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SUPPORTING THE DEVELOPMENT OF BUSINESS PLANS FOR THE MEMBERS OF THE ARCHITECTS/ ENGINEERS BUSINESS COUNCIL

A Summary Report

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A SUMMARY REPORT

SUSTAINABLE ACHIEVEMENT OF BUSINESS EXPANSION AND
QUALITY (SABEQ)

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BEARINGPOINT, INC.

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JIDARA

6.6.5. A.3.24.9 PROVIDE SUPPORT TO MEMBERS OF A/E BC FOR
DEVELOPING THEIR BUSINESS PLANS

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INTRODUCTION

SECTOR BACKGROUND

The Engineering and Architecture Consultancy Services (A&E services) sector is one of Jordan's fastest growing service industries. It forms a gross output of US\$98.9 million or 1% of Jordan's GDP. The current number of A/E offices in Jordan is 1,178. The sector has experienced continuous growth throughout the past 10 years with an average growth of 10% over the past four years.

The sector exports knowledge intensive services to over 30 countries; since more than 1% of Jordan's population is registered engineers, this sector has the potential to contribute significantly to the country's economic growth in the coming years. The sector export markets are namely the Gulf, Sudan, Libya, and other African countries, in addition to Central and South Eastern Asia.¹

The Architectural and Engineering Business Council was established in 2005 as the A/E Forum and was part of a team that presented a sector strategic plan, which was incorporated into Jordan Vision 2020. The Forum was further developed to its current status as a Business Council and developed its internal structure and clear membership criteria. The Council has also identified the member's priority needs for further organizational development in developing their strategic planning practices.

The Architectural and Engineering sector is one of SABEQ's priority sectors, and as the development of strategic planning practices among sector's companies was identified as a priority need, SABEQ decided to support the development of business plans for eight members of the A&E Council. The assignment was designed in cooperation with the A&E Council utilizing training and mentorship to ensure knowledge transfer to beneficiaries and enhance their strategic thinking abilities.

OBJECTIVES AND ACTIVITIES OF THIS ASSIGNMENT

The objective of this assignment was supporting eight members of the A&E Council in developing their business plans through training and mentorship. The beneficiaries were provided with advice to support initiating strategic thinking of their businesses and tools to define their strategic direction and develop a strategic plan.

The assignment was implemented within the following main phases:

1. Training, a two days training course.
2. Mentorship, one-to-one mentorship for the development of the business plan.
3. Knowledge transfer, a one day session of knowledge transfer with market leaders covering topics of concern to the beneficiaries.

¹ Sector information obtained from A&E Sector Profile-2007-SABEQ

4. Wrap-up, a session designed to capture the success stories and lessons learned through-out the project.

The beneficiary companies are:

1. Maisam Architects and Engineers,
2. Amman Consulting Engineering and Planning Office,
3. TIBAH Consultants, Architects and Engineers,
4. Bitar Consultants Architects and Project Managers,
5. Dar-Al-Omran Planners-Architects –Engineers,
6. Sobeh Engineering Office,
7. Associated Consulting Engineers,
8. S.M DUDIN Architects and Engineers

PROJECT PHASES

TRAINING

Based on one-to-one meetings with the eight beneficiaries, a two-day training program was provided by the consulting team. The training program covered the main strategic thinking knowledge areas, an overview of the A&E sector in Jordan, a success story of a Jordanian A&E market leader and a case study. Three handouts were also provided to the participants: a report on best practices in human resources management by American A&E companies with emphasis on turnover and two sample business plans.

MENTORSHIP

Each company was provided with mentorship support to develop a business plan. The consulting team prepared an overall approach to the mentorship phase. In cooperation with the companies' management, the overall approach was used to develop individual companies' plans identifying the milestones expected from each company. The mentorship plans were also shared with the A&E Council. Each consultant was assigned as a mentor for four companies.

Several sessions took place between the consultant and the individual companies. In each session, the consultant assisted the companies in preparation for the milestone by asking critical questions, providing tools, assistance and clarifying the tasks the company needs to accomplish in order to meet the milestone.

Progress in developing strategic plans in beneficiary companies varied depending on the dedication of each company in terms time and effort allocated to strategic planning activities. Some companies managed to prepare complete and full fledged business plans while others learned tools to help them define their strategic direction.

The success stories and lessons learned as identified by the companies and the consulting team shed more light on this phase.

KNOWLEDGE TRANSFER

In order to enhance knowledge transfer between the members of the A&E Council, one day Questions and Answers sessions took place in coordination with the A&E Council. The topics discussed in the sessions were identified by the Council and the consulting team. During the mentorship, several common areas of interest were identified by the beneficiary companies and the consulting team. A&E Jordanian market leaders presented the best practices they implement in their companies and answered related questions. The topics that were discussed are:

1. Projects costing, presented by Eng. Bisher Jardaneh, Arabtech Jardaneh Engineers and Architects,
2. Projects Management:
 - a. Managing design projects by Eng. Hanni Hakki, Sigma-Consulting Engineers,

- b. Managing supervision projects by Eng. Anas Sinno, Dar-AL-Omran Planners –Architects- Engineers,
3. Retain employees and reduce turn-over by Eng. Saed Abu-Jaber, Consolidated Consultants Engineering and Environment,
4. KPIs and international benchmarks by Eng. Ezzat Sajdi, Consulting Engineering Center (Sajdi and Partners)
5. Management of Branches by Dr.Izz Din-Katkhuda, Arab Center for Engineering Studies.

SUCCESS STORIES AND LESSONS LEARNED IDENTIFIED BY THE COMPANIES

A wrap-up session was designed and conducted by the consulting team to capture the success stories and lessons learned by the companies' through-out this assignment. In total six companies participated in the session, one of them joined after the identification of success stories.

SUCCESS STORIES OF THE BENEFICIARY COMPANIES

During the wrap-up session, each company identified its main success story and presented it to the participants; they also answered related questions raised by the other participants. The success stories identified by the companies are summarized below:

Maisam Architects and Engineers:

Before the mentorship, we did not have clear priorities; we used best practice margins and multipliers for pricing without linking that to our previous performance. Using the segmentation analysis tool which was introduced to us, we defined our priorities and understood the contribution of each market segments to our overall work. As a result and to ensure better cash flow, we changed the financial terms in our contracts and signed a major contract using the new terms. The financial analysis we worked on during the mentorship helped us to base our decision on the facts of our previous performance.

Amman Consulting Engineering and Planning Office:

We used to bid on all types of projects, now we only bid on projects that rank “high value” according to our projects evaluation criteria; we managed to get five “high value” projects in the past six months.

Internally, we improved our organization by separating the accounting and personnel into human resources and financial. We also introduced the use of timesheets. This helped us to better manage our human resources and provided us with easier access to data for analysis and management.

On the marketing side, we did not use to concentrate on our image or marketing activities. As we started with our marketing initiative as indicated in our business plan, we started being approached by potential clients.

TIBAH Consultants, Architects and Engineers:

Our multiplier was not measured accurately, we did not think it was important, and we did not analyze each project financially. Now we are making conscious pricing and costing decisions as we are able to calculate our multiplier accurately. Using new cost accounting techniques allowed us to monitor the performance of projects.

Bitar Consultants Architects and Project Managers

We always wanted to have more focused management practices, but operations were a priority. Now, using a pre-announced meeting calendar, regular planning and management meetings are taking place, every body now respect the meeting calendar. We are using those meetings to discuss progress of our business plan implementation and address management issues. We also had documented internal rules that were not rigorously used, now due to the fact that their application is being monitored by management regularly; those rules are highly respected and adhered to.

Dar-Al-Omran Planners-Architects -Engineers

We are now experiencing the dynamics of change every day. Instead of having one corporate business plan, each section has its own business plan to which section managers are accountable. More people are now involved in the planning process, this led to buy in and more implantation coordination. Our infrastructure department is more focused; it is applying new tactics to increase our market share. We are winning new projects with new clients in addition to targeting new market segments.

LESSONS LEARNED IDENTIFIED BY THE BENEFICIARY COMPANIES

During the wrap-up session the participants worked in groups to identify lessons learned under four main categories: the training phase, the mentorship phase, the involvement of the A&E Council and the companies' roles. The results were presented and further discussed with the participants. Below are the main lessons learned identified by the beneficiary companies:

1. Training phase:

- The duration of the training was short; more time should be allocated to training and to guide the companies on the steps of the mentorship phase.
- The training was valuable to the beneficiaries as it enabled the companies realize the importance of strategic planning and helped them get focused.

2. The mentorship phase:

- The consultants guarded the planning process while the business content stemmed from the companies' leaderships. This was an excellent approach to enable the companies think strategically.
- The companies learned that there are many tools and techniques that could be used to develop and improve a business.

- As the consulting time allocated for each company is limited, the companies need to make the best use out of it.
3. The involvement of the A&E Council
- The Council's role in arranging knowledge sharing activates (The Q&A sessions) and following up on the plan development was very helpful.
4. Companies Role:
- Well and commitment to the planning process lead to achieving targets.
 - Using mentorship approach enabled the companies to realize their role in implementing and upgrading their business plans and systems.
 - It is important to inform the companies-before the mentorship phase- of the time they need to dedicate to the planning sessions.
 - Top management has to dedicate enough time to the planning process as managing the time during the mentorship assignment was challenging for companies' management.
 - It might be very useful for the companies to assign a full time employee to coordinate the planning activities and ensure that each responsible person provides the needed input in a timely manner. It was also suggested that the coordinator is not from the engineering departments (does not have many operational tasks).

SUCCESS STORIES AND LESSONS LEARNED IDENTIFIED BY THE CONSULTING TEAM

LESSONS LEARNED

1. The allocated time per company was too short. The consultant needs to provide analysis before and after the session to the company in order to provoke them.
2. The companies that have benefited the most were those that devoted more management attention and quality time. Also the companies that involved a small team in the planning process did better in progressing towards a meaningful output than when only the one person was involved. The issue was that some companies were still not ready yet to share with employees.
3. The companies' management must commit to allocating time on a bi-weekly basis for the meetings with the consultant, in addition to allocating internal time to work on the analysis required in between the meetings.
4. The initial training workshop can be enhanced to provide a better orientation and introduction. More preparation and research time needs to be allocated for that. The agenda should be similar to the previous one, but with more depth that is based on the specific A/E issues and situation. There is also room for designing more participative exercises. This however is based on hindsight.
5. Most companies are interested to learn more and understand about A/E best practice professional management systems that growing A/E companies should have. This knowledge and understanding would affect their business plans. It is therefore preferable if future similar assistance includes having lectures and sessions on international best practice either just before or in the early beginnings of the assignment. Also more knowledge exchange sessions.

SUCCESS STORIES

1. Progress in developing strategic plans in beneficiary companies varied depending on the dedication of each company in terms of time and effort allocated to strategic planning activities. Some companies managed to prepare complete and full fledged business plans while others succeeded in developing 'thinking tools' that helped them in driving towards new decisions. One of the tools was the segments financial analysis and the strategic mapping of segments. The companies therefore are more likely to use their business plan as a management tool, rather than to treat it as document and a documentary process.
2. The business planning process helped some companies create linkages between their objectives (such as target profitability and market aspirations), and with their actual operating market practice. Identifying those linkages helped de-mystify the way towards achieving strategic objectives.

3. Introducing the principle of the multiplier helps provide the companies with benchmarks and KPIs that are used internationally. There were therefore useful not only as a planning tool for the companies but because they can compare with international companies.
4. By breaking their market into segments, and developing tools for analyzing the segments' financial performance, some companies were in a position to see that by differentiating between segments and creating focus, they can get out of what previously appeared as a 'locked circle' regarding the issues of low margins, profitability and therefore the ability to invest in upgrading.
5. Incorporating financial planning into the strategic planning process enabled the companies to realize the importance of investing in internal improvement initiatives and the expected returns on this investment.
6. The companies that managed to prepare a complete and full-fledged business plan went through a full cycle of strategic planning. They could benefit from further support to the implementation of their initiatives' action plans. Enabling the implementation of those initiatives will assist the companies into realizing their strategic goals. They can also benefit from training sessions to introduce them to tools and practices needed to modify and improve their plans and formalize their strategic planning process. Additionally, management related trainings could be very useful for senior and mid-level management of those companies.
7. The companies who were introduced to decision and strategic planning tools; such as financial analysis of segments will benefit from training and orientation to utilize this tool in a continual manner to improve their businesses. Those companies will benefit from training and orientating to more tools and how to use them to develop their strategic planning process. Management related training will be very useful for senior and mid-level management of those companies.

APPENDIX 1

THE AGENDA OF THE TRAINING PROGRAM

Strategic Thinking & Business Plan Training and Mentoring Program

Orientation Workshop

Wednesday, July 11 – Thursday, July 12, 2007

	Wednesday, July 11, 2007
9.15 – 9.30	Introductions: about the project <i>Introducing the project, the participants, and their motivation for joining the project.</i>
9.30 – 10.15	Jordan's A&E sector overview <i>Key issues from the national Jordan Vision 2020 and the A&E Council strategy.</i> <i>Presented by Mr. Khaled Kurdi</i>
10.15 – 10.45	Are you thinking strategically about your Practice? <i>Developing creative corporate strategic thinking, effective strategic planning process, and making it happen.</i> <i>Efficient management v strategic leadership; strategy development versus strategic planning: difference & connection; business models at the heart of strategy development</i>
10.45 – 11.30	A/E companies' meetings: emergent concerns and themes <i>Brief discussion of the main strategic and management concerns that emerged from the initial interviews with the companies, outlining where and how they would be addressed in more depth.</i>
11.30 – 11.45	Coffee Break
11.45 – 1.30	Components of corporate strategy <i>The essential components and features of an effective strategy.</i>
1.30 – 2.30	Lunch Break
2.30 – 3.15	Strategy development and strategic planning <i>Notes about the process, including the difference between the formalized approach versus the non formalized, who should be involved, One 'template' fits all?</i> Corporate strategy and Business unit business planning <i>The difference and the connection between the two. How effective Business Unit planning promotes empowerment and accountability, corporate conversations and role enrichment for the business unit leader.</i>

3.15 – 3.45	Exercises & examples
3.45– 4.00	Coffee Break
4.00 – 5.00	Continue Exercises & examples

	Thursday, July 12, 2007
9.00 – 10.00	Developing a business plan <i>Going from a strategic plan to a business plan</i>
10.00 – 12.00	Lessons and insights from a successful international Jordanian model <i>Presented by Mr Ezzat Sajdi</i>
12.00 – 12.30	Coffee Break
12.30 – 1.30	Developing a business plan <i>The different users of business plans, why ‘one size fits all does not work. Extracts and examples from business plans for businesses similar to the A&E Services will be presented as a prototype to guide the members.</i>
1.30 – 2.30	Lunch
2.30 – 3.45	Developing a business plan – continued
3.45 – 4.00	Coffee Break
4.00 – 5.00	Preparing for the one to one business plan development assistance <i>Process outline. Leading preparatory questions and exercises</i>

THE AGENDA OF THE Q&A SESSION

Supporting the Development of Business Plans for the Members of the Architects/Engineers Business Council

Monday, 25th February 2008

Marriott Hotel

Agenda

Time	Activity
09:00-09:15	Introduction
09:15-10:30	Session 1: Project Pricing, Eng. Bisher Jardaneh
10:30-10:45	Coffee Break
10:45-01:00	Session 2: Project Management
10:45-12:00	• Managing Design Projects , Arch. Hani Hakki
12:00-01:00	• Managing Supervision Projects , Eng. Anas Sinno
01:00-02:00	Lunch Break
02:00-03:15	Session 3: Retain Employees & Reduce Turnover / Eng. Said Abu Jaber
03:15-03:30	Coffee Break
03:30-04:45	Session 4: KPI's & International Benchmarks / Eng. Izzat Al- Sajdi
04:45-05:15	Session 5: Management of Branches / Dr.Izz Din-Katkhuda
Note: Speakers will present for 20-25 minutes, remaining session time will be dedicated to questions and answers.	

THE AGENDA OF THE WRAP UP SESSION

Supporting the Development of Business Plans for the Members of the Architecture and Engineering Council

Wrap-up Session

Wednesday, 27th February 2008

Agenda

Time	Activity
9:00-9:10	Introduction
9:10-9:30	<ul style="list-style-type: none">▪ Overview of the agenda.▪ Overview of the project.
9:30-11:00	<u>Session 1:</u> <ul style="list-style-type: none">▪ Definitions of success stories and lessons learned.▪ Success stories –group work.
11:00-11:30	Coffee Break
11:30-12:45	<u>Session 2:</u> <ul style="list-style-type: none">▪ Definitions of lessons learned.▪ Lessons learned –group work.
12:45-1:00	Closing

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