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MINISTRY OF INDUSTRY,
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THE HASHEMITE KINGDOM OF JORDAN



Jordan's Consultancy Sector Analysis and Strategy for Sectoral Improvement

TRADE FOR EMPLOYMENT PROJECT (T4E)

GIZ JORDAN

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Published in November 2020

TABLE OF CONTENTS

ABBREVIATIONS	5
EXECUTIVE SUMMARY	6
1. INTRODUCTION	10
1.1. Context	11
1.2. Scope and methodology of study	11
2. SECTOR PROFILE	14
2.1 Brief sector description	15
2.2 Jordan's consultancy services value chain	17
2.3 Jordan's consultancy performance: an overview	18
2.4 Jordan's consultancy sector: Competitiveness and business enabling environment	20
2.5 Market Opportunities and Trends	21
3. SUB-SECTOR BRIEFS AND DESCRIPTION OF PRIORITY SUB-SECTORS	24
3.1 Profiling of MSMEs within the consultancy sector	25
3.2 Consultancy sub-sectors	26
3.2.1 Management (Strategy, Operations & HR) Consulting	28
3.2.2 IT/Technology Consulting	28
3.2.3 Financial Advisory	28
3.3 Drivers of Consultancy Demand-Market Opportunities For Jordan's Consultancy Sector	29



4.	CHALLENGES AND OPPORTUNITIES	31
4.1.	Challenges in the Jordanian consultancy sector	31
4.2	Opportunities for the Jordanian consultancy sector	34
5.	STRATEGIC INTERVENTIONS	36
5.1.	Improve the competitiveness in the consultancy sector	38
5.2	Enhance competences of consultancies and employment	40
5.3	Improve the business enabling environment for consultancies	40
5.4	Prioritisation of Interventions by Stakeholders of the Consultancy Sector	42
6.	BIBLIOGRAPHY	44
7.	ANNEXES	46
7.1	Sector interviews and validation meetings	47
7.2	Associations / Chambers and Business Service Providers	48
7.3	Snapshot of Focus Group “Trend Map”	50



LIST OF TABLES

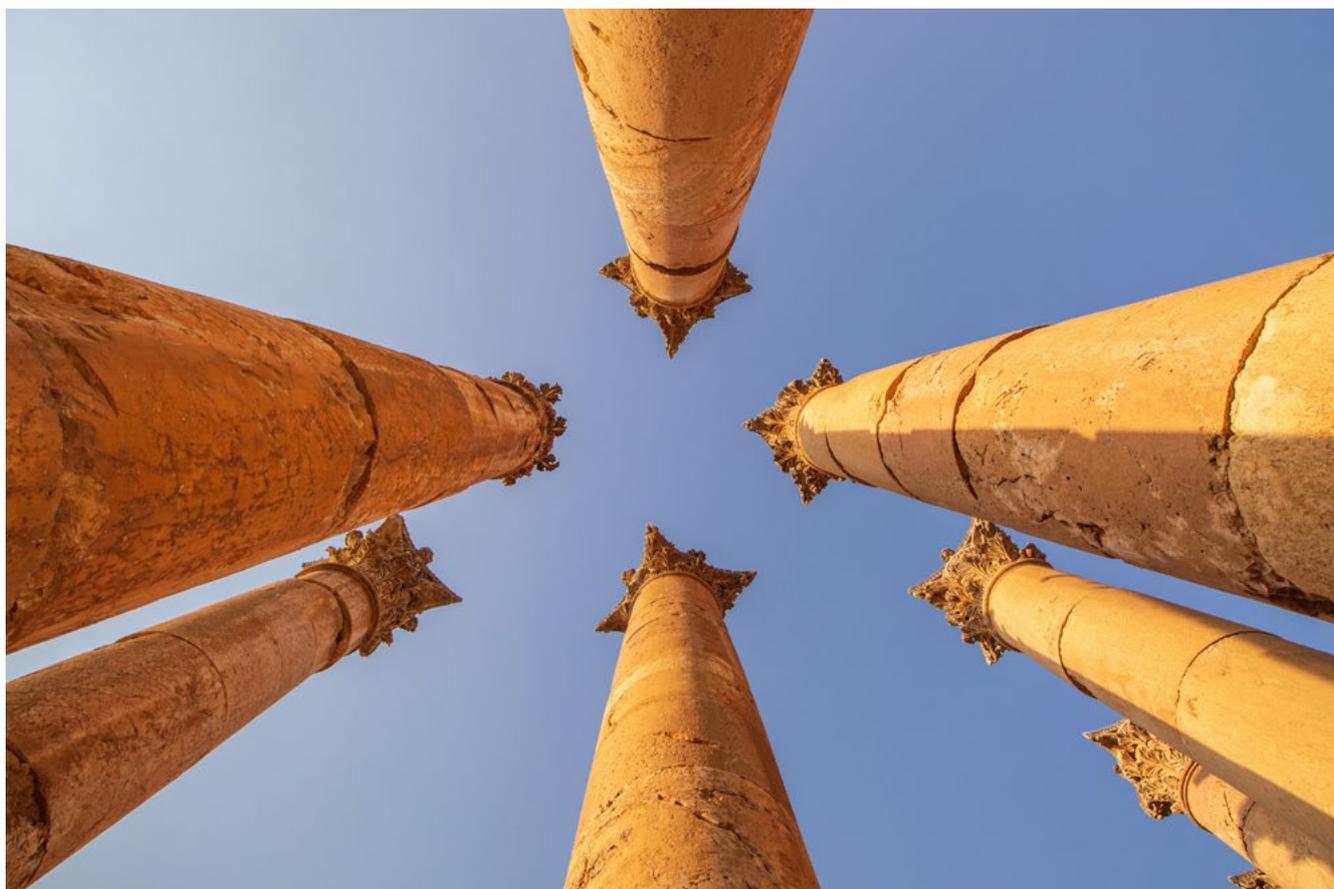
Table 1:	Gross Domestic Product by Economy Sector “Professional, scientific and technical activities” (ISIC 4) at Current Basic Prices, 2014-2016	15
Table 2:	Annual Growth Rates of Gross Domestic Product at Current Basic Prices by Kind of Economic Activity (ISIC 4), 2009-2016 by Economic Activity and Time”	19
Table 3:	GDP contribution of consultancy services (DoS, 2016)	19
Table 4:	Annual Revenues - 7020 Management consultancy activities	26
Table 5:	SWOT analysis of the Jordanian consultancy sector	32
Table 6:	Market and industry trends in the consultancy services sector	34

LIST OF FIGURES

Figure 1:	Overview of the professional services sector	06
Figure 2:	Overview of the consultancy services	07
Figure 3:	Main segments in consulting	16
Figure 4:	Institutional set-up	16
Figure 5:	Archetypical value chain for consultancy services	18
Figure 6:	Approximated value chain for the consultancy sector in Jordan	18
Figure 7:	Growth of the consultancy market in the GCC 2013-2019	22
Figure 8:	GCC’s management consulting industry 2017-2019	22
Figure 9:	Impact of the coronavirus on the global consulting industry, 2020	23
Figure 10:	Management consulting services	27
Figure 11:	Trend Map Example for Focus Group	48

ABBREVIATIONS

ACC	Amman Chamber of Commerce	MoITS	Small and Medium Enterprises Strengths, Weaknesses, Opportunities and Threats
BPWA	Business and Professional Women Association	MSME	Trade for Employment
CBJ	Central Bank of Jordan	SME	WTO Trade in Services Agreement
CCD	Companies Control Department	SWOT	United States Agency for International Development
DoS	Department of Statistics	T4E	World Economic Forum
EU	European Union	TISA	World Trade Organisation
FDI	Foreign Direct Investment	USAID	
FTA	Free Trade Agreement	WEF	
GATS	WTO General Agreement on Trade in Services	WTO	
GCC	Gulf Cooperation Council		
GDP	Gross Domestic Product		
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH		
HS-Codes	Harmonized System Code for Exports		
IFC	International Finance Cooperation		
IMC	Institute of Managements Consultants Jordan		
ISIC	International Standard Industrial Classification		
ITC	International Trade Centre		
JCC	Jordan Chamber of Commerce		
JEDCO	Jordan Enterprise Development Corporation		
JIC	Jordan Investment Commission		
JSSO	Jordan Skills Standardization Organization Development		
FTA	Free Trade Agreement Middle East and North Africa		
MENA	Ministry of Industry, Trade and Supply		
	Micro, Small or Medium Enterprise		



Executive Summary

The GIZ Trade for Employment Project (GIZ-T4E) focuses on building capacities and strengthening structures in a sustainable manner with the end target to enhance conditions of Jordanian companies to increase their trade performance for employment.

The project aims to support companies short-term as well as to tackle mid-term structural challenges in trade promotion. In the long term, it seeks to improve the trade for employment conditions for Jordanian companies. The project plans to put a particular focus on the food-processing, chemical, pharmaceutical, garment and consultancy service sectors.

Conducted under the auspices of this project, this study aims to provide a general overview of the consultancy sector and sub-sectors in terms of structure and market trends as well as major challenges and opportunities for development and growth. It was carried out in close consultation with relevant stakeholders, drawing on previous work done in the area.

The present study was originally designed as a value chain analysis, in line with the previous analyses conducted under the GIZ-T4E project on the chemical, pharmaceutical and food processing sectors. During the initial data collection, however, it became evident that not enough recent and detailed data was

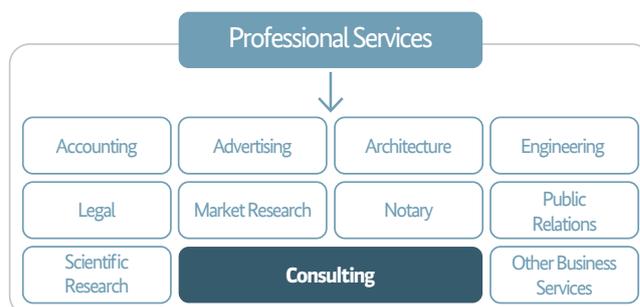
available to apply the value chain approach of analysing all stages from supply to market access for the identified sub-sectors. The present study is thus considered to be a sectoral analysis.

Consultancy Sector Overview

Within the tertiary sector, consulting is a business branch of strategic importance for an economy. Not only can the export of these services generate employment and foreign exchange; they are also crucial inputs for other manufacturing or service value chains and contribute to overall trade performance.

The study based its sub-sector classification on ISIC REV 4, which outlines Consulting Services (ISIC Code 7020) - the subject and focus of this study - as a significant component of the Professional Services Sector (ISIC Division M) - Professional, Scientific and Technical Activities.

Figure 1: Overview of the professional services sector



The sector Professional Services, for 2016 as the most recent year available with data, registered revenues of JOD 262 million which accounted for around 1% of GDP¹.

Detailed and more recent data for the consultancy sector could not be extracted, as Jordan, registered revenues on ISIC Division level only and ended the ISIC-categorization of the gross domestic product (GDP) in 2016². The data on employment in Jordan has been continually collected based on ISIC 4, with classification into subcategories and recent figures from 2018.

The consultancy sector (ISIC Code 7020) employed 4,980 workers, of which 38.4% were female, in 301 companies³. The sector's current importance is linked to the fact that it is highly diversified, with the highest rate of female employment of any economic activity in the industry and services sectors in Jordan, outside of retail, health and care activities⁴.

The export revenue of the consultancy sector cannot be easily specified as the Department of Statistics (DoS) and the Central Bank Jordan (CBJ) do not classify trade in services in Export-Harmonized System (HS) Codes (98154000 for Management Consultancy). According to an International Trade Center (ITC) estimation, Jordan exported "business services" at JOD 132 million in 2019⁵. Based on annual revenues of JOD 262 million, it can be concluded that ca. 50% of the revenues are exported consultancy services from Jordan.

Consultancy Sub-Sectors' Definition

At the heart of the consultancy sector stand six main domains – strategy consulting, management consulting, operations consulting⁶, financial advisory, HR consulting and technology consulting – these combined span services and offerings in over 200 industry and functional areas. Consultancy services are thus not only a distinct value chain but provide also crucial inputs for other industrial or services value chains.

Figure 2: Overview of the consultancy services



This study provides an overview of the consultancy sector while focusing on priority sub-sectors (Operations, HR and Technology Consultancy). Those subsectors were selected based on their potential for growth and employment, as relatively little data on the sub-sectors in Jordan could be found, we based the potential on global and regional growth as well as on the feedback we received from consultancies in Jordan and their assessments on trends and potential markets. The sector's high – in comparison to other sectors – female employment led us to affirm that growth in any sub-sector will have an immediate effect on strengthening the role of women and/or gender equality in the sector.

Consultancy Sector Growth And Trends

The Jordanian consultancy sector has had positive growth throughout the last 5 years, averaging 4.5% annual growth, outpacing the overall Jordanian GDP growth since 2016 by 100%⁷. As the Consultancy sector in Jordan is heavily dependent on regional markets, the above-average growth should continue, if regional markets continue to grow, especially in management consultancy projects in infrastructure, energy and food industries in Iraq, Egypt, Sudan, Libya, Saudi Arabia and Tunisia.

1 Department of Statistics (DoS) (2019)

2 The study assumes that the Consultancy Sector grew by 4-4.5% annually from 2016-2019 and constitutes around 25-30% of the Professional Services sector's revenues

3 http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table21.pdf

4 http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table29.pdf

5 ITC Trade Map, 2019

6 ALM Intelligence: Management Consulting Industry Structure and Definition, 2006

7 Consultancy.org, 2020

Several trends are currently driving the consultancy sector both globally and in Jordan with a heavy influence by the Covid-19 situation. Current developments have shown an urgent need by industry companies to re-structure supply-chains and company structures. Management and Operations Consulting, defined as advisory and/or implementation services that improve a company's operations and performance in the value chain, is already benefitting from this trend. Tied in with company restructuring is HR consulting, a crucial topic as personnel management will only increase in difficulty with continued remote work.

Independent to this, but also impacted by Covid-19, is the technology change and digitalization that drives companies to completely rebuild their digital structure. This study does not intend to focus on the well-supported IT-sector, however, Management and Strategy Consulting related to the implementation of new digital processes and infrastructure should be a core task for consultancy companies and not be relinquished to IT-companies.

Key Challenges of the Consultancy Services Sector

The findings of the study based as well on a detailed SWOT analysis from focus group interaction showed that the sector faces several challenges in Jordan: limited linkages to manufacturing and any other types of economic activity in the domestic market and increasing instability in the regional markets; a decreasing service quality as well as a regulatory environment that is not organised to support the sector, including limited access to reliable sectoral data and means of funding. A fundamental disadvantage is the overall fragmentation of the supply side in the consultancy sector, i.e. an oversupply of micro-companies, with effects detrimental to unlocking the SME sector's growth potential which is particularly important in the knowledge-intensive consultancy sector.

Strategic Options for Promoting Trade in the Consultancy Sector

The suggested interventions in the consultancy sector provide a framework that will serve as a guideline for multi-stakeholder participation to adopt and further develop plans and strategies for the execution of a comprehensive sectoral development programme for the Jordanian consultancy sector. These are: specialized business assistance programmes for the consultancy sector; increase service quality through enhancing standards;

establish business linkages for export, demand-driven capacity-building measures, improve the consultancy legislative and policy framework, facilitate linkages and access to funding.

Most importantly: establish an institutional capacity for the consultancy sector and coordinate with private sector associations and government bodies to improve collection and verification of data on the consultancy sector.

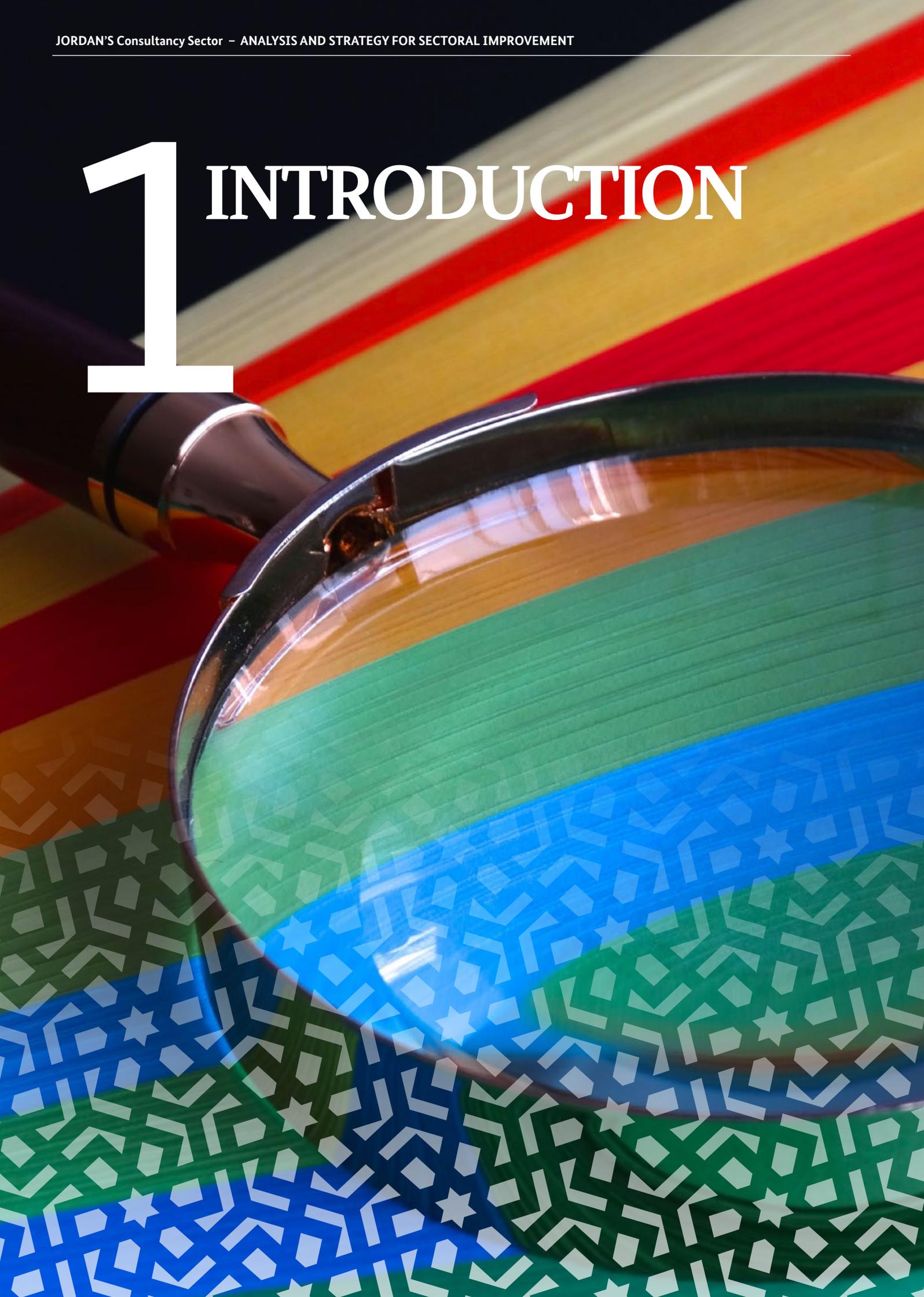
NOTE: In light of the Covid-19-Pandemic and the current travel bans and curfews, the team was not able to travel to Jordan as originally planned and stakeholder consultations and focus groups were conducted virtually or via phone.



Year	2018	2019	2020	2021	2022
Revenue	120	150	180	210	240
Profit	30	40	50	60	70
Expenses	90	110	130	150	170
Market Share	15%	18%	22%	25%	28%
Customer Satisfaction	4.2	4.5	4.8	5.0	5.2
Employee Retention	85%	88%	90%	92%	95%
Operational Efficiency	78%	82%	85%	88%	90%
Product Innovation	3	5	7	9	11
Customer Acquisition	1000	1200	1400	1600	1800
Brand Awareness	60%	65%	70%	75%	80%
Supply Chain Reliability	92%	93%	94%	95%	96%
Regulatory Compliance	100%	100%	100%	100%	100%
ESG Score	70	75	80	85	90
Overall Performance	85	90	95	100	105



1 INTRODUCTION



1.1. Context

Jordan's trade balance has for many years been negative, the deficit has grown persistently since the early 2000s. Due to rising uncertainty in the traditional regional markets for Jordanian products, the EU and Africa are increasingly regarded as important markets for Jordanian firms and as a chance to diversify the economy to make it less vulnerable to regional instabilities. Given the Kingdom's resource scarcity and despite a continuously strong focus on trade in goods (main export products are clothes, pharmaceutical products and fertilizers), Jordan has identified trade in services as one potential avenue for positioning itself as a knowledge economy and for creating employment.

The GIZ project "Trade for Employment" (T4E) which is dedicated to building capacities and strengthening structures in a sustainable manner to enhance the conditions of Jordanian companies to increase their trade performance for employment, has thus identified the consultancy services sector as one of the sectors to be supported. It intends to assist the consultancy services sector with shaping general conditions conducive to trade by developing negotiating capacities of chambers of commerce and relevant sector associations and institutionalizing dialogue with the government. Hence, the present sector study is supposed to provide an in-depth analysis of the sector and develop recommendations together with the sectors stakeholders that can consequently be taken up as possible areas of intervention of T4E.

The Jordanian economy is currently facing a several severe challenges. This is reflected by a negative trade balance, weak business growth and an increasing rate of unemployment, among other factors. The latest official statistics indicate an unemployment rate of 23% in the 2nd quarter of 2020, representing an increase by 3.8 percentage points in the second quarter of 2019. The unemployment rate for males has reached 21.5% (+4.4%) during the second quarter of 2020 and 28.6% (+1.4%) for females⁸. At the same time, Jordan's economic growth remained low during the last years at around 2.0% of its gross domestic product (GDP) and has now (2nd quarter 2020) been revised downwards, to 1.3% due to the global economic impact of the Covid-19 pandemic. Furthermore, the labour participation rate remained stagnant at 34.1%⁹. Concluding that Jordan's economy is not creating enough job opportunities for its population.

Nevertheless, Jordan's private sector provides opportunities for growth, innovation and employment. In that context, Jordanian micro, small and medium enterprises (MSMEs) play a crucial role in the local economy and employment creation. The country has more than 156,000 registered businesses, of which 98% employ fewer than 20 people. These businesses account for 40% of Jordan's GDP and employ between 60-70% of those employed in the private sector¹⁰.

As a response to these economic circumstances, creating conditions for increased private investment and improved competitiveness remains crucial for Jordan to stimulate employment-oriented growth. These priorities are addressed in the government documents "Jordan 2025 – A National Vision and Strategy" and "REACH 2025: Jordan's Digital Economy Action Plan".

In line with current initiatives of the Jordanian Government, the GIZ-T4E programme focuses on building capacities and strengthening structures in a sustainable manner to enhance the conditions of Jordanian companies to increase their trade performance for employment.

1.2. Scope And Methodology of the Study

This study aims to provide a comprehensive understanding of the sectoral structure and current and projected trends, as well as challenges and opportunities for improved competitiveness of the Jordanian consultancy services sector domestically and abroad.

For this study, MSMEs are categorised by their number of employees as micro (<5), small (<20) or medium (<100). This is in line with the definitions applied by the Department of Statistics (DoS) of Jordan, the World Bank's small and medium enterprises (SMEs) database, the Central Bank of Jordan (CBJ) and the Jordan Enterprise Development Corporation (JEDCO).

Regarding the consultancy sector, the study considers SMEs the main driver of growth and entrepreneurship, as micro-companies mostly do not have the size and experience to increase trade in services in the consultancy sector.

8 Department of Statistics (2020); http://dos.gov.jo/dos_home_e/main/archive/Unemp/2020/EU-Q2.pdf

9 Ibid. <http://dosweb.dos.gov.jo>

10 Ibid.

The sector analysis focused on:

1. Providing a thorough quantitative and qualitative description and analysis of the sector's performance, trends and potentials;
2. Defining all relevant sub-sectors and suggesting priority sub-sectors that are the most promising for increased competitiveness;
3. Studying the labour market needs, trends and growth potential of the sector and its sub-sectors in order to identify specific economic opportunities to boost employment;
4. Identifying the underlying policy and institutional issues that affect the sector's and sub-sectors' domestic and international competitiveness.

The methodology followed a multi-method approach, which involved analysing **quantitative and qualitative data** by applying the following tools:

1. **Desk review:** analysis of a multitude of sources, see bibliography:
 - a. National sectoral strategies and documents, i.e. the "National Export Strategy";
 - b. National and international statistics on the services sector and trade figures;
 - c. International industry reports and research on sector performance;
 - d. Identifying Jordan-based consultancies.
2. A **participatory approach** including stakeholder discussion: During 1-1 interviews, consultancy sector stakeholders identify and discuss the main drivers of sector growth and potential. This stage also reflected on the value chain and impacts of the sector.
3. **Focus group:** one session focusing on sector analysis, the second session focused on trend mapping for the consultancy sector:
 - ▶ For the focus group on sector analysis, the team worked with participants on mapping the value chain, including **SWOT analysis** (see Chapter 4.2) of the sector.

- ▶ During the **trend mapping** session, we visually depicted relevant trends influencing the consultancy sector, developed using the collective knowledge and experience of local stakeholders (see Annex 7.3).

The methodology allowed us to not only identify current trends that stakeholders are already aware of but to jointly brainstorm about emerging trends and how they will shape the future of the sector as well as the policy responses that might be required.

4. Interviewing international consultancies present in the Middle East and Gulf Region without an operational presence in Jordan: to collect an "outside" view on the consultancy sector in Jordan. To approximate the question: "What would convince you to relocate/invest in Jordan?"

The **identified sub-sectors were then prioritised** based on the following criteria:

- ▶ Potential for growth: market prospects, export, competitiveness,
- ▶ Potential for employment,
- ▶ Potential to strengthen the role of women and/or gender equality and
- ▶ The ability of innovation and value addition.

For the execution of the study, a participatory approach has been used throughout the study to inform and consult the consultancy sector stakeholders on key findings and suggested interventions; information was validated through several meetings with different stakeholders and centred around the needs of the sector (see annex 7.1 for details of interviewees).

The sector study has focused on identifying market needs, trends and growth potentials based on both quantitative and qualitative information. The use of qualitative approaches along the consultancy value chain has allowed SMEs and other stakeholders to provide their views and explanations on the challenges and opportunities they face. The identified interventions and selected recommendations are centred around the needs of public and private stakeholders in the sector/sub-sector strategy.

Limit of Research

- ▶ Some information gathered from stakeholder interviews might be generic and subjective due to limited information being available at the sub sector level.
- ▶ Quantitative figures were extracted from DoS based on the ISIC 4 system but unfortunately could not always detail the sub-category 7020 Management Consultancy. Instead data from the “umbrella” category ISIC Code M - Professional, Scientific and Technical Activities had to be used in those cases.
- ▶ While this sector study uses the most recent data and information available from the DoS and international sources such as the World Bank, some available figures on the consultancy sector are from the years 2016-2018.
- ▶ Based on information by the International Finance Cooperation (IFC) Jordan, 70% of the Ministry of Industry and Trade’s (MoITS) database is filled with inactive companies, putting the quantitative figures in doubt.

In general, it became clear throughout this analysis that the consultancy sector in Jordan is lacking a functioning institutional set-up and data collection method that would be needed to provide precise and up to date data on the sector as a basis for policy decision making.

The IFC-mission to Jordan is currently implementing a new company registration system, based on ISIC 4, in cooperation with MoITS, ready for implementation in 2021. This should provide a good foundation to improve the data situation in the consultancy sector¹¹.



¹¹ Based on Interview with IFC-mission to Jordan, May 2020

2 SECTOR PROFILE



2.1. Brief Sector Description

Over the past decades, the global consulting market has grown to become a multi-billion industry. With a total value of around USD 250 billion, the global consulting sector is one of the largest and most mature markets within the professional services industry¹².

For the past 20 to 30 years, the Jordanian consultancy sector has been a small but important business sector in Jordan. According to figures from 2016, the consultancy sector currently employs **4,980 workers, of which 38.4% were female, in 301 companies**. With revenues (output) of Jordanian Dinars (JOD) accounting for around 1-1.5% of the GDP of Jordan, this sector is amongst the most important economic sectors in Jordan as it contributes substantially to the other industry parts and has the **highest rate of female employment in the industry and services sectors**¹³.

Table 1: Gross Domestic Product by Economy Sector “Professional, scientific and technical activities” (ISIC 4) at Current Basic Prices, 2014-2016¹⁴

GDP in Economics Sector “Professional, scientific and technical activities”	
Year	Revenues
2014	206
2015	214
2016	262

Units: Million (JD) / Source: Department of Statistic

The sector includes all sizes of businesses; around 98% are MSMEs, 87% of which are micro and small enterprises¹⁵. The sector is concentrated mainly in Amman with most enterprises (>90%) located in the capital.

Based on two surveys by the Jordan Chamber of Commerce (JCC) and the Amman Chamber of Commerce (ACC), between 1435 to 3371 companies are registered in the field of “consultancy”. However, we can safely assume that these are consultancies that would be registered under the ISIC category M and not only with ISIC code 7020 for management consultancy.¹⁶

The Professional Services sector, as classified and used by DoS until 2016 (ISIC Code M) employed 23,761 workers in 2018, of which 29.3% were female, in 5,503 active companies.¹⁷

Although the data from the Chambers of Commerce do not fully agree with the DoS statistics, it confirms the fragmentation of the sector, as 97.7% of the Chamber surveyed companies are MSMEs and 45% are SMEs.

The consultancy sector has been a part of the national export strategy in Jordan since 2014¹⁸. However, neither the “Jordan Economic Growth Plan”¹⁹ nor “Jordan 2025”²⁰, which detail Jordan’s national economic policy and strategy, mention consultancy as a strategic sector. Only one short paragraph can be found about “Professional Services” in the Economic Growth Plan but without direct instructions or a strategic plan.

The consultancy sector in Jordan is not regulated and has no overarching association. No common clear definition of the consultancy sector currently exists. Some organisations are classified as consultants but there is great variation in standards.

Based on the available data, the following key market segments are identified in the consultancy sector and were assessed for being sub-sectors or segments for this study:

- ▶ Management consultancy
 - ▼ Strategy consulting
 - ▼ Operations consulting
 - ▼ HR consulting
- ▶ Financial advisory
- ▶ IT/technology consulting²¹

The broad majority of consultancies in Jordan identify as “management consultancy”.

¹² Consultancy.org, 2020

¹³ http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table21.pdf

¹⁴ <http://jorinfo.dos.gov.jo/Databank/pxweb/en/NationalAccount/>

¹⁵ http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table18.pdf

¹⁶ JCC – Consultancy Sector 2018

¹⁷ http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table17.pdf

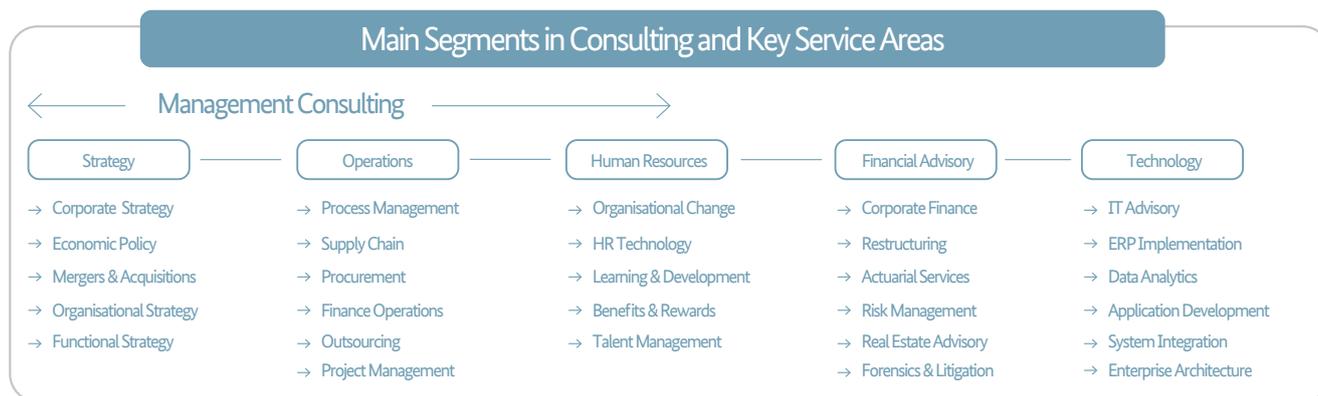
¹⁸ Ministry of Industry, Trade and Supply: Jordan National Export Strategy 2014–2019 (NES) by the International Trade Centre (ITC)

¹⁹ The Economic Policy Council: Jordan Economic Growth Plan 2018-2022

²⁰ Ministry of Planning and International Cooperation (2014). Jordan 2025: A National Vision and Strategy

²¹ ALM Intelligence: Management Consulting Industry Structure and Definition, 2006

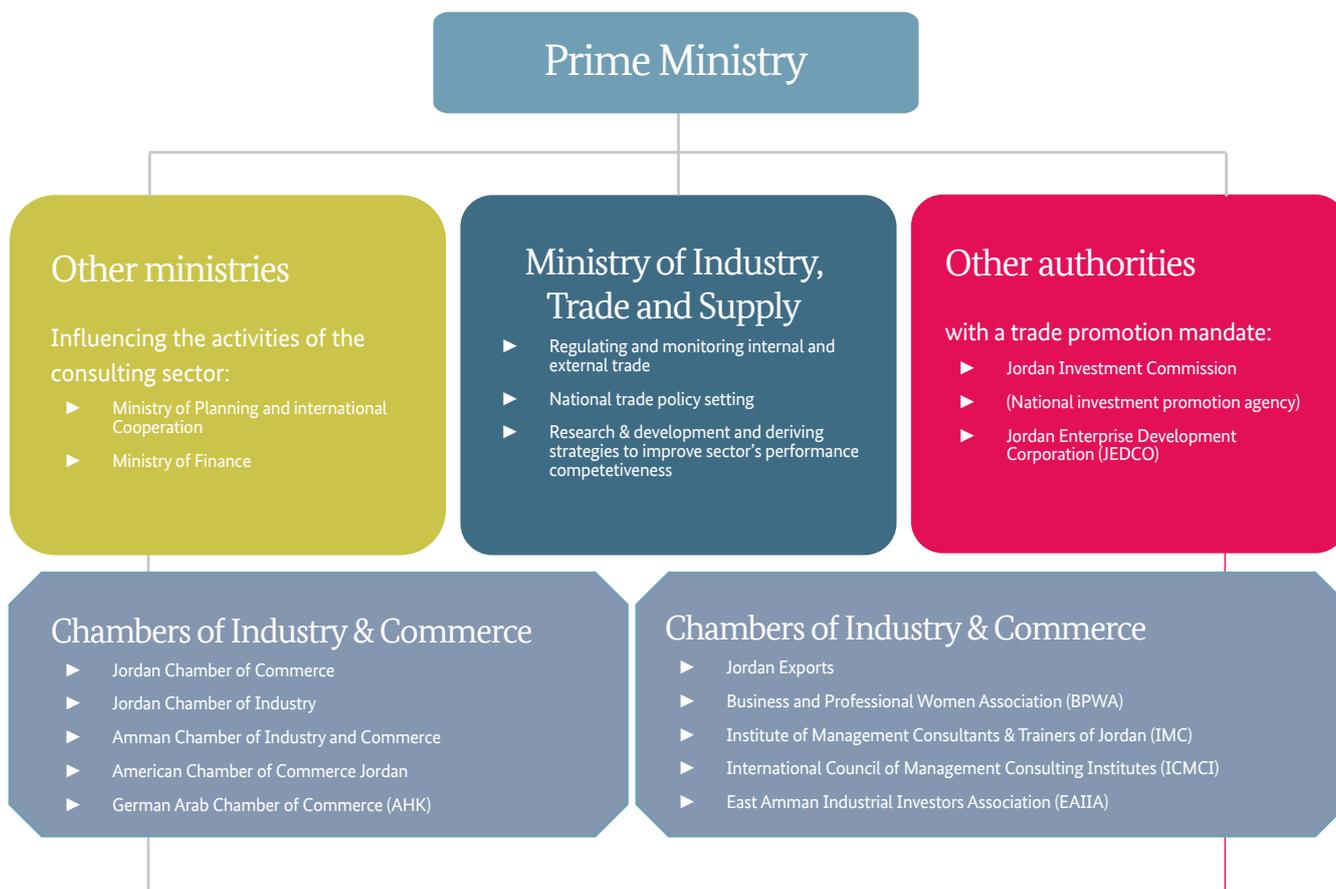
Figure 3: Main segments in consulting



Institutional Set-Up

Jordan’s institutional landscape consists of various institutions which directly or indirectly intervene in the consultancy services sector. Figure 3 below provides an overview of the institutional set-up and the main stakeholders.

Figure 4: Institutional set-up



The main institutional stakeholders relevant to the sector are:

The Ministry of Industry, Trade and Supply (MoITS) takes on the task of regulating the internal and external trade, monitoring and preparing the studies and the agreements that protect the interest of the country and the citizen.

The Jordan Investment Commission (JIC) is responsible for acquiring and providing professional consulting services to foreign and domestic investors who want to invest in the growing economy of Jordan.

The Jordan Chamber of Commerce (JCC) is a non-profit national Chamber representation. It provides the umbrella for 16 Chambers of Commerce located in the major cities and districts of the Hashemite Kingdom of Jordan. JCC's primary responsibility is to cooperate, through dialogue, with the country's various private and public sector bodies and plays an advisory role vis-à-vis government and parliament.

Institute of Management Consultants & Trainers of Jordan (IMC-Jordan) is a private not-for-profit professional association that aims to effectively represent, promote and advance the Jordanian management consulting profession and training professionals.

Jordan Enterprise Development Corporation (JEDCO) is a government institution that offers development services for start-ups, small and medium-sized economic enterprises in the Kingdom.

2.2 Jordan's Consultancy Services Value Chain

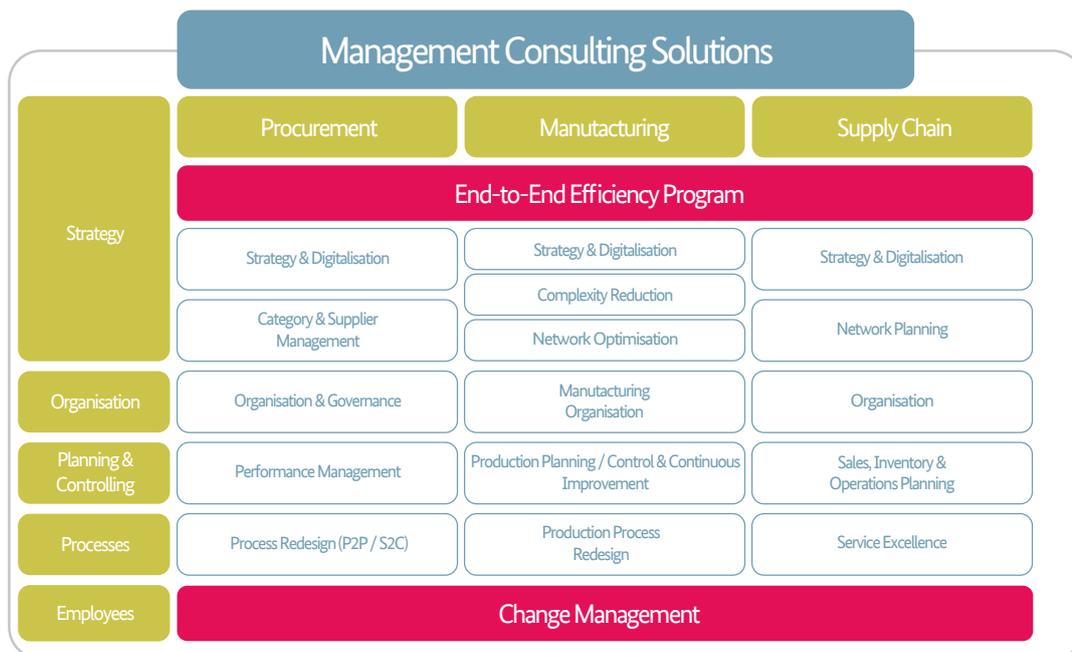
Consultancy is a complex sector with multiple linkages into the rest of the Jordanian economy. In order for the sector to fully exploit its potential, careful management of the interlinkages with other parts of the economy is necessary.

Consultancy services are not only a distinct value chain but provide also crucial inputs for other industrial or services value chains, e.g. in the tourism sector²². It is difficult to map therefore an all-encompassing value chain for the consultancy sector, as it makes itself relevant by providing consultancy products and services (see table below) that meet the needs and expectations of clients (companies, government) at different stages.



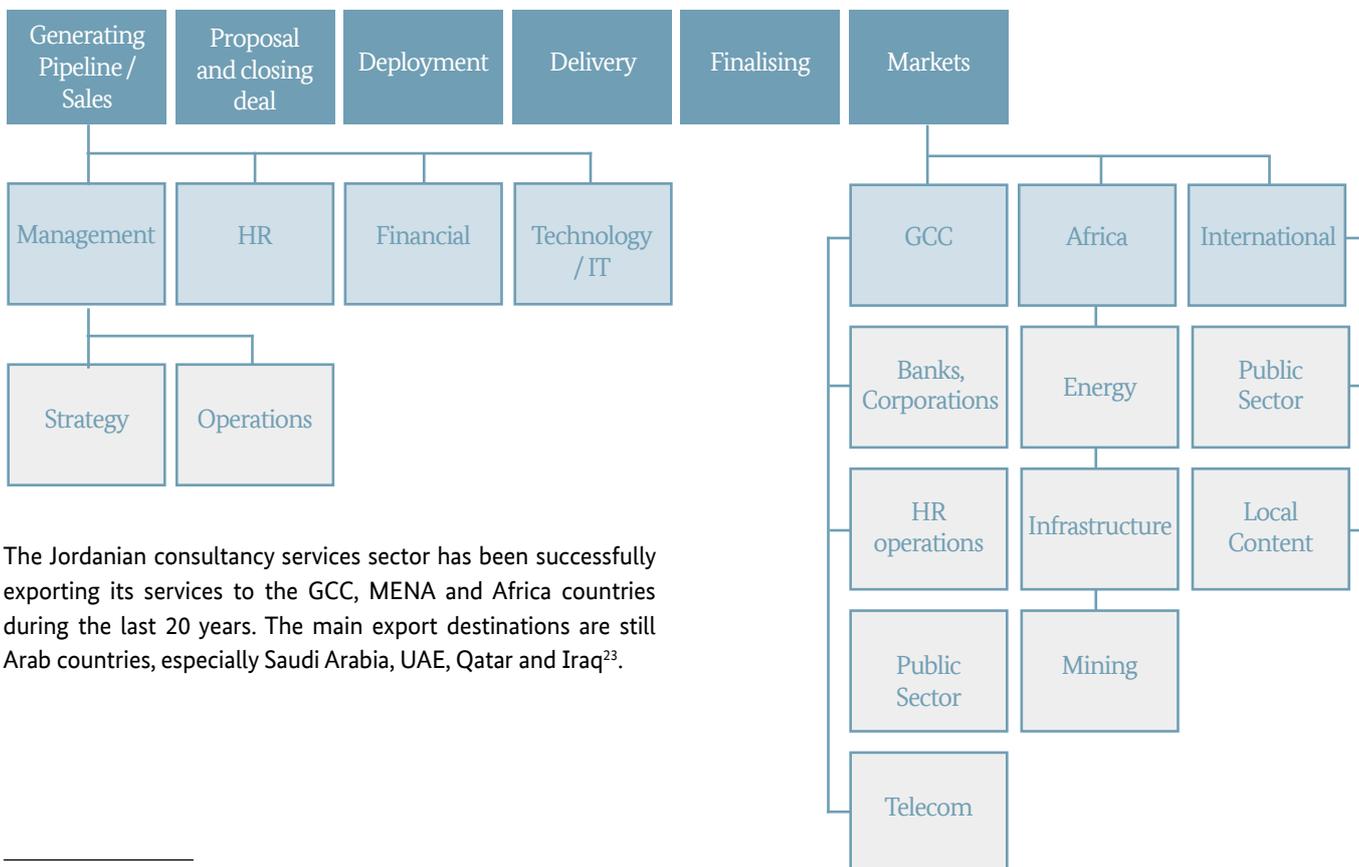
²² Ministry of Industry, Trade and Supply: Jordan National Export Strategy 2014–2019 (NES) by the International Trade Centre (ITC)

Figure 5: Archetypal value chain for consultancy services



A mapping of the existing value chain describes how the sector is organised and what elements are involved in the sector and projects being implemented. The first stages of the value chain or ‘Generating Sales’, when the service is initially developed and then offered. The second stage is the planning and delivery of the services by the consultancy, depending on the project either with in-house or external means. The consultancy sector’s main strength in Jordan lies with management consultancy, including operations and strategy, HR and IT consultancy. The third phase is the finalisation and closing of the project which leads back to phase one offering services in respective markets.

Figure 6: Approximated value chain for the consultancy sector in Jordan



The Jordanian consultancy services sector has been successfully exporting its services to the GCC, MENA and Africa countries during the last 20 years. The main export destinations are still Arab countries, especially Saudi Arabia, UAE, Qatar and Iraq²³.

2.3 Jordan's Consultancy Performance: An Overview

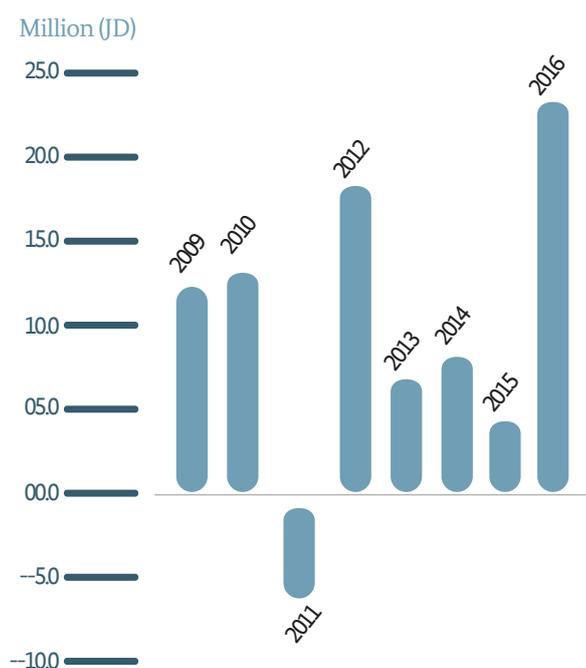
Jordan's top five contributing sectors to GDP are Government services, finance, manufacturing, transport and tourism & hospitality respectively. However, as stated in the Jordan Economic Growth Plan 2018-2022, professional services including consultancy are a key driver for growth and are considered a main income stream for the middle class.

Jordan's consultancy sector has seen robust growth throughout 1990-2010 in line with the overall Jordan GDP growth.²⁴ Foreign participation in the consultancy sector in Jordan achieved its peak in 2005 when 128 companies with a total foreign capital of JOD 36.3 million were registered. In the same year, 7488 companies with a Jordanian capital of around JOD 661 million were also registered to hit an all-time high in terms of capital.²⁵

From 2010 onwards the consultancy sector grew relative to the Jordan GDP increase, around 2.5% annually.²⁶ From 2016 it averaged 4.5% annual growth, outpacing the overall Jordanian GDP growth by 100%.²⁷

Although the sector grew much faster than the GDP of Jordan, its share of the overall GDP has only increased slightly since 2012.

Table 2: Annual Growth Rates of Gross Domestic Product at Current Basic Prices by Kind of Economic Activity (ISIC 4), 2009-2016 by Economic Activity and Time



24 Department of Statistics (2019)

25 JCC survey on Consultancy Sector 2018

26 Department of Statistics (2019)

27 Department of Statistics, 2020

Table 3: GDP contribution of consultancy services (DoS, 2016)

	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016
ISIC Code M: Professional, scientific and technical activities	179	191	206	214	262
Gross Domestic Product at Basic Prices	19475	21250	22724	23858	24679
Percentage ISIC Code M in GDP	0,919%	0,899%	0,907%	0,897%	1,062%

Units: Million (JD) / Source: Department of Statistic

The main driver propelling the management consulting sector in Jordan has currently two main components:

- ▶ The needs of regional and international clients, especially clustered in the MENA-region.
- ▶ The new development and business prospects created by the surge in foreign donor projects.

A comparison of the number of establishments could not be made due to the lack of reliable backdated data on the consultancy sector. In general, looking at the sector "professional services", the number of establishments remained stable. However, the amount of capital per company decreased²⁸ leading to a potential conclusion of an outflow of capital by international companies from Jordan in the last 10 years.

Employment, Gender Distribution and Youth

The overall employment figure has grown in line with the low GDP-growth since 2010. The sector has around **4,980 workers, of which 38.4% were female**.³⁹ As the employment situation has not changed considerable between 2016 and 2019, we assume the size and revenue are in line with the 2016 data.

28 Department of Statistics (2019)

29 Ibid.

The consultancy sector is a very important developmental sector for Jordan. It is an appealing sector for youth in an economy where youth have the highest unemployment rate (approximately 39.7% of youth between the ages of 15 and 29 are unemployed³⁰), and has the **highest female job participation** in Jordan compared to other industry and services sectors. The consultancy sector is generally a high- value-adding economic sector and as such salaries and benefits tend to be attractive to Jordanians.

Based on information by the Institute of Management Consultants and Trainers of Jordan (IMC-Jordan) 95% employed in the sector are Jordanians, of which a large number works as freelancers.³¹

Data on a breakdown of employment by type of work in the consultancy sector was not available, the collection of such data would be one further task to be executed by a future consultancy sector association.

Geographic Distribution of the Consultancy Sector In Jordan

Based on information from DoS in 2018, 268 of the 301 enterprises registered as management consultancies are located in Amman. This leads to nearly 90% of consultancies based in Amman with smaller clusters in Irbid and Aqaba.

As further confirmation, respondents to the inquiries undertaken by the JCC and ACC have also confirmed that the vast majority of consultancies have their headquarters in Amman.³²

In line with the information obtained from JCC, the data reflects the concentration of the consultancy sector in Jordan's capital (86% in Amman) with only limited activity taking place in other governorates such as in Irbid (5%) and Aqaba (4%).

2.4 Jordan's Consultancy Sector: Competitiveness And Business Enabling Environment

Jordan's competitive advantage in the region in the consultancy sector is three-fold. Firstly, it has an advantage in the region in terms of talent and language proficiency. Despite concerns that the quality of the education sector is decreasing, it is still

more competitive in a regional comparison.³³ Furthermore, during the last two years, we have seen a slight return "stream" of experienced management consultants to Jordan especially from the GCC and North Africa.³⁴ Secondly, Jordan's experience in executing regional consultancy projects puts the country in a favourable position to increase its market share. The third competitive advantage is the stable financial and legal system that can be matched, at the moment, only by the UAE.

Specialised Talent

Being a country of limited natural resources, Jordan's main strength lies in its human capital and the entrepreneurial drive and imagination among the country's population should be highlighted. Good human capital is found particularly among professionals with some years of work experience.³⁵

However, this position is also threatened as Jordan has the unusual characteristic of being a net importer of low-skilled labour and a net exporter of high-skilled workers. This is not only due to the predominant role of foreigners in low-skill, non-tradable activities such as construction or domestic service; low-skilled foreign workers also play a very large role in some of the most important export activities such as agriculture, light manufacturing and tourism.

Education

Jordan prides itself on its advanced education system. Despite strained resources, the Ministry of Education provides a higher proportion of its public budget for education than most countries in the world and has developed a highly advanced national curriculum. Many other nations in the region have developed their education system using Jordan as a model. Jordan ranks number one in the Arab World in education with almost 100% literacy and is number one in the world for school enrolment.³⁶ Jordan's education system meets international standards and its secondary education diploma is accepted in world-class universities. Jordan also has the highest ratio of researchers in R&D among all 57 Organisation of Islamic Cooperation (OIC) member states. In Jordan, there are 8,060 researchers per million people, higher than the EU average of 6,494, and much higher than the world average of 2,532 per million.³⁷

However, contrary to the data above, during the stakeholder interactions, the decrease of talent and education quality was strongly mentioned. This could not be supported by recent data.

30 Ibid.

31 IMC – Analysis on the value chain for consultancy sector (2020)

32 http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table4.pdf

33 Feedback from several stakeholder discussion (2020) – could not be verified with data.

34 Feedback from several stakeholder discussion (2020) – could not be verified with data.

35 Feedback from Focus Group on Consultancy Sector.

36 Ministry of Education (2019); UNDP (2019)

37 Jordan 2025 (2018)

Access to Finance & Funding

The financial services sector is one of the most robust and mature (albeit small in regional context) in Jordan, remaining resilient in the face of significant external volatility and retaining its role as a driver of economic growth in 2015. The banking sector, in particular, has been a major source of strength, with the CBJ maintaining a pro-growth monetary stance, following on from growth in deposits and profits at commercial banks in 2015.³⁸

Jordan's Business Enabling Environment

Not much information is available regarding the regulations affecting the sector. The basic legal framework for the consultancy sector is centred around the Companies Law No. 22 of 1997 that was implemented to limit bureaucracy³⁹. However, many respondents of our study have indicated that bureaucracy is still stifling growth and company establishment. Another obstacle is Jordan's 10% revenue tax that also has to be levied for cross-border supply and consumption abroad.

In general, the sector is self-regulated, on a voluntary participation basis under very distant monitoring by IMC-Jordan (ICMCI). The **lack of regulations and standardisation** in the profession has been highlighted as one of the weaknesses of the Jordan consultancy sector. We would also add that the sector is lacking an institutional lobby, to further companies' interests and to streamline data research, sector reviews, etc. There is a particular need for assessing training requirements to counter gaps in the consultancy expertise and subsequently providing training, for disseminating information (i.e. tenders) in the consultancy sector, organising a business network for the consultancies, collecting data and presenting the sector internationally.

Export support

Consultancy MSMEs have particular difficulties to access foreign markets for export. There was no (officially) organised participation in international events and missions between 2017-2019 (pre-Covid-19) and there is no constant or mid-term support for consultancy companies to export. JEDCO has issued funding programs for ICT-start-ups, training providers and MSME consultancies but this is lacking a structured approach to export promotion.

JEDCO would be the right organisation to establish funded programs, however, they would need to be organised in coordination with Jordan Exports and JIC, to have a clear and targeted strategy on which markets and regions should be approached.

2.5 Market Opportunities and Trends

Over the past years, the global consulting market has booked year on year growth, although growth rates differ between the more mature markets and emerging economies. With a total value of around USD 250 billion, the global consulting sector is one of the largest and most mature markets within the professional services industry.⁴⁰

An analysis of the past five decades shows that the development of the consultancy industry is closely tied to the developments of the global economy. In times of flourishing economic conditions, organisations enjoy higher revenues and budgets, a setting which paves the way for higher spending on consultants. Vice versa, economic downturns typically see organisations shrink their spending behaviour, which leads to budget cuts of, among others, consulting expenditures.⁴¹ This is exactly what we are witnessing in 2020 and continued most probably in 2021, due to the global Covid-19 pandemic.

The present study focuses on opportunities on the regional market, mainly GCC and MENA – with a potential outlook into Sub-Saharan Africa. The consultancy sector in Jordan is well-placed to access a further share in the regional market, this would be a faster path to growth than attempting to export consultancy services internationally.

In 2019, the consulting market of the GCC did surpass the USD 3 billion mark according to analysis from Source Global Research, with 9% growth in 2018.⁴² Saudi Arabia, the regional market's most important current driver and now accounting for almost half of all GCC spending, grew by 12% last year to a worth of USD 1.6 billion supported by the Kingdom's ambitious diversification agenda, with public sector spending up by over 10% (despite the supposed ban on foreign-owned consultancies being granted public sector contracts).

The United Arab Emirates, the GCC's second-largest consulting market, also performed strongly, with a steady growth of above 7% and an overall take of nearly USD 850 million.⁴³

38 <https://oxfordbusinessgroup.com/overview/still-pillar-led-banking-financial-services-sector-remains-engine-growth-kingdom>

39 http://www.ilo.org/dyn/natlex/natlex4.detail?p_lang=en&p_isn=48327&p_classification=01

40 Consultancy.org (2020)

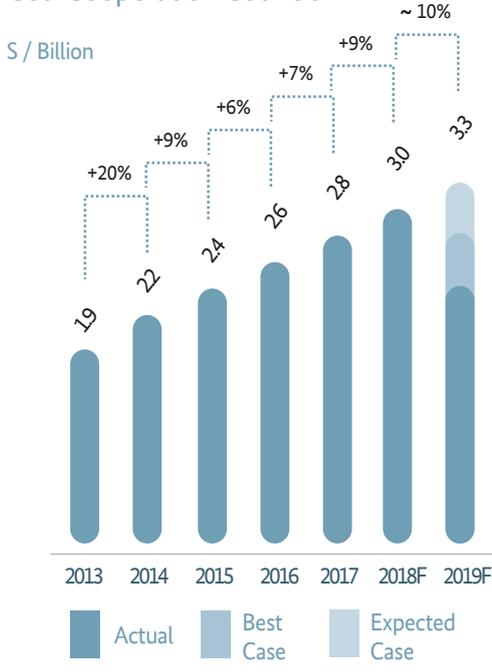
41 Ibid.

42 Ibid.

43 Ibid.

Figure 7: Growth of the consultancy market in the GCC 2013-2019

Consulting Industry of the Gulf Cooperation Council



Source: Consultancy me.com estimates. 'The GCC Consulting Market in 2019' report

GCC's Management Consulting Industry

Size per function (\$ / Million)



Source: Consultancy me.com estimates. 'The GCC Consulting Market' reports for 2017-2019

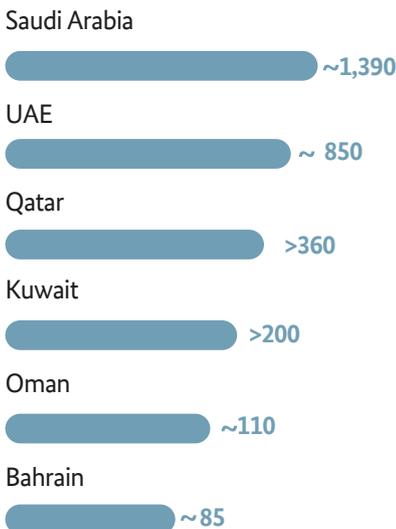
Government and public sector spending account for almost one-third of the consultancy sales across the GCC, at a worth of over \$1 billion per year. While the global energy & resources and healthcare consulting segments are tipped to contract by a quarter or more in 2020, movement in the public sector – currently forecast to decline by 22 percent worldwide – is perhaps the biggest unknown, dependent on the response of individual nations.

Largest segments in revenues are Technology Consulting (including IT-consultancy) Strategy and Operations (summarised Management Consultancy).

Figure 8: GCC's management consulting industry 2017-2019

GCC's Management Consulting Industry

Market Size by Industry (\$ / Million)

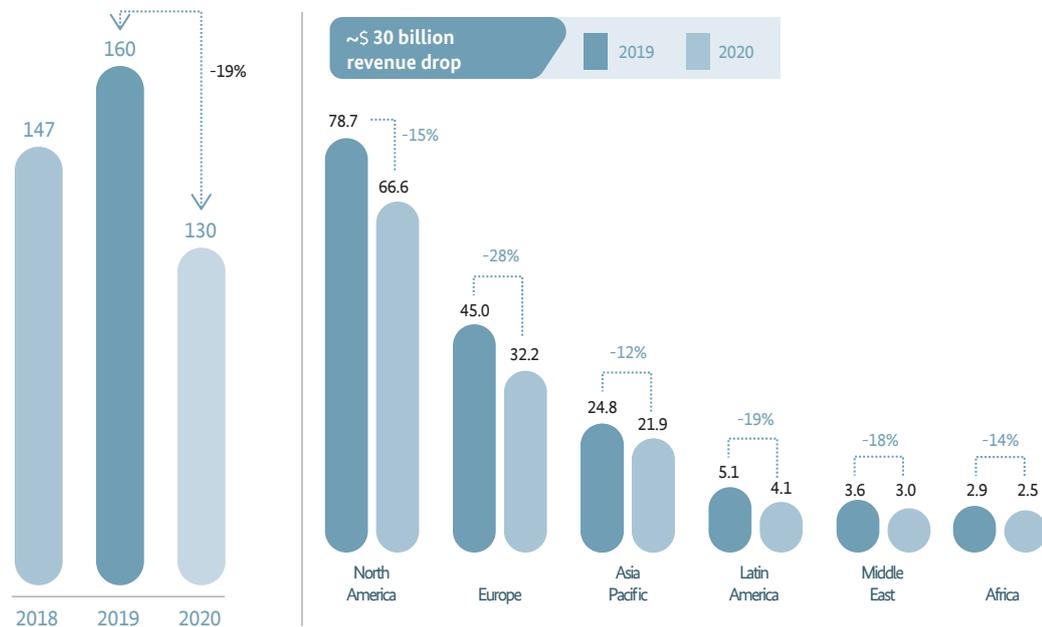


Source: Consultancy me.com estimates. 'The GCC Consulting Market' reports for 2017-2019



Figure 9: **Impact of the coronavirus on the global consulting industry, 2020**

Impact of the coronavirus on the global consulting industry



Source: Consultancy.org estimates, Source Global Research. All data in US\$ billion

The Corona-Pandemic is also having a substantial effect on regional consultancy services. However, while the early forecast shows a reduction in the Middle East consulting market, it is, of course, subject to an extremely fluid situation and the regional prospects remain far brighter than for many international counterparts, particularly compared to Europe. The current forecast predicts around USD 30 billion to be wiped off the 160 billion worldwide market – a drop of 19% – with Europe by far bearing the major brunt.⁴⁴





3 SUB-SECTOR BRIEFS AND DESCRIPTION OF PRIORITY SUB-SECTORS

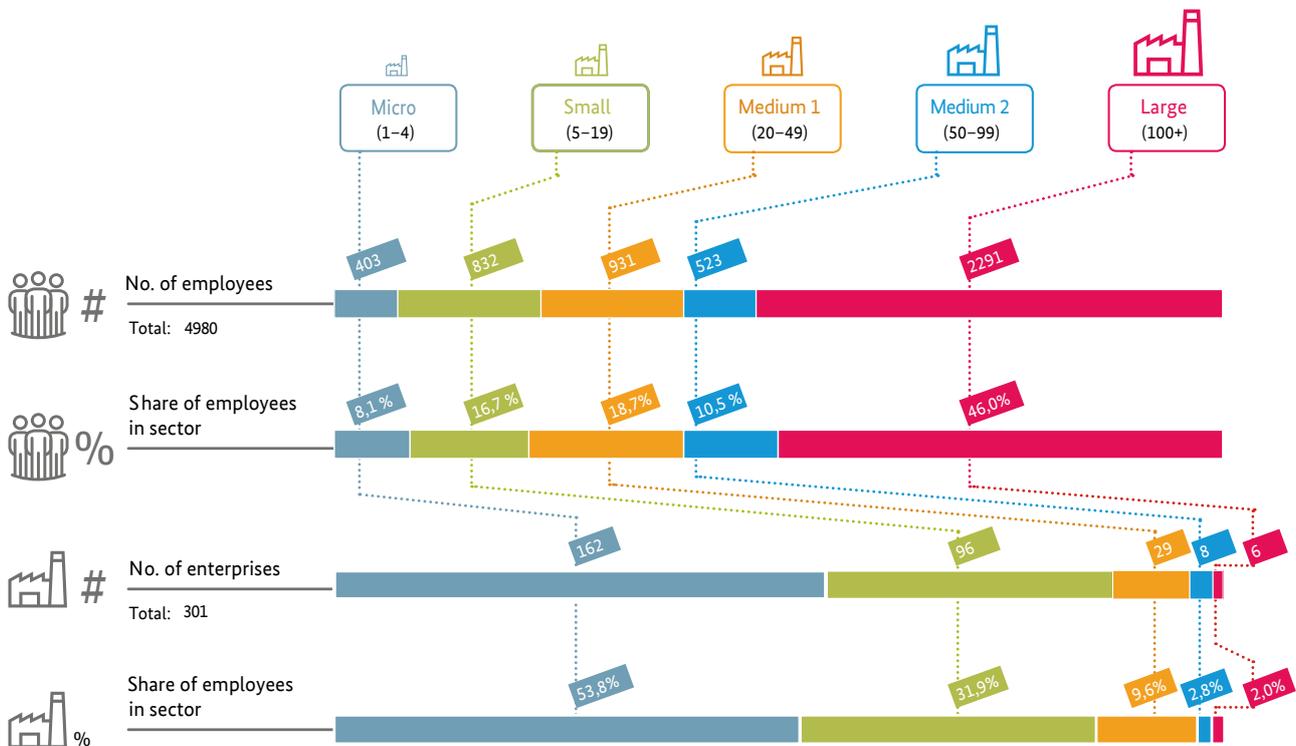
3.1 Profiling of Msmes Within The Consultancy Sector

The table below presents the data on the number of establishments, the number of employees and registered revenue in the sub-category Management Consultancy. The figures are based on collected data from the DoS in 2018.

We can deduce the fragmentation of the sector by the distribution of the enterprises by size in the following figures (see figure 9). This tells us that 98% of companies in Jordan's consultancy sector are considered to be MSMEs (85% are micro and small businesses, 45% are SMEs), at the same time accounting for approximately 54% of employment in the sector, or 2,689 jobs.⁴⁵ It is an interesting fact is that 6 large companies provide 46% of employment in the sector.



Figure 10: Distribution of Jordanian Consultancies by size (approximation – to be updated with Table 4)



Source: Department of Statistic

45 Department of Statistics, 2019



Table 4: Annual Revenues - 7020 Management consultancy activities

Annual Revenues - 7020 Management consultancy activities ⁴⁶	Total	<45000	45001 - 180000	180001 - 315000	315001 - 495000	> 450001
No. of enterprises	301	141	98	11	21	20
Share of enterprises in the sector in %		46,8%	32,6%	3,7%	7,0%	6,6%
Units: (JD) / Source: Department of Statistic						

Of the 1345 companies screened by the JCC, the vast majority self-registered as a management consultancy, making differentiation in sub-sectors more difficult.⁴⁷

There is also little information on the breakdown of the revenue for MSMEs in Jordan. However, a study published by the Oxford Business Group states that SMEs account for roughly 40% of Jordan's total nominal GDP.⁴⁸

DoS statistics (Figure 9) show that ca. 43% of the companies are in an SME revenues bracket, 47% in a Micro revenues bracket.

However, based on some qualified feedback from stakeholder interactions it can be assumed that the SME's revenue bracket is more towards 65% and larger projects are mostly executed by the few medium-to-large companies.

3.2 Consultancy Sub-Sectors

There is limited data available on revenue, trade statistics or registration to be able to execute an in-depth examination of the consultancy sub-sectors. The ISIC classification does not help to identify sub-sectors of management consultancy and also the divisions between the segments are fluid.

For the study we used the international classification and division into **Strategy, Operations, Financial, HR and IT/ Technology consulting**.

Based on the direct interactions with companies and stakeholders in Jordan's consultancy sector it became clearer, based on the study parameters and stakeholder feedback, that Management, HR and IT consultancy should be prioritised.

46 http://www.dos.gov.jo/dos_home_e/main/cens_Establishment2018/table21.pdf

47 JCC – Consultancy Sector 2018

48 Oxford Business Group SME-Competitiveness Report (2019)

This assessment was partly based on the market development and drivers of demand in the consultancy industry. Also, we could confirm that Jordan’s consultancy sector has the capabilities to explore these market opportunities.

Based on the international division of consultancy sectors and its revenues in Jordan in 2016 (JOD 265 million = USD 375 million) we can assume the following classification:

- ▶ Management (Operations & Strategy & HR) Consulting, USD 195 million
- ▶ Financial Advisory, USD 105 million
- ▶ IT Consulting, USD 75 million ⁴⁹

However, as the majority of the consultancies in Jordan self-classified as a management consultancy, we can safely assume that the revenues in Jordan would be even higher in the management consultancy segment.

In the following these sub-sectors are described in more detail:

3.2.1. Management (Strategy, Operations & HR) Consulting

The term “management consulting” in Jordan is sometimes used by consultancies interchangeably with operations or strategy consulting. Management consulting is defined as “advisory and/or implementation services to the (senior) management of organisations to improve the effectiveness of their business strategy, organisational performance and operational processes”. Management consulting is – due to the great diversity in disciplines and differences in required capacities of advisors – the broadest area within the consulting industry and covers between 50% - 55% of the total consulting market.

The typology used by Consultancy.org defines management consulting as the sum of three service areas. Strategy consulting, the segment that focusses on strategic and board room advisory; operations consulting, which focusses on improving the management of organisations; and HR consulting, a segment that centres around human capital advisory and/or consulting services aimed at improving the results of the HR function.

For this study, we have focussed on HR-consulting separately to management consulting as it has become a more distinct area of work.

Figure 10 : Management consulting services



The worldwide market for management consulting services is estimated to be worth more than USD 130 billion and represents just over half of the total global consulting market. In the past years, expenditures on management consultancy grew on average with more than 4% per year, although the percentages have in the past years in line with the economic recovery of mature markets been steadily increasing.

49 Own calculations based on DoS and Consultancy.org

In Jordan, this sector includes the leading medium-sized local consultancies such as MMIS, AlJidara as well as the local offices of global companies such as Deloitte and PriceWaterhouseCoopers Middle East. The underlying strength of this sub-sector is that those companies have two to three decades experience in managing projects in the Middle East and Africa and can rapidly benefit from new opportunities there having already a presence in the region.

HR Consulting

Even though HR Consulting is by definition a segment of management consultancy, we decided for this study to underline the importance of this sub-sector by describing it separately.

The market for human resource consulting services consists of eight main disciplines: Human Capital Strategy, Compensation & Benefits, Organisational Change, HR Function, Talent Management, HR Analytics, Learning & Development and HR Technology.

The human capital strategy includes a variety of strategic work in the HR domain, such as defining a corporate culture, organisational design, setting up a people strategy that supports key pillars in the business, as well as the design of HR-related strategies in the area of diversity, recruitment and talent management among others.

In the coming years, spending on HR consultants is forecast to continue growing following large trends in the human capital domain such as an ageing workforce, continued mismatch on the labour market, the rising impact of diversity /inclusion and the need to bring employee capacities in line with 21st-century skill sets.⁵⁰

Analysts typically distinguish between three types of HR firms: the large global players that specialise in human resources (e.g. Aon Hewitt, Hay Group, Mercer, Willis Towers Watson), generalist consulting firms that have a separate HR consulting unit and niche players that focus on a specific discipline or market.

Jordan is leading in this field, as companies like SourceitHR and Better Business prove. In the coming years of an increased necessity for intelligent HR solutions, diverse and remote working consultancies in this sub-sector in Jordan can benefit from these developments. Annual growth percentages vary between 3.6% and 4.5% and this might still increase due to the implications of Covid-19 on work contracts, home office and redundancies.

3.2.2. It / Technology Consulting

The global market for technology and IT consulting services is estimated to be worth USD 48 billion, representing roughly 20% of the total global consulting market. Since 2011, technology consulting has seen year-on-year growth globally, with the Compounded Annual Growth Rate (CAGR) floating at around 2.5%. In the years to come, the IT consulting market is forecasted to face significantly higher demand, accelerating growth on the connected to technological mega trends including digitisation, analytics, cloud, robotics, and the Internet of Things (IoT).

From int@j's report 2018, IT services activities including ICT consulting and training amounted to USD 200million, of which USD 60million were exported. If we assume that 50% of the IT services activities are IT consulting relevant, we have a market share of USD 100 million in 2018.

Note that the definitions used for IT consulting play a central role in the size assigned to the market. For the Jordan consultancy sector, only the part IT-Strategy is of relevance.

Globally, IT consulting is the fastest-growing segment of the consultancy industry and Jordan is very strongly competitive and can also benefit from joint projects with Jordan IT-companies under the leadership of management consultancies. As companies look for integrated solutions to their management and IT-requirements, many consultancy firms are entering into alliances with software suppliers, telecom or communications conglomerates in order to provide a broader range of services and to extend their global reach.⁵¹

3.2.3. Financial Advisory

The Financial Advisory (or financial consulting) segment delivers consulting services that build on a strong financial-analytical foundation. Service offerings span a wide range of topics such as transaction services, risk management, tax advisory, real estate advisory, compliance and litigation services to name a few. However, financial and accounting skills always stand at the heart of the services delivered.

The market for financial advisory consists of eight main disciplines: Transaction Services, Corporate Finance, Crisis & Recovery, Risk Management, Accounting Advisory, Tax Advisory, Real Estate Advisory and Forensics & Litigation.

For this study, we have not focussed on Financial Advisory as most of the Jordanian firms are already in partnership with international accounting firms and the financial sector in Jordan is not large enough for this segment to be prioritised.

⁵⁰ Mercer, Covid-19 report, 05/2020.

⁵¹ Direct feedback from interviews with global consultancies.

3.3. Drivers of Consultancy Demand-Market Opportunities for Jordan's Consultancy Sector

Sub-Sector level market demand:

Management Consultancy:

The market for **Strategy and Operations Consulting / Restructuring & Transformation** services is estimated to be worth around USD 170 billion, accounting for just under 30% of the global consulting market. Key demand drivers are cost-cutting and downsizing, particularly during the crisis years and its aftermath, performance improvement, as well as the need for transformations in functional areas such as HR, finance, sales & marketing and legal.

Due to the Covid-19 situation, a global increase in demand for supply chain consulting is expected.⁵²

The market for human resource consulting services is estimated to be worth USD 31 billion, representing approximately 10% of the total global consulting market.

One trend-facilitator is also Covid-19 and its mandated push towards remote work. Companies have started to adapt and actively contact consulting services on how to manage a workforce that is not completely and always present in joint offices.⁵³

IT / Technology consulting:

Consulting services constituted 19% of the overall IT services market in 2018 and they constituted the second-fastest-growing segment behind Infrastructure as a Service (IaaS) and infrastructure utility service. This growth is driven by a number of factors, among them the merging of other markets into consulting. Specifically, consultancies have enhanced their consulting expertise by acquiring digital agencies, which bring with them human-centred methods and a focus on user experience (digital design and innovation). They have gained added consulting revenue through innovation workshops leading to downstream work, advising on new technologies and agile approaches.

As a result of the coronavirus pandemic and economic slowdown, consulting firms are more open take up a digitally centred approach.⁵⁴

Geographical Level Market Demand:

Increased Collaboration: Larger professional services firms are increasingly looking for a local complementary partner. As the global industry will shrink, the attractiveness of global places such as Dubai will decrease. For cost and talent reasons Jordan has a good chance to increase cooperation with larger global consultancies as their “professional back office”.

Many organisations are also exploring low-cost options such as asset-based consulting or independent consulting instead of the previous formats engaging with typical global management consulting firms.⁵⁵

GCC market: The management consulting sector of the combined countries of the Gulf Cooperation Council (GCC) – Saudi Arabia, the UAE, Oman, Kuwait, Qatar and Bahrain – is now worth over USD 3 billion. The size of the market is not necessarily surprising given the importance placed on tapping external expertise by various large firms across multiple industry sectors in the region. The government sector will continue to be the sector with the largest consulting expenditure but the vertical impact of technology on every industry should also not be underestimated. Digital transformation is likely to continue its growth in the coming years, as clients look to innovative new technologies digitise their operations to achieve long-term savings, become more attune with their customers and improve the productivity and efficiency of their business models. Technology has brought democratisation to vast amounts of data, enabling consultancies to combine big data with analytics, Artificial Intelligence (AI) and automation to help firms move faster with enhanced precision and better decision-making to deliver measurable value through data-driven transformation.⁵⁶

African market: In 2016 the consulting industry in Africa was valued at USD 2.2 billion. Although the market is relatively small in terms of size from a global perspective, it has grown strongly over the past years, with a 6.3% growth rate. The African consulting market is bigger than many of the European markets such as those of Spain and Italy.⁵⁷ The African market as a whole is forecast to continue its impressive growth, thanks to the rapidly growing economies and various governmental programmes on innovation.⁵⁸ Jordan consultancies have in-depth experience in the region, in oil & gas, construction projects and infrastructure, and would be well placed to explore more opportunities in Africa.

⁵⁵ Beroe Analysis, Cision, 2020

⁵⁶ Consultingpoint, 01/2020

⁵⁷ WEF Africa Report, 2019

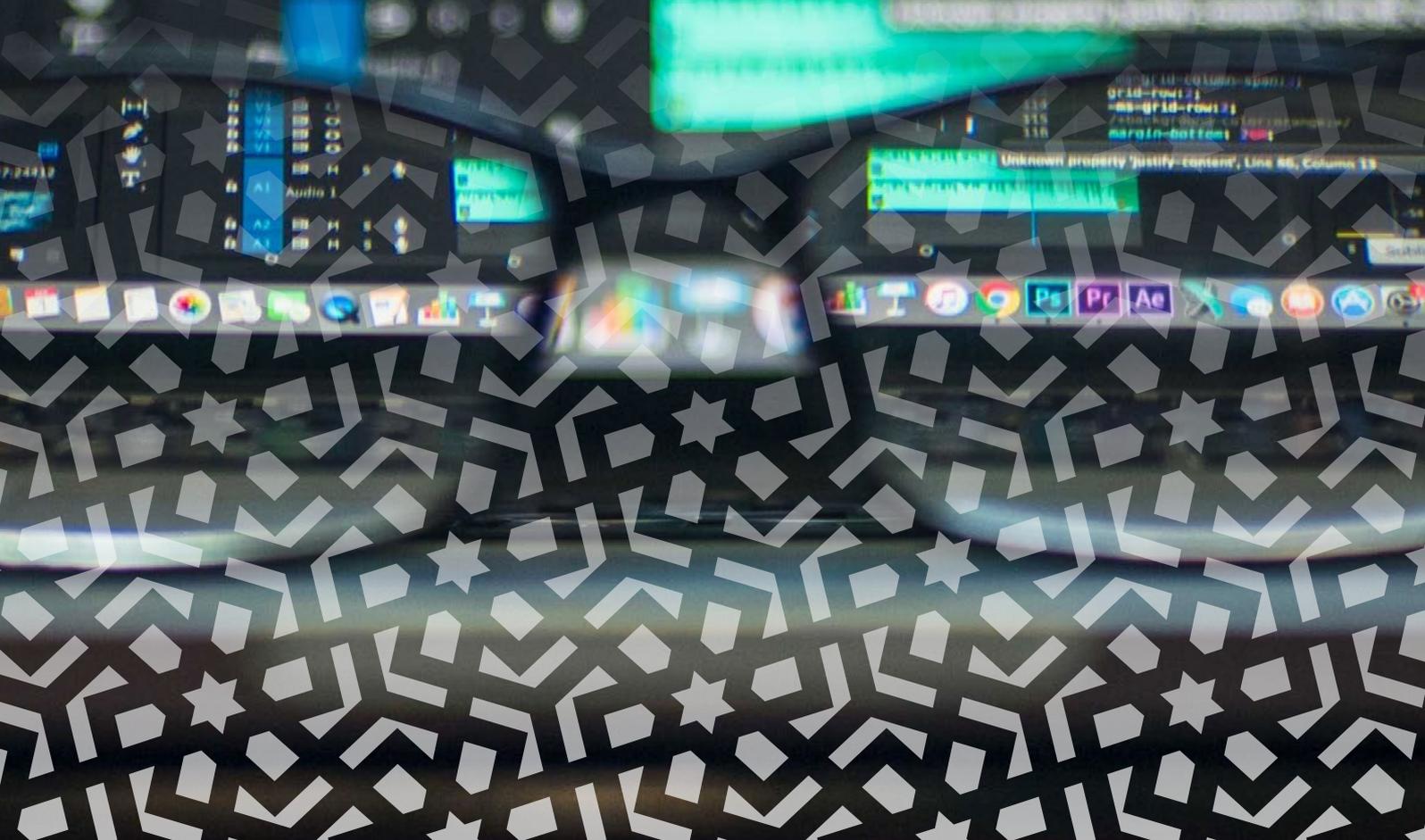
⁵⁸ Ibid.

⁵² McKinsey Quarterly, 06/2020

⁵³ Consultancy.org, 2020

⁵⁴ Beroe Analysis, Cision, 2020

4 CHALLENGES AND OPPORTUNITIES



Like any other sector, the consultancy sector in Jordan faces many challenges but can also draw on a number of opportunities. The main challenges and opportunities are listed below and summarised in a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis at the end of this chapter. In some cases, challenges and/or opportunities are specific to a sub-sector, but they mostly apply to the consultancy sector in general. However, the challenges and opportunities derived from the priority sub-sectors may not be relevant to the other sub-sectors.

4.1. Challenges In the Jordanian Consultancy Sector

- ▶ **Limited domestic market:** The small size of the population, its purchasing power and lack of industry base mean that Jordan can only achieve greater scale through exports. Furthermore, the intensity of competition in the local market, the abundance of freelancing consulting (supply) leads to drastically lower pricing – and sometimes to low-quality work results.
- ▶ **Unstable regional market** due to security problems: with Syria, Palestine, Libya and Iraq, Jordan's consultancy sector has lost four major markets in the region. This is partly compensated by increased demand from the GCC but further markets beyond the region need to be approached (i.e. Africa).
- ▶ **Business linkage challenges:** Jordanian consultancies along the value chain are poorly linked to larger global consultancies and clients due to poor self-marketing and weak government support in the international promotion of the sector.
- ▶ Inability to benefit from **financing facilities** because of the intangible products the consulting sector offer: despite the availability of funding, there is a clash between traditional banking credit operations and requirements, which are designed for larger corporations, and the majority of Jordanian potential borrowers, who are mostly MSME owners.
- ▶ **Gaps in workforce education and skills:** the level of education is relatively decreasing. Gaps in workforce education and skills directly affect product quality and the ability to provide new products that meet the needs of markets both in Jordan and abroad.
- ▶ **Business enabling environment weaknesses:** these include weak implementation of government programs to support the sector and its policy framework, poor sector governance, weak institutions and linkages and bureaucracy.

- ▶ Lastly, one impediment to strategically working with the consultancy sector is the **lack of available reliable data** on the sector. As this study has shown, reliable data does not exist and needs to be immediately collected in order to design targeted strategies and interventions for the sector.

Swot Analysis

The Jordanian consultancy sector's strengths, weaknesses, opportunities and threats have been reflected in the sub-sections on opportunities and challenges above; they are summarised in the following table.

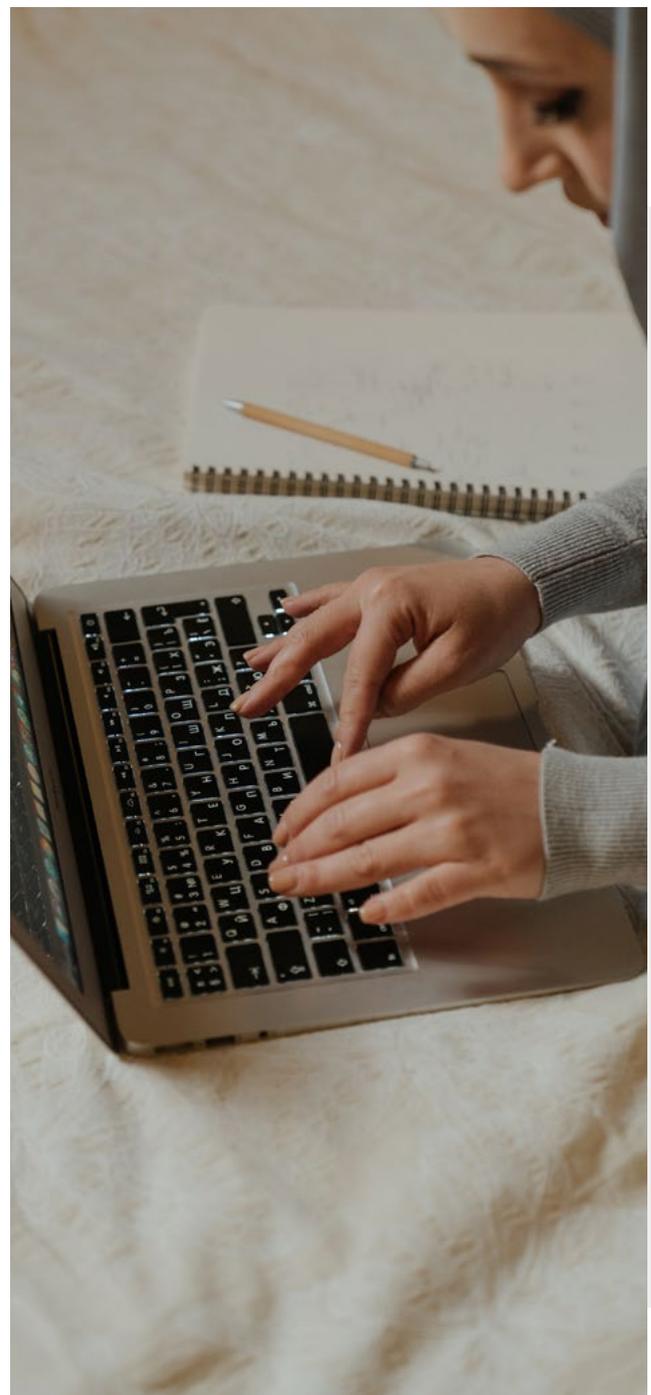


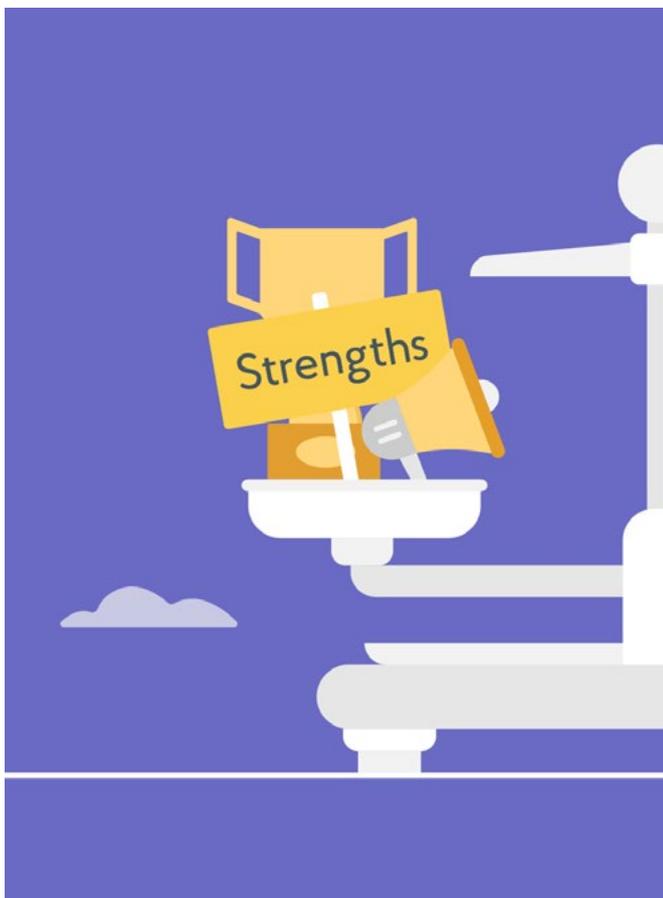
Table 5 : SWOT analysis of the Jordanian consultancy sector

Strengths

- ▶ Qualification, language, experience; availability of highly educated talent to be employed and serve local consulting firms in offering quality services
- ▶ A long history of successful projects across the region
 - a. Jordanian consulting firms and individual consultants alike have a good reputation in close regional markets with a track record of valuable inputs and professionalism compared to other competitors.
 - b. Jordanian consultants established many public systems and services in the Gulf region, and some are still employed at Gulf public authorities.
- ▶ Due to the highly educated talent in Jordan, most of consulting companies in Jordan can easily operate and provide their services in English
- ▶ Wide broad knowledge can address a variety of opportunities
- ▶ Small flexible companies: do not need large contracts to survive, can take on a variety of tasks, can shift in strategic directions and changes in demand
- ▶ A national institute that is, for now, the only one in the region that is a full member of ICMCI.

Weaknesses

- ▶ Consultancy sector definition in Jordan is unclear and therefore no clarity on sector size and impact; lack of data on the consultancy sector (trade in services numbers for consultancy sector; contribution to economy and employment)
- ▶ Supply quality - a fragmented sector with too many small/micro consultancies – low quality of services
 - a. MSMEs definition and segmentation based on the size of employment, does not reflect the actual size of talent-based services such as consulting sector and ICT.
 - b. Consulting firms are not specialized and the limitation in market opportunities does not support specialisation as this will minimize opportunities even further.
- ▶ Role of regulation; lack of certification and absence of institutional / policy framework
 - a. Compared to IT-sector and Intaj
 - b. Trading consulting services is still an individual scattered effort, and not supported properly by chambers or international trade-related entities
- ▶ Market Size Jordan. Dependency on international donors and not enough “experienced” clients, i.e. “quality projects”
 - a. Local economy doesn’t appreciate the value of consulting services
 - b. Inability to get a bigger share in consulting opportunities with donor agencies
 - c. Foreign aid and loan programs are not contributing to the development of the value chain of the local consulting sector as should be
 - d. Legislations to ensure fair competition does not exist: A national policy is needed to support local consulting firms gaining a fair share from existing opportunities
 - e. Regional market problems -no vision and strategy, no market intelligence support: no emphasis on new markets, after Libya and Sudan fell away and Jordan is not competitive towards GCC
- ▶ Difficulty to access funding for growth leading to lack of equity
 - a. Taxation is a problem for growing small companies
 - b. The high cost of doing business in Jordan (inputs cost, energy cost, rent, taxes)
 - c. There is no clear share of bidding opportunities set-aside for local consulting firms. Local companies can’t compete with the individuals because of their ability to price much lower as they don’t have overheads and don’t pay company taxes
 - d. Opening and closing consulting firms and training centres are responsive to temporary market demands with no oversight or control, inviting corruption
- ▶ Lack of facilitation of joint collaboration opportunities between Jordanian and foreign companies of similar mandate (B2B)

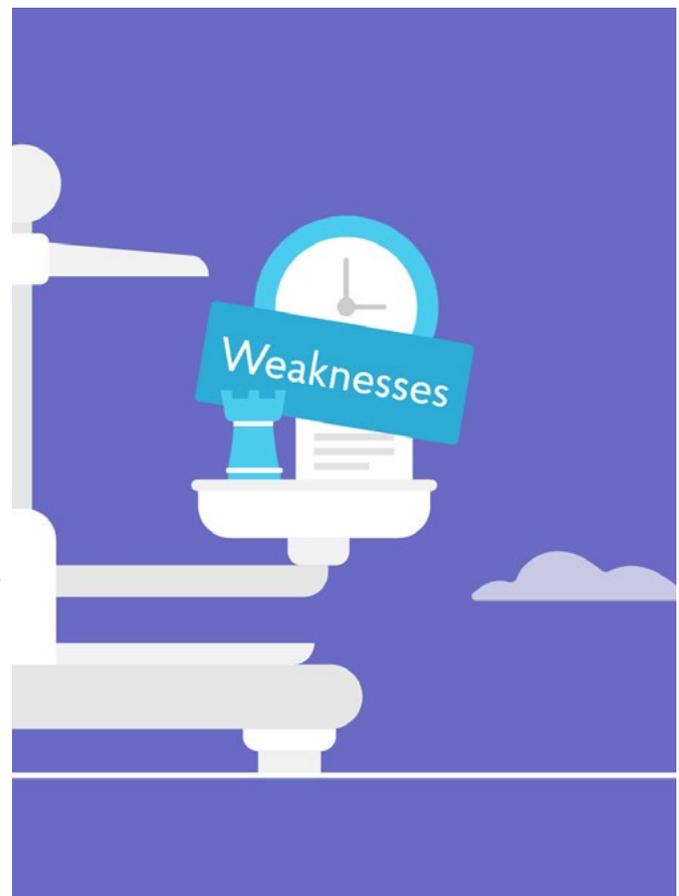


Opportunities

- ▶ Organizing the sector and its representation in the chamber of commerce or reliable institution
- ▶ Review market competition process and policies and issue policies to ensure fair competition and exclusion of barriers to market entry
- ▶ MoITS to clearly define trade in consulting service and its KPIs in trade agreements, and to develop means and tools to measure its value
- ▶ To develop consulting market intelligence service on sector level
 - a. To allocate 2 help desks for local consulting businesses: one at the Jordan investment commission aims at linking local consulting businesses with the consulting needs of investors, and one at the MoITS to help linking local consulting firms with the needs of newly registered international firms and NGOs in Jordan.
 - b. To establish a consulting business e-commerce platform aiming at linking existing local consulting firms with the demand in the international markets with a B2B platform to pave the road for joint ventures and consortiums formulations.
 - c. To allocate at least one seat in every trade promotion visit and trade exhibition to small local consulting businesses to build their capacities and enable them to offer their services
- ▶ Strengthening the relationship with ICMCI / IMC and Jordanian businesses
 - a. Professional training /apprenticeship towards certification.
 - b. Use the CMC designation as a tool to improve competencies and develop advocacy efforts - Create awareness of use for consulting
- ▶ Collaboration with international firms to develop specialized knowledge “deep vs. broad”.

Threats

- ▶ Inability to protect local consulting firms in fierce competition with international firms. (especially Donor-Projects)
- ▶ Companies to close and turn towards individual consulting services instead to minimize cost and maximize income
- ▶ Inability to benefit from financing facilities because of the intangible products the consulting sector offer
- ▶ Delivery in Arabic is no longer a unique selling point
- ▶ Lots of boutique consulting firms developing in GCC markets
- ▶ Dependence on donor funding as a large source for funding consulting projects
- ▶ Talent availability - Declining education quality in Jordan
- ▶ Diminishing professional training to improve quality and quantity



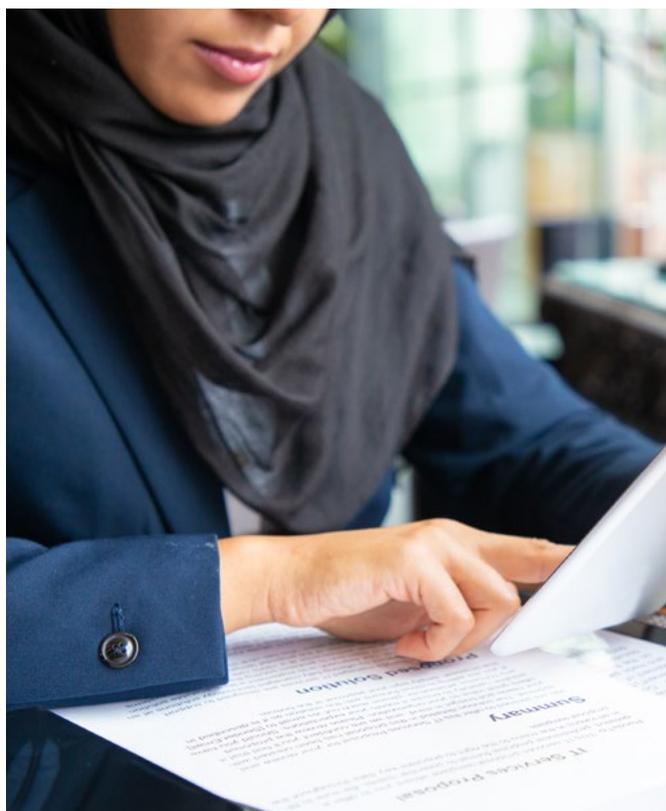
4.2 Opportunities for the Jordanian consultancy sector

Several market opportunities have been identified for Jordanian consultancies based on the Trend Map exercise undertaken with a Focus Group.

Some of the opportunities are also cited as challenges, e.g. access to export markets, but this shows that competitive advantage emerges from overcoming the hurdles. Jordan has a reputation as a leading consultancy provider in the region.

For this study, the opportunities are categorised according to the Trend Map structure.

Table 6: Market and industry trends in the consultancy services sector



Market Trends	Industry Trends
<ul style="list-style-type: none"> ▶ The market trends show particular opportunities in the regional markets in construction/ infrastructure projects in Africa and later potentially Yemen, Iraq and Syria ▶ Egypt, Kuwait and KSA are the most important markets with increasing consultancy market, Jordan already has experience and a long history of successful projects across the region ▶ Collaboration with international consultancies should also become more frequent in the next 12-24 months as global consultancies are cutting costs and Jordan could increase its role as the budget-efficient Middle East “back-office” ▶ Jordan already has the experience and a long history of successful projects across the region, and the availability of highly educated talent; although the quality is slightly decreasing it is still the most educated workforce in the Middle East. ▶ New needs arise after COVID-19 like distance work, new additional skills, and newly develop the market Infrastructure 	<ul style="list-style-type: none"> ▶ Green economy consulting and renewable energy ▶ Consulting services related to peace building, rehabilitation and cohesion ▶ Globalization of services especially in MedTech and food ▶ A strong change in systems operations consulting – clients expect prepared models and systems for the project – benefitting larger companies with local partners ▶ Operations consulting becomes more and more IT-heavy and dependent ▶ HR consultancy increasing in regard to remote work globally

5 STRATEGIC INTERVENTIONS

STRATEGY =



5. Strategic Interventions

The following **strategic interventions** are recommended to address the challenges and maximize the opportunities being encountered by the consultancy sector in Jordan. The recommendations are listed in three different parameters, to address the competitiveness, the competence and the business-enabling environment of the consultancy sector in Jordan.

- 1. Improve the competitiveness of companies in the consultancy sector:** introduce a specialised assistance platform for the consultancy sector; grow SMEs through enhancing services quality and standards; promote Jordanian consultancies and establish business linkages for export sales.
- 2. Enhance competences of consultancies and increase employment:** support conducting a training needs analysis; implement demand-driven capacity-building measures.
- 3. Improve the business enabling environment for consultancies:** establish an institutional capacity or central association of the consulting sector and coordination cooperation with existing private sector associations and

government bodies; enhance collection and verification of data on the consultancy sector, improve the consultancy legislative and policy framework including liberalising the tax charges on cross-border **services, facilitate linkages and access to funding.**

The interventions address the observed key factors affecting consultancies' performances and competitiveness in the consultancy sector with a focus on innovation, capacity building and finding common grounds for collaboration; they also highlight the role of the government in terms of the policy, regulatory and business enabling environment, and the importance of bringing stakeholders together and supporting SMEs' ability to access markets. By implementing these interventions Jordan can continue to be a consultancy hotspot for the region.

Based on the challenges and opportunities outlined, the above key objectives were identified. For each of the objectives, a set of strategic interventions was developed. The strategic interventions are listed here and the tables in the next pages outline suggested activities for each intervention.

Area	Recommendation	Timespan	Complexity	Impact
Competitiveness	Implement specialised assistance platforms for consultancies; (coordinated via/ in new sector institution)	Midterm	High	High
	Facilitation of demand-driven business linkages	Long term	High	Mid
Competence	Enhance consultancy services quality through standard development programmes (CMMI, ISO)	Short term	Low	Mid
Business Environment Structure	Create a new sector institution and strengthen the institutional capacity	Midterm	Mid	High
	Improve Consultancy SME legislative and policy framework	Midterm	High	High
	Facilitate linkages and access to finance for the consultancy sector	Midterm	Mid	Mid

5.1. Improve the Competitiveness in the Consultancy Sector

To address the challenges related to management capacity and business linkages, the following interventions were developed.

Intervention 1.1 Implement specialised technical assistance programmes for consultancies support schemes ⌚ 3-6 months of preparation time / 6 months of implementation time			
Activities	<p>Establish a Business Consulting Unit to provide demand-driven technical assistance to companies in the consultancy sector. Sub-activities are:</p> <ul style="list-style-type: none"> ▶ Set up a multi-stakeholder platform comprising public and private sector actors, academic institutions, development partners and NGOs to govern the development of a technical assistance strategy, as well as design and scope the Business Consulting Unit (See 5.3.1). ▶ Deploy technical resources and advisors within the Business Consulting Unit. 	<p>Partners: MoITS, JCC, Consultancy associations, research institutes, donors, private companies, training providers, JEDCO</p>	<p>Target: Consultancies, SMEs</p>
	<p>Use data and market intelligence to support companies' planning and decision-making</p> <ul style="list-style-type: none"> ▶ Invest in new data collection and verification. ▶ Initiate new market-targeted studies that are sub-sector-specific to study trends and growth per sub-sector/vertical. Produce reports for the priority sub-sectors. ▶ Set up an Information Systems (IS) tool to be fed by authorities and associations and used by all sector stakeholders for data collection, knowledge management and dissemination, and to promote communication/interaction between stakeholders. ▶ Creation of a consulting market intelligence service on a sector level, which would specify the types of services and inputs normally required at various stages of enterprise and entrepreneur/management development where these services can be found within the Jordanian eco-system. Such a resource would be of great utility for enterprises and business owners (entrepreneurs) in navigating the complex landscape of opportunities. 		

Intervention 1.2 Enhance consultancy services quality and standard development programmes ⌚ 12 months of preparation / 12 months of implementation time			
Activities	<ul style="list-style-type: none"> ▶ Incentivise partners and institutes to provide business development services and advocacy for standard certification and compliance, particularly organisations that can provide certification and training. ▶ Promote adherence to international quality and process improvement programmes like CMMI and ISO, ensuring SMEs are supported to access the standards relevant to the sub-sectors and verticals. ▶ Help existing certified SMEs maintain and further enhance their current quality (pass from a certain certification level into a higher level). 	<p>Partners: MoITS, JCC, IMC, Donors, Training provider</p>	<p>Target: Consultancies, MSMEs</p>
	<ul style="list-style-type: none"> ▼ Survey why companies do not qualify further and take corrective steps (e.g. if certification is too expensive, it can be subsidised by the state, etc.). 		

Intervention 1.3 Facilitation of demand-driven business linkages
 ⌚ 6 months of preparation time / 12 months of implementation time

Activities

- ▶ Develop marketing communications strategies for sub-sectors to promote Jordanian consultancy service providers. This can include producing short videos profiling sub-sectors and verticals, developing information campaigns and promotional materials to explain consultancy offerings to priority customer segments for each sub-sector.
- ▶ Establish links between international consultancies, regional and international channel partners and regional government authorities and the Jordanian consultancy industry. Hire local Business Development managers in targeted export markets.
- ▶ Make a strategic plan for hosting and attending trade fairs, conferences and events. Events planned in Jordan should seek to coincide with other events that attract target clients and investors to the region. International trade fairs, conferences and events relevant to the sub-sectors include the major industry exhibition in Dubai i.e. Big Five, GulfMed, amongst others. Events should be supported by targeted PR activities to attract the right MSMEs and buyers.
- ▶ Create sub-sector steering committees at the Jordan Chamber of Commerce. The committees together with the new consultancy association and the MoITS can organise events/fairs/workshops based on the strategic plan.
- ▶ Organise sub-sector and matchmaking online-themed events for Jordanian consultancies to meet potential clients and partners, particularly in the region.
- ▶ Support SMEs to develop marketing communications strategies to promote their enterprises, encouraging the use of content in social media and digital marketing platforms; enhance existing online promotion platforms, ensure regular updates and offer further functionalities.
- ▶ Invest in research (more diagnostic studies) and acquire technical assistance to help build international partnerships/ peer-groups to share best practices and lessons learned from other countries.

Partners:

MoITS, JCC, Consultancy associations, institutes, donors, private companies, training providers, JEDCO, Chambers

Target:

Consultancies, SMEs, Associations



5.2 Enhance Competences of Consultancies and Employment

The following intervention will address the challenges of insufficient workforce education and skills.

Intervention 2.1 Capacity-building programmes within specialised technical assistance programmes for SMEs ⌚ 6-9 months of preparation time / 12 months of implementation time	
Activities	<ul style="list-style-type: none"> ▶ Develop training modules and seminars with tailored materials that meet local needs. ▶ Conduct specialised management training and seminars based on modules developed in leadership, agile project management, marketing planning, digital marketing, access to finance, product development, strategic thinking, Six Sigma, lean management, export-readiness assessments. ▶ Conduct soft skills training in critical thinking, time management, communication, teamwork, problem-solving, governance, presentation, negotiation. ▶ Carry out mentoring programmes, learning groups, visits to best-practice companies (local and international).
	<p>Partners: Development partners, IMC, JCC, Training providers</p>

5.3 Improve the Business Enabling Environment for Consultancies

The following interventions should support the improvement of the business enabling environment by enhancing the policy and institutional framework.

Intervention 3.1 Create new sector institution and strengthen the institutional capacity of private sector associations (Best practice ICT-sector) ⌚ 3 months of preparation time / 12 months of implementation time	
Activities	<ul style="list-style-type: none"> ▶ Review governance and organisational models of ICT industry and related associations, institutions. ▶ Create a new sector association for the consultancy sector on the best practice int@j. Around the new institutional body, support relevant and willing associations and institutions to develop organisational strategies, plans to fulfil their mandates and the implementation of Jordan 2025, provide relevant services for members and attract new members. ▶ Institutionalise the training function at key consultancy institutes and support fostering of public-private partnerships in training for excellence. ▶ Support the new organisation to look for financing channels, develop fundraising and financial sustainability strategies with the long-term aim to increase association's budget lines, human capital and capabilities. ▶ Give the new sector institution the responsibility and mandate to leverage new and reliable data, create network events, increase standing and profile of the consultancy sector.
	<p>Partners: MoITS, JCC, International partners, sector associations, private sector, IMC</p>

Intervention 3.2 Improve ICT SME legislative and policy framework

⌚ 12 months of preparation time / 6 months of implementation time

Activities

- ▶ Conduct an assessment of the policy framework in consultation with existing firms in each of the priority sub-sectors, taking into account international best practices and addressing red tape. Challenges should be delegated according to company size.
- ▶ Either as part of the assessment or separately, an assessment should be conducted of the tax-system in Jordan and its impact on the consultancy sector, particularly SMEs, comparing it to regional and international benchmarks.
- ▶ The assessment should take into account the priorities and progress of ongoing projects at MoITS and JCC regarding the consultancy sector.
- ▶ Conduct meeting/s to agree on improvements that are needed in the policy framework.
- ▶ Implement recommendations to address policy and legislative challenges: revise the existing legal framework for each of the priority sub-sectors and verticals in order to encourage new market entrants and investments.
- ▶ Change the taxation system according to recommendations and resolutions agreed; keep the taxation system clear and steady so businesses can plan effectively, addressing red tape; and optimise MoF tax clearing procedures and processes for timely processing. This will require high-level government commitment.

Partners:

MoITS, JCC, International partners, sector associations, private sector, Ministry of Planning, Ministry of Finance

Intervention 3.3 Facilitate linkages and access to finance for the consultancy sector

⌚ 6-9 months of preparation time / 12 months of implementation time

Activities

- ▶ Increase information on the availability of financial support and incentives including how to access them. Conduct awareness and outreach programmes to further promote existing lending options and government incentives among private sector associations, incubators, technical assistance programmes and MSMEs.
- ▶ Extend technical support for SMEs to meet lending institutes' eligibility requirements, e.g. business ideas/concepts, proposal writing, feasibility studies, business planning and financial modelling. This should be provided by the Business Consulting Unit sitting with the new business association (see 1.1).
- ▶ Strengthen the link between SMEs and loan and credit guarantee institutions to secure bank funding; establish roundtable discussions and capacity building for informative marketing communications.
- ▶ Establishment of reliable credit information systems to ensure better information about creditworthiness and reliability of private companies, to permit assessment of credit risk.
- ▶ The establishment of credit information systems should be accompanied by a consulting offer for (potential) debtors, on how banks assess their creditworthiness and how the companies can improve their financial documentation/ management.

Partners:

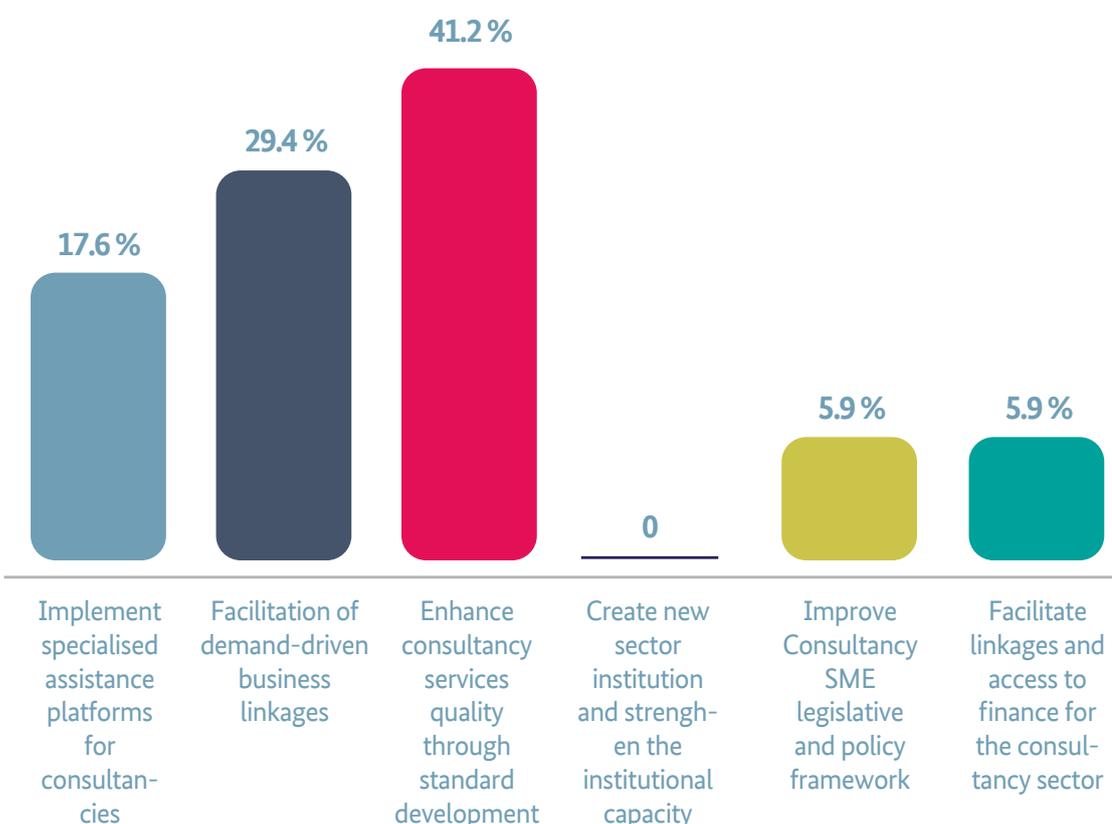
Donors, BJ, commercial banks, lending institutions and micro funds, development partners, MoF, JEDCO

5.4 Prioritisation of Interventions by Stakeholders of the Consultancy Sector

Based on the feedback of the reporting workshop, held under the auspices of the GIZ T4E project in Jordan and the Ministry of Industry, Trade and Services (MoITS), a general tendency and prioritisation of interventions could be identified.

As this prioritisation is directly from the relevant and engaged stakeholders of the Consultancy Sector, it should be taken into account when planning the interventions by the project stakeholders.

Prioritise recommendations and interventions



The priority is on supporting consultancies receiving training and certification to increase the quality of their services and to be able to compete better in a regional context. Those certifications could be in the framework of ISO or CMMI and with IMC there would be an existing independent entity that could implement those programs.

The second priority is on the intervention to facilitate “demand-driven business linkages”. We see this intervention closely connected to the third priority “implement specialised assistance platforms for consultancies” in Jordan.

This prioritised intervention would establish a sectoral structure/ entity/ business consulting unit, which would help further the competitiveness of the Jordanian consultancies by:

- ▶ Establishing a **sectoral entity** that brings together public and private stakeholders – however that entity is **not to be a new institution but an independent public-private body**. With a separate and business-oriented management team under the oversight of a board of directors recruited from both public and private sector stakeholder.
- ▶ The body needs to **be independent and sufficiently funded** to operate in that role.
- ▶ The study strongly encourages to look at int@j in the IT-sector, as a role-model on how to create such a body.
- ▶ If the stakeholders agree on adapting an existing entity to take on that role, for example, IMC, the authority, responsibility and funding of that entity need to be strengthened as well.
- ▶ Responsibilities of this body/ unit would include
 - ▼ Data collection and verification of the consultancy sector
 - ▼ Establish a classification system of the consultancy sector based on the classification of sub-sectors proven in this study
 - ▼ Compiling an overview/ list of active consultancies and their services and adapt to classification
 - ▼ Set up a consulting market intelligence service on sector level as an information system for potential clients/ customers or public tenders
 - ▼ Create specific sector strategies for business development and marketing, attending conferences, establish connections to international consultancies, online courses,...
 - ▼ Invest in targeted market research for Jordanian consultancies
 - ▼ Assist in access to finance for business development measures
 - ▼ Optional: Offer and implement standardised training and certification programs

To counteract the fragmentation of the consultancy sector, the above prioritisation could be a realistic and impactful measure to act upon.



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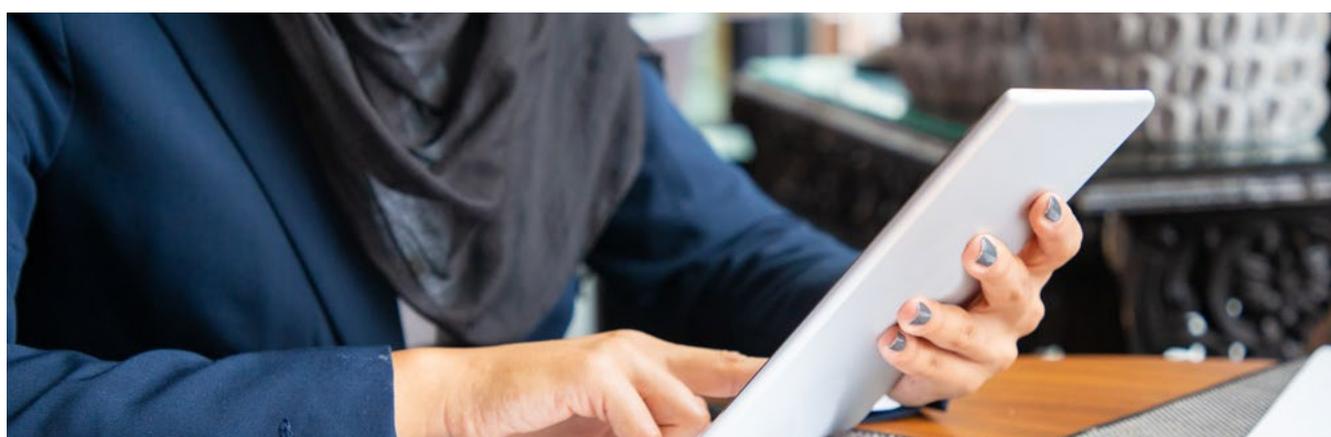
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7 ANNEXES



7.1 Sector interviews and validation meetings

Focus Group Sessions	Attendant	Title
Ministry of Industry, Trade and Supply	Lana Eltawil	Economic policy
Jordan Chamber of Commerce	Yazeed Khatib	Public Relations Sector Affairs
Institute of Management Consultants & Trainers of Jordan (IMC-Jordan)	Rana Kilani	Vice President
BDO Jordan	Hussein Shobaki	Audit Director
Sourceit HR	Bashar Alsawaftah	Head of Consulting
MEDAL Consulting	Rana Al-Akhal- PHD	Managing Director
One-on-one Interview	Interviewee	Title
Roland Berger Bahrain/Dubai	Andreas Buelow	Partner
Palma Consulting	Tamara Abdel-Jaber	Co-Founder, Chief Executive Officer
PricewaterhouseCoopers Middle East-PwC	Michael Orfaly	Jordan Country Senior Partner
SOURCEitHR	Karim Mubarak	CEO
Better Business	Abeer Qumsieh	CEO, Founder
MMIS Management Consultant	Fawwaz Abboushi	CEO, Owner
AI Jidara	Raed Madanat	Senior Manager
Engicon	Tarek Zuriekat	CEO
BDO	Azzam Hamaide	Senior Manager – Sustainable Development Specialist
int@j	Nidal Bitar	CEO



7.2 Associations / Chambers and Business Service Providers

<p>Jordan Chamber of Commerce</p>	<p>The Jordan Chamber of Commerce is a private, non-profit organisation serving its members in the commercial and service sector. JCC interacts with public sector institutions in policymaking and represents the interests of SMEs in the trade and services and ICT sectors.</p>
<p>Institute of Management Consultants & Trainers of Jordan (IMC Jordan)</p>	<p>IMC-Jordan, established in 1995, is a private non-profit association concerned with organising and upgrading the management consulting and training profession, including the training of management consultants and certification of eligible members to the Certified Management Consultant (CMC) designation.</p>
<p>Jordan Exports</p>	<p>The national umbrella organisation that is responsible for promoting and developing Jordan's export sector.</p>
<p>American Chamber of Commerce Jordan (AMCHAM)</p>	<p>The American Chamber of Commerce in Jordan, a member of the United States Chamber of Commerce, is a voluntary member-based organisation that contributes to economic development through the promotion of US-Jordan-regional trade and investment, business development, and public policy advocacy.</p>
<p>Business and Professional Women Association</p>	<p>A member-based non-profit organization established in 2003 by several professional and pioneering women in Jordan. It is a member of the International Federation of Business and Professional Women (BPW International) which was founded to offer women economic empowerment programs to strengthen expertise and networks.</p>
<p>Eastern Amman Investors Industrial Association (EAIIA)</p>	<p>Employers Association established in 2010 aiming at expanding, supporting and developing the activities of investors and industrialists in the East Amman region and adjacent industrial areas.</p>
<p>Jordan Enterprise Development Corporation (JEDCO)</p>	<p>JEDCO is a government institution that offers development services for start-ups, small and medium-sized economic enterprises in the Kingdom.</p>
<p>Jordan Investment Commission</p>	<p>Jordan Investment Commission is the national investment promotion agency that aims at stimulating investment as well as ensuring its sustainability.</p>
<p>International Council of Management Consulting Institutes</p>	<p>Association comprised of individual country-based, member, Institutes of Management Consulting (IMCs). The association aims at building common standards for the individual certification of professional management consultants.</p>

International Finance Cooperation	IFC (as part of the World Bank Group) has a mandate to focus on investment-related issues including advisory to the government in terms of private sector development projects. IFC is also assisting in business registration and licensing.
Roland Berger Bahrain/ Dubai	Internationally active German management consultancy. In Jordan, the main part of task portfolio is in the field of investment and subsidiary consulting.
Palma Consulting	Regional business and IT consulting firm with clients especially in the public and financial sector and SMEs. It has 14 full-time employees and frequently partners with international consultancies i.e. Horvath Partners or with IT-providers i.e. SAP.
Price Water House Coopers Middle East	An international consultancy that is active in the fields of auditing and audit-related services, tax consulting as well as classic business and management consulting, transaction consulting and corporate finance.
SOURCEitHR	SOURCEitHR with 50 employees the largest regional HR consultancy in Jordan and a subsidiary of MenaITech. Task portfolio includes human capital management solutions, outsourcing, as well as organisational and management consulting.
Better Business	A regional consultancy that specializes in HR and management consulting. Task portfolio comprises, learning, and development related issues such as assessment centre, servometer, corporate learning events and advisory.
MMIS Management Consultant	Established in 1988 by USAID and the Jordanian government, MMIS Management Consultants is now a private regional consulting firm that provides consulting services to government, non-profit and private organisations in various consulting practices.
AI Jidara	Regional development and management consultancy with a focus on local economic development, local governance, community engagement, capacity building, as well as gender and social dialogue.
Engicon	Engicon is an international engineering consulting firm based in Amman, Jordan, with offices across the Middle East. The company provides services, covering technical studies, engineering design, and construction supervision and has 450 employees across offices.
BDO	International consultancy with services that vary from audit & assurance, tax services, HR, IT, risk advisory services, as well as strategy services.
int@j	int@j is the Information and Communications Technology Association of Jordan, which is a membership-based ICT and IT Enabled Services industry advocacy. It offers IT support and networking association platform.

7.3 Snapshot of Focus Group “Trend Map”

Focus Group Session : Trend-Mapping

Additionally, to the direct interaction with stakeholders and the SWOT-Analysis workshop, a trend mapping exercise was held with public and private stakeholders from the Consultancy sector.

Due to the current Covid-19 related restrictions, this workshop was held online.

Definition: A trend map is a visual depiction of relevant trends influencing the system around a given topic. It is developed using the collective knowledge and experience of a group of people familiar with a given system and its context.

With the local stakeholders, we tried to find out relevant opportunities for the Consultancy Sectors in Jordan that would derive from Market & Industry Trends or Technological & Environmental Disruptions.

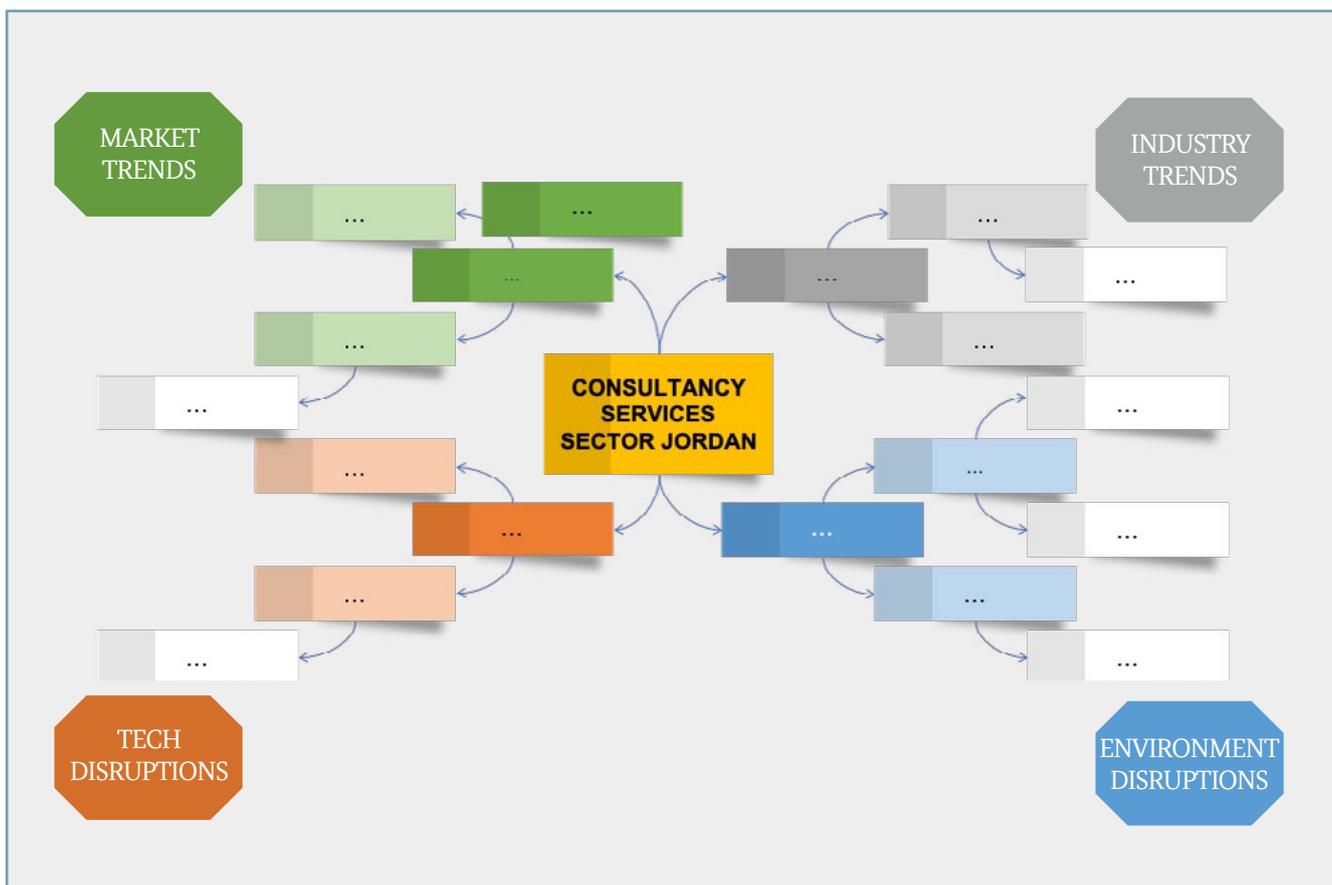
Environmental Disruptions.

Those areas in detail were discussed and visualised on a Trend Map:

Market trends (demand-driven change)

- ▶ Industry trends (supply-driven change)
- ▶ Technological disruption (technological driven change)
- ▶ Environmental disruptions (including regulatory and policy interventions)

Figure 11: Trend Map Example for Focus Group



To facilitate the online nature of the Trend Map Workshop, information was sent to participants ahead of the meeting and feedback compiled.

The feedback from stakeholders was then discussed during the workshop and the following results were qualified and confirmed:

Market Trends

- ▶ Bigger share for consulting business locally. Increasing projects in Jordan (agriculture, transportation and tourism)
- ▶ Potential bigger share in international markets of developing countries, esp. East Africa
- ▶ Potentially Yemen, Iraq and Syria – construction projects
- ▶ Egypt, Kuwait and KSA as most important markets with increasing consultancy trends
- ▶ New needs arise after COVID-19 such as remote working, new additional skills and improving market infrastructure

Industry Trends:

- ▶ Green economy consulting; renewable energy
- ▶ Consulting services related to peace building, rehabilitation and cohesion
- ▶ Globalization of services especially in MedTech and food
- ▶ Less dependency on office space
- ▶ A strong change in systems operations consulting – clients expect prepared models and systems for the project – benefitting larger companies
- ▶ Operations consulting becomes more and more IT-heavy and dependent
- ▶ HR consultancy increasing in regard to remote work globally

Technological Disruptions:

- ▶ Digitization
- ▶ E-commerce and e-selling control
- ▶ Cyber protection and security needs
- ▶ Remote work – long-distance work

Environmental Disruptions:

- ▶ Fear of investment in business due to overall instability and inability to foresee what the annexing attempts may lead to for Jordan
- ▶ The restless conflict-based environment in the region
- ▶ Global warming affecting business as usual style “need for creative solutions”
- ▶ Serious attention required by the Government to support service sectors in expansion and growth yet still not translated to clear policies
- ▶ High taxation and social security contribution by companies

