



Arab Spring Consultancy (ASC)

Creating Leadership

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Project Description

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Why?

After the political transitions in the Arab world during the Arab Spring, new leaders and new forms of leadership are required.

Mission

Creating Leadership in the governance sector in the Arab World.

Vision

Our vision is to be the pre-eminent, independent provider of well educated future leaders for the Arab World. We strongly believe that the political establishment in the Arab countries needs to be revitalized. We commit both, promoting professional training for the present leaders and bringing well-educated young professionals in leading positions. By this governance practices will be continuously improved.



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Our services

- A. Recruitment Services (Head-hunting, recruiting staff for vacancies, agency for high profile panelists)
- B. Capacity Building & Educational Advisory (advising & promoting high profile training worldwide)
- C. Professional Training & Political Advisory (Principles of good governance, communication skills, management skills, media competence, diplomacy)



Business Model

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Business Model

- A. Recruitment Services
 - Head Hunting (Commission fee: 2 monthly salaries, 50% Employee; 50% Employer)
 - Panelists (Commission fee: 25% of the money paid to the panelist)

- B. Capacity Building & Educational Advisory (advising & promoting high profile training worldwide)
 - Advisory is for free
 - 7% of study/training fees are paid to ASC by the University/Institute the client is enrolled at (based on a mutual commitment)

- A. Professional Training & Political Advisory (Principles of good governance, communication skills, management skills, media competence, diplomacy)
 - Communication Experts & Political Advisors are hired as freelancers, charging (charging 25% of employees)



Market Analysis

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Market Analysis (Facts & Estimations)

19 Arab Countries
300 Mio. Inhabitants
25% Unemployment Rate

Governance Sector in the Arab World:

Estimated average No. of Ministries: 15
Total No. of ministries in the Arab World= 285
300 Employees /Ministry x 285= **85500**

85500 / 10= 8550 (Potential Clients)





Calculation of turnover/revenue

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| | Services | | Commission fee | Commission fee on: | Turnover/Revenue per Service Unit (in US \$) | Units sold annually | Total Revenue |
|---|------------|-----------------------|--|---|--|---------------------|---------------|
| 1 | Service A1 | Head-hunting | 2 monthly salaries, 50% Employee; 50% Employer | Average salary for political leaders in 6 chosen Arab countries in \$: Yemen (2000) + Morocco (3500) + Dubai (30000) + Lebanon (5000) + Jordan (3500) + Syria (2000) = 46000 / 6 = 7666,66 | 7666.66 | 52 | 398666.32 |
| | Service A2 | panelists | 25% of the money paid to the panelist | Estimated total Salary/Panelist = 1500 x 25%= 375 | 93.75 | 104 | 9750 |
| 2 | Service B | Professional Training | 7% of study/training fees | MBA in the leading US Business Schools (Average taken from 20 schools) = 143,200; MA Public Policy in the leading 5 EU universities (average from 5 schools taken) = 19.800; Average study fee for relevant programs = 81.500 | 5705 | 10 | 57050 |
| 3 | ServiceC | Advisory | 25% of employees | Average salary/hour= 50; Training (40 hours) = 2000 | 500 | 104 | 52000 |



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Estimated Revenue p. ann. In US \$ (Year 1 -5)

| Year | Revenue /Turnover |
|-------------------|-------------------|
| Year1 basis year | 517466.32 |
| Year2 *1.25 (25%) | 646832.9 |
| Year3*1.5 (50%) | 776199.48 |
| Year4*1.75 (75%) | 905566.06 |
| Year5*2.5 (150 %) | 1293665.8 |



Calculation of Cost and Financing

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Calculation of financing costs: Interest paid on debt

| | Balance of debt | Interest rate(%) | Interest Cost Paid P.a. | Repayment / Paying back loan p.a. |
|----------------|------------------------|-------------------------|--------------------------------|--|
| 1. Year | 165706 | 7% | 11599.42 | 33141.2 |
| 2. Year | 132564.8 | 7% | 9279.536 | 33141.2 |
| 3. Year | 99423.6 | 7% | 6959.652 | 33141.2 |
| 4. Year | 66282.4 | 7% | 4639.768 | 33141.2 |
| 5. Year | 33141.2 | 7% | 2319.884 | 33141.2 |
| | | | 34798.26 | 165706 |



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Calculation of costs for Year 1 – Year 5 :

| | Year1 | Year2 | Year3 | Year4 | Year5 |
|--------------------------|----------|----------|----------|----------|----------|
| Depreciation cost | 18240 | 18240 | 18240 | 18240 | 18240 |
| labour Cost | 352944 | 352944 | 352944 | 352944 | 352944 |
| Utility Costs | 157080 | 164934 | 172788 | 180642 | 188496 |
| financing costs | 11599.42 | 9279.536 | 6959.652 | 4639.768 | 2319.884 |



Cash Flow Calculation

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Cash Flow Calculation

| | 1. Year | 1. Year | 3. Year | 4. Year | 5. Year |
|--|-----------|------------|----------|----------|----------|
| Turnover/Revenue | 517466.32 | 646832.9 | 776199 | 905566 | 1293666 |
| Depreciation cost | 18240 | 18240 | 18240 | 18240 | 18240 |
| Labour Cost | 352944 | 352944 | 352944 | 352944 | 352944 |
| Utility Costs | 157080 | 164934 | 172788 | 180642 | 188496 |
| Financing costs | 11599.42 | 9279.536 | 6959.652 | 4639.768 | 2319.884 |
| Loss Carried Forward | | 22397 | | | |
| Total Costs | 539863.42 | 567794.536 | 550931.7 | 556465.8 | 561999.9 |
| Profit before tax | -22397.1 | 79038.364 | 225267.8 | 349100.3 | 731665.9 |
| free Taxes*(Dubai Media City) | 0% | 0% | 0% | 0% | 0% |
| Profit after taxes | -22397.1 | 79038.364 | 225267.8 | 349100.3 | 731665.9 |
| Cash-flow (net profit + depreciation costs) | -20877.1 | 80558.364 | 226787.8 | 350620.3 | 733185.9 |
| Repayment credit | 33141.2 | 33141.2 | 33141.2 | 33141.2 | 33141.2 |
| Dividend | -54018.3 | 47417.164 | 193646.6 | 317479.1 | 700044.7 |



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Total dividend

Total dividend cumulated over 5 years

1204569.3 \$



Conclusion

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- ❖ Cash Flow proves the profitability of ASC
- ❖ All numbers are based on estimations, when it comes to implementation things might be different
- ❖ Profitability depends on the performance and number of employees and on the market
- ❖ If things are running well, the business will be expanded (new sectors)
- ❖ Political future of the Arab world determines the future of our business

Thank You for Your kind attention

