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# JORDAN EXPORTERS ASSOCIATION

STRATEGY BASED BUSINESS PLAN

April 25, 2008

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# **JORDAN EXPORTERS ASSOCIATION**

STRATEGY BASED BUSINESS PLAN

SUSTAINABLE ACHIEVEMENT OF BUSINESS EXPANSION AND  
QUALITY (SABEQ)

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PLAN FOR JORDAN EXPORTERS ASSOCIATION

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# DEVELOPING A STRATEGY BASED BUSINESS PLAN

By William Krist<sup>1</sup>

## EXECUTIVE SUMMARY

The Jordan Exporters Association (JEA) has been assisting Jordan's business community in expanding exports since its establishment in 1989, and now is well respected by the private sector and government.

Export expansion is currently a critical national priority, both to address the significant trade deficit (\$6,272 million in 2006<sup>2</sup>) and to boost employment in a nation where the official unemployment rate is over 13 percent<sup>3</sup>. As a step to create opportunities for exporters and as a means to accelerate the strengthening of the business environment, Jordan has entered into a number of free trade agreements, including agreements with the U.S., the EU, EFTA and Singapore, as well as the Greater Arab Free Trade Area. Additionally, negotiations for a free trade area are currently underway with Canada, Turkey and Kazakhstan. Jordan joined the World Trade Organization in 2000 and has been effective in implementing its commitments under that agreement.

As a result of reforms to the business environment and these agreements, Jordan's exports have been growing rapidly (more than 15 percent on average annually since 2000<sup>4</sup>). However, there is potential for continued increase in exports; for example, Jordan's exports to the U.S. and the EU remain quite small. There are a number of sectors with the potential to increase sales to foreign markets, including garments, food products and pharmaceuticals, as well as service sectors such as medical, information technology, architects and engineering, and tourism. Furthermore, other industries have the potential to enter export markets if they adequately prepare themselves to expand production, such as handicrafts.

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<sup>2</sup> UNCTAD Handbook of Statistics, 2007 (<http://www.unctad.org/Templates/Page.asp?intItemID=1890&lang=1>)

<sup>3</sup> The unofficial rate, however, is approximately 30 percent. Source: CIA, The World Factbook (<https://www.cia.gov/library/publications/the-world-factbook/print/jo.html>)

<sup>4</sup> Jordan's Exports were \$1.9 billion in 2000, \$2.3 billion (2001), \$2.8 billion (2002), \$3.1 billion (2003), \$3.9 billion (2004), \$4.3 billion (2005), and \$5.2 billion in 2006. Source: UNCTAD Handbook of Statistics, 2007 (<http://www.unctad.org/Templates/Page.asp?intItemID=1890&lang=1>)

The Jordan Exporters Association has the potential to play a significant role in helping Jordan achieve export success. JEA's Board of Directors and senior management are committed to raise the organization's performance to a higher plateau. In strategic planning sessions<sup>5</sup> held in mid-February 2008, the Board redefined the organization's mission statement as:

The Jordan Exporters Association is the leading export promotion organization in assisting Jordanian manufacturers and service providers increase their exports worldwide through providing export promotion services, advocacy and capacity building.

This redefined mission statement will assist the organization in focusing on its core mission, i.e. assisting Jordan's manufacturers and service providers in increasing their exports worldwide. Over the next three to five years the following goals need to be accomplished so that Jordan Exporters Association can play a larger role in assisting Jordan's business community in global markets.

- Goal #1. Increase the presence of Jordanian exporters in current and new markets
- Goal #2. Put in place an effective advocacy program to work with government
- Goal #3. Increase JEA membership by a net of 10 or more members each year
- Goal #4. Increase and restructure dues to fund additional full-time program manager

In its strategic planning sessions, the Board committed to achieving the first three of these goals. To have an effective advocacy program and implement this expanded level of programs, however, JEA will need an additional program manager. To fund this additional program manager, JEA will need to significantly increase revenues, which can be done through restructuring the dues and increasing non-dues revenues through greater frequency of current programs and introduction of new products. Accordingly, a fourth goal has been added to increase revenues.

A number of specific objectives will need to be accomplished to achieve each of these four goals. These objectives and the specific tasks for each objective are described in this report.

As set out in JEA's Mission Statement, the key target members and recipients of JEA services are Jordanian exporters, both of goods and of services. For the short term, however, some JEA products and services can be specifically targeted to areas where there is no sector association and where Jordan has export potential, such as foodstuffs and textiles.

As a small association with limited financial resources and staff, JEA needs to form strategic alliances to achieve these goals. The most critical is with Jordan Enterprise. JE has indicated that they would like to work with JEA and suggested they could support exhibitions, training

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<sup>5</sup> See Section IV of this report on page 9 for more information on development of this strategic business plan.

programs, market research, and a program to assist exporters obtain CE Marking (see Attachment D).

Over time, JEA can clearly differentiate itself from other associations by relentlessly focusing on products and services and advocacy issues that are directly relevant to exporters, and not engaging in advocacy issues that are more appropriately under the scope of other associations.

The plan laid out here is extremely ambitious. However, its achievement would enable JEA to significantly increase its support for Jordan's exporters, which will help strengthen Jordan's economy. To achieve these goals and objectives in the coming three to five years, JEA will need the support and assistance of Jordan Enterprises and the International Trade Department, as well as synergistic support from other organizations.

## BACKGROUND OF THE JORDAN EXPORTERS ASSOCIATION

JEA was established in 1989 to assist Jordanian businesses in their quest to develop international trade. For the past two years, JEA's membership has been approximately 100 members, although membership had been as high as 122 in 2003.

2006	102	2003	122
2005	118	2002	122
2004	118		

JEA believes there are more than 750 exporters in Jordan, so there is substantial room to expand membership, particularly among small and mid-size exporters. By sector, current membership is as follows (as of December 2007 web site listing):

Agricultural	2	Hotels	1
Bank	10	Mineral	1
Chemical	4	Pharmaceuticals	3
Construction	10	Plastic	3
Cosmetics	3	Printing	5
Engineering	11	Services	7
Food	17	Transportation	6
Furniture	4	Textile	4

Dues are for one year and most members pay their dues in January. Dues are 600 JD the first year, which includes a 200 JD initiation fee and 400 JD regular dues. In subsequent years dues are 400 JD. All members pay the same dues. Dues have not been adjusted for inflation in a number of years, even though operating costs have increased. Responses to the Market Research indicate that members believe the current dues level is appropriate for current services offered<sup>6</sup>.

Core members are considered to be the firms that are most active in terms of sponsorship activity, attendance at events, etc. The largest exporters in Jordan are members of JEA, although small and mid-sized enterprises make up the bulk of the membership.

JEA has a four person staff, headed by a full time Chief Executive Officer, Halim Abu Rahmeh and including a Program Manager, Mohammad Ayad, an Office Manager, Sawsan Nazi, and a logistics staffer, who handles paperwork, collects fees, etc. The Chief Executive Officer is well respected and knowledgeable regarding exporting. It is significant that in the

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<sup>6</sup> See responses to question # 18 of the Market Research at Attachment C. However, former members seem to indicate in responses to questions #20 and 21 that the dues are too high in relation to services received.

market research there were no complaints regarding JEA staff<sup>7</sup>, which speaks very highly of the staff.

### ***Budget***

JEA's financial statements are audited annually by Price Waterhouse Coopers. Revenues and expenses for the most recently audited years are as follows:

<b>Year</b>	<b>Revenues (JD)</b>	<b>Expenses (JD)</b>
2006	140,948	150,483
2005	251,322	258,396
2004	200,887	198,260
2003	178,163	175,401
2002	119,588	151,976

JEA has strategic reserves that would cover slightly less than three months of operating expenses.

Dues revenue accounts for about 40 percent of total revenue. Non-dues revenue includes fees for training activities, sponsorships of monthly meetings, participation in exhibitions, etc. Currently donor money is only used to develop new activities and programs. JEA received an Organizational Development Grant under the AMIR I program from 1999 through 2002. Some of the funding received under this grant had been used to help cover operating expenses and this caused significant disruption to the organization when the grant funding was completed.

### ***Recruitment and Retention***

Retention is currently running at about eighty percent, which means that approximately 20 companies annually do not renew their membership. Recruitment has only been running at about 10 members annually (9 in 2006, 6 in 2005, and 11 in 2004), which means that total membership has been declining slightly in recent years.

The Chief Executive Officer recently instituted a program of calling on all dropped members to encourage them to remain a member, and has found this face-to-face dialogue to be very successful. At one time, JEA had an employee whose job was to recruit new members, and this employee was paid on a commission basis. However, this program did not prove viable.

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<sup>7</sup> See responses to question #20 of the Market Research at Attachment C.

### ***Board of Directors***

Members of the Board are elected every other year at a General Assembly. All members of JEA are invited to attend the General Assembly meeting, although in practice attendance is small. In addition to electing the Board, the General Assembly approves the budget and annual report.

Board Members serve for six years. There are nine members of the Board, including the senior full-time staff member, the Chief Executive Officer. Board members are highly respected in the community, and are very active in their support for JEA.

### ***Advocacy***

Advocacy is important to the members of JEA with almost three fourths of current members surveyed indicating this was a reason they joined<sup>8</sup>. Issues addressed under the advocacy program are ad hoc, that is issues are taken up as they arise and brought to JEA's attention by members, the press, etc. For example, JEA recently took up an issue related to government restrictions on meat imports and exports. Previous issues have included providing views on the negotiations of the free trade agreements with the US and the EU, and seeking a tax holiday for service exports.

JEA's advocacy program will need to retain flexibility to address any significant issues that arise unpredictably. However, along with flexibility in addressing issues, JEA needs a process to regularly identify one or more issues that would be of greatest interest to the members and then implementing a longer-term strategy of addressing these issues.

In the past, JEA has utilized the annual membership questionnaire to identify member interests; however, many members do not return a completed questionnaire, and many that are returned are very superficial.

Additionally, JEA does not have an effective process of advising members of policy issues being addressed by the organization. For example, there are no position papers on issues being addressed that are readily available to members and the public.

Strengthening the advocacy program is important to improve retention and recruitment. For example, more than three fourths of former members indicated that improving the advocacy program would encourage them to re-join JEA<sup>9</sup>.

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<sup>8</sup> See responses to question #11 of the Market Research at Attachment C.

<sup>9</sup> See responses to question #21 of the Market Research at Attachment C.

### ***Meetings and Other Activities***

JEA has a regular Export Dinner, which is a significant event. These are major fundraising events at which they obtain sponsors and attract the media. The charge for attendance is 30 JDs for members and 35 JDs for non-members. While they try to hold these monthly, in actuality they only hold these meetings when they have a prominent speaker. Accordingly, these are held approximately every fourth month. The Export Dinners attract broad participation. For example, dinners that featured the Prime Minister and the American Ambassador each attracted about 300 attendees.

JEA participates in the Gulfoods Exhibition each year, which is of significant benefit to their members from the food sector. (This year's exhibition was held in Dubai in February 2008.) JEA's most recent trade mission was to Detroit in 2005. JEA is well positioned to organize successful exhibitions and missions as its membership includes all of Jordan's exporting sectors<sup>10</sup>. Additionally, this activity is important to the members with more than three-fourths of members responding to the market research indicating this was a reason they joined JEA<sup>11</sup>.

JEA conducts an annual assessment of members regarding their training needs and utilizes outside trainers to conduct the training. Members are also invited to use JEA's library in their office, and members are listed on JEA's membership directory on their web site.

The market research indicated that users of JEA services often feel they are not focused on the issues or topics of most importance, and some indicated that JEA programs do not provide sufficient value for the membership dues. Programs rated the highest were advocacy and conferences, while the lowest were market research, training and trade missions<sup>12</sup>

### ***Public Relations***

JEA does issue press releases on advocacy issues being addressed, and does receive some press coverage. However, there is no systematic public relations program. Responses to the market research indicate that 90 percent of the companies that have never been a member of JEA surveyed are unaware of JEA products and services<sup>13</sup> and all of the current members surveyed believe lack of knowledge of JEA products and services is the biggest barrier to increased membership.

Additionally, JEA's web site is out of date, e.g. activities held in July 2007 are still featured. There is no information on the web site regarding current advocacy issues. An up dated web

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<sup>10</sup> Several of Jordan's sectors could particularly benefit from these events. For example, about three fourths of all agricultural product exports go to the GAFTA region, but only 8 percent to the EU, and 98 percent of apparel exports go to the U.S. Jordan's free trade agreement with the EU suggests those industries should have good prospects in that market.

<sup>11</sup> See responses to question #11 of the Market Research at Attachment C.

<sup>12</sup> See responses to question #14 of the Market Research at Attachment C.

<sup>13</sup> See responses to question #22 and question #16 of the Market Research at Attachment C.

site would be a powerful tool for informing the public and JEA members and prospects about JEA activities.

## **ASSIGNMENT OBJECTIVES AND APPROACH**

The assignment under this TOR was to analyze the findings of the market research conducted by Dajani consulting firm, and based on this analysis lead the discussions of two focus groups, benchmark to a U.S. peer association, and develop a strategy-based business plan.

As a first step in developing this business plan, SABEQ assisted JEA in developing a flow chart that identifies the normal exporting process, which was reviewed by Plexus Consulting. The flow chart presenting this process is attached at Appendix A.

Dajani Consulting and Plexus Consulting Group then developed a questionnaire, which took into account the key steps in exporting outlined on the flow chart. Dajani Consulting conducted face to face interviews in January and the first half of February with 20 current members of JEA, 20 former members and 20 companies that had never been members of JEA. To ensure that participants would feel free to answer fully, all participants in this survey were assured that their answers would be confidential and that only the aggregated responses would be made available to JEA. The detailed results of this market research are attached at Appendix B.

The Plexus consultant, William Krist, benchmarked two U.S. based associations prior to coming to Jordan. The first association is the American Association of Exporters and Importers (AAEI), which is the U.S. trade association most like the Jordan Exporters Association. The second is the American Electronics Association (AEA), which is different from JEA since it is a sector specific association. However, AEA has developed a wide range of non-dues revenue sources, and some of these services may be of interest to JEA. The result of this benchmarking is attached at Appendix C.

Strategic Planning Meetings were held February 13, February 16 and February 18, 2008 to consider the results of the market research and benchmarking exercise, and develop a strategic business plan that will differentiate JEA from other organizations in Jordan. All JEA Board members and senior staff were involved in these meetings

The result of these meetings is a business plan that will differentiate JEA from the sector associations in Jordan when implemented and which provides a roadmap for growth and development of JEA. Almost the entire JEA Board of Directors participated in the strategic planning meetings where they developed the new mission statement for JEA; reviewed the organization's strengths, weaknesses, opportunities and threats; identified three goals to be achieved in the coming three to five years; and discussed the specific objectives to achieve each goal.

Based on these meetings, the consultant identified the specific tasks that need to be accomplished to achieve each objective. These tasks were then organized into the one-year action plan and the three-year plan.

## **JEA'S STRATEGIC PLAN**

On February 13, 16 and 18, 2008 the Board of Directors and senior management of JEA met in three strategic planning sessions to develop a plan to raise the organization's performance to a higher plateau and thereby better serve the needs of the export community.

As a first step, the Board adopted the following mission statement:

The Jordan Exporters Association is the leading export promotion organization in assisting Jordanian manufacturers and service providers increase their exports worldwide through providing export promotion services, advocacy and capacity building.

After reviewing the results of the market research, the group identified the following key aspects of the Jordan Exporters Association's strategic environment:

### ***Strategic considerations internal to JEA that affect JEA's ability to fulfill its mission:***

#### Strengths:

- Professional and respected management with knowledge of modern management systems
- Strong and influential Board of Directors committed to JEA
- Active members
- Membership includes the major exporters in Jordan and SMEs
- Viewed as an important NGO in Jordan
- Good working relations with government and donors
- Has a good advocacy program
- Financially self sufficient
- Good international connections

#### Weaknesses:

- Financial constraints for undertaking new projects
- Services are not well differentiated from other associations and JEA is not sufficiently focused
- Limited public relations program resulting in lack of media coverage and public awareness of JEA
- Too low a retention rate of members

- Insufficient recruitment of new members
- Limited size of JEA staff
- Process for conducting advocacy is not well defined
- Only about 20 percent of Jordanian exporters belong which limits the organization's influence
- Office is poorly located (e.g. hard to park)

*Strategic considerations external to JEA, but which could affect the organization:*

Opportunities:

- Jordan has a very vibrant exporting community providing a large possible membership pool
- Small and mid-size enterprises need assistance in finding new markets
- Services sector is interested in expanding exports
- The government is supportive of export activity
- Jordan's trade agreements provide opportunity for new export markets

Threats:

- Unfair competition from some associations which offer some similar services and receive government support
- Role of government organizations and other associations not clearly defined
- Government regulations that can make it difficult for companies to export
- Difficult to motivate Jordanian companies

Total:

9 Strengths	5 Opportunities
9 Weaknesses	4 Threats

To fulfill the JEA mission over the next three to five years and in the context of the strengths/weaknesses/opportunities/threats identified, four key goals will need to be achieved:

1. Increase the presence of Jordanian exporters in current and new markets;
2. Put in place an effective JEA advocacy program to work with government;
3. Increase JEA membership by a net of 10 or more members each year; and
4. Increase and restructure dues to fund additional full-time program manager

The first three of these goals were identified in the Board strategic planning sessions. To implement a strong advocacy program and the increased level of services envisioned, however, an additional program manager is needed. For the long term, increasing and restructuring JEA's dues can provide funding to support this additional staff. Additionally, expanding the organization's membership will increase revenue and better position JEA to

assist more firms in current and new markets, and strengthen its ability to work with government.

To achieve these goals, the following specific objectives have been identified by the SABEQ consultant (the objectives for the advocacy goal are based on discussions at the third focus session, while the objectives for the other three goals flow from discussions with JEA Executive Director and staff):

### Strategic Objectives

Strategic Objectives translate the organization's goals into specific policy directions and provide clarification of the organization's goals.

Goal 1. Increase the presence of Jordanian exporters in current and new markets

- a. Form strategic alliances to leverage JEA resources
- b. Organize trade missions and participate in exhibitions to assist Jordanian exporters in foreign markets
- c. Assist small and mid-sized enterprises in becoming export ready
- d. Expand export advisory services
- e. Assist small and mid-sized enterprises in achieving quality and meeting standards for export
- f. Institute an annual conference

Goal 2. Put in place an effective JEA advocacy program to work with government

- a. Identify issue(s) important to membership for advocacy
- b. Establish the appropriate committee structure
- c. Implement advocacy program
- d. Develop an effective public relations program to inform members and other stakeholders of JEA activities
- e. Hire additional Program Manager to be primarily responsible for advocacy

Goal 3. Increase JEA membership by a net of 10 or more members each year

- a. Institute program of regular visits and contacts with current members and prospects
- b. Implement an orientation program to acquaint new members with JEA programs and services

- c. Update and improve recruitment and retention brochures and information
- d. Develop membership recruitment and retention programs in other regions of Jordan
- e. Improve JEA web site

Goal 4. Increase and restructure dues to fund additional full-time program manager

- a. Restructure membership dues
- b. Institute new membership category

## **STAFFING AND FINANCIAL IMPLICATIONS OF STRATEGIC PLAN**

JEA could significantly increase the services provided and put itself on a more secure financial footing with an additional program manager. Currently, JEA has a four person staff, an executive director, a program manager, an office manager and a logistics person. The current program manager concentrates on exhibitions and missions. A second program manager could concentrate on advocacy, and both program managers could also support continued development of additional products and services.

Obviously staffing needs to be decided by JEA's Executive Director. With an additional program manager, however, a possible breakdown of responsibilities might be:

- Executive Director: Overall management of staff and the Board, recruitment and retention
- Program Manager #1: Exhibitions and missions, some product development, some retention and recruitment
- Program Manager #2: Advocacy, some product development, some retention and recruitment
- Office Manager: Managing the office, maintaining the web site
- Logistics

To support an additional staff person and ensure future viability, JEA needs to significantly increase revenues. The major potential source for expanding revenues over the next three to five years is a significant increase in dues (e.g. by 30 to 50 percent). Additionally, dues should be restructured so that larger companies pay more than smaller members.

JEA has not raised dues rates or restructured the dues in a number of years, even though the cost of living and of JEA's expenses have increased substantially in recent years. A major increase in dues is always an extremely challenging task for a business association since a dues increase that has not been well thought out or implemented poorly may result in a significant number of dropped members.

Currently, JEA's dues are 400 JD for all members, plus a 200 JD initiation fee the first year. With about 100 members, dues revenue accounts for about 50,000 JD annually, which would be about one-third of total 2006 revenues.

Even though JEA's dues would be considered low, the market research indicates that an abrupt dues increase could easily precipitate a significant number of lost members. (See for example responses to question 18 where 16 of 20 felt the dues level was suitable, 3 expensive and only 1 as low. Additionally, the responses to question 20 indicate that current dues were a factor in dropping membership for 11 of the 20 responses.)

Accordingly, JEA needs to concentrate on improving the quantity and quality of services in 2008. The 2009 dues increase should be presented to the membership as necessary to enable JEA to continue to provide these improved (and to be improved even more) services. During 2008, the Executive Director should lay the groundwork for the dues increase in conversations with members. In the fall of 2008, he should seek approval from the Board to study a dues restructuring to be implemented at the start of 2009.

Most associations have a dues structure that is differentiated based on size of the member, either by revenue or by number of employees. For example, the American Association of Exporters and Importers dues structure ranges from \$525 for an exporter with a dollar value below \$1 million to \$5,550 for dollar value over \$1 billion, or a range of 10 to 1. AAEI's dues for brokers and forwarders, a second category of membership, are based on the number of employees, and range from \$525 for 1 employee to \$3,600 for firms with more than 100 employees, or a range of about 7 to 1.

One option for restructuring dues might be the following. Doubling the dues for larger members would seem to be conservative provided the members perceived they were receiving value from JEA. For smaller members (e.g. 11 to 60 employees), it would seem that raising the dues from 400 JD to 600 JD should be feasible, again if the member perceives value, since firms already pay 600 JD the first year. For firms with 10 or less employees, dues should remain at 400 JD with the expectation of collecting more in dues in the future as the firm grows. Such a revised dues structure would increase dues collection from 40,000 JD to 66,800 JD as shown:

Number of <u>Employees</u>	Projected Breakdown of Membership <sup>14</sup>	Current	Current	Factor	Option A
		<u>Dues</u>	<u>Total</u>	<u>Increase</u>	<u>Dues</u>
0-10	5	400	2,000	X 1	2,000
11-60	40	400	16,000	X 1.5	24,000
61-100	32	400	12,800	X 1.75	22,400
101-500	20	400	8,000	X 2	16,000
Over 500	3	400	1,200	X 2	2,400
Total	100		40,000		66,800

Over 2008 JEA will need to give careful analysis to whether dues should be differentiated based on number of employees or revenues. Whatever option is selected will likely be in place for a number of years. Additionally, the size of the dues increase will need to be carefully examined.

As part of this restructuring, JEA should obtain Board approval for future increases to be in line with increases in the costs of doing business.

Consideration should also be given to eliminating the 200 JD charge to join for the first year, since this probably increases the difficulty of recruiting new members. While an earlier trial in eliminating this fee did not result in increased membership, the extra charge to join would likely be a greater barrier in the context of higher annual dues.

In 2010 JEA should consider adding on a new category of membership. For example, AAEI has a category of membership for port authorities, and the American Electronics Association has a category for associates. A new category could add strength to the membership and be a revenue source.

Finally, to increase revenue and better serve the exporter community JEA should substantially increase non-dues revenue through greater frequency of current programs and introduction of new products. Presently the major source of non-dues revenue is ancillary activities around the Exporters Dinner, such as selling of sponsorships and booth space to vendors. Other non-dues revenue sources are exhibitions and trade missions.

There is significant potential for increasing non-dues revenue. For example, it appears that there are only 3 or 4 Exporters Dinners annually. This could be increased to 6 through an alliance with JE and others whereby JE brings in good speakers. Additionally, it is

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<sup>14</sup> This breakdown of size of members is projected from the responses to question number 4 on the market research, which was answered by 20 members, 20 former members and 20 non-members. The actual breakdown of JEA members by number of employees would be expected to be similar – but not identical – to the projections here.

recommended that JEA initiate an annual conference; for example, the first conference might address foreign standards. A second year conference might focus on marketing in specified regions, e.g. the US and the EU. These conferences could become significant revenue sources, and JEA might wish to model these on the semi-annual conferences sponsored by the American Association of Exporters and Importers.

As outlined in this plan, the frequency of exhibitions also should be expanded. However, exhibitions and trade missions tend to serve a smaller swathe of membership and generate less revenue than major conferences.

An improved JEA web page could also become a possible real source of advertising revenue in the future. An improved web site would enable JEA to collect revenue on the Internet, and enable members to enroll in programs on-line.

## **TACTICS TO IMPLEMENT STRATEGIC OBJECTIVES**

Under each strategic objective are the tasks or tactics that need to be accomplished in order for the strategic objective itself to be accomplished.

### **GOAL 1. Increase the presence of Jordanian exporters in current and new markets**

#### **a. Form strategic alliances to leverage JEA resources**

**Task (i):** Meet with Jordan Enterprise<sup>15</sup> to identify JE support for JEA activities

**Person Responsible:**

**Due Date:** Within next 3 months

**Resources Needed:** Staffing the initial meeting with JE will take approximately one-person day.

**Measurable Outcome(s):** Identification of areas where JEA and JE will work together

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<sup>15</sup> In a previous meeting with the SABEQ consultant, Mr. Yarub Qudah, the CEO of JE, indicated that JE would like to work with JEA and he outlined the following specific possibilities (see Attachment A):

- Exhibitions: JE could support perhaps 3 exhibitions in the first year. If these were successful, this might be increased to 6. Under this collaboration, JE might pay for the rent and exhibit set up, and JEA would invite the companies, man the exhibition and collect fees from the participants. JEA could make a reasonable profit on each exhibition.
- Training: JE indicated they could pay the costs of bringing an expert to Jordan for a JEA program. This would be particularly useful for JEA in increasing the frequency and certainty of Exporters Dinners and in organizing an Annual Conference
- Market research: JE could sign an agreement with JEA, whereby they would do market research for a specific product in a specific country for JEA to disseminate
- CE Marking: JE indicated they might be able to support a JEA program to help a certain number of companies a year (e.g. 5) obtain the CE Mark.

**Revenue-Yielding Potential:** None

**Task (ii):** Develop strong working relationships with other government entities, i.e. Customs and Ministry of Trade

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Staffing each meeting will take approximately one-person day.

**Measurable Outcome(s):** Support for JEA programs

**Revenue-Yielding Potential:** None

**b. Organize trade missions and participate in exhibitions to assist Jordanian exporters in foreign markets**

**Task (i):** Develop pricing and plans for each mission or exhibition

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately one week by JEA professional for planning each mission or exhibition

**Measurable Outcome(s):** Plans for participation that include pricing, identification of any other resources needed, organization of exhibition booth, etc.

**Revenue-Yielding Potential:** None

**Task (ii):** Inform JEA members and others in appropriate sectors of plans for missions and exhibitions

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Financial support for preparation of appropriate brochures; approximately one week by JEA professional for each mission/exhibition

**Measurable Outcome(s):** Development of brochure and materials; agreement by appropriate number of Jordanian companies to participate

**Revenue-Yielding Potential:** None

**Task (iii):** Organize and support 3 or more trade missions and exhibitions

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** JEA organization, participation and follow up for each individual exhibition or mission will require an estimated 6 weeks of an individual's time (in addition to 2 weeks for above tasks)

**Measurable Outcome(s):** 3 or more successful exhibitions or trade missions

**Revenue-Yielding Potential:** JEA should structure pricing of exhibitions and missions to generate profit to enable JEA to organize future events and cover the cost of the responsible program manager

**Task (iv):** Conduct needs assessment of member to identify markets of greatest interest

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** Questions to be included on annual member questionnaire and staffing for focus group meeting – approximately one week

**Measurable Outcome(s):** Prioritization of foreign markets of interest to members

**Revenue-Yielding Potential:** No

**Task (v):** Organize and support additional trade missions and exhibitions

**Person Responsible:**

**Due Date:** 2009 and subsequent years

**Resources Needed:** JEA organization of each individual exhibition or mission will require an estimated 2 months of an individual's time

**Measurable Outcome(s):** 6 or more successful exhibitions or trade missions

**Revenue-Yielding Potential:** JEA should structure pricing of exhibitions and missions to generate profit to enable JEA to organize future events and cover staff person's salary

### **c. Assist small and mid-sized enterprises in becoming export ready**

**Task (i):** Complete development of training course for export managers

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Estimated one week staff time to complete course currently under preparation

**Measurable Outcome(s):** Training course ready for delivery

**Revenue-Yielding Potential:** No

**Task (ii):** Publicize availability of course to members and non-members

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately one-week professional staff time

**Measurable Outcome(s):** 10 or more participants signed up for course

**Revenue-Yielding Potential:** No

**Task (iii):** Conduct training course

**Person Responsible:**

**Due Date:** 2008 and repeated in every subsequent year

**Resources Needed:** Estimated three weeks of JEA staff time or of outside trainer

**Measurable Outcome(s):** Successful delivery of course

**Revenue-Yielding Potential:** Yes

#### **d. Expand export advisory services**

**Task (i):** Post links to web sites that provide trade leads<sup>16</sup>

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** One day by JEA staff

**Measurable Outcome(s):** Listing of web sites that provide trade leads posted on JEA's web page

**Revenue-Yielding Potential:** No

**Task (ii):** Post research reports provided by JE on web site

**Person Responsible:**

**Due Date:** 2008 and subsequent years

**Resources Needed:** One week of JEA staff time

**Measurable Outcome(s):** Regular posting of market research report provided by JE

**Revenue-Yielding Potential:** No

**Task (iii):** Identify other potential new products<sup>17</sup>

**Person Responsible:**

**Due Date:** 2008 and subsequent years

**Resources Needed:** Staff person would need one week to consider other ideas for export advisory services and to get member feedback on annual JEA questionnaire

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<sup>16</sup> There are many free web sites that offer trade leads, and JEA could have links to these sites on its web site. For example, the Federation of International Trade Association's (FITA) web site lists 13 such sites (<http://fita.org/tradehub.html>). Additionally, FITA has a free monthly newsletter that lists potential products and services for international trade associations (<http://fita.org/index.html>).

<sup>17</sup> One such potential product might be to work with JE in assisting members obtain the CE Marking, which is a mandatory conformity mark for many products sold in the European Economic Area.

**Measurable Outcome(s):** At least one new export advisory service offered annually

**Revenue-Yielding Potential:** Yes

**e. Assist small and mid-sized enterprises in achieving quality and meeting standards for export**

**Task (i):** Meet with Jordan Society for Quality (JSQ) and JE to develop ideas for 1 day conference on meeting foreign quality standards

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** Approximately one week JEA staff time

**Measurable Outcome(s):** Commitments by JSQ and JE to support conference

**Revenue-Yielding Potential:** No

**Task (ii):** Contact foreign standards bodies from target markets (e.g. ANSI and NIST in the US<sup>18</sup>)

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** Approximately one week JEA staff time

**Measurable Outcome(s):** Commitment by appropriate foreign standards bodies to send speakers to Conference

**Revenue-Yielding Potential:** No

**Task (iii):** Organize Conference on Meeting Foreign Quality Standards

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** Approximately three weeks JEA staff time

**Measurable Outcome(s):** Successful conference

**Revenue-Yielding Potential:** Yes, JEA should be able to generate substantial profits from charging for attendance, and selling sponsorship opportunities and exhibition space to vendors

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<sup>18</sup> Both ANSI and NIST indicated a willingness to support such a program in meetings with the Plexus consultant on February 7, 2007.

## **f. Institute an annual conference**

**Task (i):** Organize a one or two-day conference with presentations on various issues of importance to the Jordanian export community

**Person Responsible:**

**Due Date:** 2010 and subsequent years thereafter

**Resources Needed:** Approximately three months JEA staff time

**Measurable Outcome(s):** Attendance by most JEA members

**Revenue-Yielding Potential:** Yes, JEA should be able to generate substantial profits from charging for attendance, and selling sponsorship opportunities and exhibition space to vendors

## **GOAL 2. Put in place an effective JEA advocacy program to work with government**

### **a. Identify issue(s) important to membership for advocacy**

**Task (i):** Meet with JE, Jordan Ministry of Industry and Trade and SABEQ to obtain the perspective of those organizations on best long-term advocacy issues<sup>19</sup>

**Person Responsible:**

**Due Date:** Next 3 months

**Resources Needed:** Approximately two days per meeting of JEA staff time

**Measurable Outcome(s):** Email report to JEA membership on ideas generated from these meetings

**Revenue-Yielding Potential:** No

**Task (ii):** From member feedback to emails, select 1 or more issues for long-term advocacy program and prepare position paper for each issue to be posted on JEA's web site

**Person Responsible:**

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<sup>19</sup> The following issues, among others, could potentially be appropriate issues for JEA to address:

- The negotiations for a free trade agreement with Canada, particularly to ensure the rules of origin allow for cumulation of Jordan's parts and materials, Canadian non tariff barriers are addressed, and capacity building is provided to assist Jordanian exporters in meeting Canadian SPS requirements.
- Shorten time to receive VAT rebates
- Establishment of an export guarantee program, similar to that offered by the US EXIM Bank
- Reduction in time for approval of export documents (The World Bank Business Indicators report says it takes 28 days for approval in Jordan, compared to 17 for Dominican Republic or 18 for Mexico)
- Streamline border controls (MCC has a project to train officials on risk management and to implement a one stop shop for customs)
- Ensure that rules for e-commerce facilitate international trade (JEA could collaborate with INT@J on this)

**Due Date:** 2008 and updated regularly

**Resources Needed:** Approximately 3 days JEA staff time per issue, plus half a day staff time periodically to update the position paper

**Measurable Outcome(s):** One or more issues selected for long-term advocacy and approved by Board

**Revenue-Yielding Potential:** No

**Task (iii):** Obtain Board approval for advocacy positions

**Person Responsible:**

**Due Date:** Next 3 months

**Resources Needed:** One hour JEA staff time per position to be approved by Board

**Measurable Outcome(s):** Board approval for positions

**Revenue-Yielding Potential:** No

## **b. Establish the appropriate committee structure**

**Task (i):** Inform members of JEA process for conducting advocacy

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately 2 days JEA staff time

**Measurable Outcome(s):** Email to all members on process which asks members to specify if they want to participate in process

**Revenue-Yielding Potential:** No

**Task (ii):** Establish committee(s) to address advocacy issues selected

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately 1 day JEA staff time for each committee meeting held

**Measurable Outcome(s):** At least four meetings annually with robust participation

**Revenue-Yielding Potential:** No

## **c. Implement Advocacy Program**

**Task (i):** Develop brief position paper for every issue addressed under advocacy program<sup>20</sup>

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<sup>20</sup> Issue papers should briefly state the issue, JEA's position, and provide background information.

**Person Responsible:**

**Due Date:** Next three months and thereafter for every new issue

**Resources Needed:** Approximately two days staff time for each issue paper

**Measurable Outcome(s):** Issue paper posted on JEA web site for every issue addressed

**Revenue-Yielding Potential:** No

**Task (ii):** Monthly meeting to hear government speaker or issue expert

**Person Responsible:**

**Due Date:** 2008 and each year after

**Resources Needed:** Approximately half a day JEA staff time for each meeting

**Measurable Outcome(s):** 10 meetings annually each attended by 10 or more members

**Revenue-Yielding Potential:** No

**Task (iii):** Advocacy calls on government

**Person Responsible:**

**Due Date:** 2008 and each year after

**Resources Needed:** Approximately 1 day JEA staff time for each call

**Measurable Outcome(s):** Success on advocacy efforts over 1 year time period

**Revenue-Yielding Potential:** No

**d. Develop an effective public relations program to inform members and other stakeholders of JEA**

**Task (i):** Implement regular email update to members on advocacy efforts

**Person Responsible:**

**Due Date:** Launch within next three months and continue thereafter

**Resources Needed:** Approximately half day JEA staff time for each email update

**Measurable Outcome(s):** At least 25 email updates sent to members annually

**Revenue-Yielding Potential:** No

**Task (ii):** Collect press articles that mention JEA and post on web site and circulate to Board

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**Person Responsible:**

**Due Date:** 2008 and every year thereafter

**Resources Needed:** Half a day monthly to collect, post and circulate articles

**Measurable Outcome(s):** Number of articles on JEA web site

**Revenue-Yielding Potential:** No

**Task (iii):** Cultivate relations with press by inviting reporters to attend Exporters Dinners on complementary basis

**Person Responsible:**

**Due Date:** 2008 and subsequent years

**Resources Needed:** Cost of dinner and approximately one-half day JEA staff time to invite selected members of the press

**Measurable Outcome(s):** Increased articles in press regarding JEA

**Revenue-Yielding Potential:** No

**e. Hire additional Program Manager to be primarily responsible for advocacy**

**Task (i):** Develop position description and obtain funding

**Person Responsible:**

**Due Date:** As soon as funding is identified

**Resources Needed:** One week for CEO and Office Manager

**Measurable Outcome(s):** Funding plan and position description

**Revenue-Yielding Potential:** No

**Task (ii):** Advertise for position, interview, and hire

**Person Responsible:**

**Due Date:** As soon as funding permits

**Resources Needed:** One week for CEO and Office Manager

**Measurable Outcome(s):** Additional staff person for advocacy

**Revenue-Yielding Potential:** No

**GOAL 3. Increase JEA membership by a net of 10 or more members each year**

**a. Institute program of regular visits and contacts with current members and prospects**

**Task (i):** Regular JEA staff visits to members and prospects

**Person Responsible:**

**Due Date:** 2008 and thereafter

**Resources Needed:** Each visit will require half a day staff time

**Measurable Outcome(s):** At least 10 calls per month<sup>21</sup>

**Revenue-Yielding Potential:** Yes

**Task (ii):** Develop a system to track usage by each member of JEA's services

**Person Responsible:**

**Due Date:** 2008 and thereafter

**Resources Needed:** Over the course of a year, would require approximately one-week of JEA staff time

**Measurable Outcome(s):** Data base that records each member's usage of a JEA product or service, so that members with low rates of usage can be visited on a priority basis

**Revenue-Yielding Potential:** No

**Task (iii):** Develop and maintain a target list of potential new members with contact information and background on the company

**Person Responsible:**

**Due Date:** 2008 and thereafter

**Resources Needed:** One week staff time to review JEA information, collect information from other sources, e.g. JE, phone books, etc, and maintain the data base

**Measurable Outcome(s):** A data base of prospects that can be regularly invited to JEA events and visited for recruitment purposes

**Revenue-Yielding Potential:** Yes

**Task (iv):** Each Board Member annually to recruit a new member

**Person Responsible:**

**Due Date:** 2008 and thereafter

**Resources Needed:** Two days staff time to launch program

**Measurable Outcome(s):** At least 9 new members annually

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<sup>21</sup> Because members particularly value contact from the association CEO – whose time is limited - a possibility for conducting these visits would be for the CEO of JEA to make five calls a month and the program manager to make five calls following a phone call from the CEO to inform the company that the program officer will be visiting to explain JEA services. This would reduce the burden on the CEO's time.

**Revenue-Yielding Potential:** Yes

**b. Implement an orientation program to acquaint new members with JEA programs and services**

**Task (i):** Invite each new member to complementary attendance at an Exporters Dinner

**Person Responsible:**

**Due Date:** 2008 and thereafter

**Resources Needed:** Complimentary dinner for new member

**Measurable Outcome(s):** Each new member to attend Exporters Dinner

**Revenue-Yielding Potential:** No

**Task (ii):** Hold semi-annual orientation meeting for new members

**Person Responsible:**

**Due Date:** 2008 and each year thereafter

**Resources Needed:** 3 days staff time for each conference

**Measurable Outcome(s):** 2 orientation meetings per year

**Revenue-Yielding Potential:** No

**c. Update and improve recruitment and retention brochures and information**

**Task (i):** Design new recruitment/retention packets

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately two weeks JEA staff time, support by graphic designer, and funding for printing of materials

**Measurable Outcome(s):** Development of new recruitment/retention materials

**Revenue-Yielding Potential:** No

**d. Develop membership recruitment and retention programs in other regions of Jordan**

**Task (i):** Visit to Karak to introduce JEA products and services and recruit members

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** 3 days JEA staff time

**Measurable Outcome(s):** 10 or more members from Karak

**Revenue-Yielding Potential:** Yes

**Task (ii):** Develop and implement procedures for serving members outside Amman

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** Approximately 3 days JEA staff time

**Measurable Outcome(s):** JEA procedures in place for communicating with members outside Amman and ensuring they benefit from JEA products and services

**Revenue-Yielding Potential:** Yes

**Task (iii):** Visit to Irbid to introduce JEA products and services and recruit members

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** 3 days JEA staff time

**Measurable Outcome(s):** 10 or more members from Irbid

**Revenue-Yielding Potential:** Yes

**Task (iv):** Visit to Aqaba to introduce JEA products and services and recruit members

**Person Responsible:**

**Due Date:** 2010

**Resources Needed:** 3 days JEA staff time

**Measurable Outcome(s):** 10 or more members from Aqaba

**Revenue-Yielding Potential:** Yes

#### **e. Improve JEA web site**

**Task (i):** Regularly post materials from conferences and meetings (e.g. standards conference and monthly advocacy meetings with government officials)

**Person Responsible:**

**Due Date:** 2008 and subsequent years

**Resources Needed:** One day per week JEA staff time

**Measurable Outcome(s):** Web site has up to date materials posted

**Revenue-Yielding Potential:** No

**Task (ii):** Upgrade JEA web site to make it interactive and able to accept payment

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** Funding for outside firm to upgrade web site capabilities

**Measurable Outcome(s):** New design for web site with interactive and secure capabilities

**Revenue-Yielding Potential:** Yes (both by facilitating member payments and through increased advertising revenue)

#### **Goal #4. Increase and restructure dues to fund additional full-time program manager**

##### **a. Restructure membership dues**

**Task (i):** Form committee to consider possible restructuring of dues

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** 2 weeks staff time and Board approval

**Measurable Outcome(s):** Committee report recommending dues increase and restructuring

**Revenue-Yielding Potential:** No

**Task (ii):** Board approval of dues restructuring

**Person Responsible:**

**Due Date:** 2008

**Resources Needed:** 1 week staff time and Board approval

**Measurable Outcome(s):** Approval of proposed dues restructuring

**Revenue-Yielding Potential:** No

**Task (iii):** Advise members of dues increase and collect new dues

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** 1 week staff time

**Measurable Outcome(s):** Successful implementation of new dues structure

**Revenue-Yielding Potential:** Yes

##### **b. Institute new membership category**

**Task (i):** Form committee to consider possible new category of membership, e.g. associate members

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** 2 weeks staff time and Board approval

**Measurable Outcome(s):** Proposal for expansion of membership to new category

**Revenue-Yielding Potential:** No

**Task (ii):** Obtain Board approval for new membership category

**Person Responsible:**

**Due Date:** 2009

**Resources Needed:** 1 week staff time and Board approval

**Measurable Outcome(s):** Approval for new membership category

**Revenue-Yielding Potential:** No

**Task (iii):** Recruit new membership category

**Person Responsible:**

**Due Date:** 2010

**Resources Needed:** 1 month staff time

**Measurable Outcome(s):** New members

**Revenue-Yielding Potential:** Yes

### **Next Steps**

Review of Draft Plan with JEA Executive Director with the objective of developing a SABEQ-JEA memorandum of cooperation for future work

Reconciliation of plan into JEA budgets for 2008 and 2009

Regular tracking of plan implementation

## **ACTION PLAN FOR 2008**

Note: The tactics below should be accomplished in 2008. The JEA Executive Director will have to determine the person responsible and the due date; indicated responsibilities and due date has been set out as an initial pass at this by the SABEQ consultant. One asterisk means the project is very important and two means it is critical.

<b><u>Task</u></b>	<b><u>Task Description</u></b>	<b><u>Person Responsible</u></b>	<b><u>Date Due</u></b>
I.a.(i) **	Meet with Jordan Enterprise to identify JE support for 3 trade missions and exhibitions	CEO	May
I.a.(ii)	Develop strong working relationships with other government entities	CEO and Program Manager	Throughout 2008
I.b.(i)	Develop pricing and plans for each mission or exhibition	Program Manager	June, September, December
I.b.(ii)	Inform JEA members and others in appropriate sectors of plans for missions and exhibitions	Program Manager	June, September, December
I.b.(iii)	Organize and support 3 or more trade missions and exhibitions	Program Manager	June, September, December
I.c.(i)	Complete development of training course for export managers	CEO	September
I.c.(ii)	Publicize availability of course to members and non-members	Office Manager	September
I.c.(iii)	Conduct training course	Outside Trainer	October / November
I.d.(i)	Post links to web sites that provide trade leads	Office Manager	May
I.d.(ii)	Post research reports provided by JE on web site	Office Manager	Throughout 2008
II.a.(i) *	Meet with JE, Ministry of Industry and Trade and SABEQ to obtain views on best long-term advocacy issue	CEO	May, June
II.a.(ii) *	Select 1 or more issues for long-term advocacy program	CEO	July
II.a.(iii) *	Obtain Board approval for advocacy positions	CEO	July
II.b.(i)	Inform members of JEA process for conducting advocacy	Office Manager	August
II.b.(ii)	Establish committee(s) to address advocacy issues selected	CEO, Office Manager	September
II.c.(i) *	Develop brief position paper for every issue addressed	CEO	June
II.c.(ii)	Monthly meeting to hear government speaker or issue expert	Program Manager	Every Month
II.c.(iii) *	Advocacy calls on government	CEO	As appropriate
II.d.(i) *	Implement regular email update to members on advocacy efforts	Office Manager	Biweekly

II.d.(ii)	Collect press articles that mention JEA	Office Manager	Weekly
II.d.(iii)	Cultivate relations with press	Program Manager	Throughout 2008
II.e.(i)	Develop position description and obtain funding for additional program manager	CEO	TBD
II.e.(ii)	Advertise for position, interview and hire	Office Manager	TBD
III.a.(i) **	Regular JEA staff visits to members and prospects	CEO, Program Manager	Throughout 2008
III.a.(ii) *	Develop a system to track usage by each member of JEA's services	Office Manager	Throughout 2008
III.a.(iii)	Develop and maintain a target list of potential new members	Office Manager	Throughout 2008
III.a.(iv) *	Each Board Member annually to recruit a new member	CEO	Throughout 2008
III.b.(i)	Invite each new member to complementary attendance at an Exporters Dinner	CEO	Throughout 2008
III.b.(iii)	Hold semi-annual orientation meeting for new members	CEO	September
III.c.(i) *	Design new recruitment/retention packets	CEO	July
III.d.(i)	Visit to Karak to introduce JEA products and services and recruit members	CEO	August
III.d.(ii)	Develop and implement procedures for serving members outside Amman	CEO	September
III.e.(i)	Regularly post materials from conferences and meetings on web site	Office Manager	Throughout 2008
IV.a.(i) **	Form committee to consider possible restructuring of dues	CEO	September
IV.a.(ii) **	Board approval of restructuring	CEO	December

## THREE YEAR BUSINESS PLAN

The following tactics should be accomplished in 2009:

<u>Task</u>	<u>Task Description</u>	<u>Person Responsible</u>	<u>Date Due</u>
I.a.(i)	Meet with Jordan Enterprise to identify JE support for 3 trade missions and exhibitions		
I.a.(ii)	Develop strong working relationships with other government entities		
I.b.(i)	Develop pricing and plans for each mission or exhibition		
I.b.(ii)	Inform JEA members and others in appropriate sectors of plans for missions and exhibitions		

- I.b.(iv) Conduct needs assessment of member to identify markets of greatest interest
- I.b.(v) Organize and support additional trade missions and exhibitions
- I.c.(ii) Publicize availability of course to members and non-members
- I.c.(iii) Conduct training course
- I.d.(ii) Post research reports provided by JE on web site
- I.d.(iii) Identify other potential new products
- I.e.(i) Meet with JSQ and JE to develop ideas for conference on foreign quality standards
- I.e.(ii) Contact foreign standards bodies from target markets
- I.e.(iii) Organize Conference on Meeting Foreign Quality Standards
- II.a.(i) Meet with JE, Ministry of Industry and Trade and SABEQ to obtain views on best long-term advocacy issue
- II.a.(ii) Select 1 or more issues for long-term advocacy program
- II.a.(iii) Obtain Board approval for advocacy positions
- II.b.(i) Inform members of JEA process for conducting advocacy
- II.b.(ii) Establish committee(s) to address advocacy issues selected
- II.c.(i) Develop brief position paper for every issue addressed
- II.c.(ii) Monthly meeting to hear government speaker or issue expert
- II.c.(iii) Advocacy calls on government
- II.d.(i) Implement regular email update to members on advocacy efforts
- II.d.(ii) Collect press articles that mention JEA
- II.d.(iii) Cultivate relations with press
- III.a.(i) Regular JEA staff visits to members and prospects
- III.a.(iii) Develop and maintain a target list of potential new members
- III.a.(iv) Each Board Member annually to recruit a new member
- III.b.(i) Invite each new member to complementary attendance at an Exporters Dinner
- III.b.(iii) Hold semi-annual orientation meeting for new members
- III.d.(iii) Visit to Irbid to introduce JEA products and services and recruit members
- III.e.(i) Regularly post materials from conferences and meetings on web site
- III.e.(ii) Upgrade JEA web site to make it interactive and able to accept payment
- IV.a.(iii) Advise members of dues change and collect new dues
- IV.b.(i) Form committee to consider possible new categoryof

membership

- IV.b.(ii) Obtain Board approval for new membership category

The following tactics should be accomplished in 2010:

<b><u>Task</u></b>	<b><u>Task Description</u></b>	<b><u>Person Responsible</u></b>	<b><u>Date Due</u></b>
I.a.(i)	Meet with Jordan Enterprise to identify JE support for 3 trade missions and exhibitions		
I.a.(ii)	Develop strong working relationships with other government entities		
I.b.(i)	Develop pricing and plans for each mission or exhibition		
I.b.(ii)	Inform JEA members and others in appropriate sectors of plans for missions and exhibitions		
I.b.(iv)	Conduct needs assessment of member to identify markets of greatest interest		
I.b.(v)	Organize and support additional trade missions and exhibitions		
I.c.(ii)	Publicize availability of course to members and non-members		
I.c.(iii)	Conduct training course		
I.d.(ii)	Post research reports provided by JE on web site		
I.d.(iii)	Identify other potential new products		
I.f.(I)	Organize annual conference		
II.a.(i)	Meet with JE, Ministry of Industry and Trade and SABEQ to obtain views on best long-term advocacy issue		
II.a.(ii)	Select 1 or more issues for long-term advocacy program		
II.a.(iii)	Obtain Board approval for advocacy positions		
II.b.(i)	Inform members of JEA process for conducting advocacy		
II.b.(ii)	Establish committee(s) to address advocacy issues selected		
II.c.(i)	Develop brief position paper for every issue addressed		
II.c.(ii)	Monthly meeting to hear government speaker or issue expert		
II.c.(iii)	Advocacy calls on government		
II.d.(i)	Implement regular email update to members on advocacy efforts		
II.d.(ii)	Collect press articles that mention JEA		
II.d.(iii)	Cultivate relations with press		
III.a.(i)	Regular JEA staff visits to members and prospects		
III.a.(iii)	Develop and maintain a target list of potential new members		

- III.a.(iv) Each Board Member annually to recruit a new member
- III.b.(i) Invite each new member to complementary attendance at an Exporters Dinner
- III.b.(iii) Hold semi-annual orientation meeting for new members
- III.d.(iv) Visit to Aqaba to introduce JEA products and services and recruit members
- III.e.(i) Regularly post materials from conferences and meetings on web site
- IV.b.(iii) Recruit new member category

The following tactics should be accomplished in 2011:

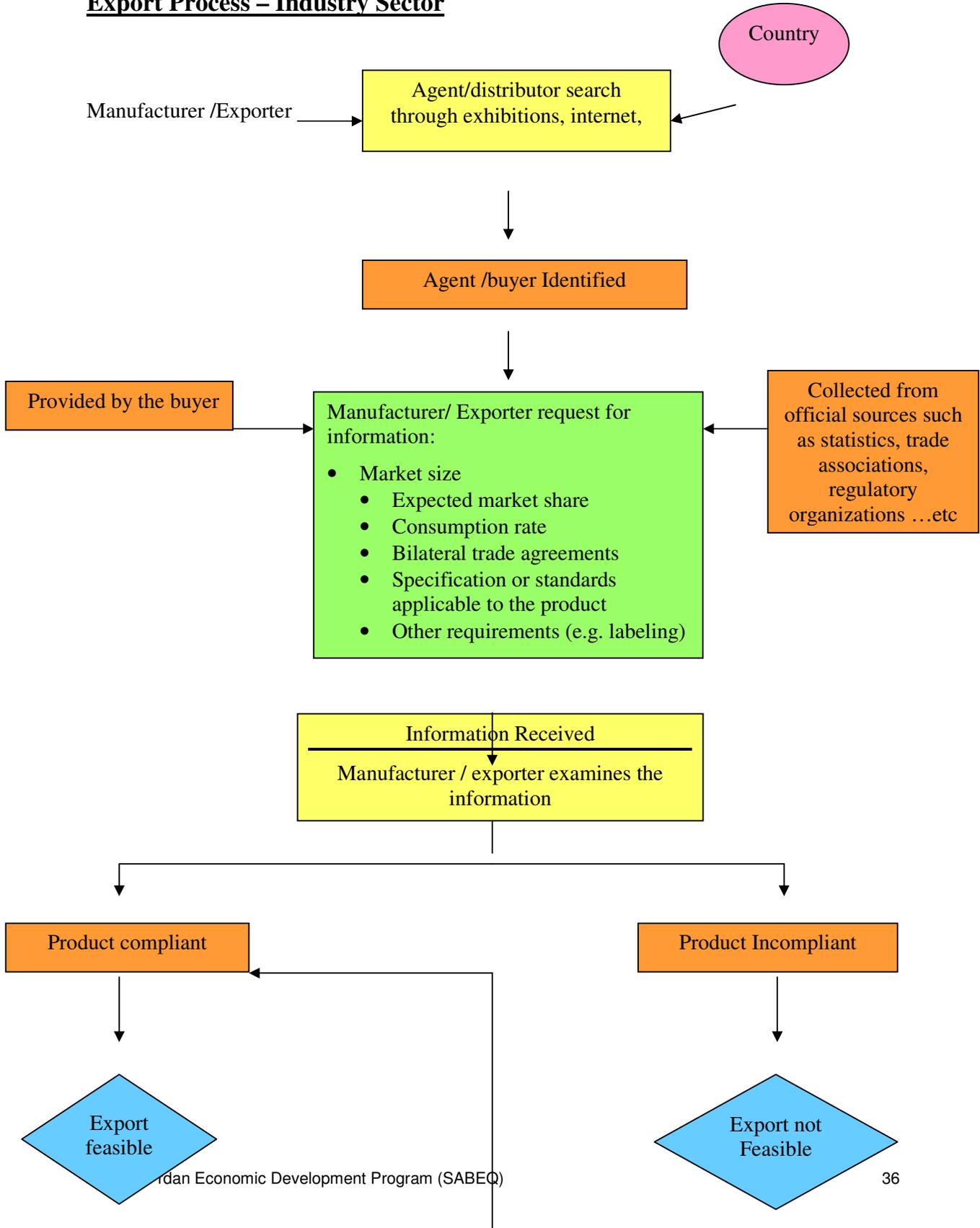
<b><u>Task</u></b>	<b><u>Task Description</u></b>	<b><u>Person Responsible</u></b>	<b><u>Date Due</u></b>
I.a.(i)	Meet with Jordan Enterprise to identify JE support for 3 trade missions and exhibitions		
I.a.(ii)	Develop strong working relationships with other government entities		
I.b.(i)	Develop pricing and plans for each mission or exhibition		
I.b.(ii)	Inform JEA members and others in appropriate sectors of plans for missions and exhibitions		
I.b.(iv)	Conduct needs assessment of member to identify markets of greatest interest		
I.b.(v)	Organize and support additional trade missions and exhibitions		
I.c.(ii)	Publicize availability of course to members and non-members		
I.c.(iii)	Conduct training course		
I.d.(ii)	Post research reports provided by JE on web site		
I.d.(iii)	Identify other potential new products		
I.f.(I)	Organize annual conference		
II.a.(i)	Meet with JE, Ministry of Industry and Trade and SABEQ to obtain views on best long-term advocacy issue		
II.a.(ii)	Select 1 or more issues for long-term advocacy program		
II.a.(iii)	Obtain Board approval for advocacy positions		
II.b.(i)	Inform members of JEA process for conducting advocacy		
II.b.(ii)	Establish committee(s) to address advocacy issues selected		
II.c.(i)	Develop brief position paper for every issue addressed		
II.c.(ii)	Monthly meeting to hear government speaker or issue expert		
II.c.(iii)	Advocacy calls on government		

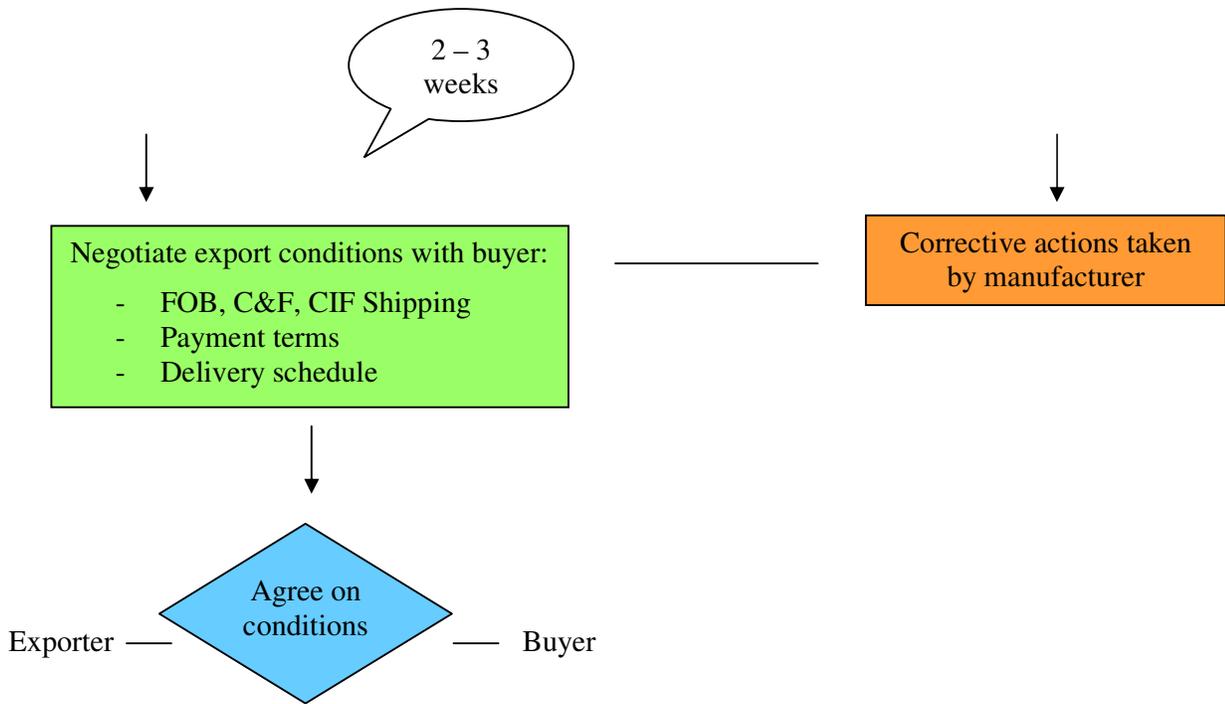
- II.d.(i) Implement regular email update to members on advocacy efforts
- II.d.(ii) Collect press articles that mention JEA
- II.d.(iii) Cultivate relations with press
- III.a.(i) Regular JEA staff visits to members and prospects
- III.a.(iii) Develop and maintain a target list of potential new members
- III.a.(iv) Each Board Member annually to recruit a new member
- III.b.(i) Invite each new member to complementary attendance at an Exporters Dinner
- III.b.(iii) Hold semi-annual orientation meeting for new members
- III.e.(i) Regularly post materials from conferences and meetings on web site

# APPENDICES

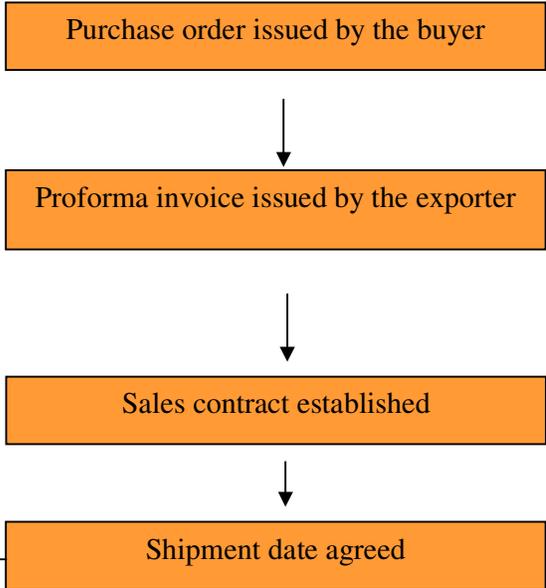
# APPENDIX A: THE EXPORT PROCESS

## Export Process – Industry Sector

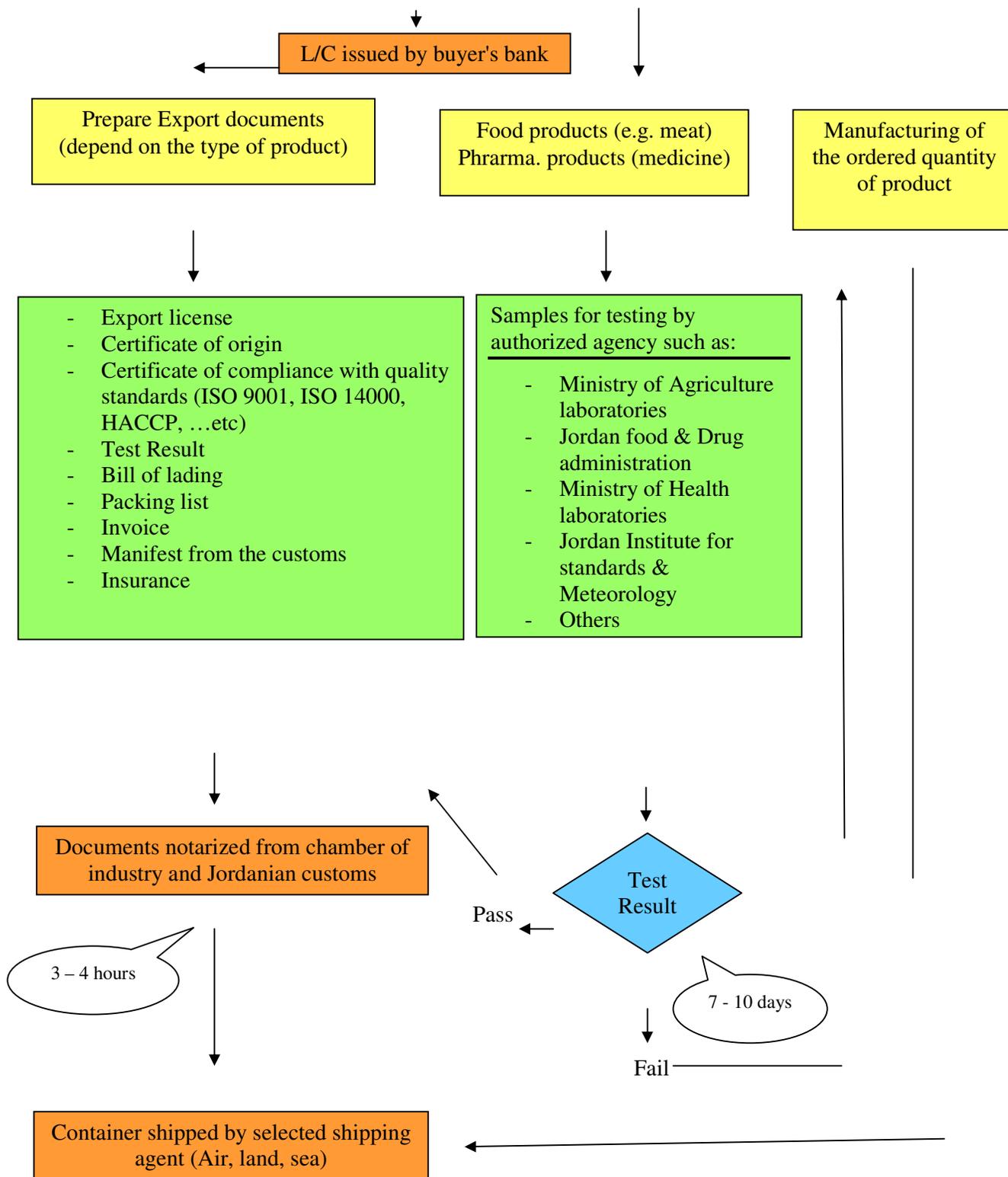




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3 - 6 days



# APPENDIX B: MARKET RESEARCH STUDY

## Jordan Exporters Association

### Exporters Survey

In January and the first half of February, 2008, Dajani Consulting Co<sup>22</sup>. interviewed 20 current members of the Jordan Exporters Association, 20 former members, and 20 firms that had never been a member of JEA. Each interview was conducted in a face to face meeting. The 20 current members interviewed were selected at random from current membership, the 20 former members were selected at random from former members, and the 20 firms that had never been a member were selected from a list of exporters. Each firm interviewed was assured that their individual answers would be confidential and that JEA and others would only receive aggregated information.

The intent of this survey is to provide an indication of interests of Jordanian exporters and views toward the Jordan Exporters Association. The survey is not considered to be statistically significant, but rather indicative of opinions.

#### Section 1: General Information

1. Please choose the answer below that best describes your membership status.

- |                        |    |
|------------------------|----|
| a. Current JEA member  | 20 |
| b. Past JEA member     | 20 |
| c. Never been a member | 19 |

2. Are you a member of any other export-related organizations?

- |        |    |
|--------|----|
| a. Yes | 11 |
| b. No  | 49 |

3. If yes, please list all that apply below.

- Clothes Exporters Association - 2
- Business women association
- Food products manufacturing Association
- Jordan-European Businessmen Association

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<sup>22</sup> Dajani Consulting Co. is in Amman, Jordan, phone Tel. 5680436.

JUMP

Pharmaceutical manufacturers Association

Shipping agents association

Textile and fabric manufacturers Association

4. Please select the option below that best describes the size of your firm based on number of employees.

- |                     |    |
|---------------------|----|
| a. 0-10             | 0  |
| b. 11-60            | 26 |
| c. 61 – 100         | 20 |
| d. 101 – 500        | 12 |
| e. greater than 500 | 2  |

5. Please select the regions in which your firm is currently engaged in trade.

- |                                   |    |                |
|-----------------------------------|----|----------------|
| a. Local (within 50 km radius)    |    |                |
| b. Jordan (outside 50 km radius)  | 59 |                |
| c. European Union                 | 7  |                |
| d. North America                  | 3  | Asia/Pacific 3 |
| e. Far East                       | 0  |                |
| f. Middle East and Arab Countries | 60 |                |
| g. South America                  | 0  |                |
| h. Australia                      | 3  |                |
| i. Africa                         | 19 |                |

6. Is international trade significant/important to your firm?

- |        |    |
|--------|----|
| a. Yes | 55 |
| b. No  | 4  |

7. What is the amount of your international trade as percentage of your total trade?

Range of 10 to 80%

8. Are you interested in expanding international activities?

- |        |    |
|--------|----|
| a. Yes | 59 |
| b. No  | 0  |

9. What are the main problems/bottlenecks that you face during export?

- |  |    |
|--|----|
| a. Raw material availability and production capacity | 28 |
| b. Labour limitations                                | 30 |

c. Product specifications and standards	9
d. export procedures within the governmental institutions	26
e. customs and taxes laws	20
f. shipping	7
g. communication with international customers	51
h. other: Import complexities (China), Price competition by international companies, Lack of government support	

## **Section 2: JEA Members**

10. How many years have you been a member of JEA?

a. less than one year	1
b. 1-2 years	1
c. 2-4 years	3
d. 4-6 years	4
e. over 6 years	12

11. Why did you join JEA?

a. networking	13
b. resources	20
c. training and education	5
d. advocacy	14
e. marketing/promotion	11
f. exhibitions/conferences	16
g. other	1

12. What are the major barriers that limit your ability to expand international sales?

a. Information on foreign markets	12
b. Identifying potential foreign agents/distributors/manufacturers	18
c. Information on foreign standards and market specifications	8
d. Assistance in complying with foreign standards	6
e. Export financing	6
f. Other: (4): Strong competition and limited data about competitors; Price competition by other countries – 2; High increase of packaging materials cost	

13. Please select the following JEA services that you have used. Select all that apply.

- a. Trade Shows 15
- b. Conferences 14
- c. Policy Advocacy 13
- d. Business Development Training Programs 3
- e. Informational Resources 9
- f. Market Reports 6
- g. Buyer/seller missions 4
- h. "Meeting with an official" event 18
- i. Other: Key Contact at Target Countries

14. Please rate each of the following JEA services with 1 being “not useful at all” to 5 being “very useful” by putting (x) under the proper degree

		1	2	3	4	5
a.	Trade Shows	0	4	8	7	0
b.	Policy Advocacy	0	2	6	11	0
c.	Training Programs	0	11	7	2	0
d.	Informational Resources	0	4	10	6	0
e.	Market Reports	2	8	8	2	0
f.	Conferences	1	1	9	8	1
g.	Trade Missions	2	4	10	4	0
H.	Meeting with an Official	1	1	3	11	4
g.	Other					

15. For all of the services rated 1, 2 or 3, why wasn't this service more useful?

- a. cost 15
- b. type or topic of training 1
- c. market research wasn't covering a relevant topic 4
- d. not a useful topic of conference 3
- e. other 3

Please elaborate and explain your selected reason(s):

Limited number of activities

Small number of activities

Subject & number of activities do not achieve the objectives

The activities are less than expected

The cost of activities is high due to limited number and frequency of activities

16. What do you see as the largest barrier to increasing JEA membership?

- a. cost 9
- b. knowledge of the benefits and value of membership 20
- c. product and service offerings 5
- d. other \_\_\_\_\_ 3

Please justify your selected barrier:

Lack of media plans to spread the name of member companies, and their activities.

Unavailability of convincing image of membership benefits

Unconvincing factors of JEA

17. Please rate the following based on what you consider to be an opportunity for the future success of the Jordan Exporters Association. (1=not at all, 5= great opportunity) by putting (x) under the proper degree

		1	2	3	4	5
a.	Marketing Support	0	4	14	1	0
b.	Advocacy	0	2	5	12	0
c.	Training and Educational Programs	0	13	4	3	0
d.	Resources for conducting business in international markets	1	7	8	3	0
e.	Organization of Trade Missions	0	8	9	3	0
f.	International Conferences	1	0	11	7	1
g.	Trade Shows and Exhibitions	0	2	7	10	1
h.	Industry Networking	1	11	8	0	0
i.	Facilitation of Partnering with other entities	1	9	7	2	0
j.	Increased awareness of Jordanian companies in the international market	0	5	11	2	0
k.	Support Services	0	1	5	13	0
l.	Identification of international opportunities	0	6	10	3	0
m.	Other	0	0	0	0	0

18. How do you evaluate JEA's membership fee?

- |                           |    |
|---------------------------|----|
| a. Low/affordable         | 1  |
| b. Moderate/suitable      | 16 |
| c. High/Expensive         | 3  |
| d. Very high/unaffordable | 0  |

Please justify your evaluation (evaluation compared to other associations, evaluation compared to the gained services....etc)

The membership fees are considered affordable compared to the JEA services

The JEA should be aware of all useful info. Regarding exporting companies at all aspects.

Membership fees are expensive compared to the level of services provided to members

The membership fees are considered average compared to number of activities and quality of services

Assisting food producers in accessing American markets

Adequate assistance in opening new markets

19. Please list services that would increase the value of JEA membership, but are not currently offered.

- Sector - specific sections within JEA to study external market, and provide feed back to member companies
- Update market information and find new markets
- Periodical bulletins and news letters about JEA'S activities
- market information and export issues
- Raise awareness by holding meetings to inform audience about JEA'S goal's activities & achievements
- Hold specialized training courses
- Activation of commercial advisors role at the external markets, to facilitate the companies missions, under direct supervision of JEA
- Regular updates about new markets
- Apply plans to achieve annual goals by contribution of JEA board
- Study international competitors of JEA's members
- Complete knowledge of companies export problems, and deliver , solutions within limited duration
- Provide information about competing companies in the export markets
- Distribute copies of information about market issues on companies
- Provide specialized info about competition at external markets
- Nomination of officials from Jordanian embassies abroad to help companies in entering new markets, Europe in particular
- Build relationships network at target countries to facilitate export

- Awareness of external markets
- Solving internal export process problems related to Government of procedures
- Increase number of high - quality, specialized training courses

### **Section 3: JEA Ex-Members**

20. Why did you leave JEA?

- |  |    |
|--|----|
| a. Membership fees                         | 11 |
| b. Limited quantity of services/activities | 18 |
| c. Low quality of services                 | 1  |
| d. Internal system                         | 0  |
| e. JEA management                          | 0  |
| f. Joining other export organization       | 1  |
| g. Other:                                  | 8  |
- Lack of real effective services
  - The company was poorly interacting with JEA
  - The company didnt interact positively with JEA
  - No return on the membership in JEA
  - Increased reliance on local market
  - Services provided by JEA are not necessary for the company
  - JEA services have weak benefit on the company
  - The company had limited impact on its exports during membership in JEA

21. What would encourage you to re-join the JEA as a member?

- |                                      |    |
|--------------------------------------|----|
| a. lower membership fees             | 9  |
| b. Introduce new services/activities | 16 |
| c. Improve the quality of services   | 7  |
| d. Amend Internal system             | 0  |
| e. Change JEA management             | 0  |
| f. More effective advocacy           | 16 |
| g. Other:                            | 16 |
- Enhance members to increase exports by providing in formation about markets and reduce internal difficulties in export process
  - Advertise for Jordanian companies in the international markets
  - Outstanding , impact - oriented services
  - Specialized services to each sector / activity
  - Assistance in: export, market information , targeting new markets
  - Assistance in accessing new markets
  - Increase JEA activities, based on companies needs
  - Offer company - specific services tailored to company needs

- Development of activities that are of interest for exporting companies

**Section 4: Never been a member**

22. Why didn't you register as a member in JEA?

- |   |    |
|---|----|
| a. cost                                 | 6  |
| b. not interested in the benefits       | 7  |
| c. time constraints                     | 6  |
| d. unaware of JEA's activities/services | 18 |
| e. other _____                          | 4  |

- No contact by JEA to introduce its services
- The size of company's exports do not justify membership in JEA
- JEA services are dedicated for board members and management

23. What would encourage you to become a member in JEA?

- |   |    |
|---|----|
| a. provide export assistance services   | 17 |
| b. support participation in exhibitions | 17 |
| c. provide specific advocacy services   | 10 |
| d. specialize in certain sector(s)      | 18 |
| e. other _____                          | 2  |

Convey company problems to government

24. What is the maximum membership fee that you are willing to pay for JEA?

- Less than 200 JD 11
- 200 to 450 JD 6
- More than 450 JD 3

**Section 5: Additional Notes**

(Surveyor shall record any opinions or remarks of companies regarding the export or JEA)

- Seriousness in offered services
- Hold events and conferences and invite exporting companies to introduce JEA and its goals & activities
- Express and show JEA Ability to assist companies in solving their export problems
- JEA should have tangible services and success stories to be trusted among exporting companies
- Weak media and market awareness of JEA
- Tangible services
- Contribute to opening new markets
- External competition information

- Solving internal barriers against export such as (red tape) and lengthy procedures
- When companies feel the affect of JEA activities, they will become members
- Stress on increasing the exports of SMES
- Actual assistance for companies to increase exports
- Membership scheme should be based on company size or capital
- TEA image should be perceived by companies through its services and activities

# APPENDIX C: BENCHMARKING STUDIES OF AAEI AND AEA

Jordan Exporters Association/American Association of Exporters & Importers

	<b>Jordan Export Association</b>	<b>American Association of Exporters and Importers</b>
Date Established	1989	1921
Size of Staff	5	9
Number of Members	102	
Types of Members	Exporters Facilitators	Exporters Importers Facilitators Trade Association Academic
Budget		
Dues		65%
Non-Dues		35%
Dues Structure	600 JOD for all members  (About \$847.29)	Importers/Exporters \$525 to \$5,550 Brokers/Forwarders \$525 to \$3,600 Law Firms \$525 to \$2,000 Trade Associations \$500 Port Authorities \$500 Trade Services \$550 to \$2,700 Academic/Student \$50
Services for Members	Advocacy	Advocacy Webinars (on-line)



## **American Association of Exporters and Importers (AAEI)**

Web Site: <http://www.aei.org/>

### **About the American Association of Exporters and Importers (AAEI)<sup>23</sup>**

AAEI was started in 1921. In a 2004 Board retreat called “Designing for 2025”, the association completely reviewed its governance, vision, role and organization in light of the changed environment for trade after 9/11. Governance is provided by a 43 member Board of Directors and a 10 member Executive Committee.

AAEI’s Vision Statement is “To be the leading advocate for the global trade community and its source for new ideas, information, professional development and standards.”

### **Dues Revenue** - Accounts for about 65 percent of total revenue

*Exporters and Importers are the key membership categories and generate most of the dues revenue. Dues are for the whole corporation and are based on the dollar value of the company's imports and exports; dues range from \$525 for dollar value below \$1 million to \$5,550 for dollar value over \$1 billion.*

*Brokers and Forwarders are another important member category, both for their contribution to dues revenue and for their expertise in international trade. Dues for brokers and forwarders are based on the number of employees, and range from \$525 for 1 employee to \$3,600 for more than 100 employees. Firms providing trade services are also an important category, and dues are based on number of employees, with companies with one to five employees charged \$550 and firms with over 100 employees charged \$2700. Similarly law firms are important, particularly for the expertise they bring to advocacy. Firms with one attorney are assessed \$525 and over 10 attorneys are assessed \$2,000.*

*The Port Authority category generates very little revenue, with dues only \$500 per port. This category of membership is primarily offered because of the critical role port authorities play in international trade.*

*Academic membership is offered to students currently enrolled in a U.S. college or university. This category only generates a minor level of revenue, and is offered primarily to encourage students to enter international business careers and as a source of potential employees for member companies.*

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<sup>23</sup> Most of the information regarding AAEI is taken from their web site, with amplification from a personal interview with the President. Sections of this summary in italics and regular type are my speculation based on my experience with trade associations; while I believe this information is correct, there is a possibility that it is not accurate.

Exporters, Importers and Trade Facilitators join primarily for the advocacy programs, which allow individual companies, through concerted group action, to influence policy developments. AA EI's advocacy program helps members stay informed of policy developments through meetings with government officials and industry experts, and through electronic and written communications from the association staff to the members. The major vehicle for this is the weekly ALERT, a free, members only, email publication, which reports on developments affecting international business, and actions being taken or contemplated by federal regulators and Congress.

AA EI's advocacy focus in recent years has been to ensure that policy makers recognize the need for trade facilitation to promote economic growth, and that the needs of the trade community do not take a back seat to security demands for "guns, gates and guards." Advocacy is carried out by testifying before Congress and regulators, and occasionally the courts. Specific policy issues addressed include:

- Tariff bills
- Tax programs affecting international traders (e.g. the Foreign Sales Corporation)
- Restructuring of the Department of Homeland Security
- Ratification of the Kyoto Convention
- Regulations on country of origin labeling
- Customs duty drawback

Policy Committees, which are chaired by member companies and staffed by AA EI staff, include:

- Customs Policy & Procedures
- Chemicals and Bulk Commodities
- Drawback and Duty Deferral
- Export Compliance & Facilitation
- Regulated Industries
- Textiles, Apparel & Footwear
- Trade Policy

*Advocacy programs require most of the staff time, and do not generate revenue directly, but are the cornerstone of dues revenues.*

Another free service to members are workshops, which are held periodically and address operational-level concerns of managers, administrators and staff, such as documentation, customs entry, freight traffic, broker and trade services coordination, distribution, purchasing and marketing.

As another free member service, AA EI also has a Reference Center on its web site, which provides the latest information on recent, pending and established regulations, legislation and policies. The Reference Center sends e-mails or faxes in response to member requests and offers a thorough search capability on the AA EI website.

**Non-Dues Revenue** - accounts for about 35 percent of total revenues

***Education and Training Programs:***

Regional Conferences and Seminars – One day programs led by industry specialists and government experts on such topics as customs compliance, supply chain security, international codes and trade agreements, foreign exchange, transportation cost management, government automation programs, financing, essentials of exporting and trade-related legislation.

***Standards:*** AAEI does not have any programs on standards, including programs to assist members in standards compliance.

***Conferences***

- Regional Conference and Exposition held in January: The most recent is the Western Regional Conference, Jan. 20-22, 2008 in Newport Beach California. The schedule is a Sunday golf event or Macys Fashion Show, and then the Monday and Tuesday program, with a reception Monday evening. Cost to members is \$700 and \$600 per person if multiple attendees from the same firm. Cost to non-members is \$750 per person. There is a discount for early registration. Some issues discussed at the conference include “Cargo Security in a Protectionist Environment”, “Local Port Update”, “Import Safety”, “Jumping the Export Compliance Hurdles – Getting Your Goods Out of the U.S.”, and “Jumping the International Hurdles: Importing into Another Country”.

AAEI has an exposition in a hall outside the conference with 20 booths where facilitators can present their services; booths are 8 by 10 feet, and cost \$2,750. Exhibitors may purchase either full or half-page advertisements in the program.

Additionally, AAEI recruits sponsors who fund specific events or activities, such as the dinners, lunches, breakfasts, the conference program, coffee breaks, and the golf event. AAEI raises about \$75,000 to cover the costs of the conference through these sponsorships.

- Annual Conference and Exposition held in June. Speakers at the annual conference may include foreign government officials, U.S. government officials (e.g. Food and Drug Administration), senior company speakers, etc. Additionally there are educational events on issues that affect the members day-to-day business, such as trade classification. Similar to the January Conference, this event will generate substantial revenues.

***Trade Missions:*** AAEI does not sponsor trade missions.

### ***Business Services***

- Career Center: Member companies can post job openings for free on the AA EI web site. Non-members can also post openings for \$300 for a one-month listing, *and this is a significant incentive to encourage non-members to join.*

Jordan Exporters Association/American Electronics Association

	<b>Jordan Export Association</b>	<b>American Electronics Association</b>
Date Established	1989	1943
Size of Staff	5	80
Number of Members	102	2,500
Types of Members	Exporters Facilitators	High Tech Companies Associate
Budget		
Dues		60%
Non-Dues		40%
Dues Structure	600 JOD for all members  (About \$847.29)	Corporate \$500 to \$60,000 Associate \$1,000 to \$5,000
Services for Members	Advocacy	Advocacy Webinars (on-line)
Non-Dues Revenue	Trade Shows Training Programs Market Information Buyer-Seller Missions	Education Publications Conferences Business Services

## **American Electronics Association (AEA)**

Web site: <http://www.aeanet.org/>

## **About the American Electronics Association (AEA)**

Founded in 1943, AEA is a sector association serving the American high tech industry. AEA has 18 offices in the U.S. as well as offices in Brussels and Beijing. At the time I worked for AEA, the staff numbered about 120 people, with major staff concentrations in Washington DC and Silicon Valley. Governance was provided by a 55 member Board of Directors and an 11 person Executive Committee.

AEA had about 2,500 members. Large companies join primarily for the advocacy programs, while small companies join for the business services.

## **Dues Revenue** - Accounts for about 60 percent of total revenue

Corporate Members: This is the key membership category. Any company whose principal business either designs, manufacturers, or conducts research in electronics, electronic components, telecommunications, software, the Internet and/or related information technology products and services is eligible to be a corporate member. Dues are based on worldwide gross revenue and range from about \$500 to \$60,000 annually. Membership covers all of a company's domestic subsidiaries and divisions.

Associate Members: This category includes financial or business organizations that maintain important business relationships with the high-tech industry. Dues are paid per location and are based on the number of employees, and range from \$1000 to \$5,000 annually. The associate member category cannot be more than 20% of total membership.

AEA has a sales staff responsible for recruitment of new members and retention of both corporate and associate members. Sales staff receive approximately half of their expected compensation in base salary, and about half in commission. The commission for recruiting a new member ranges from 10 to 20% of the first year dues, depending on the size of the company. (This is intended to encourage efforts to recruit larger companies.) Additionally, sales staff receive a commission for high retention numbers.

AEA has advocacy programs at both the national and state levels, and this is the main reason that larger companies join AEA. The advocacy programs themselves are expense items and do not generate revenue. Policy positions are member driven. Positions are formed in any of a number of standing and ad hoc committees; major policy positions have to be approved by the Board. Types of issues addressed include:

- Taxes, particularly the Research and Development Tax Credit
- Free and fair trade, such as continuing US trade negotiating authority
- Healthcare, particularly encouraging use of IT solutions in healthcare

- Strengthening science and math education in the US

Policy Reports are prepared for key advocacy issues, and are generally about 4 pages long. These are available for free and are designed to support AEA's advocacy work. Additionally, to support its advocacy program, AEA has a program called "Tech Tutorials 101, which are held on a number of Fridays throughout the year. A technology executive speaks on developments in the industry, and the target audience is Congressional staff interested in better understanding the industry.

**Non-Dues Revenue** - Accounts for about 40 percent of total revenue

***Education:*** AEA sponsored a two-week course in the summer in managing a technology business at Stanford, which was taught by Stanford faculty. AEA marketed the program, which cost \$14,000 per attendee; the revenue went to AEA, and AEA wrote Stanford a check from the receipts to cover the costs of the program including faculty salary. AEA had made about \$1 million annually from this program.

***Standards:*** AEA does not have any programs on standards, including programs to assist members in standards compliance.

***Publications:***

- **Jobs and Salary Survey:** Helps companies avoid over or under compensating their employees based on a survey of high-tech companies (both members and non-members). Covers key job categories and regions. Subscriptions cost about \$2100 for members and \$3000 for non-members, and historically companies that provided wage data for the survey received the completed survey data for free. Managing this program takes about one AEA staff person to market the program to members and work with the vendor providing the service. Mercer originally conducted the surveys for AEA, but currently it is done by Survey Research Associates (SRA). Historically, this publication has been a large money earner.
- **CyberStates** provides comprehensive data on the high tech industry. It sells for \$225 a copy, and is purchased by government affairs, economic development firms, financial providers, strategic planners, site selection experts, etc. Revenues cover the direct costs of publication, but not the indirect costs (e.g. staff salaries). The intent of the report is to give publicity to the industry and AEA.
- **Membership Directory:** AEA previously had sold its directory, which provided contact information, key personnel, products produced, etc. for both corporate and associate members. A directory used to sell for about \$25, and AEA also received revenue from advertising in the hard copy. These revenues covered the cost of publishing the Directory. However, now the Member Directory is available for free on the AEA web site as a service to members.

## ***Conferences***

- **Financial Conference:** Member companies can present their product and service offerings to a focused group of investors, and then have private one-on-one meetings with interested investors, in an annual conference held in Monterey, California. Only member companies are allowed to present; investors are generally non-members. Both investors and member companies are charged a fee for participating, and the event generated substantial revenue (e.g. \$3 million annually).
- **Government Dinner:** An annual event, featuring an industry leader (e.g. Steve Ballmer, CEO of Microsoft) as keynote speaker. The event is designed as a networking event with government officials, members of Congress and other high-tech companies. AEA sells booths to companies that want to exhibit to the industry, and the event is steadily growing to become a significant moneymaker.

***Trade Missions:*** AEA does not organize and sponsor trade missions, although it has organized visits by senior executives to key countries to make contacts and lobby foreign governments.

## ***Business Services***

- **Insurance products:** AEA has negotiated an agreement with United Healthcare (and previously had one with Aetna) to provide employee medical insurance. The program requires a full time staffer, and generates close to \$2 million in revenue for AEA, which receives 1.5% of gross premiums. (Previously AEA also had an agreement for property and casualty insurance, which also generated substantial revenue, but this program was allowed to lapse.) Developing an insurance program such as this requires about three years before it really begins generating revenue.
- **Shipping and Freight:** AEA negotiates agreements with vendors, and receives commissions on all services used by the members. Vendors include FedEx, Kinkos, Yellow Transportation, and UPS. Vendors give discounts to AEA members who use the service.
- **Car Rentals:** Agreements are negotiated with Hertz and Avis to provide discount service to members. This program requires virtually no work by AEA and generates about \$400,000 in revenue.
- **Tele-Conferencing:** This program provides audio, video, and web-based conferencing services to members at a discount. The services are provided by ACT Teleconferencing, Inc., and the company has virtual locations in Poland, Indonesia, South Africa and a number of other countries. The program generates significant revenue and requires virtually no staff time. Information on partnering with ACT is at their web site <http://www.acttel.com/become-a-member/>.
- **Credit Union:** AEA previously offered a credit union to Silicon Valley members, which generated almost \$1 million in revenue.

# APPENDIX D: MEETING WITH JORDAN ENTERPRISE

Meeting with Mr. Yarub Qudah, CEO of Jordan Enterprise by Khalid Dajani and Bill Krist, February 20, 2008

JE would like to know more about JEA to avoid duplication and conflict

JE would like to work with JEA, and sees a number of potential areas of collaboration. JE can not provide direct support but can provide indirect support. Some possible areas for collaboration:

- Exhibitions: JE could support perhaps 3 exhibitions in the first year. If these were successful, this might be increased to 6. Under this collaboration, JE might pay for the rent and exhibit set up, and JEA would invite the companies, man the exhibition and collect fees from the participants. JEA could make a reasonable profit on each exhibition.
- Training: JE might develop a training program, and JEA could disseminate it. Another option would be for JE to bring an expert to Jordan for a JEA program.
- Market research: JE could sign an agreement with JEA, whereby they would do market research for a specific product in a specific country for JEA to disseminate
- CE Mark: JEA could help a certain number of companies a year (e.g. 5) to get the CE Mark and JE could support this.

Mr. Qudah would like to see the private sector, including JEA, step up its role in advocacy. JEA would still get support from JE if it engaged in advocacy.

JE is expected to contribute to a 5% annual increase in exports and to hold 35 events annually.

Jordan has only 14 or 15 commercial attaches around the world; these are employed by the Ministry of International Trade. Additionally Jordan has Commercial Centers in Dubai and Palastine.

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