sourcing and management especially for international transactions
- Training and coaching of the Tanzanian lawyers with the aim of enhancing their capacity to deliver services for the complex transactions.
- Establish Ako Law’s reputation as a leading legal advisor in complex international transactions

D. The Impact
- Revenue grew by 12% in the first year of the AMSCO intervention. This is partly a result of stronger relations with Clyde & Co
- Ako Law was ranked as a bank 1 legal advisor in Tanzania by the International Financial Law Review. This is in recognition of both quality and competence of services offered as benchmarked against international standards
- The company has established an internal library and a bi-weekly formal training programme to help its officers learn and teach others as a means of both sharing knowledge and internalising the lessons
- The AMSCO Managers continue to provide coaching and mentoring to the Tanzania lawyers in order to build their competence and exposure in international transactions
- Ako Law has been appointed legal advisor for 2 leading banks in Tanzania. This signifies its recognition as leading legal services provider for the banking industry
- The ATMS Foundation and the AMSCO Managers have facilitated training of staff in such areas as Corporate Governance; Negotiation of Infrastructure, Oil and Gas contracts; Project Finance; Corporate Transaction; Tanzania law and energy projects; Wining and Retaining clients among others
- Number of billable hours and number of transaction projects completed have grown significantly. This is as a direct relation to stronger working relations with the Clyde & Co partners
E. The Conclusion
The company has made significant progress in becoming a much more profitable, competitive and sustainable business. Significant progress has been made in enhancing the capacity of this Tanzania law firm to compete effectively in international transactions.

4th Case Study: HERITAGE INSURANCE TANZANIA LTD

Commencement: January 1, 2006
Sector: Financial Services - Insurance
Location: Dar Es Salaam
Number of Employees: 52

A. Project Background
Heritage All Insurance Ltd is an insurance company that was incorporated in November 1998 shortly after the liberalisation of the Tanzania’s insurance industry in 1996. Prior to liberalisation, the insurance industry was run by the Government through NIC Ltd. The company is a subsidiary of Heritage Insurance Company – Kenya and Mac Group Ltd - Tanzania. It is a general insurance company offering products such as Fire, Engineering, Motor, Marine, Aviation, and Miscellaneous.

B. The Challenges
At the time of commencing the collaboration with AMSCO, Heritage Insurance Tanzania Ltd needed to improve the following areas of its business:

- Increase and maintain the company’s market share to at least 20%
- Reduce the net claim expense ratio to below the industry’s average of 25%
- Enhance the company brand name in the market
- Oversee the implementation of control, process management, management information system to make the company more effective and cost efficient
- Spearhead product development, especially with the aim of penetrating the SME sector and increase insurance uptake

C. The Solution
AMSCO’s intervention at Heritage Insurance Tanzania Ltd included the secondment of Mr John Haenen as General Manager and Principal Officer for the company. The key responsibilities of the AMSCO Manager included:

- Overall business development strategy and execution
- Financial performance of the company
- Human capital development
- Building a strong company brand name
D. The Impact

- Revenue has grown by 104% to stand at Tshs 32 billion
- Profitability has grown by 150% to stand at Tshs 2.2 billion
- Corporate tax remittance has also grown by 59% to reach Tshs 522 million
- Employment creation has grown by 49% and female employment by 68%
- Over Tshs 180 million was spent on training of employees to enhance the capacity of staff
- In 2010 the company won the best employer award for its outstanding human resource management
- The company’s asset base grew by 114% to stand at Tshs 62 billion
- Company’s market share stood at 21%
- Company’s net claim expense ratio dropped to 19%
- The company has increased its product range and now boasts of a portfolio of more than 30 different products that allows it to service its clients better.
- Heritage has earned AA- Rating from Global Credit Rating Company for Claims Paying Ability
- The company spent Tshs 9.7 million on its corporate social responsibility programmes.

F. The Conclusion

The company has made significant progress in becoming a much more profitable competitive and sustainable business with more enhanced corporate governance and well trained and competent human capital.
5th Case Study:

HTT INFRACO TANZANIA LTD
Commencement: January 2012
Sector: Telecommunication
Location: Dar Es Salaam
Number of Employees: 14

A. Project Background
HTT Infraco Tanzania is a subsidiary of Helios Towers Africa which is in the business of owning, managing and leasing telecommunication towers to mobile operators and other companies in Tanzania. It has already acquired all the towers from TIGO Tanzania and has entered into a lease-back agreement. It is currently in discussions with other telecommunication companies to enter into the same kind of arrangement, which frees its clients from the burden of managing the towers and leaves them with time and finances to concentrate on their core business to improve their services.

Helios Towers is supporting telecoms growth by providing mobile network operators and data network providers with cost-effective, fully managed tower solutions. Improving coverage and reducing the environmental impact of multiple service providers – across Tanzania and across the continent.

The vision is for Helios Towers to be the leading site solutions experts in Africa and to be the partner of choice for co-location in the eyes of its customers, its employees and the communities it operates in. Its mission is to focus all its activities on meeting and exceeding the needs and expectations of customers by providing the highest quality service possible in an environmentally friendly manner. The company will do this through continuous strategic and technological innovation & investment.

HTT’s infrastructure can be used to support radio and television broadcast, internet connectivity and mobile telecommunication.

B. The Challenges
The explosion in communication technology creates an ever-increasing demand for wireless infrastructure across the country. The cost of putting up a base station is estimated at US$200,000. In order to increase country coverage and reduce the cost of both set up and operations of base stations, HTT provides co-location services that allows for more than one service provider to share the base station. It also provides maintenance and network optimisation services to ensure quality and efficiency.

This being a new service in Tanzania, the company requires AMSCO assistance in identifying and seconding key staff to assist with the establishment of the company.

C. The Solution
AMSCO’s intervention was the secondment of 3 managers to the positions of Chief Executive Officer, Chief Finance Officer and Network Operations Director. Their roles were as follows:

Chief Executive Officer
- Provide overall strategic development and execution for the company
- Ensure that the objectives set by the board are achieved, including operational, financial and human resources development targets
- Responsible for overall service delivery to the clients
Network Operations Director

- Overall day to day management of the technical/operational work of the company
- Ensure overall development and effective implementation of the technical operational plans within budget and timeously
- Develop and direct the implementation of operational systems, policies and procedures, to ensure compliance with internal and external policies and procedures, and statutory regulations
- Develop and maintain new product research and development strategy/programmes to ensure that the organisation remains at the forefront of its sector, applies the most cost-effective methods and approaches and provides the required range and quality of services
- Responsible for the ensuring continuous training and development of the technical staff and for the succession planning

Chief Finance Officer

- Negotiates with both local and international financiers to ensure adequate and appropriate financing for the organisation
- Ensure alignment of financial goal with operation plans and appropriate monitoring to meet growth objectives, including cost controls, debt collections and cashflow management
- Responsible for the ensuring continuous training and development of the technical staff and for the succession planning

D. The Expected Impact

- Build or acquire and lease back 1200 tower around Tanzania with 2500 tenants
- Increase the rural mobile coverage and connectivity by ensuring better resource optimisation through colocation and network optimisation services
- Release capital expenditure from the mobile service providers by buying off their towers so they can focus on their core business instead of asset acquisition. An average service provider would require about 500 towers which would cost US$100 million to set up
- HTT will also relieve the mobile service providers of the responsibility to maintain the towers thereby allowing them to concentrate on core business and improving customers services
- Ensure network availability at 99.9% consistently
- Training and development of local employees to ensure sufficient HR capital for all company operations
E. The Conclusion
The mobile phone has become a major infrastructural support for very many businesses, especially because it has become a distribution channel for financial services. HTT’s business is to ensure that they provide a cost effective, quality and accessible telecom’s infrastructure to its clients that allows them to be able to offer quality services to their customer. This project therefore has significant impact to the economy such as ensuring access to services for rural populations, reduced down time and cost effective service reliability across the country.

6th Case Study:

KICKSTART TANZANIA LTD

Commencement: November 1, 2011
Sector: Microfinance
Location: Dar Es Salaam
Number of Employees: 105

A. Project Background
KickStart develops and promotes technologies that can be used by dynamic entrepreneurs to establish and run profitable small scale enterprises. This includes irrigation pumps, oil presses, block making machines among others. Its mission is to help millions of people out of poverty by promoting sustainable economic growth and employment creation in Tanzania and other countries using simple technologies. KickStart then helps the entrepreneurs to identify viable business opportunities and access the technologies required to launch the new enterprises.

B. The Challenge
Kickstart is working at introducing some new innovations that will drive its social transformation agenda. It is also in a critical growth stage that requires it to scale up its operations while enhancing its social development impact.

C. The Solution
• Survey and develop a deep understanding of the funding landscape for Tanzania;
• Build relationships with key potential donors
• Identify and develop funding proposals to fund the Tanzania programme
• Train the Tanzanian staff on the strategies and tactics of fundraising
• Assist the programme staff in implementing the specific donor deliverables and manage the overall reporting and management of the project for the donor
D. The Expected Impact

- Increase distribution of the equipment
- Increase awareness and education on benefits and value creation
- Increase in farm yield and income
- Development of quick and easy irrigation methods
- Food security and production
- Stimulate economic growth and jobs within local communities and villages
- Increase farm produce to up to three and four times a year

E. The Conclusion

This project targets the low end of the market and is expected to have huge benefits both economic and social especially in key areas such as food security, poverty alleviation, employment creation and resource optimisation.
7th Case Study:

KILOMBORO PLANTATIONS LTD:
Commencement: April 1, 2009
Sector: Agriculture
Location: Kilombero District - Morogoro Region Tanzania
No. of Employees: 283

A. Project Background
Mngeta Farm started as cooperation between the Tanzanian & the North Korean Governments. This cooperation led to the formation of Korean Tanzania Agricultural Company (KOTACO). KOTACO was started in the mid 1980’s to develop the Mngeta Division of the Kilombero Valley that envisioned the development of 5,000 ha of irrigated rice & 10,000 ha of palm oil.

By 1992, KOTACO had cleared 5,818 ha, built a mini hydro power station and constructed roads and drainage ditches on 2,500ha, the largest area that was ever farmed. But before construction of the irrigation infrastructure, KOTACO was liquidated in 1993 following the collapse of the Soviet Union. The Rufiji Basin Development Authority, on behalf of the Tanzanian Government took over the management of the company.

Between 1993 and 2007, the farm was leased to a series of tenants who failed to develop it. During that 14-year period, elephant grass & trees grew back over much of the cleared area while over two thousand squatters moved into parts of the titled area. Only 400ha of Mngeta Farm was being commercially farmed when in November 2007, Kilombero Plantations Ltd took over the running of the farm.

B. The Solution
AMSCO’s intervention at Kilombero Plantations Ltd commenced in January 2008 with the secondment of Business Development Director Mr Graham Anderson to KPL’s parent company Agrica Tanzania Ltd. In August 2008, AMSCO seconded an additional manager, Mr Carter Coleman, to the post of Managing Director, Agrica Tanzania Ltd. In January 2009, AMSCO seconded the first manager to Kilombero Plantations Ltd Mr Murray Dempsey to the position of Crop Production Manager, and in November of the same year, AMSCO seconded a Rice Mill Manager, Mr Stanley Ngugi, to be responsible for post-harvest management.

C. The Challenges
At the commencement of the contract, AMSCO’s project deliverables included:

- 5,000 ha under rice farming
- Development of a smallholder rice farming, including the introduction of the System of Rice Intensification, improved seeds and implements, and marketing
- Construction of cleaning, drying, milling, and storage facilities to handle high production volumes
- Once fully operational, the company is expected to generate more than 20,000 tons of rice and employ over 400 people
- Building the capacity within Tanzania that will enable replication of the KPL model in other projects in the country
- Technology transfer
D. The Impact

- Cleaning and drying facilities with the capacity of handling 2,000 tons of rice are already in place
- Over 4,000 ha of rice put under cultivation in 2011
- 2,750 ha under dry season crops such as soy beans, red beans, mung beans and pigeon peas
- A 120 ton per day rice mill has been installed and is now operational
- Kilombero plantations in collaboration with International Crop Research Center for Semi Arid Tropics have established demonstration plots for System of Rice Intensification (SRI). This technology is used to increase the smallholder yields from 2 to 8 tons. The uptake of this technology is a major boost for the small holder contract farmers in the area. Already over 250 farmers are involved in this project. Once fully operational, the scheme will support over 4,000 farmer families
- One turbine of the Hydro electric power plant now operational providing sufficient power for office and residential use
- 6,200m factory facility for cleaning, drying, storing and milling of rice has been completed. This includes six 10-ton flatbed rice dryers which use husk furnaces and 15kW fans to dry paddy; Aerated storage for 8,000 tons of rice
- Zero till cultivation technology in use at the farm allowing for soil, water and biological conservation
- Crop rotation and use of leguminous crops used to ensure soil conservation
- Kilombero is now the leading rice producer in East Africa and was also awarded the national strategic investor status for its contribution to food security

E. The Conclusion

Kilombero Plantation has become a case study for the country in terms of demonstrating effective commercial farming and integration of commercial farms with small scale holders. Its contribution to food security is evidenced by its recognition as a national strategic investment. The AMSCO Managers have played a major role in establishing the company’s operations from scratch, once again demonstrating the role of leadership in facilitating investment and national development goals.
8th Case Study:

MAXINSURE TANZANIA LTD

Commencement: April 1, 2011  
Sector: Microfinance  
Location: Dar Es Salaam  
Number of Employees: 105  
Foundation Grant: US$ 101,200

A. Project Background

MaxInsure started operation in November and seeks to provide innovative, value added and world class insurance solutions by cultivating a team of well trained staff who would respond to the insurance demands of 21st century, with the focus of its services being customer-centric operations.

The vision of MaxInsure will be to become the most sought after insurance provider in the East African region by offering value added insurance products and services at affordable prices, significantly ensuring financial stability of its customers through fair and prompt claims payments. The focus is claims payment and MaxInsure would be proud to be known as a claims paying insurer.

The company aims at offering general insurance products in such as Properties, Casualties, Liabilities, Motor, Fire, Marine, Engineering, Health, Bonds, Aviation and Micro insurance. It leverages technology to ensure speed to market, cost effectiveness and quality of service.

B. The Challenges

The insurance industry is very competitive and it is dominated by a few brokers and many insurers. Most of the time the competition is on the basis of pricing and this affects the insurers capacity to deliver a quality product. MaxInsure's objective is to be a quality conscious provider balancing the product pricing with risk so as to ensure its long term sustainability. It also aims to ensure customer retention by providing world class customer service. Because of the competitiveness in the industry, the company recognises that attracting and retaining good staff is one of its major challenges. It has requested AMSCO to assist with capacity development so as to ensure long term competitiveness.
C. The Solution
AMSCO’s intervention at MaxInsure includes the secondment of three managers to the positions of Senior Vice President – Technical; Senior Vice President – Finance; Vice President Technical. Their responsibilities are:

- To develop appropriate strategies that will help promote the company operations and ensure timely implementation of the same
- To manage the operations of the company in an efficient manner that ensures quality and profitable operations, and supports premium growth in line with the company’s strategic plan
- To build the image and reputation of the company in the market place and to enable it to become the preferred underwriter
- To drive and guide the development of operating systems and procedures with respect to underwriting and claims settlement and ensure that they are complied with
- To ensure proper operating guidelines are in place in line with company policy and regulatory requirements and monitor compliance
- To ensure that the company has strong risk management and reinsurance processes that safeguard the interests of the company and its customers
- Develop and maintain accurate reinsurance statistics and take charge of maintaining good relationships with re-insurers
- To ensure that claims processing is done in an equitable and speedy manner and that this service not only meets client requirements but also serves as an effective marketing tool
- Training and development of staff to ensure that the company is adequately and competently staffed to support the growth

D. The Expected Impact
- Increase market share to 5% in the next 5 years. This is taken to be a decent level of business required to achieve sustainability
- Develop a strong market reputation as a customer centric service provider
- Ensure the a robust management information system to support business growth
- Develop innovative products in order to compete in the tough environment
- Today MaxInsure is providing employment to 23 Tanzanians and is growing
- It has introduced new innovative products that offer greater benefits to the clients, helping to increase value creation for the consumers
- It has successfully entered the market and established its brand name among brokers
- Provide training and exposure to its local staff that are expected to contribute to capacity development for this critical industry
- Create a sustainable business that will support the development of small businesses in Tanzania

E. The Conclusion
The insurance industry provides critical support for the development of the private sector. MaxInsure is contributing to improving the services offering in the industry.
9th Case Study:

SANITAS MEDICS & DIAGNOSTICS LTD
Commencement: July 2011
Sector: Medical Services
Location: Dar Es Salaam
Number of Employees: 52
Foundation Grant: US$81,750

A. Project Background
Sanitas Medics & Diagnostics Limited (Sanitas) is a start-up initiative that has set up the state-of-the-art outpatient healthcare facility in Tanzania with general practice and specialist consulting; maternity and pediatric centers; modern dentistry facilities; ophthalmology; physiotherapy and outstanding diagnostic centers with all the latest radiology and laboratory equipments.

B. The Challenges
Access to healthcare is one of the key targets of the Government of Tanzania. In order to achieve it, the Government has been encouraging the private sector to invest in this sector. The AMSCO intervention at Sanitas aims to address the following challenges:

- Establish the clinic from scratch with all the modern equipment and facilities
- Market the new facility to potential clients both individual and corporate
- Recruit, train and retain the right calibre of staff to run the operations at the facility
- Set quality standards and ensure compliance so as to consistently provide world class services to its target market

C. The Solution
AMSCO's intervention at Sanitas included the secondment of Mr. Krishnamurthy Venkateswaran as the Chief Executive Officer. The key responsibilities of the AMSCO Manager included:

- Overseeing the project development of the new clinic
- Development and implementation of a strategic plan for the achievement of the growth objectives of the company
- Development and implementation of a marketing campaign to popularise and enhance the company brand and products
- Negotiate contracts with medical insurers for the use of the Sanitas facility
- Ensure long term sustainability of the company
- Ensure the company procures trains and retains competent staff to man its facilities
D. The Impact

- The facility is now fully operational and able to provide services such as General Practice, Physiotherapy, Paediatric care, Gynaecology, Dialysis, Dental, Radiology, Laboratory, & Pharmacy. These medical facilities are in short supply and very high demand in Dar Es Salaam.
- The company is already providing employment to over 50 Tanzanian’s and this is expected to increase to about 90 by end of year two.
- Sanitas has already opened a second Satellite clinic inside Quality Centre, the biggest shopping mall in Tanzania, with GP and specialist consultation, laboratory and pharmacy and a dental clinic.
- The intervention is providing an opportunity for training and hands on exposure of young Tanzanian medical staff to be able to provide competent and quality medical care to the country. To this end, the ATMS Foundation has provided a training grant of US$35,850.
- Once fully operational, the clinic expects to be serving 400 people per day and an average of 140,000 patients per year. This is expected to reduce morbidity and mortality in order to increase the lifespan of all Tanzanians by providing quality health care; presently the clinic is providing services to 1,500 people per month.
- It is expected that by the end of year 4, the company will be financially sustainable and positively contributing to providing affordable access to health care for thousands of the Tanzanian people.
- The company is advocating for preventative health education targeting communities against communicable diseases, and providing follow-up on an individual basis. It is actively distributing critical information that allow people to avoid common pitfalls that lead to health complications such as encouraging the use of mosquito nets, washing hands and boiling water.

E. The Conclusion

The intervention is expected to have a huge impact on healthcare provision in Tanzania as well as increasing the access to health services by facilitating the training of more medical staff in the country.
10th Case Study:

SIMGAS TANZANIA LTD

Commencement: January 2012
Sector: Energy
Location: Dar Es Salaam
Number of Employees: 14

A. Project Background

SimGas Tanzania is a joint venture between SimGas BV of Netherlands and Silafrica Tanzania, that aims at providing affordable alternative energy for both urban and rural households.

The company offers affordable and high quality biogas systems for household use. Their systems use manure and organic waste to produce gas for cooking and lighting. The Biogas replaces firewood, charcoal and kerosene. It is clean, it saves money and reduces poisonous emissions.

Its mission is to be an innovative design and production company with a focus on delivering affordable small-scale biogas and biosanitation systems to customers in developing countries. It aims to offer rural households the tools to take their future into their own hands and improve their lives and income.

SimGas biogas systems are mass produced in Dar es Salaam. The systems are sold through select pre-qualified retailers and include user training and after-sales service. The company provides advice on the most suitable system for each individual customer. Their technicians will take care of the installation and train each customer on how to use and maintain the system. After-sales service checks guarantee an optimal performance.

B. The Challenges

Clean energy is a major challenge for many households in Africa. Most households in urban centres rely on kerosene to provide cooking and lighting. This is both expensive and emits poisonous gases that cause respiratory diseases. The rural population rely on wood fuel which is one of the key causes of deforestation as well as being very time consuming to gather. In order to resolve this, Simgas has developed a bio digester that is easy to operate and provide affordable clean energy for both household cooking and lighting needs.

C. The Solution

AMSCO’s intervention at Simgas includes the secondment of the Chief Executive Officer. He is responsible for:

- Regularly monitoring strategic risks that could significantly destabilise the business model and business plan through a risk map & manage mitigation actions
- Managing & developing people, and improving their productivity through empowerment
- Building a Management Team consisting of exclusively A-Players
- Market development & Management
- Strategy development & execution
- Organisational design and re-organisation
- Managing commercial functions
D. The Expected Impact

- Set up a production facility in Tanzania fully equipped with all machinery and staff
- The company expects to install 100,000 units of their biogas systems in the next 5 years
- Establish relations with local partners to ensure speedy market consolidation. This will include MFI, Banks, NGO and stockist
- Have established a profitable & sustainable business
- Reduced deforestation resulting from increased use of biogas
- Improve crop production and enhance income resulting from the use of fertilizer from the bio digesters
- Export product to other countries in the region
- Other social returns include better lighting for studying, zero smoke for the biogas cooking

E. The Conclusion

This project targets the low end of the market and is expected to have huge benefits both economic and social and addresses a critical need for the target market that is presently underserved.

11th Case Study:

STRATEGIS INSURANCE TANZANIA LTD

Commencement: February 1, 2002
Sector: Financial services - Medical Insurance
Location: Dar Es Salaam – Tanzania
No. Of Employees: 45
Foundation Grant: US$55,000

A. Project Background

Strategis Insurance (Tanzania) Ltd is a health insurance provider offering medical insurance to its clients. It is presently the oldest project in the AMSCO portfolio in Tanzania. Strategis Insurance Tanzania Limited was the first private specialist health insurer to be registered in Tanzania and licensed by the Insurance Supervisory Department in March 2003.

Strategis aims to provide appropriate and affordable health insurance plans for corporate employees and their families, and to large affinity groups. It also provides special emergency evacuation cover for the hospitality industry in Tanzania. Its vision is to increase access to health insurance for more Tanzanians by making it more affordable through technological innovations.

The company is a joint venture investment between MAC group, (a Tanzanian investment company), which owns 40.8%, The Heritage Insurance Company Tanzania Ltd 39.2% and Investment Fund for Health in Africa 20%.
B. The Challenges

- To establish a health insurance company in a country where none existed before
- Provide risk management services for its clientele that would allow the company to operate profitably
- Build a skill base that will support the operations of the company
- Streamlining the operations of the business to keep pace with market demands.
- Developing products suitable for the Tanzania market and successfully being able to market them.
- Dealing with lifestyle related issues that impact on health & productivity

C. The Impact

- Turnover has grown from US$ 2 million in 2005 to over US$ 16.7 million
- Profitability has also grown from US$126 000 in 2005 to US$ 743,560
- Its contribution to income tax has grown to US$223,112
- Company market share has grown by 35%
- The company has promoted 3 Tanzanians to top level management and 4 more to middle level management who were trained under the ATMS project and mentored by the AMSCO Managers
- It has increased its membership to over 35,000 members thereby helping to increase access to quality and affordable health care services.
- The company has also re-engineered its business processes, an initiative that has resulted in greater efficiency in the administration of its services as well as improved customer satisfaction

D. The Conclusion

It is evident that the AMSCO intervention has had a significant impact on the performance of the company and today Strategis is not only a profitable business but also a sustainable one.
12th Case Study:

SYNOVATE TANZANIA LTD
Commencement: July 23, 2007
Sector: Professional Services - Research
Location: Dar Es Salaam - Tanzania
Number of Employees: 51 permanent and 200 temporary staff
Foundation Grant: US$123,000

A. Project Background
Previously known as the Steadman Group, Synovate is a research and marketing intelligence company that seeks to support social, political and economic development as well as facilitate the growth of private business and enterprise through the provision of high quality, independent research and monitoring information.

The company was initially setup to primarily carry out media monitoring services in 1993. Market research services commenced immediately thereafter. It is currently the largest research service provider in Tanzania. Its research products include business research on company's advertising campaign, competitiveness, customer satisfaction, loyalty, emerging markets, growth strategies, media monitoring, product design & development. On social issues, it includes surveys into health issues, education, water, housing and democratisation.

B. The Challenges
At the time of commencement of the AMSCO intervention, the company was facing the following challenges:

- Low degree of brand awareness in the market especially with regards to the variety of services offered
- Need to increase its revenue and profitability
- Need to improve quality of service to guarantee customer satisfaction and repeat purchases
- Need to increase product range
- Need to increase human capacity development especially with regards to research skills

C. The Solution
AMSCO’s intervention at Synovate Tanzania Ltd included the secondment of Mr Aggrey Oriwo as the Country Manager for the company. The Country Manager is responsible for ensuring business sustainability, quality of service and brand equity. The key responsibilities of the AMSCO Manager included:

- Finance & Administration Management
- Operations and Technical Services Management
- Human Resource Management
- Business Development & Marketing Management
D. The Impact

- Revenue has grown by 167% to stand at Tshs 1.9 billion
- Profitability has grown by 1,919% to stand at Tshs 370 million
- Corporate tax remittance has also grown by 713% to stand at Tshs 149 million
- The company also provides employment for 51 full time employees and 200 part time staff
- The ATMS Foundation has supported skills development in key areas of the business such as Management development, Research, Data analysis & Interpretation, Proposal & Report writing at a cost of over Tshs 27 million
- The company was awarded the ISO Certification and maintains high quality standards
- The company’s brand equity has been enhanced, making it the largest research company in Tanzania
- The company supports socio economic development of Tanzania through research programmes in Education, Health, Micro Enterprise Development and Democratisation

E. The Conclusion

It is clear that there has been significance improvement in the performance of the company over the period of the AMSCO intervention.

13th Case Study:

TUJJENGE TANZANIA LTD

Commencement: April 1, 2011
Sector: Microfinance
Location: Dar Es Salaam
Number of Employees: 105
Foundation Grant: 60,000

A. Project Background

Tujijenge Tanzania was incorporated as a company limited by shares under the laws of the United Republic of Tanzania in April 2006. Tujijenge was established with the aim of providing working capital to micro entrepreneurs, to empower and create wealth. The company currently offers two main products; group lending and individual lending.
B. The Challenges
The objective of this project is therefore to assist the company in its expansion and transformation process. The expected growth will help to extend financial services to the informal sector and improve the livelihoods of thousands in Tanzania. The organisation aims to address the following 6 key challenges:

- Growing customers and portfolio size while maintaining portfolio quality
- Employing and retaining high performing staff
- Achieving 120% financial self-sufficiency
- Reducing risk through enhanced compliance & internal controls
- Leveraging and stabilising technology
- Providing superior customer service

C. The Solution
AMSCO’s intervention at Tujijenge includes the secondment of one manager in the position of Managing Director. He is responsible for:

- Planning and achievement of strategic goals and objectives
- Operations Management-strengthen the institutions operations to support deposit taking
- Savings and credit operations
- Human Resource Management
- Risk management and protection of assets
- Information management and timely reporting
- Finance
D. The Expected Impact

- Increase the number of clients to over 40,000
- Increase the loan portfolio to US$5 million
- Increase the number of branches to 5 around the country
- Training of staff to ensure sufficient human capital to support the company growth
- Reduce and maintain the portfolio at risk at 2% or below
- Maintain client retention at above 80%
- Become financially self sufficient

E. The Conclusion

This project targets the low end of the market and is expected to have huge benefits both economic and social, and addresses a critical need for the target market that is presently underserved.