

Entrepreneurial Ecosystem Mapping of Mafraq

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2024

Table of contents

Executive summary	6
1. Introduction	9
2. Acknowledgment Section	11
3. Methodological Framework	13
4. Mafraq Entrepreneurial Ecosystem Map	17
5. Available start-up services in Mafraq	19
5.1 Introduction.....	20
5.2 Entrepreneurial support organisations in Mafraq	21
5.3 Idea stage	21
5.4 Seed stage	24
5.5 Start-up stage	27
5.6 Expansion stage	30
6. Start-up Assessment	33
6.1 Socio-Economic Profiles	36
6.1.1 Founders	36
6.1.2 Start-ups	38
6.2 Business Models	40
6.2.1 Overview of Business Models	40
6.2.2 Assessment of Business Models	43
6.3 Start-up Support Needs	45
6.3.1 General satisfaction with local ESOs	45
6.3.2 Helpful improvements for ESOs in Mafraq	46
6.3.3 Green Businesses	47
7. Linkage to Large Companies' Value Chain	49
8. Conclusion: Strength and Weaknesses of the Entrepreneurial Ecosystem in Mafraq	52
9. Recommendations	55
10. Annex	58
10.1 Definitions.....	58
10.2 References and data sources	59

List of figures

Figure 1: Overview of Research Design.....	13
Figure 2: Isenberg’s Model for conceptualise Entrepreneurial Ecosystems.....	14
Figure 3: Typical start-up services by ESOs	20
Figure 4: Available services for start-ups in the idea stage in Mafrq	23
Figure 5: Available services for start-ups in the seed stage in Mafrq	26
Figure 6: Available services for start-ups in the start-up stage in Mafrq	29
Figure 7: Available services for start-ups in the expansion stage in Mafrq	31
Figure 8: Gender of Founders	36
Figure 9: Education of Founders	36
Figure 10: Motives	36
Figure 11: Serial Entrepreneur	37
Figure 12: Years of Professional Experience	37
Figure 13: Previous Employment	37
Figure 14: Start-up Lifecycle	38
Figure 15: Financing	39
Figure 16: Year of Establishment	39
Figure 17: Business Models	40
Figure 18: Business Offerings	40
Figure 19: Annual Revenue (in JOD)	41
Figure 20: Target Markets	42
Figure 21: Start-up development stages of interviewed start-ups	45
Figure 22: Improvements requested for local ESOs in Mafrq	46
Figure 23: Simplified version of Isenberg’s model	52

Abbreviations

AABU	Al Albait University
B2B	Business-to-Business
BDC	Business Development Center
BMZ	Federal Ministry for Economic Cooperation and Development of Germany
COO	Country of Origin
CPF	Crown Prince Foundation
CSR	Corporate Social Responsibility
DEF	Development and Employment Fund
E4DE	Entrepreneurship for Sustainable Economic Development and Employment
ESO	Entrepreneurial support organisation
EU	European Union
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
ICT	Informations and Communications Technology
ISSF	Innovative Start-ups and SMEs Fund
JEDCO	Jordan Enterprise Development Corporation
JOHUD	Jordanian Hashemite Fund for Human Development
JRF	Jordan River Foundation
MoDEE	Ministry of Digital Economy And Entrepreneurship
MOI	Ministry of Interior
MoU	Memorandum of Understanding
MSME	Micro-, Small and Medium Enterprises
MVP	Minimum Viable Product
NGO	Non-Governmental Organisation
QDRAT	Qudrat Association for Community Development
UVP	Unique Value Proposition
VTC	Vocational Training Corporation
ZINC	Zain Innovation Campus

Executive Summary

Method

- Utilising qualitative data collection methods including desk research, workshops, and interviews, the study comprehensively explores the entrepreneurial ecosystem, drawing insights from diverse perspectives and data sources.
- Isenberg's model is employed to identify and categorise stakeholders.
- The study encompasses mapping of start-up actors, start-up assessments, and value chain assessments, aiming to understand the dynamics of the entrepreneurial ecosystem, identify economic opportunities, and address challenges. However, limitations such as sector definitions variability, data availability constraints, exploratory nature of the analysis, and sampling limitations should be acknowledged.

Findings

- **Early Stage Focus:** Mafraq's ecosystem provides already strong support for early-stage idea development, but limited services for later-stage growth (seed funding, acceleration).
- **Underrepresented Groups:** There appears to be a certain lack of dedicated programmes for refugees, women, and green businesses limits ecosystem diversity.
- **Young & Driven Founders:** Many startups are young, well-educated, and a significant portion are women with a focus on social impact.
- **Business Model Challenges:** B2C focus with limited service offerings. Many startups struggle with defining strong business models and achieving market fit.
- **Top Startup Needs:** Access to finance (critical!), support for business model development, mentorship, talent acquisition, and legal assistance.
- **Companies Willing, But Unsure:** Companies express interest in collaborating with startups but lack awareness of the local ecosystem and have concerns about capabilities.

Recommendations

- **Entrepreneurial Support Organisations (ESOs):** Expand services beyond ideation to include seed funding, acceleration programmes, talent acquisition assistance, legal advice, and access to growth-stage financing. Additionally, develop programmes specifically tailored to address the needs of refugees, women, and green businesses.
- **Startups:** Prioritise crafting clear and compelling value propositions and conducting market research to achieve a strong product-market fit. Proactively connect with experienced entrepreneurs or advisors for mentorship and actively participate in industry events to build relationships with potential investors, collaborators, and customers.
- **Large Corporations:** Proactively engage with the local startup ecosystem by participating in startup events, establishing mentorship programmes, and considering pilot projects with promising startups. Identify opportunities where local startups can integrate into existing supply chains or distribution networks. Host workshops to educate startups on industry best practices, procurement processes, and potential collaboration opportunities.
- **Development Organisations:** Partner with ESOs to provide financial resources and training programmes specifically focused on later-stage business development and growth strategies. Facilitate knowledge exchange and collaboration between Mafraq's ecosystem and established ecosystems in other regions. Develop mechanisms to measure the social and economic impact of the entrepreneurial ecosystem on the community.
- **Government and Municipality:** Review and simplify business registration processes and licensing requirements to encourage startup formalisation. Consider offering tax breaks or other financial incentives to attract investment and support the growth of startups. Invest in infrastructure improvements that support innovation and entrepreneurship, such as co-working spaces, high-speed internet access, and business incubators.
- **Education Providers:** Integrate entrepreneurship education into existing curriculums to equip students with the skills and knowledge needed to launch their own businesses. Connect students with experienced entrepreneurs for mentorship opportunities to gain practical experience and guidance. Offer workshops and training programmes focused on developing skills relevant to startups, such as business model development, pitching, and digital marketing.



1. Introduction

1. Introduction


This report introduces the Entrepreneurial Ecosystem Mapping of Mafraq.

Designed to delve into the region's entrepreneurial landscape and pinpoint areas where support for start-ups may be lacking. The structure of the mapping is as follows: Chapter 3 offers an outline of the methodological framework. Chapter 5 provides insights into stakeholder mapping, while chapter 6 summarises available services in Mafraq. Chapter 7 offers an assessment of start-ups in the region, and chapter 8 delves into linkages with the value chains of large companies. Chapter 9 concludes the mapping by highlighting strengths and weaknesses. Chapter 10 furnishes recommendations based on the conclusions. The annex features a table of key definitions applied and a list of references and data sources. In addition, a methodological annex, details on potential joint project initiatives for the network, and an anonymised list of interviews for the assessment are included.

The Entrepreneurial Ecosystem Mapping of Mafraq scope of work is financed by the GIZ-implemented Entrepreneurship for Sustainable Economic Development and Employment (E4DE) project together with the Ministry of Digital Economy and Entrepreneurship (MoDEE). The E4DE project is implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and the European Union (EU). One of the project's focuses is supporting the entrepreneurship ecosystem in Mafraq through promoting cooperation among stakeholders and setting up mechanisms to support entrepreneurs through private sector development approaches. Mainlevel has implemented the scope of work under the guidance of the GIZ-implemented project E4DE.

The target audience of the study is twofold.

On the one hand, the study is directed to start-ups on governorate level as well as recently established MSMEs and on the other hand to the broader entrepreneurial ecosystem development partners including governmental stakeholders, incubators, non-governmental institutions, large corporates, academic institutions, and non-governmental organisations. For this target audience this study will ultimately develop, (i) recommendations for strengthening the entrepreneurial ecosystem, (ii) identify capacity-building and potential joint projects of key stakeholders that provide start-up support service delivery and (iii) identify potential opportunities to link small companies with large corporates.




2. Acknowledgment Section

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We express our gratitude to the following stakeholders and contributors for their valuable support and contributions throughout the Entrepreneurial Ecosystem Mapping of Mafraq:

- **Stakeholders and Entrepreneurial Support Organisations:** We commend their willingness to provide information and actively engage in discussions. Their collaboration and insights were fundamental to shaping this mapping.
- **Large Companies in the Value Chain Assessment:** We extend our appreciation for their willingness to share information, which was integral to the success of the value chain assessment.
- **Start-ups in the Start-up Assessment:** We appreciate their openness in providing information, which significantly enhanced our understanding of the entrepreneurial landscape in Mafraq.

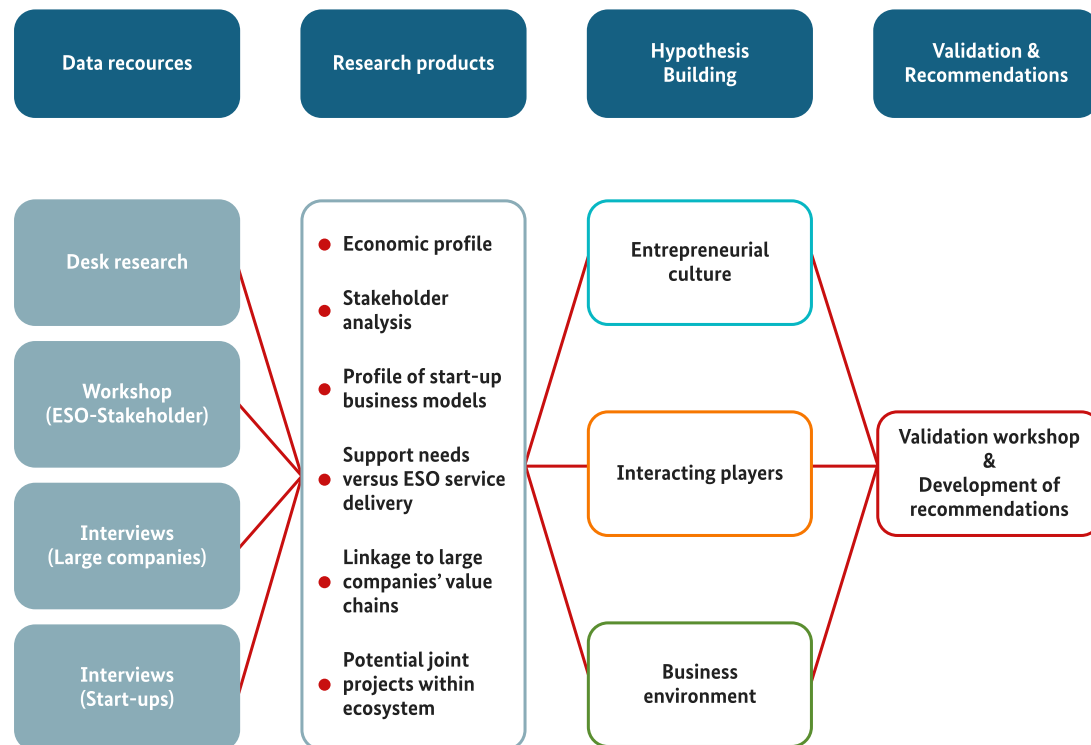
The collective efforts and dedication of these stakeholders and contributors have played a crucial role in the success of the Entrepreneurial Ecosystem Mapping of Mafraq. Their support has been foundational to this endeavour, and we express our gratitude for their collaboration and contributions.



3. Methodological Framework

3. Methodological Framework

The Entrepreneurial Ecosystem Mapping of Mafraq is based on four qualitative data collection methods that contribute and shed light on the entrepreneurial ecosystem in Mafraq from different perspectives.



To gather comprehensive data, the research design utilises a range of data sources (see Figure 1). These include desk research to gather information from existing reports and studies on the economic profile of the region, workshops with ecosystem stakeholders to gather insights and perspectives, interviews with large companies to understand their linkages to the ecosystem, and group workshops with start-ups to capture their experiences and challenges.

To identify all relevant stakeholders in the ecosystem and ensure the representation of diverse perspectives on the ecosystem, Isenberg's model for conceptualising entrepreneurial ecosystems is used (Isenberg, 2011). To take the specific context of the project into account these categories of actors will be extended to incorporate accelerators and incubators as key actors into the analytical framework. Incubators and accelerators are of particular importance to entrepreneurial ecosystems as they provide start-ups with support, resources, and mentorship. They validate and refine business ideas, offer skill development programmes, and facilitate access to funding. By fostering a sense of community and collaboration, they contribute to the overall growth and success of start-ups, while also stimulating economic development, job creation, and innovation within the ecosystem.

Figure 1
Overview of Research Design



Figure 2
Isenberg's Model for Conceptualising Entrepreneurial Ecosystems

Entrepreneurial Ecosystem Mapping

The Entrepreneurial Ecosystem Mapping primarily focuses on mapping start-up and entrepreneurial actors relevant to the ecosystem in Mafraq. The actors in the entrepreneurial ecosystem were classified according to established methods and an overview table of stakeholders was developed. To this end, a workshop was conducted in December 2023, where stakeholders within the Mafraq ecosystem were brought together. The workshops objectives were to

- Discuss the entrepreneurial culture in Mafraq**
- Assess the ecosystem's strengths and challenges**
- Take stock of relevant actors, and their support services**

Start-up Assessment

For the Entrepreneurial Ecosystem Mapping in Mafraq information from start-ups in three key areas were gathered: general characteristics of the start-up, business model and market performance insights, and perception of support services. The start-up assessment covered various start-up lifecycle stages, as well as female-led, green-business, and failed start-ups. The process involved interviews with 37 start-ups, ensuring representation from different stages, gender, and business types to shape the entrepreneurial ecosystem and support services effectively.

Value Chain Assessment

In the scope of the research, a value chain assessment was conducted. The aim was to identify key sectors and the potential for involving start-ups in the value chain. The widely used Porter Value Chain Framework (Porter, 1985) is applied as the overarching analytical frame to assess the Value-Chain opportunities and linkages of start-ups' business models with large companies' value chains.

Limitations

It is important to note that there are some limitations for the Entrepreneurial Ecosystem Mapping of Mafraq:

- **Explorative Analysis:** The mapping process is primarily exploratory in nature, which means it may not provide an in-depth analysis of all aspects of the entrepreneurial ecosystem and of start-ups needs and opportunities in the region. Mapping of Mafraq and Analysis of Start-up Economic Sectors. Their support has been foundational to this endeavour, and we express our gratitude for their collaboration and contributions.
- **Only a sample of the existing start-ups and corporates in Mafraq were interviewed.** Due to resource constraints, the study involved several selected interviews with start-ups and corporate entities. This may result in a less comprehensive representation of the ecosystem.
- **Limited Depth of Analysis of Services and Ecosystem Stakeholders:** The analysis of support services and ecosystem stakeholders may not delve into a high level of detail, which could limit the depth of understanding in these areas.

The annex contains relevant definitions, additional data, and a list of sources and references. More details on the methodological framework are provided in the methodological annex.

4.

Mafraq Entrepreneurial Ecosystem Map



4. Mafraq Entrepreneurial Ecosystem Map

The Mafraq Entrepreneurial Ecosystem Map presents a comprehensive overview of pertinent entities within the entrepreneurial landscape of Mafraq.

This encompasses both physically present actors and those without a regional footprint but extending services. Organisations with physical presence are denoted by a green dot, organisations with outreach to Mafraq but without physical presence are denoted by a blue dot, and members of the Mafraq Entrepreneurial Network are marked with a *. Notably, the inclusion of actors is driven by perceived relevance, as determined by key stakeholders in the region, potentially excluding national actors covering the region if not highlighted in stakeholder consultations.

The start-up ecosystem map illustrates various institutions categorised according to the Isenberg model elements, showcasing their roles in fostering entrepreneurship:

- **Policy** (Governance, Regulation, Advocacy): Institutions involved in **Governance** and **Regulation** impact the operational environment for start-ups, while Advocacy groups actively promote policies favourable to start-ups, creating a supportive ecosystem.
- **Finance** (Microfinance, Venture Capital, Seed Funding, Crowd Funding, Grants, Credit / Loans, Matchmaking): Financial institutions such as **Microfinance** providers, **Venture Capital** firms, providers of **Seed Funding**, and **Crowdfunding** platforms offer diverse funding sources. Banks and other financial institutions provide **Credit and Loans**. Entities providing **Grants**, contribute crucial financial support, while **Matchmaking** services connect start-ups with suitable investors.
- **Culture** (Awards, NGOs, Media): **Award**-granting bodies recognise and incentivise entrepreneurial accomplishments, fostering a positive start-up culture. **Non-governmental organisations** (NGOs) play a pivotal role via influencing public opinion and connecting individuals with common purpose. This may set the ground for new ideas and social initiatives that can turn into businesses. **Media** outlets contribute to building awareness and cultivating a culture of entrepreneurship through coverage and success stories.
- **Support** (Business Advice, Mentoring, Incubator, Accelerator, Co-Working, Networking, Associations, Legal advice, Events): Institutions providing **Business advice**, **Mentorship**, and support services, such as **Incubators** and **Accelerators**, play key roles in start-up growth. **Co-working** spaces offer collaborative environments that facilitate networking and resource-sharing. Opportunities for **Networking** are offered by many organisations. On a sectoral level, **Associations** play a key role in connecting businesses in the same industry. **Legal advisory services** ensure start-ups navigate regulatory challenges, while **Events** provide valuable platforms for learning and for mingling with similar business, suppliers, investors or clients. Institutions facilitating **Access to markets** are crucial for start-ups to broaden their customer base and scale operations.
- **Human Capital** (Education, Research / Prototyping, Training, Access to Talent, Inclusion): **Educational institutions** and **Training** providers equip individuals with the necessary skills for entrepreneurship. Institutions offering a space for **Research and prototyping** contribute to innovation. In the area of human resources, specialised organisations offer **Access to Talent** by connecting to qualified industry experts. The category of **Inclusion** includes organisations that aim at enhancing diversity and the inclusion of marginalised groups in the start-up ecosystem.



**5.
Available
start-up services
in Mafraq**

5. Available start-up services in Mafraq

Key findings of assessment of start-up services in Mafraq

Overarching findings

- » *Mafraq exhibits a robust economic support system, particularly strong in the idea stage, yet significant gaps emerge in later stages.*
- » *Lack of sustained/long-term targeted support for special demographic and business groups like green businesses, refugees, and women leads to a lack of diversity in entrepreneurship, potentially hindering the emergence of new founders from these groups and thus hurting the potential of the whole region.*

Idea stage

- » *The entrepreneurial support network for idea-stage start-ups in Mafraq is robust, offering all main service categories by multiple ESOs.*
- » *Access to start-up incentives and funding, along with mentoring programmes, are less common, available only through two ESOs that participated in the assessment.*

Seed stage

- » *Mafraq's entrepreneurial support system is weaker in the seed stage, with many critical services lacking among surveyed organisations.*
- » *Important gaps include the absence of pitch events organisation, provision of acceleration programmes, and assistance with prototyping and product development.*

Start-up stage

- » *Two gaps are evident in the service portfolio for start-up phase ESOs in Mafraq: the absence of talent access services and legal/regulatory support.*
- » *While some organisations provide essential services like start-up financing and networking opportunities, reliance on single organisations for several services may prove insufficient or unsustainable.*

Expansion stage

- » *Two critical gaps exist in Mafraq's entrepreneurial support system: the lack of access to growth-stage finance and support for international expansion among surveyed ESOs.*
- » *Addressing these gaps is essential for unlocking the full potential of Mafraq's start-ups and fostering sustained growth in the region.*

5.1 Introduction

The start-up life cycle encompasses several distinct stages, each crucial in the development and growth of a new venture.

The start-up life cycle encompasses several distinct stages, each crucial in the development and growth of a new venture. There are various ways in differentiating between the stages. For this ecosystem mapping, a relatively simple differentiation into four phases is used. We will differentiate between Idea, Seed, Start-up and Expansion stage. The initial phase is the “idea” stage, where aspiring entrepreneurs conceptualise their business concepts and identify opportunities in the market. This is followed by the “seed” stage, where the founders work on validating their ideas, conducting market research, and securing the necessary resources and funding to kickstart their business. Upon the completion of refining the business idea and establishing its operations, the start-up initiates its formal journey, transitioning into the designated “start-up” stage. This phase involves the launch of the business, focusing on early customer acquisition, product development, and establishing a solid market presence. As the start-up progresses and demonstrates sustainable growth, it enters the “growth” stage, where it scales operations, expands market reach, and targets profitability.

Entrepreneurial support organisations play a vital role throughout these stages. During the idea stage, they offer mentorship, workshops, and resources to help budding entrepreneurs shape their concepts. In the seed stage, these organisations provide access to investors and funding networks to secure initial capital. As the start-up takes off in the start-up stage, they continue to offer guidance, networking opportunities, and specialised training to navigate the challenges of early growth. Finally, in the growth stage, entrepreneurial support organisations assist in accessing new markets, facilitating partnerships, and optimising operational processes to ensure sustainable expansion. In essence, these organisations act as a critical backbone for start-ups, providing the necessary support and resources at every key milestone in their life cycle. The following table gives an overview of typical support services from entrepreneurial support organisations for each of the four stages.

Stage	Idea Stage	Seed Stage	Start-up Stage	Expansion Stage
Example key ESO support per phase	<ul style="list-style-type: none"> • Support in ideation and brainstorming (workshops) • Provision of resources and mentorship • Offering market research • Assistance in business plan development • Facilitation of networking opportunities 	<ul style="list-style-type: none"> • Organisation of pitch competitions and investor events • Provision of access to incubator or accelerator programmes • Assistance in product development and prototyping • Connecting with angel investors or venture capitalists 	<ul style="list-style-type: none"> • Offering co-working spaces or office facilities • Assistance in legal and regulatory compliance • Offering access to networks and partnerships • Offering access to investors and financing 	<ul style="list-style-type: none"> • Provision of access to growth-stage funding sources • Offering market expansion strategies and guidance • Assistance with international expansion and market entry • Facilitation of connections with strategic partners and distribution channels • Offering leadership development programmes and executive coaching

Figure 3
Typical start-up services by ESOs

5.2 Entrepreneurial support organisations in Mafraq

Within the local economic ecosystem of Mafraq, several ESOs have been selected for further exploration in this chapter. After a brief introduction to each of these local actors, we will examine the services they provide for each of the four stages of start-up outlined above to distinguish strengths and gaps of Mafraq's entrepreneurial support network. Please note that not all organisations have been analysed for each of the four start-up stages.

5.3 Idea stage

The idea stage of a start-up is a time of creativity and testing out possibilities.

The idea stage of a start-up is a time of creativity and testing out possibilities. At the same time, it can also be a period of great uncertainty and vulnerability. In this phase, it is crucial that a network of entrepreneurial support organisations stands ready to provide a range of essential services that can help budding entrepreneurs navigate this exciting yet challenging phase. The services provided in this phase are pivotal in shaping the raw concepts and ideas into well-defined, viable business prospects.

- **Access to financial incentives and grants.** Start-ups at the idea stage benefit from access to start-up incentives and grants, which provide financial support and resources to explore ideas. These incentives and grants can help cover initial costs and thus stimulate entrepreneurial activity. Financial support is especially important for potential founders who come from marginalised backgrounds. From the ten ESOs presented above two provide services related to this area, namely DEF and JEDCO.
- **Awareness raising campaigns and orientation.** Awareness campaigns and orientation sessions educate aspiring entrepreneurs about the opportunities and challenges of entrepreneurship. These initiatives aim to foster an entrepreneurial mindset, inspire innovation and provide guidance on how to effectively navigate the start-up ecosystem. Five of the ten organisations surveyed provide awareness-raising campaigns, i.e. IRADA, JEDCO, QUDRAT NGO and QZAD.
- **Training of school and university students.** Training programmes for school and university students introduce them to the fundamentals of entrepreneurship, business development, and innovation. These programmes equip students with entrepreneurial skills, mindset, and knowledge to explore start-up opportunities and pursue entrepreneurial ventures. This service area seems to be well developed in Mafraq with six of the ten explored organisations providing trainings to the mentioned target group. Here, it could be interesting to explore further what kind of trainings are being offered to whom. Examples include VTC and Al-Albait University.
- **Ideation and brainstorming workshops.** Ideation and brainstorming workshops provide a platform for entrepreneurs to generate, refine and validate business ideas. These workshops encourage creative thinking, problem solving and collaboration among aspiring entrepreneurs, helping them to explore innovative solutions and identify viable business opportunities. In Mafraq, five organisations currently offer ideation and brainstorming workshops: IRADA, JEDCO, MODEE/Knowledge Stations and RAFD.
- **Networking opportunities for founders in the idea stage.** An entrepreneur's journey continues by connecting innovators with the broader entrepreneurial ecosystem. Five of the organisations presented currently provide networking opportunities for emerging start-ups.

- **Mentorship and coaching.** Mentoring provides entrepreneurs with experienced guidance and insight from people who have already faced the challenges of starting and growing a business. Mentors can help entrepreneurs refine their ideas, identify potential pitfalls and develop effective strategies for success from the start. In Mafrq, two of the presented organisations (IRADA and JEDCO) offer mentoring and coaching services explicitly for the idea stage of business creation.
- **Offering market research and support for feasibility studies.** Market research helps start-ups assess the viability of their business idea by analysing market trends, customer needs, the competitive landscape and the potential demand for their products or services, which is an important step in mitigating risk and enabling informed strategic decision-making. In Mafrq, Gov Council, IRADA, JEDCO and RAFD are offering assistance with market research and feasibility studies.
- **Assistance in business plan development.** A well-developed business plan serves as a roadmap that outlines the vision, goals, strategies and execution plan of the start-up and is the critical foundation for all other start-up stages that follow. Four of the presented organisations are offering such assistance: IRADA, JED-CO and RAFD.
- **Specific services for green businesses, refugees or women.** In terms of targeting specific groups that may traditionally face more barriers to entrepreneurship, there are currently no specific services offered in Mafrq. EDAMA association provides training and basic services.
- **Other services offered.** Alongside the described services, there are a few singular services particular ESOs in Mafrq's economic support system provide. Three organisations carry out specific outreach programmes to youth and other target groups to raise awareness (Mussawah Center for Civil Society Development, QUDRAT NGO and QZAD). Additionally, Governorate Council developed Investment Maps highlighting the sectors to explore how Mafrq can attract investors. IRADA also provides assistance with the consideration of sustainability aspects in business development such as access to products' tests and certification.

In summary, we can see that the entrepreneurial support network for start-ups at the idea stage in Mafrq is quite strong, with all the main service categories being provided by several ESOs. The only services that are comparatively less common are access to start-up incentives and funding, and mentoring programmes, which are only offered by two of the ESOs we studied in this study.

It is also important to note that none of the ESOs in Mafrq currently cater for specific target groups (green businesses, refugees, women), which can be seen as an important gap in the ecosystem if more and more diverse members of society are to be empowered to start their own businesses.

Available services for start-ups in the idea stage in Mafraq.

ESO	All Jordan Youth	Government Council	IRADA	JEDCO	MODEE	Mussawah Center for Civil Society Development	QUDRAT NGO	QZAD	RAFD	Other local NGOs, regional government entities & national funds
Access to Start-up incentives and grants				✓						
Awareness-raising campaigns and orientation				✓						
Training of school/university students	✓	✓	✓	✓	✓					
Ideation and brainstorming workshops	✓		✓	✓					✓	
Networking opportunities for founders in the idea stage			✓	✓	✓				✓	
Mentorship and coaching			✓	✓						
Offering market research and support for feasibility studies			✓	✓					✓	
Assistance in business plan development			✓	✓					✓	
Specific services for green businesses, refugees, or women										
Other 1. Outreach 2. Investment Mapping 3. Sustainability Plan 4. Basic services		✓ 2		✓ 3		✓ 1	✓ 1	✓ 1		✓ 4

Figure 4
Available services for start-ups in the idea stage in Mafraq

5.4 Seed stage

In the seed stage of a start-up's journey, the focus shifts from ideation to turning ideas into tangible products and services while preparing for market entry.

This stage involves refining the business model, developing prototypes, and securing initial funding. Various entrepreneurial support organisations provide a range of services in Mafrq during this phase to help entrepreneurs transition from ideas to market-ready products or services. For the seed stage, seven organisations have been explored.

- **Access to seed-stage finance.** Seed-stage financing refers to funding provided to start-ups in the early stages of development, typically after the idea stage when the business concept has been validated to some extent but before significant revenue or traction has been achieved. This funding is crucial for start-ups to build their first product, validate their business model and prepare for scaling. Seed-stage funding can come from a variety of sources, including angel investors, venture capital firms, seed-stage funds, and crowdfunding platforms. Of the organisations surveyed, only one, AL-ABAIT CEIE, currently provides access to seed funding at this crucial stage in the start-up journey. Depending on the size and target group of the funding available, this may not be sufficient to meet the needs of the region.
- **Organisation of pitch competitions and investor events.** Pitch competitions and investor events provide start-ups with the opportunity to present their business ideas, products and potential to a panel of judges, investors and industry experts. Participating in these events allows start-ups to gain visibility, receive feedback and attract investment opportunities. None of the organisations presented and discussed offers any kind of pitch competition. Thus, it is important to investigate whether this is a genuine gap in the ecosystem or whether other, unsurveyed organisations, are offering similar events.
- **Networking opportunities for the founders in the seed stage.** Networking opportunities bring together founders, investors, mentors and other stakeholders in the start-up community to connect, share insights and collaborate. These opportunities can take various forms, including networking events, meetups, workshops and online communities, and are as important for the seed stage as for the idea stage. With QZAD one of the surveyed organisations is currently actively promoting networking opportunities for emerging start-ups in Mafrq.
- **Incubation programmes or services.** Incubation programmes are typically aimed at seed-stage start-ups and focus on helping them validate their business ideas, build minimum viable products (MVPs), acquire initial customers, and prepare for further funding and growth. They may also provide start-ups with physical workspace and infrastructure. With Al-ALBAIT CEIE and MODEE, two of the surveyed organisations are currently offering incubation programmes or services to support seed-stage start-ups in Mafrq. This ensures that start-ups in the region have access to resources and guidance to validate their ideas and accelerate their growth.
- **Acceleration programmes or services.** Acceleration programmes are intensive, time-limited programmes designed to help start-ups rapidly scale their businesses and achieve key growth milestones. This is currently a gap in Mafrq as none of the explored organisations provides this service, indicating a potential opportunity for entrepreneurial support organisations to introduce such programmes and facilitate accelerated growth for start-ups in the region.
- **Offering market research and support for feasibility studies.** Market research and feasibility studies remain important during the seed stage as start-ups refine their business models, target markets and product offerings. Conducting thorough market research helps start-ups understand customer needs, assess market demand, analyse competition, and identify growth opportunities. Feasibility studies assess the technical, financial, and operational feasibility of scaling the start-up's business model. These studies help start-ups assess potential risks, challenges, and resource requirements, and inform strategic decision-making and investment priorities. With IRADA and QZAD providing these services, Mafrq benefits from access to market research and feasibility study support, enhancing the start-up's ability to make informed decisions and mitigate risk in the early stages of development.

- **Prototyping and product development.** Prototyping and product development are critical activities during the seed stage as start-ups build and refine their initial product or service offerings. Prototyping involves creating early versions of products or services to test and validate key assumptions, gather user feedback and iterate on designs. This is currently a gap in Mafraq, indicating the need for entrepreneurial support organisations to introduce resources and services to assist start-ups in prototyping and product development, thereby accelerating their path to market.
- **Business model advisory.** Business model consulting services provide start-ups with strategic guidance and support in designing, refining and optimising their business models. Consultants help start-ups identify revenue streams, pricing strategies, customer acquisition channels and key partnerships to drive sustainable growth and profitability. Similar to business plan development assistance at the idea stage, consulting in this area can turn a mere idea into a tangible business through well-defined steps and insightful advice. With IRADA and QZAD offering business model advisory services, Mafraq has access to expertise in business model design and refinement at the moment.
- **Specific services for green businesses, refugees or women.** In terms of targeting specific groups that may traditionally face more barriers to entrepreneurship, there are currently no specific services offered in Mafraq in the seed stage (as well as in the idea stage which has been shown above).
- **Other services offered.** Beyond the main service categories, ESOs in Mafraq offer further services. This includes “one time” prizes for university students developing entrepreneurial ideas, support with registration (Commerce and Industry Directorate), COO Certification (Commerce and Industry Directorate), funded short educational and training programmes to empower the youth, develop self-awareness and stimulate individual and collective growth. They also hold awareness and educational workshops for women in various areas, offer legal consulting (RAFD) and conduct design sessions engaging the local community to develop community solutions (QUADRAT NGO, QZAD, RAFD).

The entrepreneurial support system in Mafraq is much weaker at the seed stage than at the idea stage, with many important services not provided by the organisations we surveyed. Important gaps include the organisation of pitch events, the provision of acceleration programmes, and assistance with prototyping and product development. In addition, none of the ESOs surveyed currently offer tailored support for specific target groups (green businesses, refugees, women) who may face more barriers to entry into the start-up world than others. This means that a lot of potential may be lost at the idea and seed stage already.

Services provided by organisations in Mafrq in the seed stage.

ESO	Al-ALBAIT CEIE	Commerce and Industry Directorate	IRADA	MODEE	QUDRAT NGO	QZAD	RAFD
Access to seed-stage finance	✓						
Organisation of pitch competitions and investor events							
Networking opportunities for founders in the seed stage						✓	
Incubation programmes or services	✓			✓			
Acceleration programmes or services							
Offering market research and support for feasibility studies			✓			✓	
Prototyping and product development							
Business model advisory/ Business Plan Development				✓		✓	
Specific services for green businesses, refugees, or women							
Other 1. Registration 2. Country of Origin Certificaiton 3. Prizes 4. Training 5. Legal Consult	✓ 3	✓ 1,2			✓ 4	✓ 4	✓ 4,5

Figure 5

Available services for start-ups in the seed stage in Mafrq

5.5 Start-up stage

In Mafraq's entrepreneurial ecosystem, several organisations offer services for entrepreneurs in their start-up stage as presented below.

- **Access to start-up-stage finance.** Access to start-up finance is about providing start-ups with the necessary funding to support their growth and to prepare for expansion initiatives. Start-ups use this finance to cover expenses related to product development, marketing, hiring, operational costs and scaling their business. Mafraq benefits from four ESOs that provide access to start-up funding: IRADA, MODEE and QAZD. This diversity reflects a strength in the availability of financial support, enabling start-ups to pursue their growth ambitions.
- **Offering co-working spaces or office facilities.** Co-working spaces or office facilities provide start-ups with shared workspaces equipped with amenities such as desks, internet access, meeting rooms and kitchen facilities. These spaces are designed to accommodate start-ups, freelancers and small businesses in a collaborative and flexible environment. MODEE Knowledge Stations stand as the sole provider of co-working spaces in Mafraq, which might indicate a gap in the availability of such facilities (depending on the scope of available spaces by MODEE). Addressing this gap could further enhance collaboration and creativity within the local start-up community and provide more appropriate working conditions for more founders.
- **Networking opportunities for founders in the start-up stage.** Networking opportunities for founders in the start-up stage facilitate connections with other entrepreneurs, investors, mentors, and industry professionals. Building strong relationships within the start-up ecosystem can provide start-ups with strategic partnerships, mentorship, and potential investment opportunities. There are five ESOs in Mafraq that provide networking opportunities: IRADA, MOI, QAZD and QUDRAT NGO. This signifies a strength in community engagement and collaboration, enriching the start-up landscape in Mafraq.
- **Access to talent.** Access to talent involves helping start-ups recruit and retain skilled professionals to support their growth and expansion efforts. Start-ups can access talent through various channels such as job boards, recruitment agencies, networking events and partnerships with educational institutions. However, there appears to be a gap in this area, as no surveyed ESOs currently offer dedicated services in this area.
- **Business model advisory.** Business model advisory services provide start-ups with strategic guidance and support in designing, refining and optimising their business models. AL-ALBAIT CEIE is the only provider of such advisory services in Mafraq, indicating a potential opportunity for other organisations to provide similar support and expertise.
- **Advisory on professional business administration.** Advice on professional business management involves providing guidance and support to start-ups in managing various administrative functions of their business once the business has been established at the seed stage. QAZD is the only ESO offering such advisory services in Mafraq, which – depending on the scope of their offers – may highlight the need for further development in this area.
- **Quality Testing and Certification.** Quality testing and certification services help start-ups ensure that their products or services meet industry standards, regulatory requirements and customer expectations. IRADA offers these services in Mafraq at the moment.

- **Marketing and branding support.** Marketing and branding support involves helping start-ups develop and implement effective marketing strategies to promote their products or services, attract customers and build brand awareness. In a more traditional sense, it can also mean helping new businesses to get the word out that they have been set up in the first place. IRADA is an ESO offering marketing and branding support in Mafraq.
- **Assistance in legal and regulatory compliance (incl. intellectual property rights).** Legal and regulatory compliance support involves helping start-ups navigate the legal and regulatory requirements relevant to their business. This can include intellectual property protection, contract drafting, regulatory filings, data privacy compliance and risk management. However, there appears to be a gap in this area, as no surveyed ESOs currently offer assistance in legal and regulatory compliance at the moment. If no other organisation step up to fill this gap, many emerging start-ups might find it difficult to make the jump from informal to formal work.
- **Specific services for green businesses, refugees, or women.** Currently, there are no specific services tailored for green businesses, refugees, or women entrepreneurs in Mafraq for the start-up stage. Introducing targeted support programmes for these demographics could foster diversity and inclusivity within the start-up ecosystem, unlocking untapped potential and driving social impact.

In summary, two important gaps have been identified in the service portfolio of ESOs in Mafraq for the start-up phase: Currently, none of the organisations surveyed provide services to help start-ups access talent. Legal and regulatory support is another gap identified. Many other services are provided by a single organisation, which may not be sufficient to meet the needs of all existing start-ups, or may prove unsustainable if one of these organisations ceases to operate.

On the other hand, the ESOs in Mafraq seem to have some strengths, as many of them provide start-up financing to emerging businesses and organise networking opportunities for founders.

Services provided by organisations in Mafraq in the start-up stage.

ESO	AI-ALBAIT CEIE	IRADA	MODEE	MOI	QAZD	QUDRAT NGO
Access to start-up-stage finance		✓	✓		✓	
Offering co-working spaces or office facilities			✓			
Networking opportunities for founders in the start-up stage		✓		✓	✓	✓
Access to talent						
Business model advisory	✓					
Advisory on professional business administration					✓	
Quality Testing and Certification		✓				
Marketing and branding support		✓				
Assistance in legal and regulatory compliance (incl. intellectual property rights)						
Specific services for green businesses, refugees, or women						

Figure 6
Available services for start-ups in the start-up stage in Mafraq

5.6 Expansion stage

The expansion stage of a start-up is characterised by rapid growth and scaling of operations to capture a larger market share.

At this stage, start-ups have validated their business model, gained traction in the market and are focused on expanding their customer base, geographic reach and product offerings. This is why services ESOs might offer in this stage do focus especially on scaling and expansion strategies as presented below.

- **Access to growth-stage finance (incl. loans).** ESOs may facilitate access to growth-stage financing, to support the expansion and scaling efforts of start-ups. However, there seems to be a gap in Mafraq, with no surveyed ESOs offering specific services for accessing growth-stage financing.
- **Facilitation of connections with strategic partners and distribution channels.** It is crucial for start-ups to forge strong partnerships with strategic collaborators to establish viable distribution channels. QAZD is the only provider of facilitation services for strategic partnerships and distribution channels in Mafraq. Strengthening efforts in this area could improve start-ups' access to valuable networks and distribution channels, thereby boosting growth and market penetration.
- **Assistance with national market expansion.** Start-ups often need help expanding their presence in national markets to capitalise on domestic growth opportunities. Guidance on market analysis, localisation strategies, regulatory compliance and tailored marketing campaigns is essential for start-ups looking to enter new regions and attract local customers. IRADA, MODEE, and QAZD offer guidance and support for start-ups looking to expand their presence in national markets.
- **Assistance with international expansion and market entry.** In addition to the national market, start-ups may also seek to expand internationally. However, there is currently a gap in Mafraq, with no surveyed ESOs offering specific assistance for international expansion and market entry.
- **Advisory for scaling strategies.** Advising on growth opportunities, operational optimization, revenue diversification, and risk management by experienced businesses and entrepreneurs enables start-ups to scale their operations efficiently and sustainably. IRADA is the only provider of scaling strategy consulting services in Mafraq.
- **Assistance and integration in promotion activities.** Effective advertising is essential for start-ups to build brand awareness, attract customers and drive growth during the expansion phase. MODEE and QAZD offer assistance and integration services in promotion activities, supporting start-ups in developing and executing effective advertising campaigns.
- **Offering leadership development programmes and executive coaching.** Leadership skills become more important as the start-ups mature from one phase to the next. Thus, start-ups benefit from leadership development programmes and executive coaching aimed at enhancing leadership skills, fostering a growth mindset, improving decision-making capabilities, and managing team dynamics. RAFD offers leadership development programmes and executive coaching services in Mafraq.
- **Specific services for green businesses, refugees, or women.** At present, as in the previous start-up phases, there are no specific services for green businesses, refugees or women entrepreneurs in Mafraq.
- **Other services.** IRADA also offers product development support for start-ups in Mafraq through its business development activities such as networking and access to experts and market research. Other NGOs offer this through mentorship and workshops and project appraisal (assessing the future ability of small projects to generate cash flows).

In summary, two gaps were identified in the entrepreneurial support system in Mafraq: None of the surveyed ESOs currently provide access to growth stage finance and support for international expansion. While it remains to be seen whether other non-surveyed organisations are already filling this gap in Mafraq, it is important to understand that the expansion of Mafraq's start-ups will likely remain stunted in the absence of these key services.

In addition, as noted in the previous stages, there are no tailor-made programmes for specific groups of entrepreneurs for the expansion stage in Mafraq.

Services provided by organisations in Mafraq in the expansion stage.

ESO	IRADA	MODEE	QAZD	RAFD
Access to growth-stage finance (incl. loans)				
Facilitation of connections with strategic partners and distribution channels			✓	
Assistance with national market expansion	✓	✓	✓	
Assistance with international expansion and market entry				
Advisory for scaling strategies	✓			
Assistance and integration in promotion activities		✓	✓	
Offering leadership development programmes and executive coaching				✓
Specific services for green businesses, refugees, or women				✓
Other 1. Proj Appraisal 2. Product Dev	✓ 2			

Figure 7

Available services for start-ups in the expansion stage in Mafraq



6.
Start-up
Assessment

6. Start-up Assessment

Key findings of start-up assessment

Socio-economic profiles of founders

- » *Mafrqa's founders were predominantly female, in contrast to the national trend.*
- » *Most founders were formally qualified, with the bulk holding post-secondary degrees, aligning with the trend seen across Jordanian start-ups.*
- » *Founders were predominantly under 35 years old, with the largest share between 20 and 30.*
- » *Nearly half of the surveyed founders had 5 to 10 years of professional experience, primarily in research and entrepreneurship, with a significant number involved in academia or running their own companies.*
- » *Founders were mainly full-time entrepreneurs, most establishing businesses for the first time.*
- » *The primary motivation for starting a business was community empowerment, followed by the passion for a specific idea or sector and necessity due to unemployment or financial instability.*

Socio-economic profiles of start-ups

- » *Start-ups varied widely regarding where they stood in their developmental journey, with nearly half in the early stages and the remainder in expansion or start-up stages.*
- » *Most start-ups were not officially registered, particularly those in the idea and expansion stages.*
- » *Among registered start-ups, the majority were established within the last five years.*
- » *Start-ups primarily relied on the founder's savings, support from friends and family, and grants, with lower reliance on loans, microfinance, or equity financing.*

Business Model

- » *B2C start-ups dominate Mafrqa's start-up landscape.*
- » *Most start-ups focus on providing goods rather than services.*
- » *The consumer goods sector is the primary focus for start-ups, followed by manufacturing and technology/innovation.*
- » *Start-ups primarily target the local market, with some also focusing on regional markets.*
- » *Start-ups generally reported annual revenues of between 0 and 5,000 JOD.*
- » *Altogether, 37 start-ups in the sample contributed to 65 additional jobs (excluding the owner or founder of the business) despite many having no additional employees.*
- » *Collaboration between start-ups and large companies is limited, with consumer goods and services sector showing the most engagement.*

Assessment of business models

- » *Many start-ups lack a well-defined business model, potentially due to being in the early stages of their start-up journey and due to founders' having limited entrepreneurial experience.*
- » *Start-ups struggle to differentiate their UVP, often failing to link the benefits they provide with the needs of their target audience.*
- » *Start-ups faced challenges in achieving product-market fit, finding effective marketing channels, generating revenue, and securing investment.*
- » *The most significant challenge was finance and investment.*
- » *Challenges such as scaling and regulatory/supplier-related concerns reflect complexities in building and sustaining businesses.*

Support Needs

- » *Mafraq entrepreneurs prioritise access to finance with training on grant legalities, seen as more urgent than other support.*

Female entrepreneurs

- » *Lack of access to and utilisation of financial services due to weakness on asset/collateral ownership and lack of knowledge of available services and technical requirements and low tendency to borrow from banks.*
- » *There is general lack of social protection systems that help protect female entrepreneurs from unexpected financial shocks.*
- » *Female entrepreneurs have difficulties in accessing the market due to transportation challenges and freedom of movement.*
- » *Female entrepreneurs tend to focus on traditional projects, especially in the Northern governorates.*
- » *Female business owners still face challenges registering their business (vocational licence).*
- » *The lack of long-term mentorship/coaching programmes to ensure the success and sustainability of female businesses.*
- » *Some stereotypes still exist, such as the inability of women to run businesses, particularly in sectors not dominated by women.*

Green Businesses

- » *Green businesses dominate Mafraq's start-up landscape, reflecting a shift towards sustainability.*
- » *These start-ups operate across various sectors, emphasising how widespread environmentally conscious practices are in this particular ecosystem.*
- » *Green start-ups have similar challenges and support needs to "regular start-ups", implying their natural fit into the broader start-up community without the need for additional or special assistance.*

The start-up assessment

The start-up assessment aimed to gather information from start-ups in three key dimensions. The assessment structure was divided into three main parts, each designed to elicit specific information. The first part focused on gathering general information about the start-up and its founder. The second delved into the start-up's business model and the challenges they encountered in their daily operations. The third and final part investigated the particular support requirements of each start-up, fostering a comprehensive analysis of their unique needs. The assessment was conducted with a diverse group of 37 male and female start-ups and entrepreneurs, each interview lasting approximately one hour.

Selection of Start-ups

In total, 37 start-ups from the Mafraq region were assessed. The list of start-ups was sourced from local entrepreneurial support organisations. The start-ups were chosen based on key sectors identified through the ecosystem assessment, including manufacturing, logistics, tourism, wholesale and retail trade, and food and beverages. Representation of women entrepreneurs in the sample was an additional key factor. The sample is not representative of start-ups in Mafraq in a statistical sense but was not randomly drawn.

Hence, while the 37 interviews conducted within the framework of this assessment offer valuable insights into the entrepreneurial ecosystem and the diverse landscape of start-ups, it's essential to approach the findings with caution and not overgeneralise. The **assessment provides a meaningful indication of the challenges, opportunities, and support needs encountered by start-ups at various stages** of their lifecycle. However, it's crucial to recognise that the sample size is limited. The entrepreneurial landscape in Mafraq is dynamic and multifaceted, and the experiences of these 37 start-ups may not fully represent the entire spectrum of entrepreneurial ventures in the area. Therefore, while the insights are informative and can inform tailored support strategies, the findings should be considered indicative rather than exhaustive, and further research and data collection may be necessary for a more comprehensive understanding of the ecosystem.

6.1 Socio-Economic Profiles

6.1.1 Founders

In Mafrq, the majority of the start-up founders interviewed were female. Female founders comprised nearly 63% of the total and stood at 23, compared to 14 male founders. To put this figure into perspective, it should be noted that the share of female founders in our sample starkly contrasts the share at the national level, where only 21% of start-up founders were female. Exploring the reasons behind this trend, our interviews revealed that the absence of gender-sensitive plans aimed at fully integrating the female workforce into the economy makes self-employment and entrepreneurship more appealing to women in Mafrq.

Most founders had formal qualifications.

The bulk of founders, i.e., 78.4%, had some form of post-secondary qualification, with the share rising to 97.3% when also including those with a high-school degree. Most of these founders, i.e., nearly two-thirds or 24 founders, had a bachelor’s degree. This trend aligns with broader findings from the 2019 Jordan Start-up Ecosystem Survey, which reported that 94% of respondents had attained some level of academic education (GIZ, 2019). Additionally, smaller proportions of founders held qualifications such as a Master (10.8% or four founders), with one founder holding a PhD (approx. 3%), and only one founder having no formal qualification at all.

Empowering the community was the number one reason for starting a business.

Of the start-up founders interviewed, 14 out of 37 indicated a focus on empowering the community as their primary motivator. This included specific motivators such as the desire to empower women in the region, champion the involvement of youth, address unemployment, and participate in mitigating climate change and environmental issues. A further nine founders were motivated by their passions for a specific idea, a specific sector, or an interest in tackling a particular challenge. Meanwhile, practical considerations such as unemployment or a prior lack of financial stability resulted in 19.4% (or 7) of founders citing necessity as a motivation. Notably, six founders had launched their start-ups as a reaction to market voids or demands identified through previous experience.

Figure 8
Gender of Founders

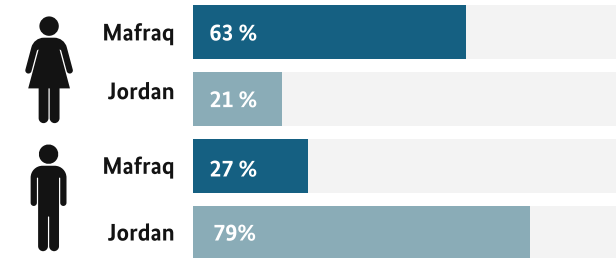


Figure 9
Education of Founders

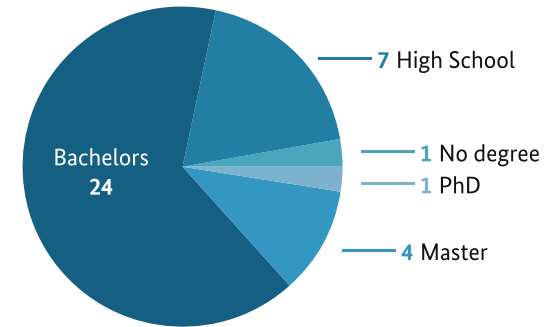
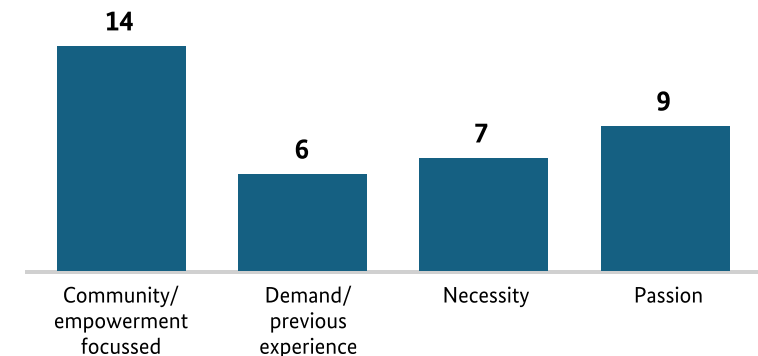


Figure 10
Motives



90% of founders were below 35 years of age.

A total of 15 founders fell between the ages of 18 and 35, with two founders being below 20 years old. In addition, the oldest founder in the sample was 61 years old, while the youngest founder, in comparison, was 18. Considered in terms of age groups, the largest share of founders in a single age group were those between 20 and 30 years old, accounting for slightly more than 62% of founders, while close to 24% fell between the 30 to 40 age bracket. This picture stands in stark contrast to the national scenario, where 40% of founders fell within the 35 to 44 age range.

Founders are primarily engaged as full-time entrepreneurs.

Of the 37 founders, 30 (or nearly 81.1%) were involved as full-time entrepreneurs. Of these full-time entrepreneurs, 29 were establishing a business for the first time. In terms of the part-time founders, i.e., the remaining seven founders, all seven indicated that they were setting up a business for the first time. Only one founder had established a business before, and they are currently engaged as a full-time entrepreneur.

Nearly half of the surveyed start-up founders had 5 to 10 years of experience, primarily in research and entrepreneurship.

Of the start-up founders interviewed, 17 out of 37, representing just under half, had between 5 and 10 years of professional experience. Regarding their previous roles, the majority – 37.8% or 14 out of 37 founders – held intermediate-level positions. The organisations in which these founders worked were pre-dominantly focused on research or academia, with 37.8% (14 out of 37) involved in these areas, while the second-largest group, comprising 12 founders, were running their own companies.

Figure 11
Serial Entrepreneur

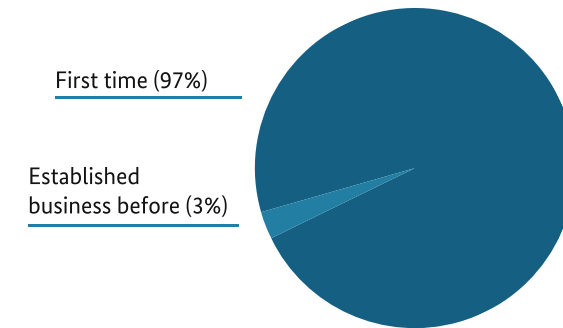


Figure 12
Years of Professional Experience

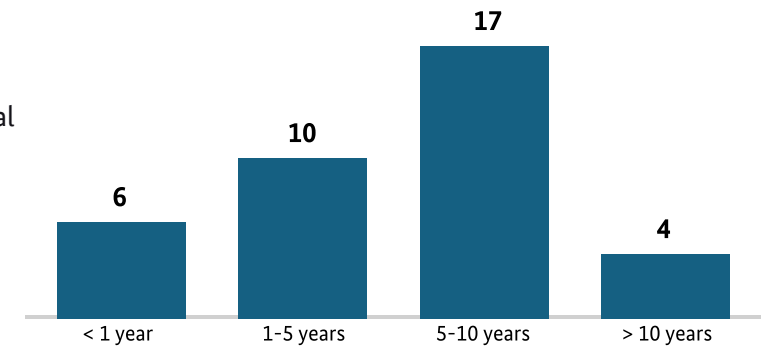
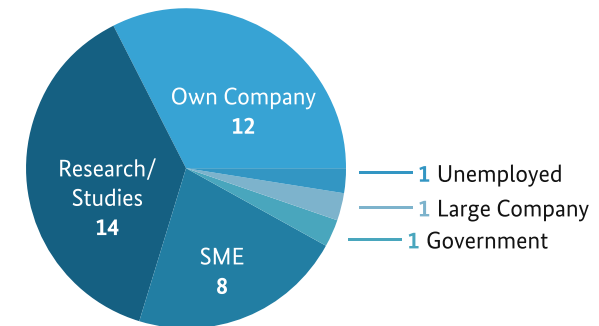


Figure 13
Previous Employment



6.1.2 Start-ups

Substantial variation between start-ups regarding where they are in their journey. Overall, nearly half of all start-ups were in the initial two phases, i.e., the idea stage or the seed stage. Thus, 15 out of 37 start-ups were in the idea stage, where founders were in the process of formulating and refining their business concepts and identifying market needs. Examples at this stage include start-ups aiming to provide green and organic products, another producing ecofriendly baskets, or biodegradable cloth bags, others engaged in renewable energy, or applications for education, selling car parts, and platforms for university students. A further 3 start-ups were in the seed stage, where following the initial development and validation of the business idea, the start-ups were involved in the building of prototypes, conducting market research, and seeking funding. Examples of start-ups currently in the seed stage include those offering green/agricultural products, with another focusing on renewable energy. In contrast, 15 start-ups were in the expansionary stage, where the business had already been formally established, and scaling and growth became the primary concerns with founders trying to increase market presence, grow the customer base and achieve profitability. Examples of expansionary stage start-ups included start-ups providing cosmetic products, others producing designs, or start-ups in the food space, particularly manufacturing dairy and cheese products, processing mushrooms, and another aiming to offering a culinary academy. A further four start-ups were in the start-up stage, where in the business was in the process of being formally established. Examples of entities located in this stage include one start-up offering aquaponics solutions, another focusing on agri products, while yet another is trying to transform waste into energy.

Three sources dominate funding.

Most start-up founders, i.e., 24 out of 37, indicated the use of personal savings to fund their start-up. This was followed by grants that were each accessed by 7 out of the 37 start-ups surveyed. More conventional sources of debt financing, such as loans, were used by only three start-ups, while an equal number of start-ups accessing financing from family and friends. A further three start-ups accessed microfinance. Equity financing options were the least represented, with no start-up receiving funding from either angel investors or in terms of venture capital.

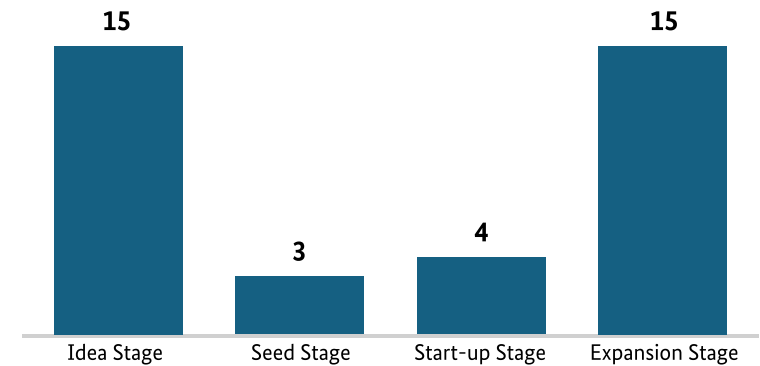


Figure 14
Start-up Lifecycle

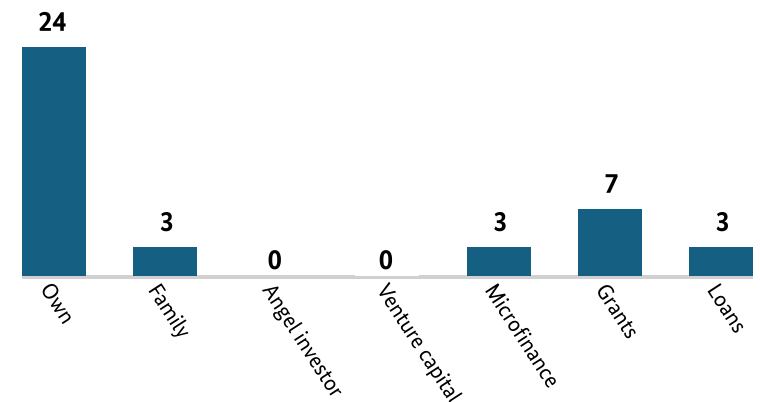


Figure 15
Financing

More than two-thirds of start-ups were not officially registered.

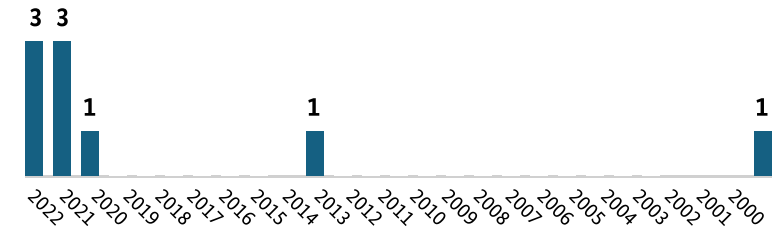
Of the 37 start-ups surveyed, 26 were not yet officially registered, and most of these, i.e., nearly 58% or 15 start-ups were in the idea stage and thus at the very beginning of the start-up journey. Surprisingly, 7 of these 26 unregistered start-ups were already in the expansion stage. Amongst registered start-ups, out of 11 start-ups, eight were already in the expansion stage, while the remainder were in the start-up stage and were in the process of focusing on product development, customer acquisition and the establishment of a viable business model.

Most registered start-ups were founded within the last five years.

Of the officially registered start-ups, the overwhelming majority, 72 % or 8 out of 11, were founded within the last five years. Three of the surveyed companies were more than ten years old, with the oldest established in 2000. It should be noted that apart from the registered start-ups, of the 25 unregistered start-ups, only one founder specified the date of founding, i.e., 2023, while all other founders did not answer the question.

Figure 16

Year of
Establishment



6.2 Business Models

6.2.1 Overview of Business Models

B2C Start-ups dominate the Mafrq start-up landscape.

Out of the 37 start-ups surveyed, the vast majority (35) operated with a business model focused on selling products or services directly to individual consumers (B2C). Examples of these start-ups included environmental projects, such as recycling initiatives targeting women and ecofriendly product production, as well as B2C digital platforms for educational tools, university courses, and car spare parts sales. Other ventures spanned agriculture, with mushroom farming and saffron cultivation, food production like dairy and natural sweeteners, innovative services like mobile laundry, and renewable energy solutions. This model underscores a strong orientation towards catering to consumer needs. However, it should be noted that one founder did not respond, while another start-up in the sample utilised a business-to-business (B2B) model aiming to provide heritage products, highlighting a different approach where offerings are sold directly to other businesses.

Most start-ups were purely focused on the provision of goods.

Start-ups were primarily focused on traditional offerings, with 20 of the 37 start-ups surveyed focused on providing goods and an additional 11 concentrating on service provision. Only one start-up was focused on offering both goods and services. Tech or tech-enabled offerings appeared to be less popular, with none of the start-ups having the development of a platform as part of their core business model. However, software as a service accounted for approximately 13.5% of the service offerings among the interviewed start-ups.

Figure 17
Business Models

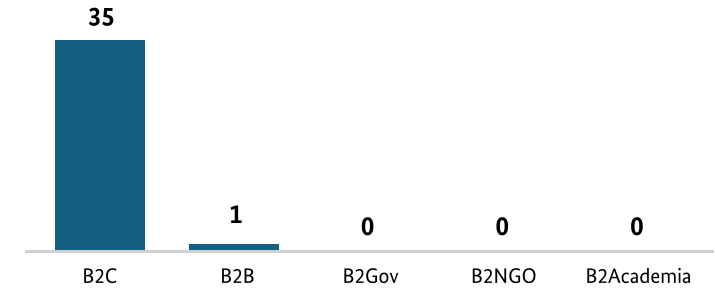
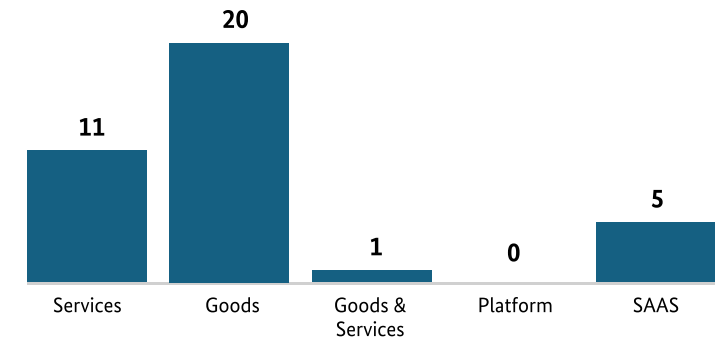


Figure 18
Business Offerings



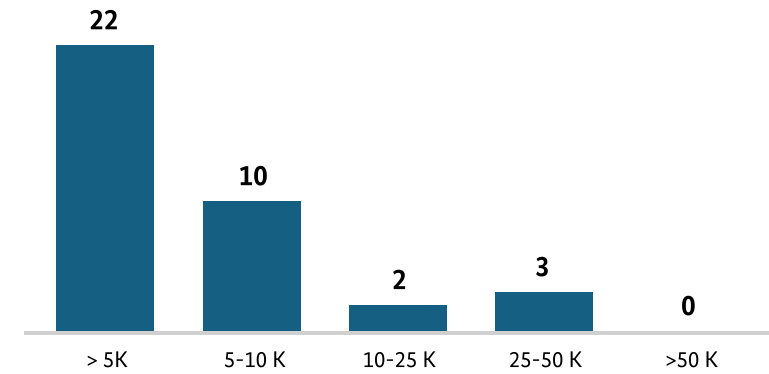
Start-ups are primarily involved in the consumer goods sector.

Aligning with our findings regarding the service offering and the business model, Nearly 46% or 17 out of 37 surveyed start-ups operate in the consumer goods and services sector. Among these, 15 sell goods directly to consumers (B2C), with only one targeting businesses (B2B). Interestingly, nine start-ups are engaged in manufacturing, while eight were engaged in technology/innovation sector. Conversely, only two start-ups operate in the business and finance sector, with one start-up in the service sector. Given the predominance of B2C firms, all start-ups in manufacturing, technology/innovation, business/finance and services engaged directly with end consumers.

Most firms fell within the lower end of our revenue scale.

Out of the 37 surveyed, 22 earned between 0 and 5,000 JOD in the last business year, with an additional ten earning between 5,000 and 10,000 JOD in total in the last business year. Only five firms were situated in the middle and upper ends of the scale, with two firms earning between 10,000 and 25,000 JOD and a further three earning between 25,000 and 50,000 JOD, respectively. While discerning a clear pattern regarding higher revenue generation among firms in specific sectors is challenging, it was observed that those earning between 25,000 and 50,000 JOD were in the consumer goods and services, technology and innovation and services sectors.

Figure 19
Annual Revenue
(in JOD)



Start-ups focus on the local market.

Of the 37 start-ups surveyed, almost 90% or 33 targeted their local market, i.e., opportunities in their governorate. Approximately 78% or 29 extended their reach to target business opportunities at least at the regional level. Notably, there was little difference between start-ups targeting markets at the regional and national levels. However, only a third of start-ups were oriented towards the internal market.

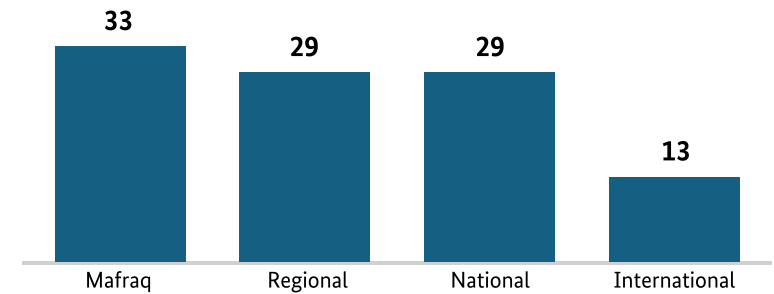
Start-ups are linked to additional job opportunities.

In total, the surveyed start-ups reported having created 65 extra jobs. This is significant given that nearly half of all start-ups (20) had no additional employees. In general, though, about 16% of start-ups had five or more employees, with one start-up even recording nine employees – the highest among the start-ups surveyed. In addition, a further 13.5% of all start-ups had three additional employees.

Limited start-up collaboration with large businesses, with some sector-specific engagements seen.

The cooperation between start-ups and large companies appeared to be scarce, with a significant majority – 24 out of 37 start-ups – reporting no engagement with larger enterprises. Among the remaining 12 start-ups, 10 did collaborate, with the consumer goods and services sector emerging for as the most prevalent, accounting for nearly half of the cases, followed by two start-ups in manufacturing and three in technology and innovation.

Figure 20
Target Markets



6.2.2 Assessment of Business Models

In assessing the business models of start-ups in Mafraq, it is necessary to note certain limitations that may impact the interpretation and application of findings. To begin with, our findings rely on self-assessment by entrepreneurs, which carries the risk of introducing bias. This is because entrepreneurs may have a vested interest in presenting their business models in a more positive light, potentially skewing the overall picture. Moreover, it's crucial also to note the scope of the assessment. We primarily focus on gauging the extent to which start-ups critically analyse their business models and comprehend market demands. This analysis seeks to ascertain whether the surveyed ventures possess the expertise necessary to identify and meet the market's expectations. Altogether, our findings are specific to the sampled start-ups and reflect their perspective at the time of the survey. This analysis does not aim to provide a comprehensive understanding of their future performance or prospects but instead seeks to provide insights into their current state and operational strategies.

A significant proportion of start-ups surveyed may lack a well-defined business model.

The data already indicated that many start-ups were at the initial stages of their journey. Thus, start-ups would still be grappling with fundamental questions such as the refinement of their business concept, the identification of market needs, and the development of prototypes. As a result, it's quite plausible that at this stage, founders would likely prioritise these foundational elements over detailed business planning. Furthermore, considering the background of the founders, we also found that while they may bring some professional experience, much of their experience was in research or academia. While this expertise may be beneficial in certain aspects of entrepreneurship, it need not always directly translate into how founders address critical elements of a business, such as how they create, what they deliver, and how they capture value for customers. Moreover, given that most founder's prior entrepreneurship experience is primarily as first-time founders, they may lack the strategic insight and vision that is necessary to foresee and address challenges that are inherent to building and sustaining a business.

Start-ups do not provide well-differentiated unique value propositions.

Based on our interview data, we identified eight broad categories into which all unique value propositions presented by founders could be grouped. These were convenience and efficiency, educational and information services, accessibility, environmental sustainability, health-conscious offerings, innovative and customised solutions, personal care, and quality products at fair prices. While these propositions effectively communicated the benefits offered by the start-ups, start-up founders often fell short of establishing a direct link between these benefits and the specific problems faced by the target audience. In addition, in our sample, there was a striking resemblance between the articulated benefits of start-ups and those of their competitors, implying a lack of uniqueness in the proposed UVPs. To understand the reasons behind these findings, we turn again to some of the points raised previously. Since many start-ups are in their nascent stage, they are thus still in the process of defining who their target audience is. As a result, at this stage, it is improbable that most start-ups have conducted market assessments that would provide them with a thorough understanding of their target audiences' needs or pain points.

Building on challenges related to having a well-defined business model were difficulties in achieving product market fit, finding effective market channels, generating revenue, and securing investment.

Our interviews also asked start-up founders about their top three challenges. The responses we received revealed a clear pattern among the obstacles mentioned. Specifically, out of 99 challenges identified by founders, a significant proportion, i.e., one-third or 33, related explicitly to the complexities of business planning, product development, marketing, and revenue generation. This finding aligns with our prior analysis, which highlighted the typical hurdles likely encountered by start-ups in their nascent stages, particularly in crafting a robust business plan and defining target markets. The data also showed that 11 responses emphasised the importance of refining their products or services to enhance their fit within the market, a concern that is related to another commonly cited challenge—finding effective distribution and marketing channels, mentioned in 12 responses. Together, these challenges contributed to what can be seen as the overarching challenge of revenue generation, which echoes our earlier finding showing that 61% of start-ups earned between 0 and 5000 JOD in the last business year.

In addition, building upon these observations, it's unsurprising that 33 out of the 99 responses highlighted any and all challenges pertaining to the topic of finance and investment. This trend is further underscored by the fact that securing investment and financing, as a sub-topic within this challenge, emerged as the most frequently cited challenge, with 26 out of 99 responses explicitly mentioning it as a concern.

Connected to the challenge of building a business were the challenges of scaling a business, alongside regulatory and supplier-related concerns.

Building on the previously outlined challenges of building and sustaining a business mentioned above, start-up founders, in a limited way, also identified challenges related to scaling and growing their business. Thus, out of the 99 challenges catalogued, approximately 10% were attributed to issues concerning business scaling and the current environment. Specifically, four challenges pertained directly to scaling the business model, while 6 addressed the prevailing economic conditions. These elements, in conjunction with operational challenges, are intricately linked to regulatory concerns, cited in 7 responses, and supplier and employee-related obstacles, mentioned in 12 responses.

6.3 Start-up Support Needs

6.3.1 General satisfaction with local ESOs

Overall, respondents report an average satisfaction rating of 6 on a scale of 1-10 for the support provided by local ESOs in Mafrq, with a standard deviation of 0.97. Thus, the support network is generally perceived as moderately positive, with only a small variation around this average perception.

However, all respondents indicated that they were only somewhat able to access these services, and all reported that they faced barriers in doing so. This means that, despite the moderately positive rating, there is considerable room for improvement in ensuring that the services available are actually used by local entrepreneurs.

Most start-ups interviewed, however, still find themselves in the earlier stages of start-up development, i.e. at the idea or seed stage or in between these two. This needs to be taken into account when analysing their support needs as they will mostly be relevant for these development stages of their economic endeavours.

Diverse Opinions on Missing Services.

Interestingly, there is a diverse range of opinions regarding the existence of missing ESO services. Four individuals stated that they did not feel anything was missing, while another four believed there were no services available at all. Surprisingly, seven interviews were unsure about whether relevant services were missing. This uncertainty suggests a lack of awareness among potential beneficiaries about the existing services in the region.

From those who shared their impressions of missing services, three primary needs emerged:

- » **Capacity Building and Training:** Many entrepreneurs expressed the need for capacity building and training on various topics, including legal obligations and app development. One interview stressed the importance of ESOs understanding their business ideas to provide high-quality consultancy services.
- » **Financial Support:** A significant number of interviews (nine in total) highlighted the absence of financial support services such as grants or seed funding as their most pressing need.
- » **Networking Opportunities:** Several interviews (four in total) emphasised the lack of networking opportunities in the local economic environment. They felt that improved networking avenues could facilitate access to markets for their businesses.

Additional Needs. Some entrepreneurs mentioned more specific needs, including support with logistics (in light of high transportation costs) and assistance with modern production or agricultural methods like hydroponic harvesting.

In summary, while opinions varied regarding missing services, there is a clear demand for capacity building, financial support, and improved networking opportunities among entrepreneurs in Mafrq. Addressing these needs could significantly enhance the support ecosystem for local businesses.

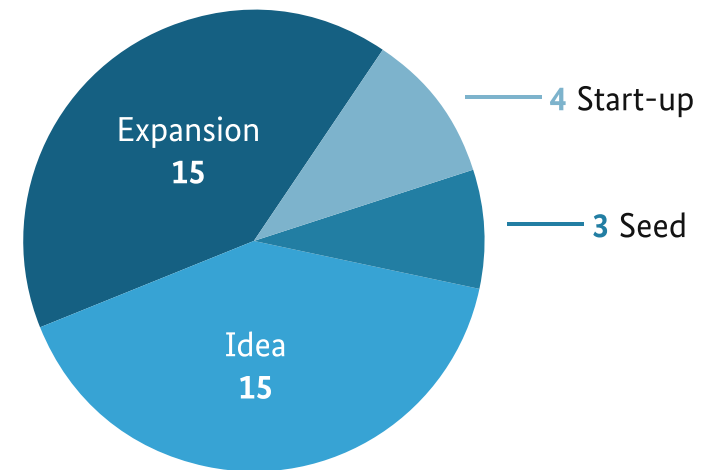


Figure 21
Start-up development stages of interviewed start-ups

6.3.2 Helpful improvements for ESOs in Mafraq

In addition to identifying missing services, entrepreneurs in Mafraq provided valuable insights into areas for improvement within the support ecosystem. These largely reflect the services that are currently missing from the ecosystem, but with a markedly different emphasis.

- **Access to finance.** A predominant theme among the suggested improvements was the strong need for access to finance which stands out as the most important improvement mentioned by the interviews. Thirteen respondents explicitly cited this as the most crucial improvement required. They also emphasised the necessity for locations to facilitate financial transactions, while ensuring compliance with legal requirements. This directly relates to a need for more financial education which would help the entrepreneurs know about and meet their legal obligations.
- **Training and mentorship.** Also often suggested, a significant cluster of improvements revolved around training and mentorship opportunities. Within this broader category, entrepreneurs expressed a desire for technology-specific training relevant to their sectors. Additionally, some interviews requested support in upscaling and expanding their businesses, preferably with guidance from experienced mentors. The importance of „moral“ and psychological support from suitable mentors was also highlighted as a means to bolster local economic activity.
- **Other areas of improvement.** While less prominently mentioned, several other areas for improvement were also identified.
 - » **Provision of suitable production equipment.** Three entrepreneurs emphasised the importance of having access to suitable production equipment, including tools and transportation methods.
 - » **Suitable work/production locations.** Three entrepreneurs expressed a need for finding suitable locations for their work or production, preferably powered by solar panels for electricity.
 - » **More local networking events.** Two entrepreneurs suggested more networking events to facilitate idea exchange, partnership formation, and to learn about potential funding opportunities.
 - » **Fair and Equal Support.** Interestingly, two individuals explicitly voiced the need for support that is provided without favouritism and distributed fairly among beneficiaries. Further exploration into instances where current services may have

In summary, the results presented highlight that the most important service to help local entrepreneurs in Mafraq is access to finance. This should be implemented alongside financial training (which informs entrepreneurs about legal obligations associated with grants) and was seen as a more urgent improvement than the provision of training, mentoring, networking or production equipment.

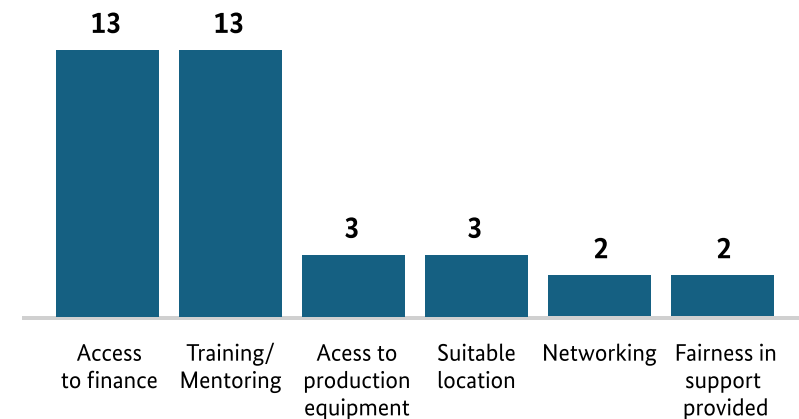


Figure 22
Improvements requested for local ESOs in Mafraq

6.3.4 Green Businesses

In the context of this study, green businesses encompass a twofold perspective: they either offer environmentally friendly products or services, or they engage in economic activities with an eco-friendly approach, employing clean technologies to minimise adverse environmental impacts.

The dominance of green start-ups in Mafraq, encompassing diverse sectors, reflects a growing trend towards sustainability and environmentally conscious business practices.

The bulk of start-ups, comprising 78% or 29 out of 37, identified themselves as green, reflecting a significant trend towards ecologically conscious business operations. These green businesses encompassed a variety of different engagements spanning the provision of environmentally friendly products or services, implementing clean or energy-efficient technologies, participating in waste reduction and recycling efforts, contributing to environmental preservation or conservation, adopting sustainable materials and practices, and actively participating in education or community engagement initiatives. Furthermore, these start-ups operate across various sectors, including business and finance, consumer goods and services, manufacturing, and the technology and innovation sector. This widespread integration of sustainability principles across diverse industries signifies a growing awareness and prioritisation of sustainability within Mafraq's start-up ecosystem and also highlights the potential for a significant positive impact on both the environment and society.

Green businesses dominated the start-up landscape in Mafraq, making their challenges representative of the requirements of the broader start-up ecosystem.

Given that „green businesses“ are the norm in Mafraq, all previously described models, challenges, and support requests relate to them. Hence, no extra assistance, beyond what is offered to “ordinary start-ups”, is needed for their integration into the start-up ecosystem.



7.
**Linkage to
Large Companies'
Value Chain**

7. Linkage to Large Companies' Value Chain

Key findings of assessment of large companies

Integration of start-ups in value chains of large companies

- » *Large companies are willing to integrate services and products from start-ups into their operations, although the current integration of start-ups remains limited.*

Opportunities for start-ups

- » *Businesses universally relied on external suppliers and service providers to support their primary and secondary activities, indicating opportunities for start-ups.*
- » *Specific opportunities exist in areas like digital marketing, packaging, raw materials supply, and consumables provision.*

Challenges for start-ups

- » *Large companies are largely unaware of start-ups in their region and sector.*
- » *Most businesses had concerns about the lack of innovation, industry-specific knowledge of start-ups.*
- » *Further challenges to collaboration include perceived costs, quality concerns, and sustainability issues in unregulated sectors .*
- » *Weaknesses in maintaining long-term relationships, securing favourable payment terms, and financing add to the complexity of working with start-ups.*

Selection of Large Corporations:

A total of nine large corporations operating in Mafraq were assessed. These corporations were selected based on key sectors identified in a stakeholder workshop. They encompassed sectors such as chemical manufacturing, fast-moving consumer goods (FMCG) sector, transportation, warehousing and supply chain management, agroprocessing, healthcare and biotechnology, information technology, telecommunications, and software development, and trade, commerce, and international business. Approximately 67 percent, or six out of nine, serve both local and export markets. Additionally, two corporations have businesses solely focused on local markets, while one organisation exclusively targets the export market.

Corporate Business Operations of Large Companies

The business models of companies within our sample are diverse and encompass various sectors across multiple industries. In particular, companies are engaged in manufacturing and distributing household and fabric care liquid products within the chemical industry, providing over 150 household items within the consumer goods sector, manufacturing and distributing specialty fertilizers, and engaging in activities such as animal herding, insecticide and pesticide production, all within the agriculture industry. Furthermore, they are also seen to offer logistics services for both corporate entities and tourists within the transportation and logistics sector, develop ICT products, provide consulting services within the technology industry, and handle the import, export, and distribution of various food products, legumes, and pulses within the import/export sector. While these businesses universally rely on external suppliers and service providers to support their primary and secondary activities, it is worth mentioning that currently, very few of these external suppliers and service providers are local start-ups or small-scale companies. Despite this, there is a clear indication that companies are eager to establish or strengthen collaborations with start-ups. Companies are interested in and willing to give back to their local communities and are already engaged in a number of CSR initiatives, such as employment training, educational support, loans for employees, and internships. In addition, nearly half of all the businesses in our sample also contract female-led start-ups and access services such as female training programmes, workshops, labour, and goods. In the future, start-ups may have numerous opportunities for partnerships, particularly in areas such as digital marketing, packaging and labelling systems, raw materials and parts supply (e.g., basic chemicals, batteries, GPS systems), and consumables provision (e.g., feed, medication).

Interest in collaborating with and acting as mentors to start-ups despite challenges related to knowledge gaps, stereotypes, costs, quality concerns, and operational issues.

Despite some companies in our sample already collaborating with start-ups, and although all businesses surveyed were interested in doing so, specific challenges to such cooperation exist. The most fundamental challenge relates to the lack of knowledge regarding start-ups active in their region and sector. While five out of nine organisations were not aware of start-ups in Mafraq, the remaining three companies were only partially aware, with only one company more informed about the start-up landscape, albeit in Amman. Furthermore, when considering potential sources of such knowledge, such as regionally focused entrepreneurial support organisations (ESOs) like incubators and accelerators, most organisations had no exchange with (five out of nine) or even lacked awareness of ESOs (three out of nine).

Moreover, businesses identified a range of limitations specifically related to working with start-ups. These included concerns about the lack of innovation and industry-specific knowledge, coupled with stereotypes regarding their decision-making abilities and business success. Additionally, businesses also perceived high costs associated with such engagements, along with worries about the quality, reliability, and continuity offered by start-ups. Sustainability issues in unregulated sectors and the absence of ISO quality certifications further complicate matters. In addition, weaknesses in various business aspects, such as in maintaining long-term relationships and securing favourable payment terms and financing, add to the complexity of working with start-ups and MSMEs. Further, the ability of start-ups to meet changing demands in supplying sufficient quantities and their competitiveness in terms of pricing and quality pose additional hurdles. Despite these hurdles, as mentioned above, companies were unanimous in their interest in integrating services and products from start-ups into their value chains and were also willing to act as mentors for start-ups.



8. Conclusion

8. Conclusion: Strength and Weaknesses of the Entrepreneurial Ecosystem in Mafrq

Entrepreneurship is a dynamic force in regional economic development, and Mafrq has the potential to emerge as a significant entrepreneurial hub within Jordan. This assessment aimed to address three fundamental questions:

- What are the key motivating factors for young entrepreneurs in Mafrq? How does this differ from other governorates in Jordan?
- What are key hinderers that prevent entrepreneurs to start their business in Mafrq? How is this different from other governorates in Jordan?
- What are strong and weak aspects of the integral elements of the entrepreneurial ecosystems (support organisations, human capital, finance, policy, markets, culture)?

The analysis is based on Isenberg's model of entrepreneurship ecosystems.



Figure 23
Simplified version of Isenberg's model

The following table concludes the analyses by summarising the key strengths to capitalise on and the key weaknesses subject to improvement using the different domains of the Isenberg model.

	Strengths to capitalise on	Weaknesses to improve
Support organisations	<ul style="list-style-type: none"> • Mafrq offers organizations providing various services to help entrepreneurs develop their ideas. This is crucial for fostering a culture of innovation and attracting potential founders. 	<ul style="list-style-type: none"> • While the initial stage is well-supported, there's a significant drop-off in services for later stages like seed, startup, and expansion. • There's a lack of programmes specifically aimed at refugees, women, and green businesses. This limits the diversity of entrepreneurs and hinders the overall economic potential of the region. • Crucial services like pitch events, acceleration programmes, talent acquisition assistance, legal support, and access to growth-stage financing are missing from many organizations.
Human Capital	<ul style="list-style-type: none"> • The human capital in Mafrq is promising. Founders are young and bring valuable experience in research and entrepreneurship. 	<ul style="list-style-type: none"> • Many start-up founders lack of experience as entrepreneurs.
Finance		<ul style="list-style-type: none"> • The most important service to help local entrepreneurs in Mafrq is access to finance. This should be implemented alongside financial training (which informs entrepreneurs about legal obligations associated with grants) and was seen as a more urgent improvement than the provision of training, mentoring, networking or production equipment.
Markets	<ul style="list-style-type: none"> • Companies in Mafrq show a strong willingness to collaborate with startups. This is evident in their expressed interest, existing CSR initiatives, and contracting with female-led startups. This openness creates potential opportunities for startups to integrate into established value chains. 	<ul style="list-style-type: none"> • Despite the interest in collaboration, there's a significant lack of awareness about the local startup ecosystem and the collaboration between companies and startups is limited. Companies struggle to find relevant startups and have concerns about their capabilities (innovation, industry knowledge, reliability, etc.). This lack of knowledge and trust hinders actual integration into value chains.
Culture	<ul style="list-style-type: none"> • Mafrq's entrepreneurial culture is a compelling mix. It boasts a high number of young, well-educated women driven by a strong desire to empower their communities. This diversity and social focus position the ecosystem for impactful growth. 	<ul style="list-style-type: none"> • However, the enthusiasm is balanced by the fact that many founders are new to entrepreneurship, potentially lacking the experience and networks needed to navigate the challenges of growing a business.



9. Recommendations

9. Recommendations

Support organisations (ESOs)

- » **Expand Service Portfolio:** Focus on providing services beyond the idea stage, including seed funding support, acceleration programmes, talent acquisition assistance, legal advice, and access to growth-stage financing.
- » **Target Underrepresented Groups:** Develop programmes specifically tailored to address the needs of refugees, women, and green businesses to foster a more diverse entrepreneurial landscape.
- » **Collaboration & Knowledge Sharing:** Establish partnerships with larger corporations to leverage their expertise and resources. Additionally, collaborate with each other to share best practices and avoid service duplication.

Start-ups and MSMEs

- » **Develop Strong Business Models:** Prioritise crafting clear and compelling value propositions and conducting market research to achieve a strong product-market fit.
- » **Seek Mentorship:** Proactively connect with experienced entrepreneurs or advisors to gain valuable guidance and overcome challenges.
- » **Network & Build Relationships:** Participate in industry events and actively build relationships with potential investors, collaborators, and customers.

Larger Corporations

- » **Engage with Local Startups:** Proactively participate in startup events, establish mentorship programmes, and consider pilot projects with promising startups.
- » **Open Up Value Chains:** Identify opportunities where local startups can integrate into existing supply chains or distribution networks.
- » **Knowledge Sharing Workshops:** Host workshops to educate startups on industry best practices, procurement processes, and potential collaboration opportunities.

Development Partners

- » **Funding & Training:** Partner with ESOs to provide financial resources and training programmes specifically focused on later-stage business development and growth strategies.
- » **Knowledge Transfer Programmes:** Facilitate knowledge exchange and collaboration between Mafraq's ecosystem and established ecosystems in other regions.
- » **Impact Measurement:** Develop mechanisms to measure the social and economic impact of the entrepreneurial ecosystem on the community.

Education providers

- » **Entrepreneurship Curriculum:** Integrate entrepreneurship education into existing curriculums to equip students with the skills and knowledge needed to launch their own businesses.
- » **Mentorship Programmes:** Connect students with experienced entrepreneurs for mentorship opportunities to gain practical experience and guidance.
- » **Skills Development:** Offer workshops and training programmes focused on developing skills relevant to startups, such as business model development, pitching, and digital marketing.



10.
Annex

10. Annex

10.1 Definitions

Term	Definition
Large companies	Large companies are defined as companies with 100 or more employees.
Green Businesses	In Jordan, MSMEs are categorised by their number of employees as micro (1–4), small (5–19) or medium (20–99). This is in line with the definitions of the DoS of Jordan, the World Bank’s SMEs database, the Central Bank of Jordan and the Jordan Enterprise Development Corporation (JEDCO).
Micro, Small and Medium Enterprises (MSME)	Green business can be defined from two perspectives: one relates to the output in the form of green products or services, while the other relates to the process of an economic activity. This means entrepreneurs can enter into the “green” business sector by either providing environmentally friendly products or services or through an environmentally friendly process or with the help of clean technologies which reduce any negative effects of the business (ILO). (businesses with green mission/ vision)
Start-up	Start-ups are companies in the formation and growth phase up to 4 years after formation. Currently, there is no official definition of start-ups in Jordan. For the scope of this study, the proposed definition is applied.
Youth	Youth is defined by the National Youth Strategy 2019-25 as the age group between 12-30.

10.2 References and data sources

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