



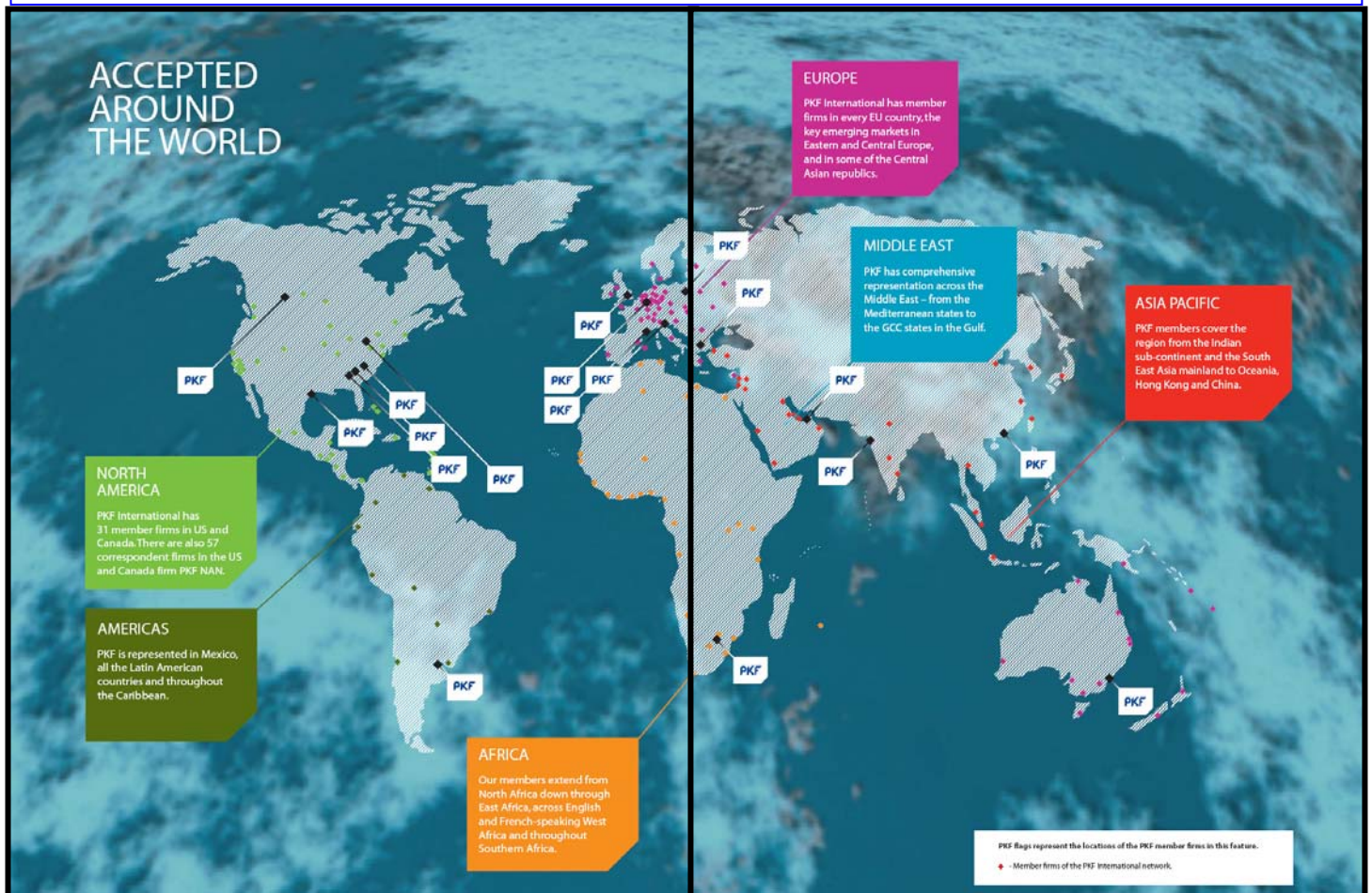
Accountants &  
business advisers

# Newsletter

Building value for growing businesses

PKF ProGroup Quarterly Newsletter

Quarter 3, September 2009, Volume 16



Nearly 40 years on, the PKF International network continues to go from strength to strength. Many organizations might begin to stagnate after four decades, but the very opposite is true in our case.

As member firm, **PKF ProGroup** provides clients with a quality service that focuses on the specific needs of each client. In addition to maintaining integrity, professionalism and independence at all times .

These are the values of PKF International and its member firms, the values which the network exists to promote.

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## WHY CHOOSE PKF PROGROUP ?

Because it is our aim to tailor our services to clients' needs, not to force ready-made products on clients. What you will find here is a broad picture of the huge resources available through PKF member firms, resources that can be shared across borders to provide a world class range of services at world class standards – wherever in the world you do business.





## PKF International Moves Up to 11<sup>th</sup> in International Accounting Bulletin World Survey

According to the recently published International Accounting Bulletin world survey, most global accounting organizations recorded substantial growth in spite of the recent economic problems. PKF International were ranked 11<sup>th</sup> under Leading networks by fee data (from 14<sup>th</sup> in 2007) with a healthy growth rate of 17%. It is hoped that 2009 will see PKF International continue this positive progress up the rankings.

The combined fee income of networks was USD \$130 billion. Although 2009 year-end results will provide a more accurate picture of how the global crisis has affected accounting firms, it seems that the accountancy sector has been less hit than other types of financial services. The Asia-Pacific region saw strong growth in a number of countries including China, Australia, Japan and Malaysia. The survey also reported a shift from corporate finance activities towards business recovery, restructuring and services related to insolvency.

### STUDY EXAMINING ISAS VS PCAOB STANDARDS

The European Commission “EC” has commissioned a study of the differences between the clarity International Standards of Auditing “ISAs” and the Audit and Interim standards of the US Public Company Accounting Oversight Board “US PCAOB”. The study concludes there are only Five areas where there substantive differences.

1. Assessing and reporting on internal control
2. Reference to the work of another auditor in a group audit
3. Documentation
4. Risk assessment and responses to assessed risks. This is probably one of the most significant differences but the PCAOB is currently working on a major project to revise their risk assessment standards
5. Going concern, where under the PCAOB the foreseeable future is limited to 12 months

The full report can be accessed using the link included below:

[http://ec.europa.eu/internal\\_market/auditing/isa/index\\_en.htm#isastudyeval](http://ec.europa.eu/internal_market/auditing/isa/index_en.htm#isastudyeval)



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### PKF PROGROUP RAMADAN IFTAR—2009



PKF ProGroup held a Ramadan Iftar Gathering at Century Park Hotel in the presence of PKF ProGroup Consulting and Auditing professionals with our Managing Director Mr. Mohammed Khattab, and our valuable clients.

During this event, we had the chance to share the holy month with our clients and build well-established list of contacts through interactions between various representatives among reputable business organizations and enjoying the spirit and joy of the coming Fiter Eid.



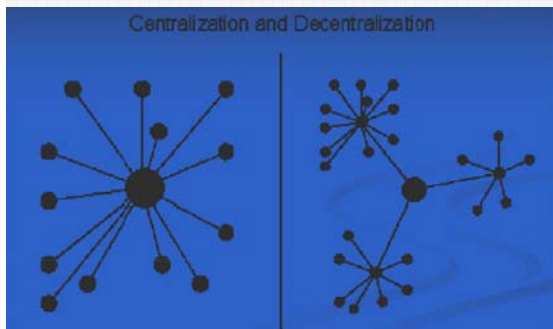
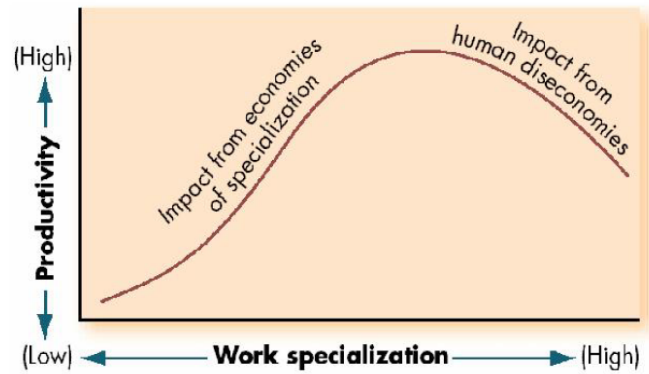
## SIX ELEMENETS FOR SUCCESSFUL ORGANIZATION STRUCTURE

There are six elements of organization structure anyone should consider while preparing the structure of any organization;

1. **Work Specialization:** It refers to the degree to which tasks in the organization are subdivided into separate jobs.

- the entire job is broken down into steps, each step completed by a separate individual.
- Individual workers specialize in doing part of an activity involves repetitive performance of a few skills can be viewed as a means to make the most efficient use of employee's skills.
- some task requires highly developed skills.
- Others can be performed by the untrained.
- makes efficient use of employees skills.
- Increases employee's skills through repetition.
- less between-job downtime increases productivity.
- specialized training is more efficient.
- allows the use of specialized equipment.

### Economies and Diseconomies of Work Specialization



Departmentalization: Grouping like jobs back together through; Functional, product, geographical, process and customer.

Chain of command: Line of authority from top to bottom starting with AUTHORITY, RESPONSIBILITY, UNITY .

Span of control: Number of employees that a manager manages.

Centralization –Decentralization: where decision making is concentrated and the Employee Empowerment.

### PKF International Directory 2009—2010 Now Online...

The PKF International Directory 2009-2010 is now available online for the first time on [www.pkf.com](http://www.pkf.com). The directory provides useful information about PKF International Limited and contact details for PKF member, exclusive correspondent and correspondent firms across the world.

Please click the link provided below to view this new online publication:

<https://www.pkf.com/site/international/home/officeLocator/internationalDirectory?matrix=1250778929189>

### Coming Soon—"Doing Business in Jordan Guide"...

A new Manual is in the pipeline and going to be issued by PKF ProGroup called "**Doing Business In Jordan Guide**" and will be published for public use and you can find it soon on our website [www.pkf.jo](http://www.pkf.jo)



## PKF PROGROUP HUMAN RESOURCES SERVICES

PKF member firms are committed to providing you with quality assurance and advice. Services such as audit, financial reporting and risk management advice give your business the stability you need to manage effectively and achieve your objectives.

### Why choose PKF?

The international network allows the delivery of expert assurance and advisory services to many different types of organizations around the world. PKF clients range from small owner-managed businesses, partnerships and charities to listed companies, multinationals and government bodies. The service also covers a broad spectrum of industries and sectors. Internationally, the name of PKF is recognized and respected and the areas of Experience include finance, taxation, marketing, quality assurance, human resource development, investment, legal, insurance, technology, information management and strategic planning.

PKF member firms offer an efficient, cost-effective and comprehensive service to every client.



## ABOUT PKF RPOGROUP HUMAN RESOURCES MANAGEMENT (HRM) CONSULTING

**Human Resources Management** is the strategic approach to the management of an organization’s most **Valued Asset – its people.**

Our HR Experts focus on managing your most important asset; your human capital, leaving you to focus on your business. Our team can help you improve your human resource systems, thus avoiding costly and time consuming internal issues. Benefits include: increased efficiency, more productive staff, reduced absenteeism, improved time management for both staff and managers and more. With the above understanding in mind and pursuing the continuous endeavors of you, we help you update your Human Resources Systems and practices to be inline with the modern professional international standards prevailing in your industry.

PKF provides comprehensive HR management system that includes but not limited to the following disciplines:

Human Resources Diagnostic Study	Restructuring & Organization Structure	Job Description with competency model	Job Classification / Evaluation	Salary & Compensation System
Manpower Planning Process	Recruitment & Selection Process	Performance Management	Training & Development Process	Succession Planning
Career Development	Talent Management	Change Management	HRM Outsourced Services	

## ***Greetings from our HR Consultancy Team Members:***

PKF HR team members are equipped with substantial and extensive experiences, qualifications, and skills to join efforts with our valued clients in achieving their strategic objectives.

### ***Mr. Paul Bouwmeester***

Paul Bouwmeester is the Director of consultancy team and has over 20 years progressive management and hands-on experience in the development and management of complex human resources management and business management in the U.S. and other countries for both commercial enterprises and international NGOs, his broad diverse experience allows him to make a substantial and sustainable contribution to both business/program performance and development.

Paul is qualified with Post graduate certificate in Accounting and Finance from Ireland, he is a Certified Public Accountant (CPA) from Virginia-USA, and holds a graduate certification in HR management. Paul completed his bachelor of Business (BBS) from Dublin City University. Paul is member of American Institute of Certified Public Accountants (AICPA); and Society for Human Resource Management (SHRM).



### ***Ms. Zeena Al Natour***

Eng. Zeena Al Natour is a Senior Management Consultant where her professional consulting career spanning over 7 years has provided her with broad experience in a number of industries both domestic and international, including Manufacturing, Retail, Professional Services, Construction and Finance. Zeena's professional experience includes planning and developing organizational HR strategy, Organization Re-Structuring, Job analysis and Design, Compensation & Benefits, Recruitment and Selection, Employment Formalities, Performance Management and motivation scheme, Employee Administration, Internal Communication, and Training and Development.

A post-graduate from the University of East Anglia-England, Zeena completed her MBA with distinction in Management Consultancy. She undertook her graduate qualifications in Industrial Engineering at Applied Science University with Honours. Zeena is a member of Jordan Engineering Association.



### ***Mr. Mohannad Foudeh***

Eng. Mohannad Foudeh is a Senior Management Consultant in the Business Management Service; Mohannad has excellent experience in the Human Resources Area and has more than 6 years of progressive experience in various Project Management and Operational positions with leading international institutions. He acquired a wide range and solid experience in Project management, business process improvement, Organizational Re-design, Talent Classification and Management, Business Process Development, Performance Management, Change Management, Outsourcing strategies, and Compensation and Rewards Management.

Mohannad is a certified Project Management Professional (PMP®)- PMI Institute from Pennsylvania, USA; he gained his Master in Engineering Management from Ottawa University - Canada; and his Bachelor degree in Mechanical Engineering (Industrial Organizations) from UET, Pakistan. Mohannad is a member of Project Management Institute (PMI) and Jordan Engineering Association.



### ***Mr. Murad Al-Qasem***

Eng. Murad Al-Qasem is a Senior HR Management Consultant having more than 4 years of consultancy experience in HR management and Quality management systems. Murad broad HR experience includes Competency based HRM starting from development of organizations core and functional competencies to job benchmarking and profiling. Murad's HR consultancy work is enhanced with his broad experience in Quality and Excellence models consultancy being responsible for leading Excellence Projects in some federal and non-federal governmental entities.

Murad obtained a Master Degree in Quality Management from Jordan University and has a membership in both Jordan Society for Quality and Institute of Management Consultants and Trainers.





## المجموعة المهنية للاستشارات PKF ProGroup توقع اتفاقية مع وزارة الصناعة والتجارة لدراسة تقييم الاثر الاقتصادي لتوقيع الاردن اتفاقية تجارة حرة مع تجمع دول الميركوسور

التجارة Trade Deversion and Trade Creation لتقدير الاثر الصافي للاتفاقية. هذا بالإضافة الى قيام المجموعة بتحديد القطاعات الزراعية والصناعية المحلية التي ستأثر ايجابيا وسلبيا بالتوقيع على اتفاقية تجارة حرة مع دول الميركوسور ودراسة للتكاليف المالية المترتبة على توقيع الاردن ومصادقتها على الاتفاقية والمتصلة بالايادات الجمركية، وكذلك للمنافع والوفورات الناشئة انخفاض الرسوم والضرائب على الصادرات الاردنية نتيجة للتصدير لهذه الدول في اطار الاتفاقية.

اقتصادي معمق يساعد في تحديد موقف الاردن من توقيع هذه الاتفاقية، الى جانب تعزيز الموقف التفاوضي للمملكة في حال كانت هناك جدوي اقتصادية من توقيع هذه الاتفاقية. كما تهدف الدراسة التي ستقوم المجموعة المهنية باعدادها التي تقيّم الآثار المتوقعة لقيام منطقة تجارة حرة بين كل من الاردن ودول الميركوسور وتحديد الايجابيات والسلبيات بالنسبة للاقتصاد الاردني من ناحية كلية وقطاعية ويتطلب ذلك القيام بتحليل كمي يمكن من التنبؤ بالميز النسبية للبلدية وكذلك قياس ما يعرف في الاقتصاد الدولي بانثار خلق وتحويل

قامت وزارة الصناعة والتجارة بحالة العطاء رقم ٦/٢٠٠٩/٥٤ على المجموعة المهنية للاستشارات PKF ProGroup ذلك بهدف اعداد دراسة لتقييم الاثر الاقتصادي لتوقيع الاردن اتفاقية تجارة حرة مع تجمع دول الميركوسور. ان الهدف الرئيسي للمهمة المطلوبة هو المساهمة في تحديد الموقف الرسمي في التفاوض على توقيع الاتفاقية تجارة ومساعدة متخذي القرار في المملكة على تبني موقف رسمي عند عملية التفاوض بحيث يستند هذه القرار على اسس موضوعية وتسعى الوزارة من وراء هذه الدراسة الى توفير تحليل

### Mr. Shareef Al Jaabari

Shareef is a Semi Senior Management Consultant. His two-year working experience involves using computers and related technologies to meet the needs of organizations by choosing and configuring appropriate hardware and software. For the last past year, and with his IT background, Shareef focused on HR consultancy in the IT context such as HR ERP systems.

Shareef achieved his Bachelor Degree in Management information system from Albalqa' Applied University.



### Mr. Osama Sharaiha

Osama Sharaiha is a Management Consultant and has more than two years experience in HR Management Consultancy, where he worked on developing comprehensive management systems for organizations of different sizes and industries. He has worked with several key clients on implementing and enhancing their internal systems focusing on HR management.

Osama completed his Bachelor Degree in Business Administration from Applied Science University.



### Mr. Zaid ALFaker

Eng. Zaid ALFaker is a Junior Management Consultant with two years of working experience focusing on Human Resources management. He participated in developing HR systems for organizations of different sizes and industries. Zeid has very good experience in Job evaluation and compensation and benefits systems.

Zaid achieved his Bachelor Degree in Industrial Engineering from Jordan University for science and technology and he is a member in Jordan Engineering Association.



### Mr. Louai Al Qudah

Louai is a Junior Management Consultant with one year experience in HR Consultancy. Louai provides useful and related data gather and analysis to team members. He completed his Bachelor Degree in Computer Science from Yarmouk University.



## PKF PROGROUP ACHIEVEMENTS IN THE REGION

### ALAHLI TAKAFUL COMPANY IN SAUDI ARABIA "ATC"

PKF ProGroup took the mission to **Upgrade and Review ATC Human Resources & Management System** by which the system aimed at providing the Company's employees with human resources practices. In any organization, business Human Capital is one of its most important assets, because it is people who will realize either the success or failure for the organization.



The system also means to enable the Company to attract, retain, develop, and motivate human resources staffs who are capable of achieving the Company's objectives.

### ABU DHABI USED CARS & WORKSHOPS COMPLEX

PKF ProGroup has conducted a FEASIBILITY STUDY to assess the viability of establishing ABU DHABI USED CARS AND WORKSHOP COMPLEX, the feasibility study outlined and analyzed several alternatives or methods of achieving the business success, where the feasibility study helped to narrow the scope of the project to identify the best business model to build. The feasibility study helped in deciding based on the three main parts implemented within a feasibility study (Marketing, Technical and Financial) to be able to address the final executive summary of the study if it is a feasible project to establish or it is not a realistic feasible project to implement within the set of facts available during the process of conducting the study.

It is worth mentioning that a legislative decision in Abu Dhabi state in United Arab Emirates will obligate used cars dealers and workshops operators to move to one complex in Musaffah. As a result, the government will provide a private investor a 30 year long concession to build complexes.

### MARKET STUDY FOR JORDAN RESTAURANTS ASSOCIATION

PKF has conducted a market study to measure the tendencies and reactions to the **smoke ban law** for our valuable client Jordan Restaurants Association.

Research was conducted on field to solicit input from all types of venue visitors. Venues included restaurant, coffee shops, pubs, discos and night clubs. It highlights a specific subject that is smoking inside closed venues. To come up with results, a specific sampling design will be deployed and statistical analysis along with supportive interviews will be used to come up with conclusions.

Type of investigation included basically two types of methods; questionnaire survey and interviews; to insure all point of views were taken into consideration and a high objective conclusion was arrived at.

Also a general trend across all venues was that smoking participants did not approve the idea of going with their spouses and siblings to smoking venues, but there were tendency to accept the idea of segregated smoking areas more, Smoking participants were not aware of smoking bad effect at most, indicating the non effective media channels with this regards.



### MARKET STUDY FOR ESTABLISHING HOTEL AT THE DEAD SEA

PKF ProGroup has conducted a **Market Study** for a Hotel to be established at the Dead Sea Area, the scope of work for this Comprehensive Market study included three main parts; Understanding the Dead Sea current Market Conditions, Identifying Market Opportunities, and Developing Market-Driven Strategies to figure out the final results upon which our valuable Client would decide to go further with this project or not.

## LAND MARK MARINA AND WATER PORT IN MARBEILLA – SPAIN

Malaga (province), Spain



PKF ProGroup has recently signed an agreement for the purpose of rendering **Due Diligence, Business Valuation** and **Feasibility Study** for Puerto Banus and Water Port – Marbella Spain with the objectives of:-

*Acquiring the Leasehold Interest of Puerto Banus, a Landmark Marina in Marbella (Spain) through conducting a Due Diligence and Business Valuation; Developing an Extension Deep Water Port through developing a comprehensive Feasibility Study.*

Accordingly; the main objective of the Due Diligence conducted was to gather information that will help in making an informed investment decision regarding the impending Acquisition of the Port shares, thereby ensuring a well-executed acquisition process and increasing the chances of the acquisition's success. And the main objective of the Business Valuation was to estimate the fair market value of a 100% equity interest in the Marina, as the term "FAIR MARKET VALUE" can be defined as:

*The price at which the property would change hands between a willing buyer and a willing seller, neither being under a compulsion to buy or sell and both having reasonable knowledge of relevant facts.*

PKF valuation analysis took into consideration revenue ruling, which outlines and reviews the general factors to be considered in the valuation of the capital stock of the Landmark Marina.

PKF Business Valuation report was prepared in accordance with the *Uniform Standards of Professional Appraisal Practice (USPAP) and the Business Valuation Standard II*, full written Business Valuation Report of the American Society of Appraisers.

Accordingly, our appraisal includes such procedures, as we consider essential under the circumstances. [As for the Water Port, the overall objective of the assignment is to provide an analytical tool to aid in the decision making process](#) whilst determining whether to invest in the *Extension of the Deep Water Port via developing a Feasibility Study.*



## FIVE STAR HOTEL IN MARBEILLA – SPAIN

PKF ProGroup worked on conducting a **Feasibility Study** customized for the purpose of potential implementation of a **Five Star Hotel** located in Marbella - Spain; the feasibility study outlined and analyzed several alternatives or methods of achieving the business success, where the feasibility study helped to narrow the scope of the project to identify the best business model to build.

The feasibility study helped in deciding based on the three main parts implemented within a feasibility study (Marketing, Technical and Financial) to be able to address the final executive summary of the study if it is a feasible project to establish or it is not a realistic feasible project to implement within the set of facts available during the process of conducting the study.

## FIRST IRAQI GROUP PROJECT & DAR ASALAM FOR MANUFACTURING & MARKETING MEDICINES & MEDICAL SUPPLIES—IRAQ

PKF ProGroup has undertaken the assignment of conducting two feasibility Studies for First Iraqi Group to establish Chloro Al-chali Plant to produce Chlorine along with Abul Khaseeb Fertilizer Plant to Produce Fertilizers and another Feasibility Study Project was conducted for Dar Asalam for Manufacturing & Marketing Medicines & Medical Supplies to establish a Hospital in Iraq . Those Feasibility Studies aimed at assessing the viability of establishing the foregoing through conducting full Market Analysis, Technical Analysis and Financial Analysis.

The main objective of Those Feasibility Studies is to investigate the Iraqi Market in terms of number of competitors that produce or distribute similar products or offer similar services in Iraq and their annual production capacity or occupancy rates, the total market size and demand, competition environment, what are the most requested product or service specifications, market segments and their needs.

The outcomes of Those Feasibility Studies was used to make a decision whether or not to proceed with the projects.

### *Hemreen Factory for Manufacturing Cables—Dulayl*

*PKF ProGroup has conducted a feasibility Study for Hemreen Factory for Manufacturing Cables, the feasibility study outlined and analyzed several alternatives or methods of achieving the business success, where the feasibility study helped to narrow the scope of the project to identify the best business model to build. The feasibility study helped in deciding based on the three main parts implemented within a feasibility study (Marketing, Technical and Financial) to be able to address the final executive summary of the study if it is a feasible project to establish or it is not a realistic feasible project to implement within the set of facts available during the process of conducting the study.*

## THE CHILDREN’S MUSEUM JORDAN


The Children’s Museum Jordan is the first hands-on establishment of its kind in the Kingdom and is filled each day with the joy of new discoveries. Opened in May 2007, CMJ was brought to life as part of **Her Majesty Queen Rania Al-Abdullah’s** commitment to children's well-being, education and development.



PKF ProGroup had this valuable opportunity to provide pro bono services to the CMJ pertaining to developing a comprehensive Chart of Accounts that supports IFRS reporting requirements followed by the Museum Management reporting requirements. Moreover; an integrated **Financial System** (Financial and Accounting Policies and Procedures) shall be developed for CMJ in order to ensure that proper internal controls are maintained as well as key principles underlined for effectiveness purposes:

- Manage financial resources or liabilities, including the management of cash, assets, liabilities and investments.
- Ensure that financial matters are handled in a proper and honest manner.
- Ensure that funds are expended, revenues/recoveries are collected, assets and liabilities are managed in a responsible manner consistent with the required approvals.
- Obtain resources in appropriate quality and quantity at the lowest cost.
- Meet budget goals or other intended effects.
- Provision of relevant and timely information to decision-makers.
- Prepare financial statements according to *International Accounting Standards* and best practices.





PKF ProGroup, member firm of PKF International, is a regional, multidisciplinary consulting firm with industry specific services. PKF ProGroup offers outstanding opportunities, by providing international standard based services, to dramatically position its clients as pioneers in a rapidly growing business environment. PKF ProGroup plays a major role in business advisory within diverse industries, including auditing, quality assurance and consulting services.

Areas of Experience include finance, taxation, marketing, quality assurance, human resource development, investment, legal, insurance, technology, information management and strategic planning. PKF ProGroup also initiates an added value component where integration, consistency and reliability are effectively enforced. PKF ProGroup high quality services help its clients identify their business needs, improve, excel, cope with business fluctuations and accomplish their anticipated goals.

PKF ProGroup team approach enables operating as integrated cells exposed from diverse industries. Words like creativity, innovation and flexibility generate great success within the firm's services and culture, where PKF ProGroup promise of quality, accuracy, speed, and value remain applicable in all deliverables. Relying on PKF ProGroup beliefs makes its caliber professional and experiencing PKF ProGroup services makes clients distinguishable.

PKF ProGroup services are designed to look after the best interest of our clients and protect their wealth. Our advisors thoroughly investigate the organization's business cycle to innovate the most rewarding solutions.

Since PKF ProGroup establishment in 1990 as a member Firm of PKF International Ltd., we have managed to assist all our clients solve their most demanding issues and overcome their major challenges. Our business experience is real, and so are the results we bring to our clients. We have helped them unlock values in areas such as Accounting, Corporate Finance, Human Resources Management, Impact Assessment Studies, Marketing, Financial Management, and Technology. Our experience, expertise, methodology, commitment and partnership approach grant our clients an improved business performance. We provide real solutions to real challenges resulting in customized advice and solutions provided to the various clients within their business specialties.