

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR 2.0 Program)**

Funded By U.S. Agency for International Development

**Governance and Strategic Planing
For
JABA, The American Chamber of Commerce in Jordan**

Final Report

**Deliverable for Business Management Initiative (BMI) Component, Task No. 232.3
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Background

The Jordan American Business Association (JABA), has become the American Chamber of Commerce in Jordan and was established with the support of USAID funding. JABA's leadership has been very active and forward-looking and has acted effectively in building the organization during the difficult start-up period. Since its establishment, JABA has been active in promoting trade relations between the U.S. and Jordan. The organization's Chairman Fawaz Shalan and its Executive Director Raghda Butros have been important leaders in promoting the recently signed US/Jordan Free Trade Agreement.

Problem

JABA is on the verge of its election of new officers and directors. The election will take place in mid-April. This particular round of elections is very important to the organization. Due to term limits required in the organization's bylaws, members of JABA's founding board, including Mr. Fawaz along with the Vice Chair and the Treasurer, will not be eligible to serve another term in office. Moreover, the JABA bylaws require that the entire board to be elected every two years. The prospects of an entirely new group of leaders with no institutional memory can possibly have a major impact on the effectiveness of the organization.

Assignment

To ensure a smooth transition in leadership, JABA's new leaders need to learn about the best association practices in strategic planning and governance. To remain focused, the current leaders of JABA plan to finalize the organization's strategic plan and hope to change its bylaws to have staggered terms for its directors. Consequently I was asked to assist JABA in managing the transition to a completely new board of directors while maintaining its focus on its program of work

This assignment was accomplished by conducting several planning and working sessions with the JABA executive director Raghda Butros and then by conducting two seminars, *Leadership and Governance* and *Strategic Planning* with JABA's new and existing directors. The first seminar was on the topics of *The Philosophy Of Association Leadership* and *The Best Practices Of Association Governance*. The second seminar was on the established *Principles Of Association Strategic Planning*. Both seminars were well received and well attended by the leaders of JABA. The presentation outlines for these two seminars follow this Executive Summary in this report.

Although part of the scope of work entailed revising the bylaws, this was not accomplished due to the fact that the board of directors required additional time to digest the recommendations that was actually planned. In addition, JABA felt that it will be two years before the succession problem arises again, so AMIR-BMI has plenty of time to help the new board revise JABA's bylaws. Additionally, JABA's bylaws currently conflict with the Jordan Association Law and with the organization's own constitution, as I mentioned in my Report Recommendations. Changing the national association law should be done prior to revising JABA's bylaws.

General Recommendations

JABA, a very solid well-run business association, needs to complete the revisions of its bylaws to allow for staggered terms for its board. The organization should also begin advocating to create a new association law in Jordan in order to clear up many of the problems in its current bylaws. The present law contains a set of required elements in each Jordanian association's so-called constitution. These elements were written by someone with no experience in association management and bare little or no resemblance to most organizations' bylaws, with which the boards are governing themselves. For example, the JABA constitution and bylaw wording conflicts over the methodology for electing its chief volunteer officer. Another example of the laws need for change is the statute sets out dues structures for associations that are totally impractical in light of today's need for financial stability. Many other examples cause one to suggest that the entire concept of an association law should be reconsidered. Associations in the United States and in Great Britain are simply incorporated under the various local governments and there is no national association law governing such groups. This gives complete flexibility for the associations to be governed by its members, who provide the finances, the philosophical underpinning, and the voluntary personnel to operate privately. Privatizing associations would increase the effectiveness of associations dramatically in Jordan.

Also, additional professional public relations assistance is needed for JABA, as well as nearly all of the associations involved in the AMIR Project. While using some of the normal communication techniques of business associations, JABA needs a sophisticated communication plan for the identification of vital target audiences, the refinement of its messages, and the development of appropriate media in order to tell its story to influential audiences.

Finally, a very high level of physiological and physical stress is apparent in the staff personnel of JABA. Stress management training should be encouraged. If not, there will be a large amount of personnel burnout experienced by employees, causing a major amount of turn over. If the experienced personnel leave because of stress-related reasons, the effectiveness of the training and organizational efforts that AMIR has fostered over the past will be diminished.

Conclusion

I believe the new leaders and the staff of JABA will serve the organization well. These men and women are intelligent, dedicated people who have a sincere desire to further the mission of this organization. I predict a bright future for JABA, its members, its board, and its staff over the next several years.

Appendix A Governance and Leadership Seminar Outline

Board Governance and Leadership Power Point Presentation Outline

The Key to JABA's Success

The Art Of Leadership (Slide 1)

Leadership is the art of mobilizing others to want to struggle for shared aspirations. Without want to in the definition, the meaning is significantly altered. Choice, internal motivation, and inner desire disappears.

The Leadership Challenge (Slide 2)

Influencing Others

All of us can exercise a certain degree of INFLUENCE on someone, at some point, in some place. Leadership is not about titles, positions, or flow-charts. It is about one life influencing another. - John Maxwell Leadership 101

Power: What is it? (Slide 3)

Violence

Money

Knowledge

Life Cycle of an Association (Slide 4)

Embryonic Stage

Volunteer Stage

Volunteers plus Staff

Balanced Approach

Staff Dominated

Mature Association

Who Owns the Association? (Slide 5)

AMIR Program

Members are both owners and customers.

Board is responsible for satisfying their desires through programs and services.

Who Makes Association Policies? (Slide 6)

The board with help and recommendations from the staff

Global Trends in Association Governance (Slide 7)

Voluntary versus Mandatory

Association Leaders (Slide 8)

1. Challenge the Process

Are you competitive?

Are services suitable for members?

Where can you increase productivity at lower costs?

How can you market your services more effectively?

Association Leaders (Slide 9)

2. Inspire a Shared Vision

Use your mission statement.

Find out what your staff's concerns are and address them.

Prevent conflict within organization, but if it arises, manage it.

Association Leaders (Slide 10)

3. Say thank you

Acknowledge participation and achievements

Make volunteers feel good about what they do.

Get new members involved early.

Vision Into Reality (Slide 11)

Leaders translate vision into reality

-Warren G. Bennis

Leaders confront and change the status quo

Envisioning the Future (Slide 12)

Alice: Which way should I go?

Cat: That depends on where you are going.

Alice: I don't know where I'm going!

Cat: Then it doesn't matter which way you go!!

-Lewis Carroll 1872 Through the Looking-Glass

Creating a Vision (Slide 13)

It is five years from today. You have successfully created a most successful and desirable organization.

Describe it—in writing—as if you were able to see the changed organization.

Anyone Can Dream (Slide 14)

Most of us learn the hard way that leadership is not merely having a vision. Effective leadership is knowing how to lay down the action steps for yourself and the organization so that the vision can be realized. - John Maxwell - Leadership 101

Reality (Slide 15)

Creating a statement can be a helpful step in building a visionary organization, but it is only one of thousands of steps in a never-ending process.

Board Leadership (Slide 16)

Major staff job is to support board

Board activities are most important functions of association

Who Leads the Board (Slide 17)

Chief elected officer's role :

Has real world experience and industry knowledge

Chief staff officers role : (Slide 18)

Knows the operational and legal aspects of association

Advice for New Board Chair (Slide 19)

Chair leads in developing strategic direction, goals, and policies

Chief staff officer hires, supervises staff, and develops and implements strategies to achieve association's goals

Board Basics (Slide 20)

Board establishes the ends

Staff is responsible for the means

Documents Every Board Should Have (Slide 21)

Bylaws

Strategic plan

Operating budget

Board policies

Committee guidelines

Board minutes

More Documents Every Board Should Have (Slide 22)

Lines of authority

Leadership descriptions

Organizational chart

Member surveys

Program & project analyses

Board Manual

Mission statement •Bylaws •Policies

Budget •Calendar of events

Committee structure

Names, addresses, e-mail addresses of directors and staff

Financial Questions Board Members Should Ask (Slide 23)

Adequate cash balances and reserves?

Financial statements prepared regularly?

Statements contain budget and prior-year information?

Statements easy to read and understand?

More Financial Questions (Slide 24)

Budget prepared annually?

Adequate internal controls?

Independent audit performed each year?

A Word About Profits (Slide 25)

Associations must make profit on operations

Not allowed to distribute money in exchange for investments.

To be viable, must bring in more revenue than it expends

Legal Duties (Slide 26)

Often unclear about legal liabilities

Fiduciary responsibilities (Slide 27)

Duty of care

Duty of loyalty

Duty of obedience

Anti-trust violations

Board's Role in Membership Development (Slide 28)

Board leaders must advance to the top of their priority lists member recruitment and retention

Responsible for planning

Responsible for developing policy

Should always set an example

“Board Tune-up” Tool (Slide 29)

From 1 to 6, rate the following:

1. To what extent are the goals clear?
2. To what extent is your role clear?
3. Rate the board's problem solving abilities
4. To what extent is conflict on board managed productively?

“Board Tune-up” Tool (Slide 30)

5. How effective are the board's decision-making processes?
6. What is the quality of communication

Among board members?

From the leadership to members?

From the leadership to committees?

“Board Tune-up” Tool (Slide 31)

7. What is the quality of communication

From members to the leadership?

Between the board and the staff?

Add Scores (Slide 32)

Score = 42 Excellent Board

Score = 28 or less Fair Board

Score =18 or less Poor Board

“Association Tune-up” Tool
Slide Four

If you could change three things about how your association works together, what would they be and why? (Slide 33)

How to Make Meetings Effective (Slide 34)

Always start on schedule

Give summary of work to be done

Make sure board buys into decisions

Restate issue before each vote

Put all issues to a vote

End on schedule

Review what has been accomplished

How to Keep Discussions Short (Slide 35)

Announce adjournment time first

List starting /ending times for items on agenda

Set discussion time prior to starting on lengthy issues

Encourage new discussion

Alternate pro & con

Summary (Slide 36)

Leadership is art of motivating others to struggle for a shared vision

Board and staff shares responsibility for providing leadership

Board members have major responsibility for organization

You can make JABA more successful (Slide 37)

Appendix B Strategic Planning Seminar Outline

Principles of Strategic Planning Power Point Presentation Outline

JABA (Slide 1)

THE AMERICAN CHAMBER OF COMMERCE
IN JORDAN

The SMART Association

The Global Economy (Slide 2)

Amman/ Austin

Jordan/Texas

Jordan/Japan

Jordan/Maylasia

JABA's Vision (Slide3)

—It is five years from today.

—Write down what you want JABA to become.

Mission Statement (Slide 4)

The reason for existence

The description of what an organization will do

What is JABA's Business (Slide 5)

Your product or service

Your primary market

Your customer satisfaction

AMIR Program

Your societal goals

Your philosophy

JABA's Current Mission Statement (Slide 6)

JABA is the dynamic force for the development of business and promotion of investment between Jordan and the USA.

JABA's Original Objectives (Slide 7)

To contribute to Jordan's community development efforts.

To support the development of trade and investment between Jordan and the US

JABA's Original Objectives (Slide 8)

To act as a direct liaison with the US Chamber of Commerce and other relevant business organizations.

JABA's Original Objectives (Slide 9)

To promote the interests of the local Jordanian-American business community

JABA's Original Objectives (Slide 10)

To cooperate with other individuals and business organizations, both locally and internationally, on issues of mutual economic interest and benefits.

Objective Number One (Slide 11)

Obstacles to trade between Jordan and the US are decreased.

Objective Number Two (Slide 12)

Bilateral trade between Jordan and the US is enhanced

Objective Number Three (Slide 13)

Understanding of the benefits of trade and investment agreements is expanded.

Objective Number Four (Slide 14)

Foreign direct investment in Jordan is increased.

Objective Number Five (Slide 15)

JABA members' capabilities to capitalize on trade and investment opportunities is improved.

JABA's Capabilities (Slide 16)

What are JABA's strengths?

What are JABA's weaknesses?

Forecast JABA's Environment (Slide 17)

What are JABA's opportunities? (Slide 18)

What are JABA's threats? (Slide 19)

JABA's Strategies (Slide 20)

Increase US/ Jordanian trade levels to \$1.8 billion with Jordanian exports of \$900 million by 2005.

Increase direct foreign investment to \$200 million by 2005

Make Jordan a trade and investment gateway to the US by 2005

JABA's SMART Goals (Slide 21)

S - specific

M - measurable

A - achievable

R - resources

T - time

Organizing for Results (Slide 22)

1. Jordan/US Free Trade Agreement Unit
2. Business Development Component

3. Public Policy Advocacy Component
4. Training and Advancement Component
5. Community Development Component
6. Membership Development Component
7. Information and Communications Component
1. Jordan/US Free Trade Agreement Unit (Slide 23)

What are the SMART Goals for this unit?

2. Business Development Component (Slide 24)

What are the SMART Goals for this unit?

3. Public Policy Advocacy Component (Slide 25)

What are the SMART Goals for this unit?

4. Training and Advancement Component (Slide 26)

What are the SMART Goals for this unit?

5. Community Development Component (Slide 27)

What are the SMART Goals for this unit?

6. Membership Development Component (Slide 28)

What are the SMART Goals for this unit?

7. Information and Communications Component (Slide 29)

What are the SMART Goals for this unit?

Summary (Slide 30)

Vision

Mission

SWOT

Strategies

SMART Goals

JABA (Slide 31)

The SMART Association in Jordan in the Smartest Nation in the Middle East