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

National Linkage Program Establishment Support

Final Report

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Document Title:	National Linkage Program Establishment Support
Author:	David Lovegrove
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This report was prepared by David Lovegrove a consultant working for Chemonics International Inc., as prime contractor to the United States Agency for International Development for the AMIR Program

EXECUTIVE SUMMARY

The critical economic challenges facing Jordan are modest economic growth rates, insufficient international competitiveness, persistent poverty, high unemployment, sagging per capita incomes and economic structural imbalances. All of these factors threaten Jordan's ability to generate new economic opportunities for its citizens and limit private sector trade and investment. In short, Jordan must grow its economy at sustained "real" rates above 5% per annum in order to begin to address the pressing poverty and unemployment problems. The JV 2020 exercise estimates 8.4% per annum increase in GDP as the rate necessary to achieve a doubling of GDP per capita by 2020.

One of the ways identified to assist in this process is the development of a National Linkage Program whereby small and medium sized Jordanian enterprises supply some of the demand components of the countries larger companies which are currently being imported.

The concept for this Linkage Program was developed under the AMIR Program and recently approved for implementation by the Minister for Industry and Trade. The National Linkage Program (NLP) is being implemented as a component of the Jordan Upgrading and Modernisation Programme (JUMP).

The purpose of this report is to set out an implementation plan for the effective development of the National Linkage Program in Jordan. This report is mainly a summary of the meetings help by the consultant in Jordan. In addition, it contains a development plan for the program, an action plan for the period up to December 2004, and a listing of issues relating to the successful implementation of the NLP.

The overall implementation plan addresses the following topics:
1. Securing the budget for full implementation of the National Linkage Program
2. Training of staff
3. Agreeing working relationship with JUMP program
4. Design and purchase of the hardware and software to operate the National Linkage Program
5. Carrying out a promotional campaign to raise awareness of the National Linkage Program
6. Establishing agreements with key partner organisations
7. Seeking commitments of purchasing companies to participate in the program
8. Contacting and briefing purchasing managers
9. Quantifying critical mass of demand of products and services
10. Identifying supply companies with potential to participate in the program
11. Commencing program of audits

In addition to, and as part of the above, there are a number of specific issues requiring action. These are:

Agreeing working relationship with Jump

It has been stressed on a number of occasions that the NLP (Linkage 1) can only operate with the full support and backing of JUMP. While the NLP will draw on a number of sources for its support systems, the delivery of the overall package of assistance from JUMP is critical to the ability of the NLP to work in a developmental

manner with the selected potential supply companies. In this sense the working relationship should be seamless from the perspective of the companies being handled by both JUMP and the NLP.

Establishing contact with purchasing companies

Basically, the NLP will not succeed without a critical mass of purchaser companies to participate. The issue is the identification of such companies. As has been stated in earlier reports the ideal type of company is that which has a large and diversified purchasing requirement, a large proportion of which is imported. One of the main objectives is to shift purchases that are imported to being supplied by domestic companies.
Accordingly, the immediate priority in this area is the identification of companies in Jordan that fit the above criteria. Possible sources of information are; Chambers of Industry, personal knowledge, Ministry of Industry and Trade etc.

Commence Business to Business service

The Report (Update Report on establishing a Linkage Program in Jordan, AMIR September 2003) sets out the case for introducing a "business to business" (B2B) function into the NLP. It is deemed that this will be particularly beneficial to the smaller enterprises participating in the program. The concept, however, can also apply to larger companies.
In developing this program, the linkage executives are to be vigilant to the business opportunities that exist without any developmental or capacity building program. While it is unlikely that there will be many opportunities for B2B linkage in the period up to 31 December, there is a possibility that in working with purchasing companies specific products may be identified where an immediate match can be made

Establish data base and MIS

In summary the situation is as follows:
i)   CDG have been given specific briefs by both NLP and JUMP and are preparing a design specification
ii)   It is agreed that there should only be one data base and that both NLP and JUMP will access it.
iii)   There will only be one entry point for each company, with both JUMP and NLP executives able to input and access data relating to that company.
iv)   The data base will be capable of recording all the data specified the report and producing reports that will facilitate proper reporting of data and for management purposes.
v)   It is likely that the data base will not be operational until the end of January 2005. However, in the meantime CDG have undertaken to provide a temporary data recording system that will be integrated into the full system when it is operational.

Organise training for NLP staff

It is important that the NLP staff are given thorough training, including a study tour to Ireland to see the workings of the Irish linkage program, as well as benefiting from on going technical assistance. This training should take the following form:

i)   The NLP staff are to be included in all training for the Jump staff.
ii)   The NLP staff will benefit from the program of visits by the consultant during 2005. These will provide hands-on assistance and training in the mechanisms to be used in progressing the NLP.
iii)   The NLP staff will participate in a week long training program/study tour to Ireland to see at first hand exactly how the Irish linkage program operates.
iv)   It may be necessary to organise other specific training as the program develops. These requirements will be identified by either the AMIR management, the NLP Director or the consultant. Having quantified the specific requirements, suitable training will be identified.

Integrate the Small Scale Component into the NLP

The report of August 2004, clearly sets out the requirements for the integration of the small scale component into the NLP. The recommendations in the report should be followed;
In particular, the following actions should be finalised before 31 December 2004:
i)   Recruit the small scale enterprise executive who shall have a specific focus on Linkage 2 (business to business) type activities for the small scale sector.
ii)   Formalise the agreement with the Zarqa Chamber of Industry, whereby they act as co-sponsoring host to the pilot program and also allocate office space to the NLP.
iii)   Commence the task of identifying both local business opportunities and companies that can supply the requirement.
iv)   Ensure that all data gathered is compatible with the design of the JUMP/NLP data base and MIS.

Targets for the National Linkage Program

It is difficult to establish realistic targets for new business generated, as there are no existing benchmarks available in Jordan. However, using experience gained in other countries, the following seem reasonable and if necessary the targets can be amended by the consultant on subsequent visits having reviewed progress.
Accordingly, it is recommended that the following targets be adopted for the period up to December 2005:

Criteria	Linkage 1	Linkage 2
Number of participating purchaser companies (Minimum)	**40 companies**	**200 companies**
Number of identified potential supplier companies	**40 companies**	**200 companies**
Number of technical audits completed	**20 audits**	**Not applicable**
Number of development plans drawn up	**15 plans**	**Not applicable**
Number of development plans completed	**10 plans**	**Not applicable**
Value of new production from linkages achieved as a result of development plans	**JD 2,000,000**	**Not applicable**
Value of new business achieved through business to business	**Not applicable**	**JD 4,000,000**

Table of Contents

1. INTRODUCTION:

1.1 Purpose of the Consultancy:

The purpose of the consultancy was to assist and support the National Linkage Program establishment and start-up, in addition to the assessment and identification of future needs and technical assistance required to ensure the successful implementation of the National Linkage Program (NLP).

1.2 Scope of Work for the Consultant:

The Scope of Work for the consultant specifies the following tasks:
1. Develop Work Plan
   Develop detailed work plan for the NLP implementation, in collaboration with NLP staff.
2. Set Program Targets
   Set program targets, in collaboration with NLP staff. Such targets should be quantified in terms of the number of linkage projects and their value.
3. Develop Technical Assistance Plan
   Develop detailed plan of technical assistance to ensure the successful implementation of the NLP, including staff training. This plan will serve as the basis for subsequent scopes of work.
4. Review Communications Strategy
   Review and comment on the NLP communications strategy.

The consultant carried out the above tasks and in addition undertook the following tasks while in Amman:
i) Met on two occasions with Ms Linda Faris Kawar of the Community Development Group, the company responsible for designing the NLP and JUMP database and MIS. This entailed detailed briefings on the database and MIS requirements for the NLP.
ii) Prepared and gave a presentation to the JV2020 group on the subject of improving investment flows for Jordan.

1.3 Rational for a National Linkage Program:

The strategy underlying the development of a Linkage Program for Jordan is to improve the capacity of Jordanian companies to enable them to supply components that are currently being imported and to increase their potential to move into export markets. The program that is being proposed for Jordan is based on the tried and tested mechanisms of the highly successful Irish model with modifications to take account of the Jordanian economy, the immediate requirements of the private sector and available support systems.

Due to the lack of a well-defined sub-supply sector a critical element of this strategy is aimed at developing indigenous companies and helping to overcome their deficiencies.

The rationale for the strategy that is being implemented is to:

■ Increase the local factor content associated with overseas plants, and in particular the development of Jordanian-owned sub-suppliers;

■ Decrease the import intensity of economic growth and to increase even more the positive balance of payments impact of overseas investment;

■ Transfer the benefits of increasing technical capabilities, improved standards, skill development and similar spillovers from the multinationals to Jordan;

■ Support the growth of the Jordanian-owned sub-supply industry generally by using the market potential of the Jordanian based multinationals and large purchasing companies as a base for sales growth and a possible door to becoming a global supplier; and

■ Increase the attractiveness of the Jordanian economy for both overseas and domestic enterprises – the more developed the sub-supply base, the easier it is to attract companies to Jordan and to help them develop.

Elements of the Strategy

The factors behind corporate decision making on out-sourcing and on purchasing domestically or abroad are both complex and dynamic. The elements of the strategy to influence these corporate purchasing decisions are to:

■ Provide a developmental program aimed at improving the capacity of domestic companies;

■ Increase the motivation of companies to purchase locally;

■ Provide information on the current sub-suppliers in the Jordanian economy, especially for new companies coming into Jordan who tend to be more familiar with overseas suppliers;

■ Provide information on and introductions to potential purchasers for domestic sub-suppliers;

■ Help build up individual Jordanian-owned sub-suppliers both for the generalised inputs required by particular sectors within Jordan and for specialist company inputs that can led to the sub-supplier being adopted as a global supplier to a multinational's plants world-wide.

1.4 Methodology

The methodology used by the consultant on this assignment was as follows:
  i)   Meeting with Eng. Mohammad Nijem on a number of occasions to explain in great detail the functions and mechanisms of the NLP and to answer any questions that he had about the implementation of the program in general and his work in particular.
  ii)   To attend all meetings relating to the implementation off the NLP with the AMIR staff and advise on best practice with regard to the implementation of issue such as:

- The data base and the MIS
- The media and awareness program

iii)   To meet with the Director of the JUMP program to ensure that there is no mis understanding about the functions of the NLP and to impress on him the importance of JUMP getting operational as soon as possible.

1.5 Structure of report

The remainder of this report is structured as follows:

- Chapter 2 provides an overview of the work undertaken by the consultant.

- Chapter 3 provides an overview strategy for the implementation of the NLP.

- Chapter 4 sets out specific work, tasks and assignments to be carried out by the NLP team in implementing the linkage program.

2.   REPORT ON WORK UNDERTAKEN

2.1 Meetings with staff

During the visit to Amman, the consultant met on a number of occasions with Eng. Mohammad Nijem and had two meetings with Mr Reda Mizzawi. The content of these meetings is summarised below:

Meetings with Mr Reda Mizzawi:
This meeting concentrated on the following topics:
i)   The background to the project and the principal features of its design. The consultant undertook to email to Mr Mizzawi all the previous reports on the establishment of a NLP and the integration of a small-scale component.
ii)   The manner in which the NLP and the JUMP [program have to work together in order to offer a seamless service to the participating companies.
iii)   The fact that the NLP will not run major public awareness or media campaigns as the NLP is a highly focused program only dealing in an intensive manner with selected companies, it is undesirable to raise expectations that cannot be met.
iv)   Setting out the priority areas of activity between end October and end December, namely:
- Recruiting the remaining staff for the program
- Working with CDG to finalise the design of the data base and MIS and putting in place a temporary system to allow data storage until the main system is fully operational
- Establishing good working relationships with the JUMP team, especially the Chief Executive Officer, Eng. Yarob Qudah
- Getting the office layout completed
- Putting in place best practice office systems
- Agreeing the breakdown of responsibilities among the staff
- Undertaking briefing meetings with Chambers of Industry etc to explain the purpose and scope of the NLP and to seek purchaser company participation
v)   The reporting structure was explained and that Mr Mizzawi was responsible to Ms Suhair Khatib of the AMIR program

vi)   The content of the proposed study tour to Ireland was discussed. Tentative dates at the end of January 2005 were mentioned.

vii)   The areas of responsibility the Mr Mizzawi will have as Director of the NLP and that he is expected to show initiative in developing the program.

viii)   The consultant explained that his next visit to Amman would be in early January 2005. However, Mr Mizzawi was at liberty to email or phone him at any time to raise an issue or seek guidance or clarification on any aspect of implementing the NLP

Meetings with Eng.Mohammad Nijem:

In the course of the visit the consultant met on a number of occasions with Eng. Mohammad Nijem, the issues covered during these meetings included:

i)   The importance of the program and the achievement of the targets given the resources that are being devoted to it.

ii)   A detailed briefing on the concept of linkage programs. How they work and the overall objectives.

iii)   Detailed discussions on the role of the NLP and how it will interact with JUMP in a seamless manner to provide a focused range of support services to assist Jordanian companies to improve their capacity.

iv)   Detailed discussions on exactly how the NLP will function and the role that Eng. Nijem and his colleagues will fulfil in developing and running the NLP.

v)   An indication of the manner in which purchasing companies is to be approached and exactly what type of data is required.

vi)   An agreed action plan for the period up to end December 2004, concentrating on:

- Identifying the population of potential purchasing companies
- Initiating contact, either at CEO or Purchasing Manager level to solicit participation by the company in the NLP.
- Identifying, with the support of purchasing departments, products currently being imported that have the potential of being manufactured in Jordan.
- To examine other sources of product identification eg. the Government procurement, import statistics etc.

iv)   The consultant explained that his next visit to Amman would be in early January 2005. However, Eng. Nijem was at liberty to email or phone him at any time to raise an issue or seek guidance or clarification on any aspect of implementing the NLP

2.2 Designing the data base and MIS

The consultant held two meetings with Ms Linda Faris Kawar of CDG to assist in specifying the requirements for data storage and MIS for the NLP. Ms Suhair Khatib attended one of the meetings and Mr Rashad Othman of JUMP attended the other. Eng. Mohammad Nijem attended both. In addition, there were a number of telephone conversations clarifying points of information.

In summary the situation is as follows:

vi)   CDG have been given specific briefs by both NLP and JUMP and are preparing a design specification

vii)   It is agreed that there should only be one database and that both NLP and JUMP will access it.

viii)   There will only be one entry point for each company, with both JUMP and NLP executives able to input and access data relating to that company.

ix)   The database will be capable of recording all the data specified in para 3.4 below and producing reports that will facilitate proper reporting of data and for management purposes.

x)   It is likely that the database will not be operational until the end of January 2005. However, in the meantime CDG have undertaken to provide a temporary data recording system that will be integrated into the full system when it is operational.

xi)   The consultant has agreed that he will review the specification, when it is produced, and also comment on any relevant issues that may arise before his next visit in early January 2005.

2.3 Liaison with JUMP Program

The consultant met on a number of occasions with the Chief Executive Officer, Advisors to JUMP and JUMP executives and explained in detail how the NLP will function and how it will work alongside the JUMP program. This also included a PowerPoint presentation on how the program will work. (The consultant modified the presentation and gave it to Eng. Mohammad Nijem for use in promoting the NLP and to assist at meetings where the concept of the NLP is being explained).

These meetings were very positive and there is no doubt that there is a willingness for the NLP and JUMP to work in a fully integrated manner. However, the consultant is concerned that there is still not a full understanding among the executives of JUMP as to the distinctions between the two programs, namely:

-       the NLP is a market driven program responding to specific business opportunities that have been identified

-       the NLP is not a general capacity upgrading program, rather it is focused on selected companies who are deemed to have the potential to achieve set standards and specifications, thereby becoming an accredited supplier.

In addition, while the NLP cannot function without the range of services and support systems that will be available through JUMP, it is important to ensure that the NLP does not loose its identity and be fully subsumed into JUMP. At discussions with JUMP the consultant went to great lengths to explain carefully how the two programs can exist side by side, building on the strengths of each other, yet maintaining an identity. .The situation in Ireland was quoted as a good example, whereby the Linkage Program is contained within Enterprise Ireland and draws heavily on its developmental capacity, yet maintains a separate identity.

Clearly, one of the first tasks facing the new Director of the NLP will be to establish and agree exactly the manner of co-operation between the two programs. The critical issue to remember is that both programs are set up to assist Jordanian companies and the delivery of a top class, professional service by both should not suffer as a result of administrative differences.

3.   OVERALL IMPLEMENTATION PLAN FOR THE NATIONAL LINKAGE PROGRAM:

3.1   Overall Implementation Plan

The listing below is not exhaustive, as it is not possible at this time to anticipate all the issues that will arise as the NLP is developed. However, through training and on-going technical support, it is envisaged that there should not be any insurmountable difficulties in implementing the NLP.

1. **Secure Budget for the full implementation of the National Linkage Program (NLP)**
    - Develop and secure the funding requirement for the operation of the NLP up to September 2005. This to include:
        - Salaries for the staff:
          Linkage Director
          Linkage Executive
          Receptionist/Secretary/Administrator
          Driver
        - Other employee related expenses (insurances etc)
        - Car
        - Consumables related to car (insurance, petrol, servicing etc)
        - Computer hardware and software
        - Office equipment
        - Office furniture
        - Office consumables
        - Travelling expenses and per diems
          (calculate on 200 days travelling to 09/05)
        - Entertainment allowance
        - Hire of hotel rooms for promotional meetings
          (calculate on 20 such meetings)

2. **Training of Staff**

    - Agree that NLP staff will participate in general JUMP training to ensure that they are aware of the full range of services available through the JUMP program
    - Undertake study tour to Ireland to see and understand the detailed workings of the Irish Linkage Programme
        - secure budget to undertake training in Ireland
        - agree timing, duration, content etc of study tour with Irish counterpart
        - Irish counterpart makes all arrangements in Ireland for study tour and confirms all details with AMIR
        - study tour takes place

3. **Agree working relationship with JUMP Programme**

    - AMIR to draw up draft Memorandum of Understanding setting out exactly how it sees the relationship between JUMP and the NLP developing. This MOU to clearly set out:
        - the responsibilities of each donor
        - how the resources, staff and budget, will be allocated in the delivery of the service
        - clearly establish the reporting channels
        - agree that the NLP has a separate and distinct identity from the JUMP program. However, all media releases etc to make mention that the NLP is part of the JUMP initiative and acknowledge the support of the JUMP facilities and mechanisms used in the Linkage Program
        - allocate responsibility for media contacts and briefings etc
        - set out the JUMP services and facilities of which the NLP may avail

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- agree on the allocation of the JUMP staff member to the NLP and set out the responsibilities and to whom the person reports
- develop an understanding on how certain costs can be shared

There are many other items, however, it is better that they be left until the Linkage Program Director is recruited and the day to day practical issues can be worked out between the Director and the CEO of the JUMP Program.

4. Design and Purchase Hardware and Software to operate the NLP

Ensure that the database and the MIS are:
- i) Developed in accordance with the outline specification as agreed during the consultant's visit.
- ii) Developed to ensure that both the NLP and JUMP use the same database and MIS.
- iii) Capable of carrying out the following functions, as a minimum:

For potential supplier companies:
- The name, address, telephone and fax details
- Details on the number and qualifications of the staff, particularly those with technical qualifications
- Details on the products currently manufactured by the company
- Details on the company's customers giving quantity and value of the goods sold to each customer
- A facility to record the opinion of the NLP and/or JUMP executives and feed back on the company and its performance against set criteria eg:

  ○ The quality of the product
  ○ History of delivery and ability to meet delivery targets
  ○ Ability of the company to respond to the customer's requirements
  ○ The quality of the management
  ○ Ability of the company to be pro active in recommending improvements to the customer's product
  ○ The price of the product compared to the competition

- Details on any export markets and customers
- Details on the company's machinery, its age, capacity etc
- In addition, there will have to be other fields available for progress reports against agreed criteria as set out in the audit and development plan following a companies selection as a potential supplier following a successful audit.

For purchasing companies participating in the Linkage Program:
- The name, address, telephone and fax details
- Name of the Purchasing Manager and other relevant staff
- Details on the products that are available for local sourcing
- Details on the level and type of assistance that the company is willing to devote to help potential supplier companies
- Review specification when received from consultants
- Initiate tender process to purchase identified package
- Comply with all relevant procedures for a tender process

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- Select the most competitive tender and notify the successful company
- Commence process of installing equipment and inputting test data to ensure that the system complies with the technical specification
- Install minimal data recording system before mid November so that data being gathered can be stored. This system to be capable of being integrated into the full system when it is installed at the end of January 2005.

5. Carry out Promotional Campaign to raise understanding of NLP and its Mechanisms:

At the outset it is important to stress that the promotion of the NLP needs to be handled in a careful manner to ensure that:

i)   It does not lead to confusion in the market place between the NLP and JUMP. It is recommended that JUMP takes the lead role in awareness campaigns etc. and in the process mention the NLP, but stress that it has a narrow focus and will not be suitable for all companies.

ii)   It does not raise expectations among companies who will not meet the criteria for inclusion, thereby possibly discrediting the NLP.

iii)   Whenever possible, the difference between the two programs should be stressed ie. JUMP is a general capacity building program, while the NLP is a market driven program focussed on selected companies.

- It would add enormously to the success of the program if His Majesty could endorse the NLP and call on large companies in Jordan to participate as part of a National effort to stimulate the development of small and medium sized domestic companies

  ◦ When the Linkage Director is appointed arrange for a number of interviews with selected media in order to explain the purpose, functions and mechanisms of the NLP
  ◦ Prepare a web page giving the address of the NLP, the name of the Director and staff and setting out the purpose, functions and mechanisms of the NLP. The web page also to include copies of all media coverage and any other developments
  ◦ Arrange for the Director to speak at Chamber of Commerce meetings and any other gathering of senior business people who could be influential in facilitating the development of the NLP
  ◦ Issue press releases indicating the successes of linkage programs in other countries and highlighting developments with the NLP
  ◦ Maintain contact with relevant business groupings so to raise the awareness of the NLP with people who will be involved in its development.
  ◦ Avail of every opportunity to get publicity for the NLP thereby making it easier for the NLP to get participation from major purchasing companies.

  In all of the above it is critical to stress that the NLP is not available/suitable for all companies and that there are strict criteria for inclusion.

6. Establish Agreements with Key Partner Organisations

- Identify key private sector organisations that could be influential in assisting with the development of the NLP. Ideally these should be representative bodies whose

members would be regarded as prime candidate purchasing companies (eg Chambers of Industry, Trade or Industry Associations etc)

- Reach an agreement with the selected organisation(s) under which they will:

  ◦ Encourage their members to participate
  ◦ Help identify suitable purchasing companies for inclusion in the program
  ◦ Help identify companies with potential for inclusion as potential supply companies
  ◦ Assist with the promotional aspects by providing speaking platforms and publicising the NLP in any of its publications
  ◦ Assist with the administration of the program
  ◦ Act as co-sponsor of events when required

7. Seek commitment of Purchasing Companies to participate in the NLP

- Through both the participating partner organisations and direct contact, meet with the CEOs of companies identified as potential purchasing companies and seek commitment to participate in the program. It will be necessary to explain fully the consequences of participation and the ultimate objective will be that the purchasing company will switch part of its sourcing to new domestic suppliers. In addition, it will be necessary to explain that the purchasing company will be required to actively participate through assisting the selected potential supplier company to achieve the standards necessary to become a supplier.
The range of services available through the JUMP Program should be carefully explained so the purchasing company is aware of the support that it will receive from NLP/JUMP.

8. Contact and Brief Purchasing Managers

- Having received agreement from the CEOs of companies to participate in the program, hold briefing meetings for the Purchasing Managers of these companies to explain how the program works and what is expected from them in the process
- Following initial contact, at the group meetings, with the Purchasing Managers, arrange individual meetings in order to explain in detail the mechanisms involved
- At these meetings, request the Purchasing Managers to review their purchasing requirements for goods and services in order to identify:
    i)   Products and services which, in the opinion of the Purchasing Manager, could be produced locally by a domestic company without any improvement in its capacity or capability if such a company could be identified by the NLP
    ii) Products and services which have the potential to be produced locally following an improvement in the capacity and/or capability of a domestic company

9. Quantify critical mass demand products and services

Input the sourcing requirements of purchasing companies onto the linkage program database. This information to be used in quantifying aggregated demand for certain products and services that can be sourced easily without a full linkage intervention. This data will facilitate business to business (B2B) deals for lower level goods and services identified through 8i above. It is most likely that the majority of supplier

companies to benefit from these exchanges will be small companies who lack marketing expertise and the finance to undertake marketing.

10. Identify Supply Companies with Potential to participate in Program

- Build up data base of domestic companies that are deemed to have the potential to become suppliers to large purchasing companies. This to be done by contacting a number of sources to help identify these companies. The sources to be used include:

  ◦ Purchasing Managers of purchasing companies
  ◦ Partner organisations
  ◦ Relevant industry and trade organisations, especially those related to companies that export
  ◦ The personal knowledge of the NLP and JUMP executives.

- Having compiled a list of "good companies with Potential", a small number of company names will emerge as being recommended by a number of sources. These companies will provide the A list of companies for possible inclusion in the linkage program.
- Having compiled the list of companies with potential, the linkage executives consult with the purchasing managers and technical staff in the purchasing company to draw up a short list of potential supplier companies that the purchasing company would be interested in working with in order to upgrade to become a supplier company.
- The final selection of a company to be included in the linkage program will be made by the purchasing company.

11. Commence Program of Audits

- Agree with each purchasing company the potential supply companies that it is willing to work with in a developmental manner.
- Agree the composition of the audit team. Ideally it should comprise:
  ◦ A member of the NLP
  ◦ At least one technical representative from the purchasing company
  ◦ A representative from the purchasing department of the purchasing company
  ◦ Other technically qualified persons as required as long as their participation is agreed with the management of the company being audited
  ◦ At least one representative from the senior management of the company being audited
- It is feasible for a purchasing company to work in a developmental manner with more than one company at a time. However, the Linkage Director will need to be satisfied that the company can spare the resources to work with each supplier company in a thorough manner.
- When the technical audit is completed, the audit team prepares a deficiency report, which clearly sets out the areas where the company does not meet, the standards of the purchasing company. This information is then used to draw up a development plan which sets out the actions that the supplier must undertake in order to reach the standards to become an accredited supplier to the purchasing company.
- It is critically important that the senior management of the supplier company fully agrees with the development program and undertakes to implement it. Should the supplier company subsequently fail to meet the

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       achievement milestones it will be dropped from the program

3.2 Targets for the National Linkage Program

The key outputs of this program are:
i)   Linkage 1: new business generated through supplier companies up-grading themselves – and
       that is the critical item that should be measured.
iii)   Linkage 2: business to business generated without up grading. Normally, this activity would not be recorded by backward linkage programs, but, given the current state of the sub-supply industry in Jordan and the lead times involved in actually effecting linkages, it is felt justifiable to record it as it will produce results in the short-term.

It is difficult to establish realistic targets for new business generated, as there are no existing benchmarks available in Jordan. However, using experience gained in other countries, the following seem reasonable and if necessary the targets can be amended by the consultant on subsequent visits having reviewed progress.
Accordingly, it is recommended that the following targets be adopted for the period up to December 2005:

Criteria	Linkage 1	Linkage 2
Number of participating purchaser companies (Minimum)	**40 companies**	**200 companies**
Number of identified potential supplier companies	**40 companies**	**200 companies**
Number of technical audits completed	**20 audits**	**Not applicable**
Number of development plans drawn up	**15 plans**	**Not applicable**
Number of development plans completed	**10 plans**	**Not applicable**
Value of new production from linkages achieved as a result of development plans	**JD 2,000,000**	**Not applicable**
Value of new business achieved through business to business	**Not applicable**	**JD 4,000,000**

3.3 Communications strategy

The development of a clear and focused communications strategy will be very important in clarifying the NLP's objectives in the market place and help to encourage companies to participate. However, it is important that it does not create an expectation that cannot be satisfied. This is especially important given the fact that the NLP will only deal with a small number of companies. It will be important for it to be made clear that it is JUMP that is the general company capacity-improving program (within the agreed sectors).

AMIR has already commissioned a study to determine a communications strategy – Task No: 514.03 (Report September 2004). This report is very good and is based on a good understanding of the messages to be delivered. However, it needs to be stressed that it is not the intention to have lavish launches of the program (that will be left to

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JUMP), rather it will be the focus to inform the target audience of the NLP's existence, seek participation and show the results. Generally the media involvement will be low-key.

While it is difficult to argue against the detailed recommendations in the communications strategy, the consultant would request that the strategy more reflects the fact that the NLP would really only impact on a small number of companies in Jordan.

In addition, the differences between Linkage 1 and Linkage 2 need to be kept in mind. The consultant's specific comments on the report are attached as appendix 3.

4   SPECIFIC WORK PROGRAM FOR THE PERIOD UP TO 31 DECEMBER 2004:

Within the context of the overall implementation plan for the NLP as set out in Chapter 3 above, the following specific issues have been agreed for implementation by 31 December 2004.

 However, at the outset it should be stated that it was unfortunate that the new Director of the NLP, Mr. Reda Mazzawi could not be present for all the meetings during the consultant's visit (he had not been able to secure his release from his previous employer in time). However, it was possible to have one meeting with the Director and this proved most beneficial.

Eng. Mohammad Nijem attended all of the meetings.

4.1 Agreeing working relationship with Jump

While the consultant and Ms Suhair Khatib have had a number of meetings with Eng. Yarob Qudah, Director JUMP program on the topic of the working relationship between JUMP and the NLP, one of the first tasks facing the Director of the NLP is to ensure that there is no ambiguity in the manner in which the two programs will operate.

It has been stressed on a number of occasions that the NLP (Linkage 1) can only operate with the full support and backing of JUMP. While the NLP will draw on a number of sources for its support systems, the delivery of the overall package of assistance from JUMP is critical to the ability of the NLP to work in a developmental manner with the selected potential supply companies. In this sense the working relationship should be seamless from the perspective of the companies being handled by both JUMP and the NLP.

4.2 Establishing contact with purchasing companies

The identification of the purchaser companies can start immediately. (The consultant briefed Eng. Mohammad Nijem thoroughly on how they can be identified and left him with specific instructions on the tasks to be carried out).

Basically, the NLP will not succeed without a critical mass of purchaser companies to participate. The issue is the identification of such companies. As has been stated in earlier reports (Analysis and Recommendations for the establishment of a Backward Linkage Program in Jordan, AMIR May 2000; Update Report on establishing a Linkage Program in Jordan, AMIR September 2003; Analysis and Recommendations for the establishment of a Small Scale Component in the National Linkage Program, AMIR August 2004), the ideal type of company is that which has a large and diversified purchasing requirement, a large proportion of which is imported. One of the main

objectives is to shift purchases that are imported to being supplied by domestic companies.

Accordingly, the immediate priority in this area is the identification of companies in Jordan that fit the above criteria. Possible sources of information are; Chambers of Industry, personal knowledge, Ministry of Industry and Trade etc.
Having identified suitable purchaser companies, the program of company visits to seek their participation in the NLP can commence.

4.3 Establishing contact with potential supply companies

It is recommended that the immediate priority for the linkage staff in the period up to 31 December is to concentrate on identifying purchasing companies suitable for inclusion in the program. Having established these companies the next priority is contacting the companies (either at Chief Executive or Purchasing Manager level) and getting a commitment to participate in the program.

Having secured this commitment, the next task is to identify products that are deemed suitable for local manufacture. It is at this time that the identification of potential supplier companies is undertaken.

However, while the priority is on identifying suitable purchasing companies, should the linkage executives, as they go about their business, identify suitable potential supply companies data on these companies should be recorded in the data base.

4.4 Commence Business to Business (B2B) service

The Report (Update Report on establishing a Linkage Program in Jordan, AMIR September 2003) sets out the case for introducing a "business to business" (B2B) function into the NLP. It is deemed that this will be particularly beneficial to the smaller enterprises participating in the program. The concept, however, can also apply to larger companies.

On a number of occasions the consultant has had discussions with companies who import raw materials, when a company exists in Jordan making the very product that is imported. The reason for the miss match is due to lack of market intelligence and the availability of a database to accommodate such linkages.

In developing this program, the linkage executives are to be vigilant to the business opportunities that exist without any developmental or capacity building program. While it is unlikely that there will be many opportunities for B2B linkage in the period up to 31 December, there is a possibility that in working with purchasing companies specific products may be identified where an immediate match can be made.

As the NLP develops, close liaison between the linkage staff and the JUMP executives, who will be working with many companies in a developmental manner, will greatly facilitate the development of B2B opportunities.

4.5 Establish database and MIS

The establishment of the database and MIS should be progressed as soon as possible. While it is accepted that these items take time to develop, CDG should be encouraged to have the system fully operational by the end of January 2005.
This item is reported in more detail under paragraph 2.2 above.

4.6 Organise training for NLP staff

This topic is covered elsewhere in this report, however it is useful to re-iterate the plans for the future:

v)   The NLP staff are to be included in all training for the Jump staff. This is important, as it will help establish good working relationships and ensure that the NLP staff are fully conversant with all the support mechanisms that are available under the JUMP program.

vi)   The NLP staff will benefit from the program of visits by the consultant during 2005. These will provide hands-on assistance and training in the mechanisms to be used in progressing the NLP.

vii)   The NLP staff will participate in a weeklong training program/study tour to Ireland to see at first hand exactly how the Irish linkage program operates. It will also be possible to visit both purchasing and supplier companies who have benefited from inclusion in the program.

viii)   It may be necessary to organise other specific training as the program develops. Either the AMIR management, the NLP Director or the consultant will identify these requirements. Having quantified the specific requirements, suitable training will be identified.

4.7 Put in place best practice office systems

The provision of best practice office and management systems is closely linked to the development of the database and MIS, in that they are all essential for the proper and efficient running of the linkage program.

The person who will be directly responsible for the setting-up and maintenance of the office systems is the Administrator. It is recommended that this person be recruited as soon as possible in order to ensure that proper systems are introduced at the commencement of the program. The position should be advertised immediately and the Director participates in the interview process even before he starts full time with the program.

It is important to ensure that whatever systems are put in place are user friendly and minimise bureaucracy. However, the systems should be such that they facilitate the day to day operation of the program and provide the basic requirements of the database. Under no circumstances should manual or paper systems duplicate the database.
One of the objectives of the office systems should be to operate, as far as possible, in a paperless manner.

In setting up the office management systems, particularly those relating to financial matters, the Administrator should work closely with AMIR to ensure that the systems comply with AMIR and USAID requirements as well as satisfying agreed governance rules.

The study tour to Ireland will help in clarifying exactly what systems work and how they can be implemented, with appropriate modifications, in Jordan

4.7 Integrate the Small Scale Component into the NLP

The report of August 2004, clearly sets out the requirements for the integration of the small scale component into the NLP. The recommendations in the report should be followed;

In particular, the following actions should be finalised before 31 December 2004:

v)   Recruit the small-scale enterprise executive who shall have a specific focus on Linkage 2 (business to business) type activities for the small-scale sector. Given that the pilot phase of the small-scale enterprise component is to based in Zarqa, it might be appropriate to recruit someone who is familiar with the area, as it will greatly reduce the time in becoming effective on the ground.

vi)   Formalise the agreement with the Zarqa Chamber of Industry, whereby they act as co-sponsoring host to the pilot program and also allocate office space to the NLP.

vii)   Commence the task of identifying both local business opportunities and companies that can supply the requirement.

viii)   Ensure that all data gathered is compatible with the design of the JUMP/NLP database and MIS.

APPENDIX 1

LIST OF MEETINGS

(Listed in order of meetings)

Mr Brad Fusco	Component Leader, AMIR Program
Ms Suhair Khatib	Deputy MEI Component Leader, AMIR Program
Eng. Mohammad Nijem	Linkage Executive, NLP
Eng. Yarub Qudah	Chief Executive Officer, JUMP Program
Mr Rashad Othman	Advisor, JUMP Program
MS Linda Faris Kawar	Vice President and Chief Operating Officer Community Development Group
Dr Yousef Mansour	Advisor, JUMP Program
Eng. Omar Qarioti	Executive, JUMP Program
Mr Ahmed Al Saket	Executive, JUMP Program
Mr Adi Ghouneim	Executive, JUMP Program
Mr Ismaeel Shatanawi	Executive, JUMP Program
Mr Reda Mazzawi	Director, NLP
Mr Sean Jones	USAID, Amman
Mr Jamal Al Jabiri	USAID, Amman
Ms Maha Mousa	USAID, Amman

APPENDIX 2

DRAFT SCOPE OF WORK FOR FUTURE VISITS BY THE CONSULTANT

It is difficult, at this stage, to predict the number and content of future visits to provide technical assistance in implementing of the National Linkages Program. However, it is most likely that the following assistance will be required as the project develops:

1.   Study Tour to a Ireland to view at first hand a well organised Linkage Program in operation:

It is strongly recommended that, when the linkage team is appointed, they be taken on a study tour to Ireland. This will allow the executives to meet with:

- Supplier companies that have benefited as a result of participating in the linkage process.

- Purchasing companies that have assisted in up grading the capacity of supplier companies to become accredited suppliers.

- Members of the linkage team who audit the supplier companies, prepare the developmental plans and provide the package of required assistance for the company.

It is proposed that this study tour takes place from 24-28 January 2005.

2.   Visits consultant to advise on implementation:

As the NLP develops, there will be a clear need for periodic visits to Jordan, by the consultant, to assist the linkage team in implementing the project. The areas where assistance will be required are as follows:

- Reviewing progress to date

- Finalizing the data base

- Setting up the data gathering and storage systems

- Advising on the reporting mechanisms and the types of reports to be produced

- Advising on the general working mechanisms of the linkage program

- Participating in a number of audits and advising on the preparation of a developmental plan

It is estimated that a one week visit every four or six weeks would be sufficient to review progress and advise on issues that arise. These visits to last for the first six months, thereafter less frequent visits will be required.

It is recommended that the next visit takes place from 8-14 January 2005, at which time the NLP team will have had two months experience of operating the program and technical assistance will be of practical use at that time. It would also be appropriate to make the arrangements for the study tour to Ireland at that time.

APPENDIX 3

CONSULTANT'S COMMENTS ON THE DRAFT COMMUNICATIONS STRATEGY

The comments relate to the area of substance regarding the NLP. Comments are not included for technical areas relating to the mechanics of running a communications program.

Also, by way of a general comment, it might be useful to differentiate between Linkage 1 and Linkage 2operations and results.

The consultant wishes to compliment the authors of the Communications Strategy document on producing a very good and insightful report.

I.   Introduction

The National Linkages Program (NLP) is an industrial development program established by the Jordanian government aiming to increase business opportunities for manufacturers and service providers through backward linkages with major companies and industrial clusters. The NLP aims to facilitate local sourcing by surveying buyer requirements and then assisting local suppliers, by way of grants and technical assistance, to upgrade their management, process and products to the needs of the local and international market place.

The NLP will be a subcomponent the Jordan Upgrading and Modernization Program (JUMP) that is supported by the Jordanian government (the Ministry of Industry and Trade). JUMP was launched October 10, 2004 as a semi-private organization governed by a board of twelve directors – six from the private sector, and six from the public sector – aiming to assist more than 40 SMEs year to upgrade their production capacity and competitiveness to internationals standards through the provision of grants and technical assistance.

The NLP will utilise JUMP upgrading services, grants and technical assistance to the benefits of potential suppliers who are qualified and assessed by NLP audit teams as capable of meeting the requirements of specific demand opportunities currently being satisfied by imports.

This document aims to set the communications strategy for the launch and operation of the National Linkages Program to maximise the effectiveness of the program. The communication plan has a particular emphasis on the strategies, activities and resources required during the launch of the NLP; therefore, the strategy is to be reviewed, evaluated, and updated regularly – at least every six months.

II.   Background

The NLP's prime focus is to work with a selective number of suppliers (20 SMEs) in the pilot phase. The supplier companies will be selected based on the established needs of approximately 30 major industrial buyers who will be surveyed during the early

stages of the NLP pilot phase. In the long term, the NLP aims to extend its reach regionally (meeting the needs of regional industrial buyers), and to support foreign direct investment that will benefit from local support industries that cater to the needs of foreign investors.

Comment: The target figures should not be published. In addition, there is no pilot phase for the NLP.

A special component of the NLP – the Small Scale Enterprise (SSE) component - will focus on developing linkages with approximately 200 SSEs (6-10 employee companies) that will be initially constrained to a specific geographical location (Zarka) in a pilot program that will be hosted at Zarka Chamber of Industry, and eventually extended on a national basis. Zarka was chosen due to the commitment of the ZCI (the host), and the diverse cluster of SSEs supporting the heavy and light industrial base in the Zarka area.

Staffing, recruitment and training for the executive team and management committee of the National Linkages Program and JUMP is expected to be completed nearly Q4 2004. As of the time this report was written, both programs (NLP and JUMP) have not been officially announced, and have not commenced to serve the public – however, the JUMP program is further ahead. JUMP, launched October 10, 2004, will begin holding several sector-specific workshops and awareness sessions in the months after the launch.

As the NLP starts working, it aims to undertake the following broad steps:

1. Gain commitment and understanding of major technical assistance partners, donor organizations, the Jordanian government, business and industrial associations, and JUMP management.

2. Cement relationships and commitments with major Jordanian industrial buyers and survey their needs.

3. Reach out and assist specific qualified SMEs and SSEs (in Zarka) that may be able to fulfil backward linkages.

Comment: The above three aims are accurate.

The communication plan set in this document aims to establish the requirements and plans necessary to have an effective launch and operation of the NLP that will maximize the buy-in of all stakeholders involved, leading to the execution of the target number of backward linkage and business-to-business projects, as well as the sustainability and future growth of the program.

III. Communication Goals and Objectives.

The objective of the communication plan is to support the effective launch and operation of the NLP in a way that will <u>maximise the buy-in of all stakeholders involved</u>, leading, in turn, to the adoption of the NLP (by the private and public sector) as a priority national program that will enhance the industrial and economic base in Jordan.

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The overall campaign should promote that there is a great business opportunity and value in developing backward (and forward) linkages between the buyer (or purchaser) and the supplier; and that a NLP is being set up to facilitate this process (with grants and technical assistance) that will result in more local business, greater exports, higher quality products, and attraction of investment.

Once all the relevant stakeholders buy into the NLP and see the value, the NLP should be able to achieve the target number (and value) of backward linkage projects and business-to-business linkages projects. As a government initiative, the government needs to get credit for assisting the private sector in capturing more business. The NLP is a government program set up to help the private sector help itself, i.e., large private sector companies (buyers) working closely with other (smaller) private sector companies to improve their combined overall competitiveness and market access in the global economy.

The communication objectives can also be attached to time-scales, whereby in the short term it is key to have the identity of the NLP and the commitments and partnership solidified up front – especially with buyers, associations and government; and for the program to focus on the suppliers in the medium to longer term.

Comment: **_The immediate focus of the NLP is to identify potential purchaser companies, get their commitment to the program, identify products deemed suitable for local production and then identify suitable, potential supply companies. The supply companies will, in most cases, be identified by the purchaser company, the NLP or JUMP executives, rather than through application to the NLP._**

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IV.   Communication Objectives Timeline

Short Term (1-4 months):

- ➢ **Integrate into JUMP:** Establish the NLP as a subcomponent of JUMP, whereby JUMP will be launched October 10, preceding the actual launch of the NLP. Include NLP-related promotion material within the JUMP launch and promotional material. Educate, get buy-in and establish procedures in co-operation with JUMP board members, and identify early testimonials and case studies where possible. Develop NLP communication material that is consistent (in look and substance) with JUMP program media.

- ➢ **Announce and explain the NLP benefits** to the business community and strategic stakeholders, and the process that has been/will be established using international best practices, customised to Jordan – supported by international and local consultant assistance.

- ➢ **Secure the interest and commitment** from maximum number of buyer and linkage/business development partners.

Medium Term (4-12 months)

- ➢ **Approach SMEs and SSE suppliers selectively** to work on specific opportunities.
Comment: Need to be clear that potential supply companies will be selected rather than apply for inclusion.

- ➢ **Stimulate and spread awareness of real backward linkages opportunities** in Jordan as a means to increase industrial production, attract investment and develop new exports. Highlight the methods, best practices and commitment necessary to undertake new linkages and to develop products.

- ➢ **Maintain communication and relations** with key stakeholders including buyers and potential suppliers.

- ➢ **Manage positive (and negative) success (or failure) stories** and the implications they have on the future of the program. Quantify the results and benefits of the NLP through statistics on expanding business, exports, employment and investment created.

Long Term/Ongoing (12 months and beyond)

- ➢ **Maintain communication and relations** with key stakeholders including potential suppliers and buyers?

- ➢ **Achieve growth in clients and projects** by maintaining clear communications, promotional and educational efforts; and spreading awareness on the benefits and successes of the NLP.

- ➢ **Manage the growth** of the SSE component in another community area or nationally. Likewise, manage the regional outreach of the NLP.

> *Comment: The NLP will be nation-wide from day one. There will be no pilot area. There will, however, be a pilot area for the small-scale enterprise component.*

V.   Target Audience (Linkage Partners), Communication Objectives and Messages

The NLP is a demand driven program, whereby Jordanian import requirements are identified through a survey of imported industrial inputs of the largest industrial companies in Jordan. *(Comment: and other sources: the government procurement, import statistics-to identify products coming through importersetc.)* This is followed by identification and upgrading of "qualified" suppliers that have the potential to fulfil some of those needs. The program success is therefore dependent on buyers/importers commitment and they should be the first target audience for the NLP.

The key players in the NLP are therefore:

- Buyers (or purchasers)
- Small and Medium Enterprise (SME) Suppliers/Manufacturers
- Small Scale Enterprises (SSE) Suppliers or Manufacturers
- Business Development Organisations
- Business Associations and Industry Groups
- Support Service Providers
- The Jordanian Government
- Investors?
- Donor organisations?
- JUMP management?

Note that the target groups for the JUMP program is similar to the NLP program since they are both focusing on SME industrial companies, business development and support service organisations. Nevertheless, the NLP takes a different approach since it is highly selective to those companies that are willing to make quantum leaps in their production and management capabilities, and can cater to specific demand opportunities in the Jordanian markets. The messages and objectives will therefore differ, however, the communication channels may be similar. As a result, NLP related communication should be carefully co-ordinated and differentiated from JUMP communication. *Comment: an important distinction, which needs to be highlighted.*

Table 1. Target Audiences and Communication Objectives

Target	Description	Communication Objective
Buyers (**or Purchasers**)	Large manufacturers (private or public). *See appendix 3 for a preliminary list that will be further developed by the NLP staff.* ***Those manufacturing companies with access to multi-nationals, or multi-nationals themselves; e.g., Lafarge.*** ***Regional and neighbouring-country companies.*** **At least 30 buyers are envisioned to be involved in the NLP in the pilot phase, most of which are local manufacturing firms. Approximately 100 companies may be targeted in the initial outreach effort.**	➢ Realisation that they can impact economic/industrial development in Jordan and improve their competitiveness at the same time. ➢ Get them to share their import/procurement requirements. ➢ Get them to commit to work with qualified suppliers. ➢ Realisation that NLP/JUMP is sharing/reducing the risk for them.

Manufacturers (or Suppliers)	*SMEs* that are *"qualified[1]"*, capable and willing to invest in developing their product line, process or technology to accommodate a market opportunity with a local buyer and export markets. **NLP envisions working with at least 20 suppliers during the pilot program. They are selected based on the established demand opportunities.**	➢ The realisation that a great business opportunity exists if they are willing to upgrade and invest. ➢ Jordanian government is trying to assist SME/SSE's and to facilitate good business. ➢ Gain commitment to participate in the NLP and follow the doctor's prescription.
Small Scale Enterprises	Those companies that have 6-10 employee companies, initially focused on a specific geographical area (Zarka) in specific sectors of the economy – the target sectors are included in Appendix 1. **NLP SSE component envisions 250 companies targeted, with 75 linkages to be achieved.**	➢ Awareness that NLP/JUMP aims to bring opportunities to them and assist them. ➢ Encourage them to sign up on web site and attend training and awareness seminars. ➢ Understand technical and management requirements of buyers.
Business Development Organisations	Technical assistance organisations (such as JICA, EJADA, EJEP, NAFES, USAID-funded AMIR Program, JUSBP, JIB, NAFES, HCST, EYB, SIYB, Irada, microfinance organisations, JEDCO, WAEDAT, and other programs) that have an interest in developing and supporting SSEs, SMEs and economic development in Jordan.	➢ Gain their commitment/MOUs to support JUMP/NLP projects with technical and donor assistance. ➢ Commitment to identify market/sector opportunities, potential suppliers, and conducting training and awareness.

[1] "qualified" SME's are those that have management commitment to development, assign senior management team, are existing manufacturer – no startups, have funds available and access to finance, produces end product or component, will be subject to technical audit from purchaser, non-achievement of targets disqualifies company from NLP, looking toward export markets, up to purchaser standards at international market price

		➢ Utilise their public relations/outreach abilities. ➢ Demonstrate that their partnership is a mutually beneficial relationship.
Business Associations and Industry Groups	Associations, whether sector-specific or general/trade and investment promotion can play a part in identifying potential backward linkage projects such as chambers of commerce and industry, JVVision 2020, J-Gate, int@j, JEBA, JBA, JAPM, JEA, JABA, YEA, Contractors Association, and others.	➢ Gain their commitment/MOUs to support NLP projects with technical and donor assistance. ➢ Commitment to identify market/sector opportunities, potential suppliers, and conducting training and awareness. ➢ Utilise their public relations/outreach abilities. ➢ Demonstrate that their partnership is a mutually beneficial relationship.
Support Service Providers	Those organisations and companies that provide financial, technical and management upgrading services (i.e., suppliers to JUMP) that include: Management/technical consultancy, financing, outsourcing and maintenance companies, universities and vocational training centres.	➢ Awareness that they play an important role in facilitating backward linkages. ➢ Explain that NLP/JUMP has a mechanism to include them as linkage partners. ➢ Get them to register as suppliers to JUMP/NLP.
The Jordanian Government	The Ministry of Industry and Trade, Ministry of Energy and Natural Resources, Ministry of Public Works, Jordan Investment Board, JUMP, JEDCO, ASEZA, VTC, Department of Statistics.	➢ Gain and demonstrate their leadership, financial, and policy commitment to making the NLP a success.

Table 2. Linkage Partners – Key Messages and Tactics

Audience	Key Messages	Tactics

All	➢ The National Linkages Program (NLP) is an industrial development program aiming to increase business opportunities for manufacturers and service providers through backward linkages with major companies and industrial clusters.
	
	➢ The NLP aims to facilitate local sourcing by surveying industrial buyer requirements and then assisting local suppliers, by way of grants and technical assistance, to upgrade their management, process and products to the needs of the local and international market place.
	
	➢ Increased backward linkages have immense benefits to the local economy. NLPs have proved themselves in countries such as Taiwan, Thailand, Indonesia, Ireland, and Singapore where they have:
	
	   o Reduced imports and foreign currency requirements and stimulated local economic and industrial development.
	   o Increased competitiveness of local manufacturers (both buyers and suppliers) that has resulted in increased profits, investment, and employment.
	   o Provided local manufacturers an opportunity to improve product quality that also enables them to access international markets, thereby increasing exports.
	   o Developed an industrial base whereby foreign investors are enticed to take advantage of competitive local suppliers.
	
	➢ The NLP was established by the Jordanian government according to international best practices in order to assist the private sector to become more competitive.
		Press releases
		
		Press conference
		
		One-on-one meetings
		
		Workshops and Awareness Sessions
		
		Presentations
		
		Brochures
		
		Website
		
		Advertisements (general awareness campaign "source Jordan") (optional)

Buyers Jordanian Regional Multi-nationals	kward linkages (i.e., the presence of a qualified local/close supplier) will help your company reduce cost of imports, inventory, delivery times, foreign exchange requirements, additional equipment, staff, and operating and capital costs. The NLP aims to assist your company by working with potential qualified suppliers to upgrade their products to suit your company's needs, at no risk to your company since qualified suppliers will be screened and audited to conform with (qualified suppliers requirements), and given technical and financial assistance in order to achieve the targets set out by both your company and the supplier. Your full cooperation and commitment to assist the NLP in developing backward linkages will benefit the overall economic and investment environment in Jordan by way of job creation, investment and increased trade and competitiveness. This will require some of your management/purchasing officer or technical staff's cooperation in the early parts of the project. *Same as above first paragraph, plus:* with closer proximity to (your country/your site) Jordanian manufactures are capable – through the support of the NLP – to support your company with high quality, competitively priced material and services. Jordanian suppliers are ready and anxious to upgrade their process and technologies – with your help as well as NLP assistance – to become part of your supply chain network in the region and around the world taking advantage of the competitiveness of human resources, strategic location and logistics, and preferential trade agreements and access to global markets.	Invitation letter from Minister Launch One on one meetings Newsletters Gifts Website Brochures Presentation

Suppliers	NLP can work with your qualified company in order to meet the requirements of a specific buyer/or demand opportunity unidentified by the NLP. The NLP can assist you take advantage of this opportunity by providing your company the required technical, financial, management, technology and legal assistance through grants and technical assistance. A description of the process, qualifications, commitment and agreements required.	One-on-one meetings Website Brochures Presentation
SSEs	NLP can work with your qualified company in order to meet the requirements of a specific buyer/or demand opportunity unidentified by the NLP. The NLP can assist you take advantage of this opportunity by providing your company the required technical, financial, management, technology and legal assistance through grants and technical assistance. A description of the process, qualifications, commitment and agreements required.	One-on-one meetings Awareness and training Zarqa launch Advertising Website Brochures Presentation

Business development organizations	Businesses development organizations play an important role in assisting companies identify new markets and business opportunities, and in facilitating transactions and upgrading.	Launch
		One-on-one meetings
	The NLP would like your support in identifying linkage opportunities so that they can be developed. We would like to invite you to be strategic partners in the National Linkages Program, in which you can provide your services to the benefit of economic development and competitiveness. *Comment: Be careful of overselling!*	MOUs
		Newsletters
		Association Services/publications Website Brochures Presentation

| **Business associations and industry groups** | Businesses associations, such as yours, play an important role in development business opportunities for your members. Your understanding of trade trends, business and industrial opportunities supports the identification and development of backward linkage opportunities. The NLP's success is key to developing additional business, export potential and investment promotion that can only be accomplished with your support and industry knowledge.

Supporting and assisting in the development of backward linkages is central to your role as a business and economic development organization.

We would like to invite you to be strategic partners in the National Linkages Program, in which you can provide your services and industry knowledge to the benefit of economic development.
Comment: As with above, be careful of overselling. | Launch

One-on-one meetings

Letters of Understanding

Newsletters

Association services/publications

Presentations
Website
Brochures

Press Releases |
| **Support Service Providers**

Consultancy
R&D
Market Research
Legal
Finance
Education/VT | As part of NLP/JUMP, product development, management and human resource development, and project financing will be required during the upgrading process.

Your organization has an important role in supporting the development of local companies' products, processes and markets and can participate through the NLP/JUMP to access growth opportunities with growth-oriented SME's. | Launch (selectively) |

| **Government** | Upgrading assistance (grants and technical support) to SMEs is a key element – one that has proven to be most effective - by which the JUMP/NLP has been established to undertake to develop backward linkages, as part of MIT's comprehensive strategy to develop and upgrade SMEs. Quotas, restrictions and duties are not desirable or effective methods of supporting the competitiveness of local industry.

The purchasing behavior and management commitment of major public or pseudo-public organizations can have a substantial impact on development local supply industry. The government's support to the NLP and gaining the support of all purchasing departments of the government and government-affiliated companies or buyers is therefore essential.

Supporting the NLP will result a perception that the government is active in the development and promotion of private sector opportunities; i.e., helping the private sector help itself, and therefore contributing to the economic development of the Kingdom. | Launch

One-on-one meetings

Newsletter

Annual and Quarterly Reports

Website

Brochure |

VI.   Communication Challenges

Some of the challenges expected during the course of the NLP are:

➤   Having a clear identify for the NLP as a component of the JUMP, and close coordination/working procedures within JUMP and other business associations. Communication activities and plans, specifically with respect to publications of news and newsletters need to be coordinated within and between JUMP components.

➤   The choice of SME and SSE suppliers that the NLP will work with is going to be very selective, and some may perceive that the NLP program may be biased, i.e., not catering to the entire community.

Comment: *This will certainly happen (it has happened in other countries) in addition there will be political pressure to include certain companies. While it will not always be possible to avoid theses pressures, it must be made clear that it is ultimately the purchasing company that selects the company to be its supplier.*

➤   The communication plan will differ slightly from the (core) NLP program to the SSE component, as there is a larger group of suppliers targeted in the SSE component and a slightly different upgrading and matchmaking process.

VII.   Communication Action Plan

The proposed communication strategy focuses first on industrial buyers and business development organizations and strategic partners, followed by suppliers and general awareness efforts among industrialists and the community at large.

The proposed approach anticipates a NLP launch ceremony, followed by an outreach effort to buyers and sector representatives (associations, chambers and focus groups) to solicit their commitment and survey buyer/market needs that can be accommodated by backward linkages from selected SMEs.

A Zarka-based launch, awareness and training sessions focusing specifically on the SSE component will target a larger number of buyers and suppliers – that will be facilitated by direct marketing efforts - aim to reach hundreds of SSE's and a large number of buyers to partake in the program.

The style of outreach cannot be mass-market. The audience is very focused and limited to no more than "qualified" groups of (30) industrial buyers and (20) SME suppliers in the pilot phase of the NLP. The SSE component of the NLP widens the target audience of suppliers considerably (to 200), however, initially this will be in the geographic location of Zarqa.

Comment: *While it is undesirable to have a mass launch of the NLP, a high profile launch of the small scale component in Zarqa would be helpful.*

While only a few (20 suppliers) will be selected in the pilot phase of NLP, a significantly larger number can be targeted in order to create general awareness with

respect to product and process development, and investment opportunities in Jordan. For the purposes of increasing awareness with regards to linkages and industrial development in general; this can be done through training, seminars and workshop sessions that are optional, and not essential to the success of the NLP. They are essential to the SSE component of the NLP and will be discussed separately below.

A national advertisement campaign, stressing "Source quality, source Jordan" may go toward emphasizing to large companies that the NLP initiative is a serious and beneficial initiative. It may have the effect of changing the mentality of procurement officers and manufacturers across the Kingdom, as well as generating interest in JUMP services.
*Comment: **The slogan "Source quality, source Jordan" is very good and should be adopted by the NLP.***

To summarize, the main steps of the communication plan are as follows:

1- Setting the Foundations

Upon hiring and training of the NLP staff, the JUMP programs must align, coordinate and develop their respective PR plans, lines of communication and awareness activities to ensure synergy and consistency in their messaging and targeting efforts.

2- NLP – Program Launch - lets start the work

The "official" launch and announcement of the NLP does not commence until after, NLP staff, JUMP board members and executive staff training and education. Although the NLP was highlighted during the JUMP launch on October [10], its official launch will not happen until a few months later- approximately late November, early December time-frame.

The first presentation and launch of the NLP should focus on the strategic stakeholders (buyers, business associations, chambers of commerce and business development organizations and donors – i.e., all target audiences excluding suppliers).

A strong kick-start to the NLP is critical for the success of the program, since it will establish the momentum and secure the commitment and active participation of the buyers.

The proposed champion and sponsor should be a high government official, such as the Minister of Industry and Trade. A success story or testimonial from the private sector who can speak about existing linkages in the industrial sector, as well as success of other countries' linkage programs and opportunities in Jordan goes strongly towards giving the program credibility and buy-in.

The official launch should aim to kick-start the process of getting commitments of the major buyers and associations to be active contributors to the NLP. The launch should cover the NLP, benefits and process, and areas of responsibilities and expectations from industrial buyers, associations and business development organizations. Also invited should be procurement managers of large industrial

companies; those individuals that are likely to be NLP counterparts in the buyer's organization.

Here the SSE component will also be highlighted as a "pilot program" that focuses on SSEs and will be launched in the Zarka business community after the requirements of buyers have been established.

A press conference and invitations to the press should coincide with the launch.

The preparation of the official launch will require roughly six weeks for preparation of communication related material, such as brochures, websites, media lists, press releases, etc. A target list of industrial buyers should be developed for 100-200 largest manufacturing companies in Jordan.

3- NLP Linkages Development – working with Buyers and Strategic Stakeholders

One-on-one and roundtable/focus group meetings commence with key potential buyers, as well as chambers of industry and trade, sector-representatives, business development organizations and associations (after the first launch) in order to explain the NLP objectives and process, understand backward linkage opportunities and gain their commitment to work with potential suppliers.

A series of workshops, awareness sessions, and sector round table discussions could commence in order to identify industry buyers as well as industry trends and opportunities for linkages. This could be done to coincide with other JUMP activities, since JUMP anticipates conducting such activities leading up to sector-analysis initiatives, especially in the early stages of the program.

Workshops (or focus groups) could be interactive and facilitated discussions of industry trends and opportunities, organized in order to bring meeting of minds and consensus among industry or sector players, as well as explore and elaborate on topics of a technical nature that highlights the NLP process with case studies and examples. Awareness sessions – delivered to a wider audience - can come in the form of presentations of the important factors related to facilitating linkages, and a description of the opportunities in Jordan.

The "demand" survey is expected to last two to three months leading up to a full understanding of backward linkage opportunities in Jordan.

<u>Comment:</u> *This process is on going and will continue into the future.*

4- Spread the Good News and the Opportunities and General Awareness and Promotion of Local Sourcing (optional)

A second public awareness meeting and/or an announcement, outreach effort or publication, – several months after the launch and after some local demand opportunities have been identified – would go toward explaining the NLP concept to a larger audience of buyers and local-suppliers with the objective of spreading

awareness on the benefits of national linkages and investment opportunities in Jordan in each sector of the economy. By this time, it may be that success stories of completed or early stage linkages projects will have been developed by the NLP.

Such an awareness, although not essential, can go towards promoting new investment, business to business linkages, and promotion of the SSE component. This can be done in association with the Jordan Investment Board in order to promote investment, by focusing on sector-specific companies in partnership with the chambers of industry

By the second launch specific linkages opportunities would have been identified, and some suppliers may have already been audited and started to work with the NLP/JUMP on the upgrading projects. If that is the case, then they can be used as examples and testimonials.

A national advertisement campaign, stressing "source Jordan, source quality" may go toward emphasizing to large companies that the NLP initiative is serious, and will change the mentality of procurement officers and manufacturers across the kingdom. Such a campaign is expected to be costly in order for it to be effective, however, it may also develop substantial interest in the JUMP. The advertising campaign can also promote the private sector strategic partners (they buyers) as a way giving them incentive and recognition for being a part of JUMP.

5- SSE Launch, Promotion and Outreach Strategy

The SSE is a component of the NLP focusing on a geographical area. Therefore, it should have its own launch, and own promotional campaign associated with it in light of its slightly different and expanded target audience. The outreach and awareness can be accomplished by:

>   a. First, mention of the SSE component on the NLP official launch
>   b. Developing a related/however unique branding and identity for the SSE component that is geographically focused
>   c. Holding a ZCI/SSE component press conference preceding the launch
>   d. Holding an official well publicized launch (in Zarka) for the SSE component whereby NLP strategic partners, buyers, and sector representatives can discuss the opportunities available for Zarka based companies and the methods in which the NLP SSE component helps develop linkages.
>   e. Outreach effort utilizing flyers, advertising, and invitations to increase awareness and participation in training sessions pertaining to SSEs in specific sectors. This will result in listing/qualifying companies on the SSE component database, and the establishment of business-to-business linkages.

It is assumed that the ZCI can play an important role in assisting the NLP SSE component in planning and organizing the outreach and communication plan in Zarka. By reaching out to hundreds of companies at once, the SSE component may be over-

burdened by phone calls and requests for diagnostics visits in the early part of the awareness campaign.   Hence, some consideration should be given to the operational capacity of the SSE component, and the level of outreach; whether it should be staggered (by prioritizing sectors for example), and over how many months to schedule diagnostic visits.

6-   Maintain Relationships and Operational Excellence in Communication

After the launch, the NLP will have to develop, maintain, and follow up on communications, agreements and projects so that JUMP/NLP is perceived as a receptive, high quality, efficient and productive organizations. Therefore it is essential that the NLP maintain periodic communication with strategic partners through newsletters and/or e-mail.

Periodic publications, press releases, and training seminars highlighting backward linkages best practices and success stories such as market demand opportunities, technology transfer, product development, contracting, investment and finance, and other related subjects; aim to increase the awareness of backward linkages and the value to the local economy.

The NLP/JUMP can also participate in exhibitions and conferences, thereby continuing to develop its membership base (suppliers and buyers) and awareness in the business community.

The NLP may be able to capitalize on JUMP's efforts in newsletter publications as well as awareness sessions. The JUMP program aims to conduct twenty awareness sessions during the course of the year, as well as issue periodical newsletters in which a dedicated slot can be given to the NLP, and NLP-related issues and topics.

7- Regional and International Expansion

In the long term, and after the maturity of the NLP, regional and international growth is foreseen. This will require travel and one-on-one meetings between the NLP of Jordan and international development organizations and business associations. It is assumed that this step will commence after the buying power in Jordan has been exhausted. The regional element of the NLP can also go toward supporting the MITs effort to increase inter-Arab trade relations, and to transfer best practices and the Jordanian experience to surrounding countries.

<u>Notes</u>

➢ **Timeline:** The timeline of the NLP launch will be linked, not only to the progress of the hiring and training of the NLP team and management committee, but also the timeline of the JUMP since upgrading projects and awareness sessions are to be organized by JUMP throughout the course of the year. The schedule of NLP activities will have to be coordinated with the overall JUMP schedule of activities to maximize the synergy and best use of JUMP/NLP resources. After the JUMP launch on October 10, JUMP will proceed to analyze eight industrial sectors and gain private sector buy-in in the

first eight weeks of operation. After that, five companies per sector will be selected for full diagnostic and upgrading.

➢ **Identity and branding.** The NLP will have its own identify, that will be related to the JUMP since it is a component of JUMP. All media releases, printed material, stationary, etc will make mention that the National Linkage Program is part of the JUMP initiative and acknowledge the support of the JUMP facilities and mechanisms used in the Linkage Program. The SSE component should have its own media/printed material that identifies it as a subcomponent of the NLP and JUMP programs. NLP brochures should be compatible with JUMP promotional material since they may be frequently handed out together.

➢ **Confidentiality of Project Information**. Guidelines need to be established early in discussions with buyers and suppliers allowing NLP to announce non-confidential aspects of projects or demand requirements in announcements, press releases, and publications.

➢ **Crisis Management Plan:** A crisis management plan may be required, so as to prepare for disgruntle companies that have not been selected as part of the NLP, or those who believe the government may be encouraging or supporting one company over the other for competition.

In such an event, the NLP should be able to respond stating that supplier companies are selected based on a set criteria <u>by the buyers</u>, and that due to the limited budget and selectivity of the NLP that focuses on those "ready" companies that can show quick linkage results as a result of NLP assistance.

Furthermore, these companies have been screened and audited by the NLP strategic partners were deemed capable (from a management and technical standpoint) to work with in order to establish the linkage. Other companies hoping to upgrade their products and processes in order to gain access to local suppliers, international markets, and qualify for the NLP are advisable to contact the JUMP.

The NLP should be prepared to answer targeted questions as to why Zarka was selected to pilot the SSE component, and what requirements are needed to be fulfilled in order to be included in the Zarka-NLP SSE component.

IIX. Promotional/Support Material Required.

i.   Brief brochure used to target buyers, strategic partners and general awareness of supplier community. One for the NLP, and one for the SSE component (the SSE component could be a one page insert to the NLP brochure).

ii.   Presentation for one-on-one meetings, conferences and the launch.

iii.   Folders, stationary and business cards.

   iv.   Invitation cards for launch, awareness events, and sponsored training sessions (for SSEs).

    v.   Quarterly reports/newsletters and best practices – either printed or electronic. NLP will likely develop the content, however, it may be published through the JUMP and ZCI brochures and publications. The NLP may maintain its own electronic depository of news and articles on its web site.

   vi.   website; including a website for the SSE component. Integrate with JUMP website. .

 vii.   Flyers for SSE outreach.

viii.   Banners for NLP and SSE component launch, training and special events (optional).

   ix.   A CRM software will be used as part of the linkages program and should be used to communicate regularly (monthly) with the stakeholders with key messages, invitations to events, newsletters, etc. on a regular basis. The web interfaces should also be structured to aid the users in utilizing them effectively.

    x.   Multi-media presentation and testimonials (Optional).

   xi.   Gifts can be used to thank key stakeholders and buyers for their commitments. The theme of the gifts should be to promote linkages, whereby the gifts can be fabricated locally (e.g., heavy paperweights fabricated in Jordan, with components made by more than one supplier for example, demonstrating a link – e.g., steel, wood, and printing) - optional.

 xii.   Photography of events.

xiii.   It may be that JUMP/NLP will participate in exhibits and that they will require a budget for exhibitions and related stand-material. However, this is assumed to fall under the JUMP budget, with the exception of the SSE component that may benefit more from (Zarka-based) exhibitions since their target audience is larger.

Translation – all materials will be developed in English and Arabic. English related material should also be on hand for donors, as well as consultants and technical assistance.

Presentation or brochure contents should elaborate on the following:

- Introduction of the NLP
- The NLP Process
- Benefits of NLP – to economy, buyers, and suppliers
- Requirements of NLP – qualifications of suppliers
- The Upgrading Process

- NLP Partners
- What has been done to date
- How to benefit from the NLP – how to contact us

Direct mailing, e-mail and fax communication with the key stakeholders, and especially potential SSE component clients in Zarka will be a very useful method of communication and outreach. Therefore, databases of potential buyers and SSE suppliers in Zarka should be gathered prior to the NLP and SSE component launch events. E-mail shots can go toward supporting advertisements and release of flyers.