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JORDAN FORUM FOR BUSINESS PROFESSIONAL WOMEN – INCUBATOR

Business Plan

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JORDAN FORUM FOR BUSINESS PROFESSIONAL WOMEN – INCUBATOR

Business Plan

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AUTHOR: MR. MOHAMAD MASADEH, To EXCEL

8.16.5C.10.35.1 PROVIDE TECHNICAL ASSISTANCE TO DEVELOP
A BUSINESS PLAN FOR THE INCUBATORS THAT INCLUDES
CONSULTATION SERVICES

DISCLAIMER:

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BACKGROUND

Economic development is intimately tied to the level of entrepreneurial activity within a country. In well-developed economies, small and medium enterprises (SMEs) constitute between 50% and 70% of economic activity.

In Jordan, women represent 48% of the population and 50.6% of university students. Female labor represents only 11.9% of the total labor force and female based economic activities is way below that level.

Successful SMEs are the result of the perseverance of entrepreneurs in creating a new economic reality for both males and females. Entrepreneurs can create new industries through the creation of new competitive paradigms. It is often the harnessed creativity of entrepreneurs that helps shape and define the areas in which future economic competition will occur.

In recent years, it has become increasingly apparent that the Jordanian government can no longer remain the national engine of economic growth. Government privatization policies and changes in legislation indicate the government's desire to play a lesser role in direct economic activity. For the government's efforts to succeed, the Jordanian private sector economy must evolve into a more entrepreneurial economy, where a larger percentage of the educated female population can play a major role in the local economic development.

The Jordanian female private sector must start creating new economic realities based on international and global market forces and opportunities. Thus, ways and means must be developed to profitably facilitate increased female entrepreneurial activity in Jordan's private sector.

To promote woman entrepreneurs and commercially viable ventures, Jordan needs to expand its business incubation skills and services to create several export-oriented, idea-based examples for Jordanian woman and business people. Access to effective incubation can play a crucial role in creating a new economic reality based on creativity and intellectual input.

The JFBPW of Jordan has established among its own principal objectives to identify and organize woman entrepreneurs in the country. It is committed to change the mindset through the promotion of innovation and creativity, to facilitate the success of entrepreneurial ideas through the provision of relevant training, education and practice, and to promote best ethical business practices within a healthy business environment.

THE ROLE OF INCUBATION AND MENTORING

Start-up investments are risky in nature. Often times, entrepreneurs, although technically competent, do not have requisite financial, managerial, marketing or administrative capabilities needed to reduce/minimize this start-up risk. Newly started companies often fail because entrepreneurs do not have these skills and have not hired people with these necessary skills.

Historically, incubators have been established to bolster the efforts of entrepreneurs at start-up, the most risky stage of investment. Intimate knowledge of a start-up business, coupled with hands on monitoring, intervention and counseling, can greatly reduce the risk of failure of new start-ups. Incubation and mentoring are a proactive investment insurance policy against avoidable failure by making available to the entrepreneur mature and qualified management talent to direct and focus the entrepreneur to make rational and well thought out decisions. This active intervention, through incubation and mentoring, helps insure greater success of new start-ups.

Moreover, incubators help define and set administrative and financial guidelines, policies and procedures for start-up companies to operate. This assists in corporate governance and performance. Proactive incubation and mentoring helps establish performance criteria and monitors performance through annual budgets and performance milestones to help the entrepreneur and the management team remain focused. Successful mentoring and incubation helps build management skills within the entrepreneur and the management team.

Additionally, incubators offer start-up companies' access to office space as needed, secretarial services, legal services, accounting services, office infrastructure (telephone, fax, internet, etc.) to help reduce costs at start-up. Therefore, much of the operating costs can be reduced, reducing the financial risk at start-up.

CHALLENGES

Effectively establishing and managing an incubator is a challenging process. Entrepreneurship is only now becoming recognized as being of vital importance to economic development in Jordan. As such, the benefits of entrepreneurship and incubation need to be communicated to the population in general, and to women specifically, to encourage them to undertake the challenge of starting their own businesses.

JFBPW needs to work on communicating the necessity and promise of establishing one's own business, as well as identifying and supplying the appropriate technical support services to help starting entrepreneurs overcome the risks of starting their own businesses. These technical services include finance, accounting, human resource planning, business planning as well as marketing. The challenge is of course identifying and selecting the appropriate selection of technical services that must be developed and delivered to incubator tenants. Successful delivery can only be done after identifying appropriate trainers, or service providers (consultants, accountants, financial managers, etc.) to serve the tenants. These services complement the physical incubation services offered by the incubator (space, shared

meeting rooms, telecommunications, photocopying, internet access, and computers, etc.). Moreover, the incubator must work to provide networks that can assist incubator tenant's develop\ their businesses as well as identify where to find investors and/or raise capital if necessary through investor, bank or micro-financed contacts.

VISION

The Jordan Forum for Business and Professional Woman (JFBPW) Incubator strives to create female entrepreneurial and leadership culture as the cornerstone of national economic development.

MISSION

The Jordan Forum for Business and Professional Woman (JFBPW) Incubator mission is to help create and facilitate female entrepreneurial activity through mentoring, education, training, networking and advocacy, to enhance female entrepreneurs' skill level allowing them to compete in the regional economy.

JFBPW INCUBATOR OBJECTIVES, GOALS AND TASKS

Objectives	Goals	Tasks
To enhance the entrepreneurial spirit among Jordanian woman.	Increase women employment percentage in Jordan from 14% to 30% by 2015	<ul style="list-style-type: none"> ▪ Identify existing studies on women employment levels and reasons why more women are not working (MoL, UNIFEM, etc.) ▪ Identify unemployed women in Jordan ▪ Identify the obstacles of working women ▪ Identify suitable characteristics of the working environment for women in Jordan ▪ Identify most suitable employment categories in Jordan (and the region as background) ▪ Identify deficiencies in existing skill sets ▪ Establish training and certification courses for women ▪ Train at least 3000 women by 2015 ▪ Identify the required services for women businesses <ul style="list-style-type: none"> • Establish 2 new services within the first year (consulting and marketing) ▪ Develop women's skills to develop their businesses <ul style="list-style-type: none"> • perform at least 2 training courses (business planning and basic of finance)
To enhance the business environment for start-ups, and the expansion of business through rules and	Identify what is hindering business start-ups headed by women and remove all hindrances by 2011	<p>Survey women entrepreneurs to identify which issues in the business environment are hindrances for them.</p> <ul style="list-style-type: none"> ▪ Report and distribute the factors hindering business start-ups headed by women in the monthly newsletter

Objectives	Goals	Tasks
regulations.		
	Develop an advocacy plan by June 2009	Identify those issues which need to be changed.
		Develop a position paper utilizing the required resources (legal or consultative) regarding the issue which needs to be changed.
		<ul style="list-style-type: none"> ▪ Identify stakeholders which need to be engaged for effective advocacy. ▪ Create advocacy coalitions with women's organizations and identified stakeholders ▪ Design a plan for contacting and engaging the stakeholders (visits, activities, press, etc.) ▪ Identify women in parliament and government who can champion the desired changes.
	Advocate for the required changes to facilitate greater women involvement in the work environment	<ul style="list-style-type: none"> ▪ Design an advocacy plan ▪ Execute the advocacy plan until the objectives are achieved
To increase the number of Jordanian females benefiting from entrepreneurial opportunities.	<p>Recruit at least 10 new incubator tenants in year 1</p> <p>Benefit at least 20 new entrepreneurs through JFBPW services in year 1 (training, seminars, certifications, etc.) by end 2008</p> <p>Benefit at least 50 new entrepreneurs through JFBPW services in year 1 (training, seminars, certifications, etc.) by end 2009</p> <p>Benefit at least 100 new entrepreneurs through JFBPW services in year 1 (training, seminars, certifications, etc.) by end 2010</p>	<p>Promote the JFBPW incubator to women in universities.</p> <ul style="list-style-type: none"> ▪ Promote JFBPW to working women in government and private companies. ▪ Promote JFBPW to women NGOs in Amman and regionally ▪ Develop and price a series of incubator services to benefit women in the incubator. <ul style="list-style-type: none"> • Set up services price on yearly base • Develop or contract a series of 5 training courses to build capacity and capability among women within and external to the incubator. • Promote these services and training courses to women in university, vocational training, NGOs and government.

Objectives	Goals	Tasks
	Benefit at least 200 new entrepreneurs through JFBPW services in year 1 (training, seminars, certifications, etc.) by end 2011	
	<p>Graduate at least two tenants from the incubator in year 2</p> <p>Recruit at least 4 new incubator tenants in year 2</p> <p>Benefit at least 25 new entrepreneurs through JFBPW services in year 2 (training, seminars, certifications, etc.)</p>	<p>Promote the JFBPW incubator to women in universities.</p> <ul style="list-style-type: none"> Promote JFBPW to working women in government and private companies. Promote JFBPW to women NGOs in Amman and regionally Develop and price a series of incubator services to benefit women in the incubator. Develop or contract a series of 10 training courses to build capacity and capability among women within and external to the incubator. Promote these services and training courses to women in university, vocational training, NGOs and government.
	<p>Graduate at least three tenants from the incubator in year 3</p> <p>Recruit at least 4 new incubator tenants in year 3</p> <p>Benefit at least 30 new entrepreneurs through JFBPW services in year 3 (training, seminars, certifications, etc.)</p>	<p>Promote the JFBPW incubator to women in universities.</p> <ul style="list-style-type: none"> Promote JFBPW to working women in government and private companies. Promote JFBPW to women NGOs in Amman and regionally Develop and price a series of incubator services to benefit women in the incubator. Develop or contract a series of 10 training courses to build capacity and capability among women within and external to the incubator. Promote these services and training courses to women in universities, vocational training, NGOs and government.
	<p>Graduate at least two tenants from the incubator in year 4</p> <p>Recruit at least 4 new incubator tenants in year 4</p>	<ul style="list-style-type: none"> Promote the JFBPW incubator to women in universities. Promote JFBPW to working women in government and private companies. Promote JFBPW to women NGOs in Amman and regionally

Objectives	Goals	Tasks
	Benefit at least 35 new entrepreneurs through JFBPW services in year 1 (training, seminars, certifications, etc.)	<ul style="list-style-type: none"> Develop and price a series of incubator services to benefit women in the incubator. Develop or contract a series of training courses to build capacity and capability among women within and external to the incubator. Promote these services and training courses to women in university, vocational training, NGOs and government.
Marketing Objective	Goals	Tasks
Converting non-user to user (Identify non user Potential women to become incubator members)	Identify non-user needs and behavior by September 2008	<p>Identify existing studies regarding women needs that are not entrepreneurial in nature.</p> <p>Conduct research to identify who, and where the potential women to incubator members are:</p> <ul style="list-style-type: none"> JFBPW network (Trainee women by JFBPW program who are looking for expanding their business) on yearly base NGO's (Noor Al-Hussein Foundation, Jordan river Foundation) University College
	Create services to meet the women needs by October 2008	<p>Identify the required services to meet women needs:</p> <ul style="list-style-type: none"> Identify Infrastructure services(Space, Office equipment, office services) Identify professional services (Accounting, financing, legal, marketing, and consulting services) Identify women type of business to provide the right services with right services properties Determine pricing for the required services
	Communicate the services to the target market at least three times a year	<p>Create message to develop a relevant presence for the Incubator</p> <p>The incubator services (Space and rental fees)</p>
		<p>Identify non-user buying behavior</p> <p>Communicate the message through reporting in newsletters and websites and seminars and social activities.</p> <p>Communicate through partnerships with other NGOs such as the YEA</p>
		<p>Create value propositions (by October 2008) by:</p> <p>1. Identifying the competitive advantages that JFBPW incubator has over other competing incubators:</p>

Objectives	Goals	Tasks
		<ul style="list-style-type: none"> JFBPW is Female-Based incubator and it's the first incubator for women in the Middle East Identify potential projects that women can establish and develop
	Develop communications (Seminars, conferences, visits, workshops, printed material, brochures) to deliver the incubator message to the target market by November 2008	Develop the proper materials (content) or activities to communicate to the identified target market.
		Plan and execute 4 seminars, training courses, etc., on yearly base to communicate the content to the target market.
		<p>Print and distribute printed materials (pamphlets, brochures, etc.) to the identified target market. Distribute these materials to other NGOs, universities, vocational training centers and government offices to communicate the benefits of entrepreneurship and the benefits provided by JFBPW.</p> <ul style="list-style-type: none"> Hold an event in year one to identify the target market and communicate with NGOs, sponsorships and fund raising companies Hold an event in the 2nd year to present women projects and identify the main constraints to growth and expand their business. Hold an event on the 3rd year and get the participation of international and regional tenants and entrepreneurs to communicate their start-up experience. Hold an event on the 4th year to communicate the resulting success stories of the incubator and its graduated tenants to women in Jordan
Develop level of quality	Continually develop services needed by target market	Identify services needed through carrying out a survey (On going every two years)

Objectives	Goals	Tasks
	Hire qualified staff or identify qualified subcontractors by December 2008	<ol style="list-style-type: none"> 1. Identify qualified training staff (Contact IMC/BDC/TATWEER) 2. Identify training course materials <ul style="list-style-type: none"> • Business planning • Basics of finance • Basics of advertising • Computer graphics and design • Creative writing • Technical writing • Communications • Package design
	Hire qualified staff for management by February 2009	<p>Hire qualified marketing manager, who is familiar with small and medium enterprise development and can: (February 2009)</p> <ul style="list-style-type: none"> • Conduct market research, and analyzing market conditions, the identification of problems and opportunities in local market, regional, and global markets. • Design programs (training, start-ups community services, mentoring and events) • Identify appropriate personal to execute the programs <p>Hire qualified financial controller who can (November 2008)</p> <ul style="list-style-type: none"> • Prepare financial controls plus monthly and annual reporting. • Maintain JFBPW financial books • Negotiate with suppliers (timing, cost and method of payment). • Bill individuals and institutions • Understand donor requirements for financial accounting & book-keeping • Prepare annual budgets and monitoring actual expenditures. <p>Hire a qualified financial accountant who can (December 2008)</p> <ul style="list-style-type: none"> • Review, analyze and present financial data, including revenue projections and expenditure reports, to determine funding requirements. • Prepare financial statements, reports of operations, expenditure reports, statistical data, and other information concerning financial requirements; assists in gathering and reviewing data for preparation of budget work programs. • Maintain various journals, registers and other fiscal records; allocates revenues to appropriate functions; classifies expenditures and posts to various

Objectives	Goals	Tasks
		<p>accounts as required</p> <ul style="list-style-type: none"> Review and processes expense vouchers, invoices, and other fiscal documents for payment; reconciles various financial reports and other data concerning fiscal operations Determine payroll requirements; maintains payroll data; prepares and processes monthly payrolls. Create job descriptions
	Develop motivation structure for employees (December 2008)	<p>Determine bonuses for employees</p> <p>Identify criteria for employee performance appraisals</p>
	Create relationship with subsidy and training companies by October 2008	Contact NAFES/BDC/On the Job Training programs
	Create relationship with fund raisers and NGOs by November 2008	<p>Contact Noor Al-Hussein Foundation, and Jordan river Foundation</p> <p>Explain the role of the incubator</p> <p>Explain the potential benefits to the fundraisers and suggest areas of cooperation (training, certification, etc.)</p> <p>Identify areas where JFBPW and the NGO can cooperate</p>
Rationalize the cost of incubator services	Develop subsidy programs	Contact NAFES/BDC/MOPIC/MOSD/TATWEER to develop subsidy a program for incubator tenants
	<p>Use Internships to assist in providing incubator tenants with required services.</p> <p>Train at least:</p> <p>5 interns in 2009</p> <p>7 interns in 2010</p> <p>10 interns in 2011</p>	<ul style="list-style-type: none"> Create On the Job Program for fresh graduates on the first year Develop relationship with universities/colleges Develop relationship with AEISC for access to US trained interns Identify other sources of interns regionally and internationally
	Develop agreements with consulting companies and experts to provide	Identify willing consultant companies to develop preferential pricing policies for incubator tenants

Objectives	Goals	Tasks
	preferentially priced services to tenants by February 2009	Sign with at least 5 consultants Sign with at least 2 consulting companies
		Develop long term preferential pricing packages with select consulting companies
	Allow tenants to pay as they their financial resources allow (within limits) by February 2009	Define affordable fee structure for rent and professional services for incubator tenants during a certain period of time (2 years)

MARKETING MIX

PRODUCT & SERVICES

The incubator will offer the following services to the tenants:

1. **Professional services:** secretarial, accounting, financial, legal, marketing, human resources management and consulting services.
2. **Infrastructure Services:** building space, telephone lines, fax, PCs and printers photo copiers, express post services such as FedEx, office supplies, and regional and international package services.
3. **Fund raising** guidance, tools and tips to access the most effective network of contacts locally, regionally, and globally, which allow the tenants to gain funds and financial resources to their projects.
4. **Assessments** of the incubator's own internal performance in delivering its goals, and in helping tenants businesses achieve their goals.
5. **Business deal sourcing:** by creating and developing networks and relationships with incubator stakeholders to maintain deal flows and investment opportunities to match the partners and clients objectives.
6. **Strategy development** and assess the potential knowledge –based business opportunities to provide the best recommendations by qualified team management who will be responsible of:
 - i. Business plan preparation, market entry services product and services introduction, marketing techniques communications and presentation skills e-business concept Human resource management, programs enable the incubator companies up date with latest technologies and education;
 - ii. Training by experts working directly with tenants on-site training;
 - iii. Performance assessment of the incubator goals and objectives;
 - iv. Training for tenants through workshops, seminars, conferences with potential local and global partners and entrepreneur companies;
 - v. Internal evaluation of the competencies and products developed by incubator companies;
 - vi. External evaluations through client feedback, including number of clients, percentages of cost reduction as a result of technology developed through out the incubator, etc.;
 - vii. Academic evaluation by transforming the research projects into real business opportunities.

PROMOTION

Word of mouth will play a significant role to deliver credible messages for non- users (potential women who decide to join the incubator) and fund raisers through:

1. Development of an official website for tenants that will show successful stories of what tenants were able to achieve.
2. Creating sponsorship events to introduce the incubator concept, services, and projects and activities for women. This event will identify the major constraints and suggest/recommend the most effective means to overcome these constraints to develop and create successful businesses.

3. JFBPW management must personally visit the decision makers of the relevant ministries, NGOs, womens associations, fund raisers, and donors to communicate JFBPW's objectives and build credibility for the incubator.
4. Holding events in the JFBPW incubator to raise awareness among the JFBPW target market of the incubator, its benefits and the services provided through it.
5. Develop written Promotional Materials (brochures, pamphlets, flyers and posters). These materials should explain and show in simple terms (language and visuals) women creating more prosperous futures for themselves and their families. The materials should show women in their conventional surroundings adding value and improving their individual environments with both men and women. Written promotional materials should be distributed and/or posted in institutions or organizations which cater to women's needs. The materials can also be distributed through allied organizations.

PRICING

1. Develop prices for each offered services (Infrastructure and professional) will be as follows in the financial plan.
2. JFBPW will work with existing national institutions to offer subsidy plans to assist women entrepreneurs in obtaining the skill sets they need. Price subsidies may encourage JFBPW membership.
3. Services should be priced to entrepreneurs and tenants based on what the entrepreneur can pay. For example, JFBPW can offer business and professional services to the communities they serve at prices which are reduced from market rates.

PLACE

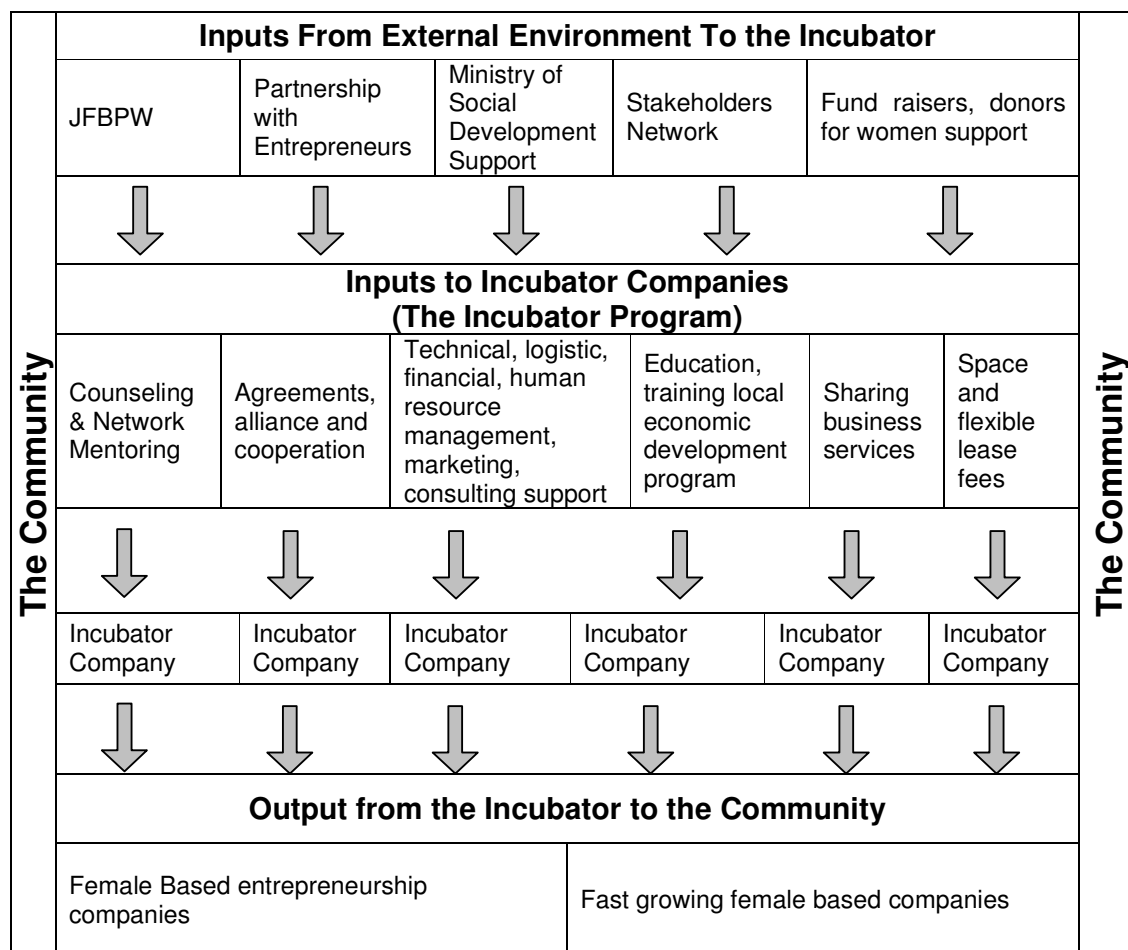
JFBPW will initially offer its services to members and immediate communities surrounding their centers and branches in Amman and Jerash. JFBPW will then expand its direct services to other areas in Jordan.

PEOPLE (STAKEHOLDERS)

1. **Business Professional Women Association (JFBPW)** had been established to enhance the performance of Jordanian women in various business and professional positions and to establish projects in order to fulfill their objectives so they can raise the competitiveness and skills as well as to enhance job opportunities for women .JFBPW is offering the following services:
 - i. Infrastructure services which include the building, office equipment (telephone lines, Pc's, printers, photocopier, fax, and shared network).
 - ii. Professional services (accounting, Financing, legal, marketing, and consulting services).
2. **Agreement, alliances and cooperation** with partners, investors, with entrepreneurs companies, universities (Locally, and globally)

3. **Sponsorship and development stakeholders (Sponsor, developers)** who identify opportunities structure funds and investment tools, develop the required documentation, facilitate the fund raising process, and managing the funds that have been developed and provide the required services and facilities to incubator companies.
4. **Ministry of Social development (MOSD)** is responsible for organizing and coordinating the efforts of private, public and non-governmental organizations to improve the living standards of individuals and families through training, human resource development and harnessing knowledge to create sustainable balanced growth and improvement. MOSD runs a variety of programs to achieve these goals. JFBPW should consider approaching MOSD to offer their services through existing MOSD programs and centers.

PROCESS



MARKETING PLAN

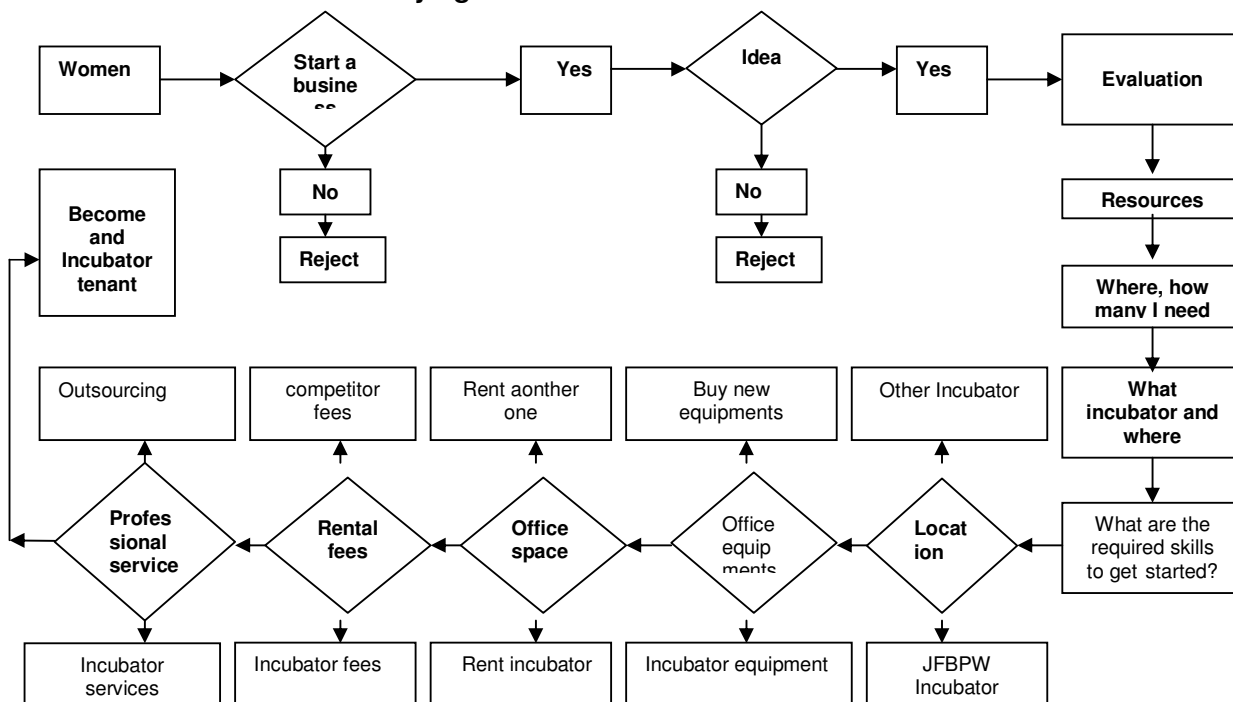
TARGET MARKET

- Early retired women (from business, government and NGOs)
- Fresh graduates
- Employed professional women
- Women who have home-based businesses (Traditional skills: sewing, embroidery, and production of other handicrafts, with provision of beauty services and commercial trade in groceries besides agricultural tasks) inside and outside of Amman--especially in remote regions--who are looking for operating capital and funds for their projects.)
- Women who are already supported by JFBPW programs and looking to expand their business
- Non-Governmental Organizations (NGO's) that support and develop women empowerment in the society--such as the:
 - Jordan River Foundation
 - Noor Al-Hussein Foundation which include different programs and projects to support women such as (National Handicraft Development Project is to preserve traditional handicrafts and create income for women in remote and rural areas)

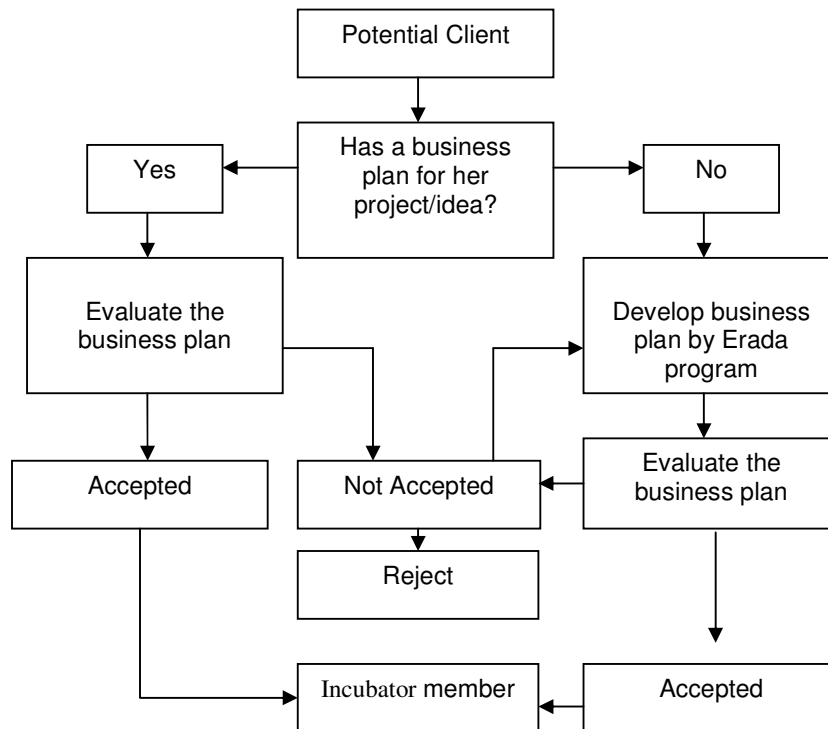
BUYING BEHAVIOR

The buying behavior is a complex process. Women interested or considering opening their own businesses will go through certain process to evaluate their ability to start their own business by themselves and compare this with the perceived added value of becoming an incubator tenant.

1.1. Potential women buying behavior to be an incubator tenant:

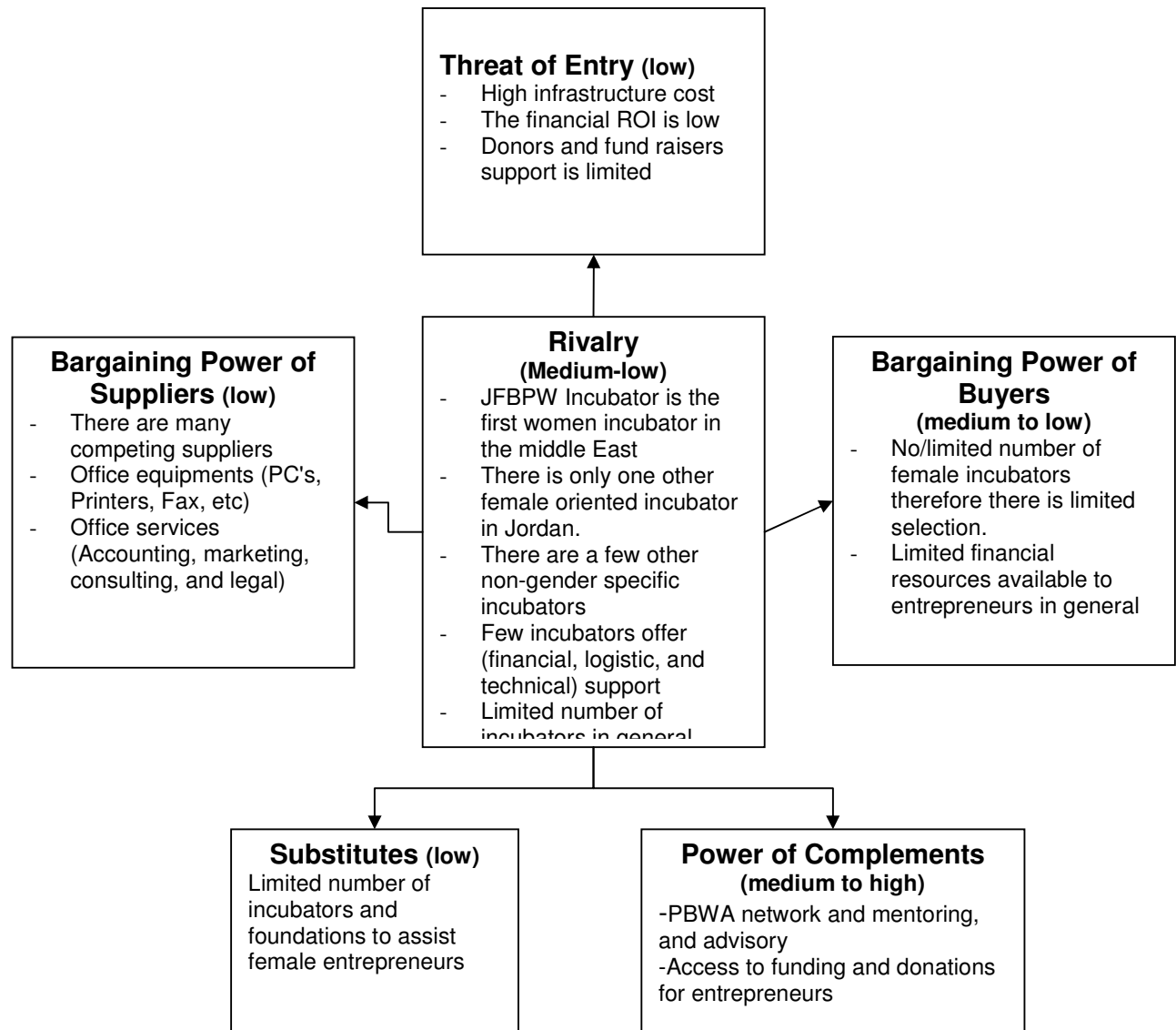


JFBPW evaluation for incubator members



ANNEX I: COMPETITIVE ENVIRONMENT ANALYSIS

PORTER'S FIVE /SIX FORCE MODEL



Threat of entry is low because of the following:

1. High infrastructure cost to establish an incubator, requiring investment for (Space, telephone lines, pc, printer, photocopier internet connection outlet, water outlet, electricity, etc).
2. The financial ROI is likely to be low, therefore financing options are limited or non-existent:
 - a. Number of incubator partners are low;
 - b. Source of funding is limited.
3. Incubation is a complicated process which includes providing, technical, and financial support to sustain the existence of the incubator. This is not easily replicated.
4. The incubator needs to develop a connection with financial associations and NGOs to gain funds, donations to support the tenants' projects and maintain the incubator's survival.
5. The government funds and support by the Ministry of Social Development is based on specific youth and social projects.

Rivalry is medium to low because:

1. There are a limited number (seven) incubators and even a smaller number of incubators (two) designed to serve women only. Therefore rivalry is low.
2. Full service incubation is a complicated process because it offers: space, and accounting, marketing, legal, human resources management, etc. This is not easily replicated.

Bargaining Power of buyers is medium to low. There are more potential female incubator tenants than incubator spaces within incubators in general and within women incubators specifically. Therefore competition among female entrepreneurs is likely to be high to obtain spaces. This will reduce the bargaining power of the potential tenants. If the number of incubators increases, buyer bargaining power will increase. If the number of women seeking incubator spaces/services decreases their bargaining power will decrease. If women start accepting to go to mixed incubators their bargaining power will increase and their options increase as well.

Bargaining power of suppliers is low to medium based on the incubator service. There are many suppliers for infrastructure equipment (photocopiers, fax machines, computers, modems, desks, etc.) In these cases the supplier's bargaining power is set by market prices and the incubator can seek out many alternatives. Bargaining power of suppliers increases if they provide unique services, knowledge or insight. Service providers, such as accountants, financial managers, human resource managers, and consultants' increases with the specialization of their service and/or the facilities they provide the incubator (delayed payment terms, discounts on pricing, some level of free consultation, etc.)

Power of complements is medium to high because the incubator's services can be easily enhanced through complements such as access to a network of angel investors, micro finance institutions, or potential business partners. These complements can greatly improve the utility of the incubators services for their tenants.

Power of Substitutes are medium to low because there are many competitive incubators in Jordan such as:

1. JFBPW incubator (energy center).
2. Agro-Industries Business Incubator (JIC).
3. National Consortium for Technology and Business Incubation – iPark.
4. Queen Rania Center for Entrepreneurship.
5. Jordan Innovation centers at the University of Jordan, Industrial Estates Corporation, and University of Yarmouk Incubator.

However, since the JFBPW incubator is a female-oriented incubator, the main competitive advantage it has over other competitors will reduce the power of substitutes from medium to low.

ANNEX II: ENVIRONMENTAL ANALYSIS

STRENGTHS, WEAKNESSES, OPPORTUNITIES, & THREATS (SWOT)

STRENGTHS:

1. JFBPW incubator is the first women-oriented incubator in Jordan and it is already established and well known.
2. The JFBPW has well established networks (financial, investment, business development, micro finance, etc.) which will allow them to add value and effectively assist incubator tenants.
3. Since JFBPW is already established, they can start modifying the services offered to meet the needs of the new incubator tenants.
4. Since JFBPW is already established, any additional funding will be used to actually help facilitate/service women entrepreneurs instead of being spent on infrastructure.
5. JFBPW's existing track record will allow them to more successfully attract donor assistance and funding to help facilitate women's integration into the economy.
6. JFBPW is focused on assisting women entrepreneurs, an under represented portion of the local economy. This gives JFBPW an edge in attracting funds.
7. JFBPW already has some level of internal management for the incubator.

WEAKNESSES

1. Many incubator companies may not like the necessity of sharing space and equipment (printers, photocopiers, meeting rooms, etc.) because they may perceive sharing as a security risk to their companies and ideas.
2. The existing JFBPW internal services offered, particularly accounting is very poor.
3. The JFBPW has not yet developed a series of relationships with qualified service providers to help the incubator tenants.
4. Incubator building and office equipment do not fit the tenants needs :
 - a. Office sizes are small and narrow;
 - b. Meeting room is located in open area and has no borders that separate it from other offices and has very old furnishings;
 - c. Computers devices need to be updated with new software programs;
 - d. Wasting time and effort by using switching telephones lines system instead of direct lines for each tenant;
 - e. Secretarial services are poor; the incubator has only one secretary;
 - f. No connections between tenants and partners, investors, donors, fund raisers, or any other financial support stakeholders.

OPPORTUNITIES

1. Women empowerment and expanded opportunities outside of Amman, especially in the remote regions.
2. Create opportunities for early retired women to establish their own businesses based on long work experience and knowledge.

3. Create opportunities for the large number of graduates to start their own businesses.
4. Develop linkages with Local Economic Development program.
5. Develop a cooperative relationship with ministry of social development.

THREATS

1. Royal NGO's may open competing incubators and compete for funding.
2. Existence of many incubators competing for funding and donation resources.
3. If the level of incubator funding is reduced it will threaten the existence of the incubators itself.

ANNEX III CONSUMER NEEDS ANALYSIS

PHYSIOLOGICAL NEEDS

The JFBPW provides women with a physically secure place to establish and manage a business.

SAFETY AND SECURITY:

Starting new business is frightening. An incubator provides a caring helpful environment to assist women entrepreneurs in starting, developing and growing their new businesses.

Incubators provide physical space, shared services and access to professional assistance to help make sure that start-up risks are reduced. Availability of shared services and reduced rental fees allows entrepreneurs to focus on developing and expanding their businesses instead of worrying about large rental costs, infrastructural investments, etc.

BELONGING

Women will share ideas and experiences with each other which will likely reduce their fear of starting and managing a business. They will have many role models around them from which to draw inspiration.

The incubator will become a source of successful women entrepreneurs. This will draw increasing numbers of entrepreneurs who will want to become part of that success.

Graduates of the JFBPW incubator will be part of a successful group of women who took up the challenge to turn their dreams into reality.

ESTEEM

Successful women entrepreneurs will be held in high regard by society. They have been able to develop business ideas, develop plans, and execute these plans to create a better future for themselves.

SELF ACTUALIZATION

The incubator will allow diligent women entrepreneurs to build the future they want for themselves. The incubators, through the various forms of assistance and services, will help women entrepreneurs to harvest the success of their efforts.

FINANCIAL DISCUSSION

The incubator will have four revenue streams in order to achieve sustainability, which will be achieved by the second year. The revenue streams are as follows:

1. Rent- space
2. Services level I
3. Services level II
4. Sponsorships

Another revenue stream in the form of grants is eminent to cover the capital investment required for the first and second year running expenses. A deficit of approximately JD 15,000 is anticipated in the first year.

The incubator is expected to break even in the second year, please refer to sustainability section for further details. The incubator will financially break even with 15 incubator occupants out of the eighteen available spaces. The first month of operation figures are calculated with revenue from five incubatees.

The incubator management will invest approximately JD 33,500 in the first year and JD 10,400 in the second year on capital investments. Further capital investments will follow in year 3 and 4 as detailed in the capital investment section hereinafter. The larger percentage of capital investment will actually be in the refurbishment, furnishing and automating the incubator.

The management will spend the remainder of the net proceeds for general corporate purposes mainly administrative expenses.

The actual amount of net proceeds to be spent on a particular use will depend on many factors, including future revenue growth; the amount of expenditures required for other uses; and the amount of cash generated or used by the operations. Many of these factors are beyond the management control. Therefore, the management will have broad discretion in the use of the net proceeds.

SUSTAINABILITY

The model forecasts total revenues in Year 1 by 37 KJD to increase to 84 KJD by year 4. Administrative expenses are calculated at 52KJD by year 1 to increase to 64KJD by year 4. Please refer to Administrative expenses for further details.

The table below shows the forecasted Income Statement.

Table (1) Forecasted Income Statement

Income Statement				
Year	Year -1	Year -2	Year -3	Year -4
Revenues				
Revenues - Space	10,625	16,830	18,513	20,364
Revenues - Services	8,291	12,542	13,230	14,011
Revenues - Mgt services	7,500	12,375	13,613	14,974
Revenues - Sponsorships	11,000	19,000	32,000	35,000
Total Revenues	37,416	60,747	77,356	84,349
Other revenues - grants	50,000	5,000	-	-
Expenses				
Administrative expenses	52,616	55,457	59,644	64,215
Surplus/Deficit before depreciation	34,800	10,290	17,712	20,134
Depreciation	6,900	9,110	9,975	10,655
Surplus/Deficit	27,900	1,180	7,737	9,479

The model forecasts revenues (excluding sponsorships) of JD 26,416 in year 1 increasing at a rate of 58% in year 2 to reach around JD 41,747 by the end of year 2. The table below shows the increase in revenues

Table (2) Increase in revenues

Year	Year -1	Year -2	Year -3	Year -4
Total revenues w/o sponsorships	26,416	41,747	45,356	49,349
Yearly increase		58%	9%	9%
Sponsorships	11,000	19,000	32,000	35,000
Yearly increase		73%	68%	9%

REVENUE

The incubator will earn revenues primarily from four main sources.

1. RENT (REVENUE – SPACE)

Space will be rented out to entrepreneurs at JD 85 per month per cubical and will increase at a rate 10% per year. The incubator has 18 cubicles and currently has five incubator occupants.

The model assumes the following number of cubical space to be rented out.

Table (3) Target number of tenants

Number of Incubatees	Year -1	Year -2	Year -3	Year -4
Month -1	5	15	15	15
Month -2	6	15	15	15
Month -3	7	15	15	15
Month -4	8	15	15	15
Month -5	9	15	15	15
Month -6	10	15	15	15
Month -7	11	15	15	15
Month -8	12	15	15	15
Month -9	13	15	15	15
Month -10	14	15	15	15
Month -11	15	15	15	15
Month -12	15	15	15	15

The incubator's management believes that the illustrated targets are achievable and are conservative. Revenues from space rental is shown in the table below:

Table (4) Space rent revenues

Revenues	Year -1	Year -2	Year -3	Year -4
Rent	10,625	16,830	18,513	20,364

2. SERVICES - LEVEL I

The incubator will provide a comprehensive portfolio of support and services to help entrepreneurs improve their businesses, reduce the cost, and better manage their resources and revenue streams. Services are divided into two Levels:

Level I will be mandatory to all tenants will include the following services.

1. Telecommunication (Telephone and fax)
2. Post
3. Internet
4. Printing
5. Accounting services.

Services will be priced according to the table below

Table (5) Level I service price structure

Services - level -1		
Telecom	30%	of outgoing calls, it is assumed that every cubical will make 5 phone calls a day at JD 0.01
Post	5.00	on monthly basis
Internet	20	on monthly basis
Printing and copying	0.05	per copy, it is assumed that every cubical will make 10 copies a day
Accounting	30	monthly

At this pricing scheme the Level I services will generate the following revenues

Table (6) Level I service revenues

Revenues	Year -1	Year -2	Year -3	Year -4
Services - level -1	8,291	12,542	13,230	14,011

3. SERVICES - LEVEL II

Level II services will include

1. Marketing consulting
2. Business development services
3. Legal services

Level II services are not mandatory services, but are required by most entrepreneurs, it is expected that every cubical will require one marketing consulting, one business development service and at least one legal service per year.

Services are priced as indicated in the following table

Table (7) Level II service price structure

Charges	Delta	Year -1	Year -2	Year -3	Year -4
Services - level -2					
Marketing	10%	300	330	363	399
Business Development	10%	300	330	363	399
Legal	10%	150	165	182	200

And, according to number of tenants, actual revenues from Level II services are summarized in the table below:

Table (8) Level II service revenues

Revenues	Year -1	Year -2	Year -3	Year -4
Services – Level II	7,500	12,375	13,613	14,974

Actual revenues are expected to be higher. Management requested that conservative figures be used. Professional service revenue is recognized as services are provided.

4. SPONSORSHIP

In order to achieve sustainability, the incubator must create more revenue streams. Thus a sponsorship program is designed with three types of sponsorship as shown below:

Table (9) Types of sponsorships

Type of sponsorship	Amount	Number
Bronze	3,000	5
Golden	5,000	2
Diamond	10,000	1

Target sponsorships are as follows:

Table (10) Targeted number of sponsors

Number of companies	Year - 1	Year - 2	Year - 3	Year - 4
Bronze	2	3	4	5
Golden	1	2	2	2
Diamond	-	-	1	1

And the expected revenues from the sponsorship program is shown in the following table

Table (11) Sponsorships revenues

Sponsorship revenues	Year - 1	Year - 2	Year - 3	Year - 4
Bronze	6,000	9,000	12,000	15,000
Golden	5,000	10,000	10,000	10,000
Diamond	-	-	10,000	10,000
Total sponsorship revenues	11,000	19,000	32,000	35,000

GENERAL AND ADMINISTRATIVE

General and administrative expenses consist of compensation and pro-rated overhead costs per employee for personnel in marketing, services and administrative functions; and expenses associated with other activities like, travel, telecommunications and training.

The amount of expenses for this category is forecast in the following table:

Table (12) General and administrative expenses

Incubator - Administrative & General Expenses					
	Yearly	Year 1	Year 2	Year 3	Year 4
	Increase				
Salaries		27,630	29,564	31,634	33,848
Social security		3,177	3,400	3,638	3,893
Health Insurance		829	887	949	1,015
Commission		-			
Rent		-	-	-	-
Web site		500			
Hosting	-3%	300	291	282	274
Mail	5%	200	210	221	232
Leased lines	-5%	350	333	316	300
Telephone expenses	-3%	600	582	565	548
Fuel - offices	12%	2,500	2,800	3,136	3,512
Electricity	8%	3,000	3,240	3,499	3,779
Stationary	10%	720	792	871	958
Office supplies	10%	360	396	436	479
Water	2%	460	469	479	488
Hardware Maintenance	3%	240	247	255	262
Transportation	5%	900	945	992	1,042
Travel Expenses	15%	1,200	1,380	1,587	1,825
Marketing expenses	7%	1,000	1,070	1,145	1,225
Promotions expenses		250	250	250	250
Asset insurance	0%	30	30	30	30
Seminars & workshops	5%	3,000	3,150	3,308	3,473
Legal Expenses	10%	1,800	1,980	2,178	2,396
Auditing Expenses	5%	850	893	937	984
Subscriptions	5%	500			
Hospitality	5%	360	378	397	417
Consumables	3%	360	371	382	393
Training	20%	1,500	1,800	2,160	2,592
Total Indirect Expenses		52,616	55,457	59,644	64,215

Management plans for continued expansion are expected to significantly increase costs in this category. The amount of expenses for this category in the future depends to a large degree upon how quickly the business develops and how management responds to future growth.

SALARIES

Salaries include compensation and pro-rated overhead costs per employee for operations, personnel, and direct costs incurred when providing service. Operations employees are personnel engaged in providing services for the incubator occupants.

Table below forecasts the number of required employees and pro-rated overhead costs:

Table (13) monthly salaries expenses

Salaries Forecasted	Yearly	Year 1	Year 2	Year 3	Year 4
Monthly basis	Increase				
Incubator Management					
Incubator Manager	7%	450	482	515	551
Incubator Secretary	7%	250	268	286	306
Services					
Business Manager	7%	500	535	572	613
Marketing manager	7%	500	535	572	613
Accounting	7%	500	535	572	613
Total salaries		2,303	2,464	2,636	2,821

Salaries (In JD's) are forecast to be as follows, increasing 5% per year or depending on market trends:

Table (14) Yearly Salaries

Position	LOE to	Salary	Charged to	Yearly basis
	incubator		incubator	
Incubator Management				-
Incubator Operations Manager	100%	450	450	5,400
Incubator Secretary	100%	250	250	3,000
Services				-
Business Manager	100%	500	500	6,000
Marketing manager	100%	500	500	6,000
Accounting	100%	500	500	6,000
Total salaries				27,630

LIQUIDITY AND CAPITAL RESOURCES

The Incubator's management believes that a grant of JD 50,000 in year 1 followed by another grant of JD 5,000 in year 2 combined with generated cash expected from operations will be sufficient to meet the anticipated cash needs for the incubator to sustain its operation in the first four years and expand operations in the future.

The forecasted cash flow tables below explain the cash flow standing of the company:

Table (15) Cash flow forecast

Cash Flow Statement				
Year	Year -1	Year -2	Year -3	Year -4
Cash In-flows				
Capital				
Loans				
Revenues				
Revenues - Space	10,625	16,830	18,513	20,364
Revenues - Services	8,291	12,542	13,230	14,011
Revenues - Mgt services	7,500	12,375	13,613	14,974
Revenues - Sponsorships	11,000	19,000	32,000	35,000
Revenues - Other - grants	50,000	5,000	-	-
Total Cash In-flows	87,416	65,747	77,356	84,349
Cash Out-flow				
Capital Investment	33,500	10,400	4,000	3,200
Administrative expenses	52,616	55,457	59,644	64,215
Bonuses				
Loan Installment				
Total Cash Out-flows	86,116	65,857	63,644	67,415
Net cash flow	1,300	(110)	13,712	16,934
Beginning Cash Balance	-	1,300	1,190	14,902
Ending Cash Balance	1,300	1,190	14,902	31,835

If management plans or assumptions change or are inaccurate, the incubator may need to seek additional funds.

The model above takes into consideration the management plans to significantly increase the operating expenses in order to expand the general and administrative capabilities to address the increased reporting and other administrative demands which will result from increasing the size of the incubator's business, expand

marketing operations, and broaden customer support capabilities. Operating expenses are largely based on anticipated growth in occupancy.

CREDIT RESOURCES:

The incubator funds its working capital requirements primarily with cash. In the case where the incubator may require working capital higher than what is anticipated in this study, the company will not be able to fund increased requirements for working capital from short-term borrowings. The incubator management has to identify funding in the form of grants.

BALANCE SHEET

The forecast balance sheet table below shows the forecast balance sheet

Table (16) Balance sheet

Balance Sheet				
Year	Year -1	Year -2	Year -3	Year -4
Assets				
Cash	1,300	1,190	14,902	31,835
Fixed Assets	33,500	43,900	47,900	51,100
(-) Accumulated Depreciation	6,900	16,010	25,985	36,640
Others				
Total Assets	27,900	29,080	36,817	46,295
Liabilities & Owners Equity				
Capital	-	-	-	-
Retained earnings	27,900	29,080	36,817	46,295
Total Liabilities & Owner's Equity	27,900	29,080	36,817	46,295

CAPITAL INVESTMENT

The incubator management plans to invest approximately JD 33,500 on capital investment in the first year, further capital investments will follow in year 2, 3 and 4 as detailed in the table below:

Table (17) Forecast Capital Investment

Item	Year 1	Year 2	Year 3	Year 4
Hardware				
Computers	3,800	2,280	760	760

Operational Server	-	1,000	-	-
Laptops (Marketing Sales)	-	-	-	-
Printer	-	-	300	-
Network	800	-	-	-
Fax	-	-	-	200
Modem	-	-	-	200
Data Switch	-	-	-	200
Telephone Switch and sets	-	300	-	-
Copier	-	700	-	-
Switch printer	200	-	-	-
Data Show	-	-	800	-
Software	-	-	-	-
Back end software	1,000	-	-	-
Licenses	1,000	-	-	-
Office / station	1,000	600	200	200
	-	-	-	-
Furniture	-	-	-	-
Secretarial	-	-	300	-
Meeting room	2,500	-	-	-
Cubical furniture	12,000	7,200	2,400	2,400
Common areas furniture	-	600	-	-
Interior works and refurbishing	15,000	-	-	-
Total Capital Investment	33,500	10,400	4,000	3,200

DEPRECIATION AND AMORTIZATION

Depreciation consists of depreciation expenses related to equipment, furniture, intangible assets, hardware, desktop software and upgrades, patents and other intellectual property.

Depreciation method used is straight line, depreciated over a period of time as described by the Jordanian income law and detailed in the table below:

Table (18) Depreciation rates and amounts

Item	Unit Price	Depreciation rate	Depreciation Amount
Hardware			
Computers	380	25%	95
Operational Server	1,000	25%	250
Laptops (Marketing Sales)	900	25%	225

Printer	300	25%	75
Network	800	25%	200
Fax	200	25%	50
Modem	200	25%	50
Data Switch	200	25%	50
Telephone Switch and sets	300	25%	75
Copier	700	25%	175
Switch printer	200	25%	50
Data Show	800	25%	200
Software			
Back end software	1,000	25%	250
Licenses	1,000	25%	250
Office / station	100	25%	25
Furniture			
Secretarial	300	20%	60
Meeting room	2,500	20%	500
Cubical furniture	1,200	20%	240
Common areas furniture	600	20%	120
Interior works and refurbishing	15,000	20%	3,000

Table below explains total depreciation expenses for the first four years.

Table (19) Depreciation expenses

Depreciation expense	Year 1	Year 2	Year 3	Year 4
Hardware				
Computers	950	1,520	1,710	1,900
Operational Server	-	250	250	250
Laptops (Marketing Sales)	-	-	-	-
Printer	-	-	75	75
Network	200	200	200	200
Fax	-	-	-	50
Modem	-	-	-	50
Data Switch	-	-	-	50
Telephone Switch and sets	-	75	75	75
Copier	-	175	175	175
Switch printer	50	50	50	50
Data Show	-	-	200	200
Software				
Back end software	250	250	250	250
Licenses	250	250	250	250
Office / station	250	400	450	500
Furniture				

Secretarial	-	-	60	60
Meeting room	500	500	500	500
Cubical furniture	2,400	3,840	4,320	4,800
Common areas furniture	-	120	120	120
Interior works and refurbishing	3,000	3,000	3,000	3,000
Total Depreciation expenses	6,900	9,110	9,975	10,655

DISCLAIMER

The business plan includes comments and projections as to the potential and sustainability of the enterprise. The projection of commercial potential is based upon information researched and prepared by the Directors.

The business plan demonstrates that

- the market exists
- the market trends are favorable
- the proposal is achievable
- The key personnel have the capabilities to achieve the projected targets.

Information provided includes forward-looking statements. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about the company and the current conditions and markets, which may cause the actual results, levels of activity, performance, or achievements to be materially different from any future results, levels of activity, performance, or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions.

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USAID JORDAN ECONOMIC DEVELOPMENT PROGRAM (SABEQ)

BearingPoint, Inc.

Salem Center, Sequleyah Street, Al-Rabiyeh

Amman, 11194 Jordan

Phone: + 962-6 550-3050

Web address: <http://www.SABEQ-Jordan.org>