



# FlowSphere

## High-Level Feasibility Study

Submitted to:

The Ministry of Digital Economy and Entrepreneurship

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Founders and investors considering this project are advised to conduct further analysis on projected adoption rates, development costs, and ongoing operational expenses. This additional scrutiny will help mitigate potential risks related to technology challenges, changes in regulations, market penetration, and competitive pressures.

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A National Entrepreneurship Policy Project



Ministry of Digital Economy  
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# Executive Summary

FlowSphere is a Human Resources (HR) solutions and outsourcing start-ups designed to address the critical issue of youth unemployment in Jordan by strategically aligning skilled individuals with the evolving needs of global and national start-ups and companies. With Jordan's unemployment rate reaching 24.1% in 2021 and youth unemployment at 46.1% for ages 15-24, there is a pressing need for targeted interventions. FlowSphere aims to bridge this gap by building a pool of skilled Jordanian professionals, offering tailored HR services, and facilitating local and global employment matching opportunities.

FlowSphere's market potential is promising, with the global HR outsourcing market valued at USD 34.59 billion in 2021 and projected to grow to USD 52.94 billion by 2031, driven by factors such as industrialization, payroll outsourcing, and advanced technologies like cloud computing and big data. In the MENA region, a significant portion of the population is under 24, highlighting the urgency for effective skill development and employment solutions. FlowSphere's expertise in connecting Jordanian talent with global opportunities positions it to meet the growing demand for cost-effective, efficient HR solutions while fostering employment opportunities for Jordanian talent.

## Keywords

Jordan unemployment, HR solutions, outsourcing services, labour market information, Employer of Record (EOR), global payroll services, human resource outsourcing, tech start-ups, SMEs, compliance, workforce planning, talent management, economic development

## I. Introduction

In 2021, Jordan's unemployment rate climbed to 24.1%, significantly impacting the youth labour force<sup>1</sup>. As per the ARDD report of 2023 on Youth Unemployment in Jordan, the severity of youth unemployment is evident in the 46.1% unemployment rate among the 15-24 age group in the second quarter of 2022, emphasizing the critical need for targeted interventions<sup>2</sup>. In order to contribute to addressing this issue, it becomes important to develop and maintain comprehensive labour market information and outsourcing systems to provide accurate data on job vacancies, required skills, and labour market trends, while working actively with employers to facilitate job matching.

FlowSphere offers HR solutions and outsourcing services, strategically aligning skilled individuals from Jordan with diverse backgrounds and expertise, with the evolving needs of global and national start-ups and companies. By maintaining a comprehensive pool of skilled Jordanian professionals' profiles on their database, FlowSphere aims for clients to receive tailored solutions to their specific challenges, while also providing opportunities for skilled professionals to contribute meaningfully to their respective work industries. FlowSphere does this by providing a comprehensive range of services tailored to facilitate local and global employment, and HR management.

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<sup>1</sup> Al Hussein, J., Al Tal, R., & Al, R. (n.d.). Youth Unemployment in Jordan. <https://shs.hal.science/halshs-04362170/document>

<sup>2</sup> ibid.

For local clients, FlowSphere provides a ready set of professionals, whose credentials are verified and are ready for hire. For global clients, their Employer of Record (EOR) service handles every aspect of employment from payroll to compliance with local labour laws, enabling companies to employ overseas without the burden of establishing local entities. Additionally, the Global Contractor Management system streamlines the engagement of international freelancers under local legal frameworks. For payroll complexities, their Payroll Services offer a comprehensive system to manage payroll for employees in Jordan, ensuring adherence to tax requirements and labour laws. For all clients, FlowSphere also offers HR services that support businesses in employee onboarding, ongoing management, and compliance assurance.

For tech start-ups with limited funding, FlowSphere offers tailored solutions that help them scale efficiently without the financial burden of a full-time team. Budget-conscious SMEs find FlowSphere's cost-effective alternatives to traditional hiring models ideal for managing their HR needs within tight budgets. Global organizations benefit from FlowSphere's expertise in connecting them with Jordanian Talent (start-ups can potentially grow to include talent from other countries in later stages), enabling them to reduce operational costs. Additionally, FlowSphere caters to skilled professionals, including gig workers and digital nomads, by offering flexible remote work opportunities.

## 2. Market Analysis

The global human resource outsourcing market was valued at USD 34.59 billion in 2021 and is expected to grow to USD 52.94 billion by 2031, at a compound annual growth rate (CAGR) of 4.3%.<sup>3</sup> This growth is fuelled by several factors. Rapid industrialization has increased the complexity of human resource management, prompting businesses to seek more efficient and cost-effective solutions.<sup>4</sup> Payroll outsourcing, a key component of HR services, allows companies to streamline payroll, benefits, and employee administration, thereby reducing operational costs and enhancing profitability.<sup>5</sup> Additionally, the integration of advanced technologies such as cloud computing, big data, and analytics is transforming HR processes<sup>6</sup>. These innovations enable better data management, compliance, and employee engagement, driving the overall growth of the HR outsourcing market. As businesses continue to adapt to these technological advancements, the demand for comprehensive HR solutions is set to rise.

The global HR outsourcing industry features several prominent players who lead the market. Some of these include **Cielo Inc.**, known for its talent acquisition and management solutions, and **Kronos Inc.**, which specializes in workforce management and human capital management.<sup>7</sup> **IBM** offers a wide range of HR services leveraging its technological expertise.<sup>8</sup> **Mercer LLC** provides consulting services to help organizations optimize their workforce.<sup>9</sup> **Paychex Inc.** is notable for their payroll and HR solutions that cater to small and medium-

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<sup>3</sup> Human Resource Outsourcing Market Size & Trends - 2030. (n.d.). [www.businessresearchinsights.com. https://www.businessresearchinsights.com/market-reports/human-resource-outsourcing-market-101679](https://www.businessresearchinsights.com/market-reports/human-resource-outsourcing-market-101679)

<sup>4</sup> *ibid.*

<sup>5</sup> *ibid.*

<sup>6</sup> *ibid.*

<sup>7</sup> *Human Resource Outsourcing (HRO) Market - Global Industry Share and Ranking, Overall Sales and Demand to 2031.* (n.d.). [www.linkedin.com. Retrieved May 18, 2024, from https://www.linkedin.com/pulse/human-resource-outsourcing-hro-market-global-industry-tthfc/](https://www.linkedin.com/pulse/human-resource-outsourcing-hro-market-global-industry-tthfc/)

<sup>8</sup> *ibid.*

<sup>9</sup> *ibid.*

sized enterprises.<sup>10</sup> **Randstad Holding NV**, a global leader in HR services, and **Accenture PLC**, renowned for its consulting and outsourcing capabilities, also play significant roles in the market<sup>11</sup>. Within Jordan, companies like **Crystal**, **SourceitHR**, and **Key Jordan** offer HR outsourcing solutions. However, FlowSphere stands out in the HR outsourcing market by delivering personalized solutions tailored to the unique needs of Jordanian tech startups, SMEs, and global companies courtesy of its understanding of the skilled professionals market in Jordan across key sectors such as BFSI, IT, Retail, Healthcare, among others. By deeply understanding each client's challenges and growth strategies, and aligning them with the right talent, FlowSphere customizes its services to align with specific business objectives and budget constraints, ensuring a more impactful outsourcing experience.

FlowSphere's target market includes tech start-ups, SMEs, global organizations, and skilled professionals. In Jordan, SMEs make up 99.5% of the economic establishment, numbering above 100,000, employing 60% of the workforce<sup>12</sup>. However, their output is only about 30% of the GDP, which conveys the urgent need for right alignment of human capital and skills<sup>13</sup>. Jordan also represents 27% of the MENA region's tech entrepreneurs, and currently there are approximately 1,000 tech start-ups working in Jordan, employing 25,000 people<sup>14</sup>. This is set to grow in the coming days with 5G infrastructure<sup>15</sup> and growing access to MENA countries as well as globally. Additionally, organizations and companies are embracing remote work models and distributed teams as a result of technological advancements, changing workforce preferences, and cutting costs. This further highlights the growth opportunities for FlowSphere.

### 3. Business Model

FlowSphere will work on a B2B model with local and global organizations. The core services of FlowSphere are as follows:

- I. **Customized Talent Solutions:** Offers tailored HR solutions by maintaining a diverse and skilled pool of Jordanian professionals, ensuring clients receive the best fit for their needs starting with the following three streams:
  - Business Process Outsourcing (initially could start with focusing on customer service, Digital Marketing, or accounting)
  - Project-based model including software development, website design, and product engineering, or any type of work that can be broken down into discrete parts based on verification of market demand.
  - Staff augmentation which can be used for permanent or temporary needs – such as handling a busy season, getting through a shortage of software engineers, or covering for maternity leave.

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<sup>10</sup> ibid.

<sup>11</sup> ibid.

<sup>12</sup> o-minus. (n.d.). Jordan Chamber of Industry. Jci.org.jo. <https://jci.org.jo/Chamber/Services/Sectors/80095?l=en>

<sup>13</sup> ibid.

<sup>14</sup> 75. (n.d.). Jordan - Information and Communication Technology. Wwww.trade.gov. <https://www.trade.gov/country-commercial-guides/jordan-information-and-communication-technology>

<sup>15</sup> Qamhiyah, F., & Murphy, K. J. (2024, March 7). 5G in Jordan: Shaping a Connected Future. ericsson.com. <https://www.ericsson.com/en/blog/5/2024/5g-in-jordan-shaping-a-connected-future>

2. **Compliance and Payroll Management:** Provides comprehensive Employer of Record (EOR) services such as payroll management including payroll processing and tax compliance, employment contract management, legal and regulatory compliance, ensuring compliance with local labor laws and streamline payroll processes.
3. **Cost-Effective HR Solutions:** Provides HR solutions tailored to startups and SMEs, such as employee onboarding and training, performance management and employee development, helping them manage their HR needs without significant financial burden.

FlowSphere's revenue model is multifaceted, designed to accommodate the diverse needs of companies operating on a global, regional, or local scale. **Packages covering individual hiring, project-based hiring and annual retainer fees** form the core part of the revenue, providing businesses with regular access to their suite of services. This model is **multitiered**, allowing companies to choose the level of service that best fits their needs,

**Transaction-based fees** is another revenue stream that can be explored upon achieving product-market fit, where charges are applied to specific services such as payroll processing or HR administration services. For clients requiring more specialized services, such as enhanced compliance support or strategic HR consulting, FlowSphere may charge premium service fees, reflecting the added value and expertise provided. These revenue streams enable FlowSphere to cater to a wide array of business sizes and types, ensuring flexibility and scalability in global employment solutions.

Starting with two revenue streams out of the three in the first year to be able to focus on growing them first before expanding and including a third one, Flowshpere will generate JOD 30,000 in the first year and then grow revenues using a mix of packages, subscriptions and transaction-based fees to JOD 117,895 in year 5, reflecting on the scaling of operations and market penetration.

Itemized revenues and total annual revenues are summarized in the table below:

Table 1: Revenue projection

Description / Year	1	2	3	4	5
Projected Demand Business Process Outsourcing (Quantity)	20	60	120	160	215
Price / Unit Business Process Outsourcing (JOD)	2,500	2,500	2,750	3,025	3,328
<b>Sub-total Business Process Outsourcing (JOD)</b>	50,000	150,000	330,000	484,000	715,413
Projected Demand (Quantity) Project-based model	12	24	30	37	40
Price / Unit Project-based model (JOD)	5,000	5,000	5,000	5,000	5,000
<b>Sub-total Project-based model (JOD)</b>	60,000	120,000	150,000	185,000	200,000
Projected Demand (Quantity) Staff augmentation		6	8	10	12
Price / Unit Staff augmentation (JOD)		2,500	2,500	3,000	3,000
<b>Sub-total Staff augmentation (JOD)</b>		15,000	20,000	30,000	36,000
<b>Total Revenues (JOD)</b>	110,000	285,000	500,000	699,000	951,413

The following charts show the product mix by revenue and by quantity. The analysis reveals a practical distribution between the three revenue streams, both in terms of quantity and revenue.

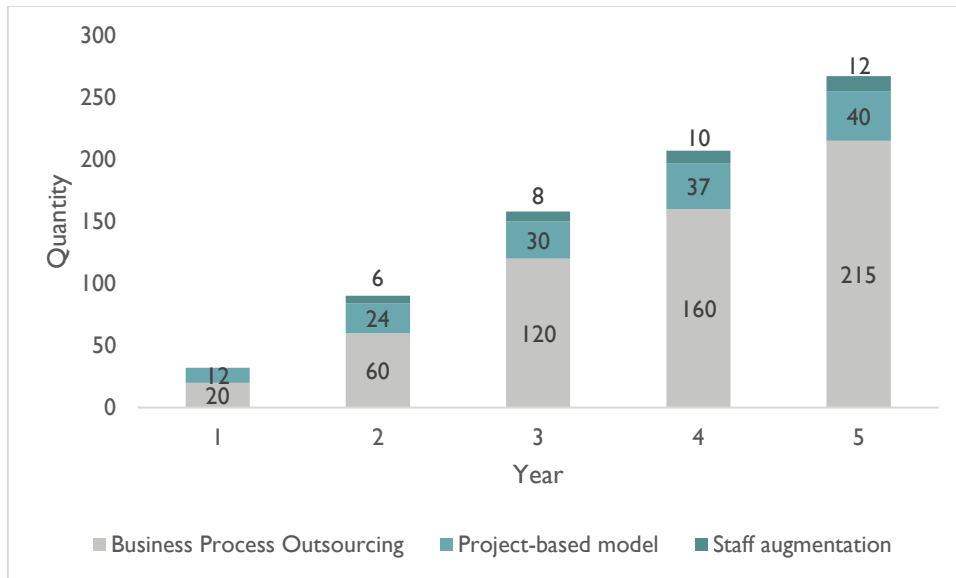


Figure 1: Product Mix by Quantity

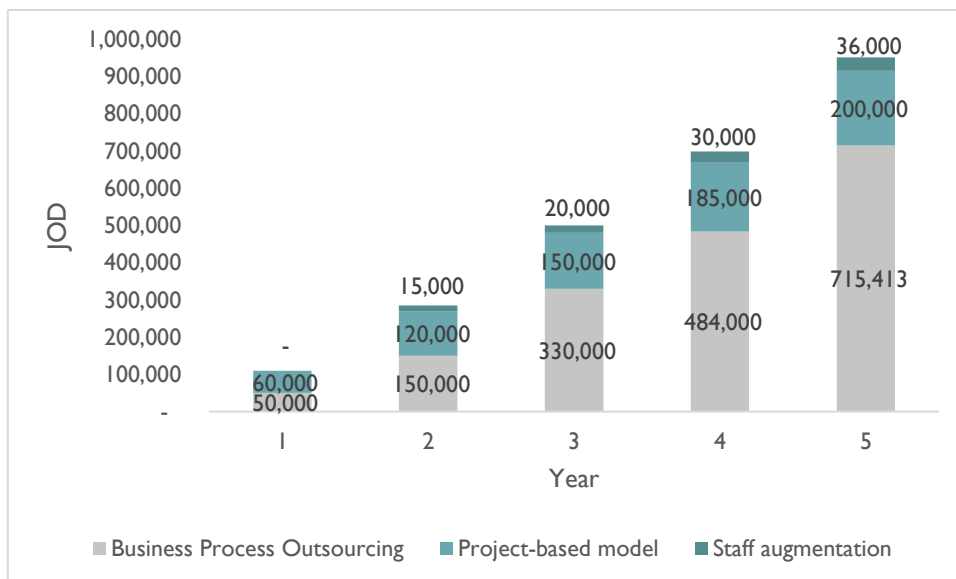


Figure 2: Product Mix by Revenue

## 4. Technical Analysis

The cost of goods sold (COGS) for each service are aligned with the quantity demanded, showing controlled costs across the services and primarily cover the compensation fees for the hired employees.



- Business Process Outsourcing: COGS are 60% of the revenues generated over the 5 years.
- Project-based model: COGS are 60% of this revenue stream over the first five years.
- Staff augmentation starts with COGS at 50% and then go up to 60% from the third year onwards.

The total COGS increased from JOD 66,000 in Year 1 to JOD 570,848 in Year 5, which is a proportional increase relative to the growth in revenue, the table below outlines the projected COGS over five years:

Table 2: Cost of Goods Sold – Five Year Projection

Description / Year	1	2	3	4	5
Projected Demand Business Process Outsourcing (Quantity)	20	60	120	160	215
COGS / Unit Business Process Outsourcing	1,500	1,500	1,650	1,815	1,997
<b>Sub-total Business Process Outsourcing</b>	<b>30,000</b>	<b>90,000</b>	<b>198,000</b>	<b>290,400</b>	<b>429,248</b>
Projected Demand (Quantity) Project-based model	12	24	30	37	40
COGS / Unit Project-based model	3,000	3,000	3,000	3,000	3,000
<b>Sub-total Project-based model</b>	<b>36,000</b>	<b>72,000</b>	<b>90,000</b>	<b>111,000</b>	<b>120,000</b>
Projected Demand (Quantity) Staff augmentation	0	6	8	10	12
COGS / Unit Staff augmentation		1,500	1,500	1,800	1,800
<b>Sub-total Staff augmentation</b>	<b>0</b>	<b>9,000</b>	<b>12,000</b>	<b>18,000</b>	<b>21,600</b>
<b>Total COGS</b>	<b>66,000</b>	<b>171,000</b>	<b>300,000</b>	<b>419,400</b>	<b>570,848</b>

Team composition doubles in year 2 and then grows moderately in year 3, stabilizing in years 4 and 5 unless additional revenue was secured, and more growth achieved. starting with CEO and Recruitment Lead in the first year adding a project manager and part-time marketing officer in year 2 and a sales officer in later years. This composition is only feasible in the presence of an automated employee application and filtration process, and the reliance on consultants and service providers to set up the platform and subscriptions to already existing tools that enable the delivery of services and management of start-ups operations.

Table 3: Manpower recruitment plan – five-year projection

Title / Year	1	2	3	4	5
CEO	1	1	1	1	1
HR Manager/Head of Recruitment	1	1	1	1	1
Project Manager		1	1	1	1
Sales Officer			1	1	1
Marketing (Part time)		1	1	1	1

The table below provides an overview of human resource costs, accounting for social security and health insurance expenses. Social security contributions were computed at 14.25% of the gross salary, following the guidelines set by the Social Security Corporation.

Table 4: Manpower total cost – five-year projection

Title / Year	1	2	3	4	5
CEO	15,600	16,800	18,000	19,200	20,400
HR Manager/Head of Recruitment	13,200	14,400	15,600	16,800	19,200
Project Manager	-	8,400	9,600	10,800	12,000
Sales Officer	-	-	8,400	9,600	10,800
Marketing (Part time)	-	6,000	7,200	7,200	7,200
<b>Total HR Salaries</b>	<b>28,800</b>	<b>45,600</b>	<b>58,800</b>	<b>63,600</b>	<b>69,600</b>
<b>Social Security Cost</b>	<b>4,104</b>	<b>6,498</b>	<b>8,379</b>	<b>9,063</b>	<b>9,918</b>
<b>Health Insurance Cost</b>	<b>2,000</b>	<b>4,000</b>	<b>5,000</b>	<b>5,000</b>	<b>5,000</b>
<b>Total HR Cost</b>	<b>34,904</b>	<b>56,098</b>	<b>72,179</b>	<b>77,663</b>	<b>84,518</b>

As for the operational costs, annual investments in marketing and rental fees, maintenance and upgrades, and legal consultations are needed as well starting with JOD 8,360 in year 1 and growing to JOD 10,560 in year 5.

Table 5: Operational Expenditures – five-year projection

Description / Year	1	2	3	4	5
Office Room Rental for Licensing Purposes	3,600	3,600	3,600	3,600	3,600
Website Maintenance		1,000	1,000	1,000	1,000
Advertising	2,000	5,000	5,000	3,000	3,000
Legal & Accounting Fees	2,000	2,000	2,000	2,000	2,000
<b>Sub-total OpEx</b>	<b>7,600</b>	<b>11,600</b>	<b>11,600</b>	<b>9,600</b>	<b>9,600</b>
Other Costs	760	1,160	1,160	960	960
<b>Total OpEx</b>	<b>8,360</b>	<b>12,760</b>	<b>12,760</b>	<b>10,560</b>	<b>10,560</b>

The setup costs for FlowSphere will include the development of the platform and subscriptions to the various tools and software enabling service delivery and remote work management. Initial investment in creating the platform and acquiring the needed license for operation are required. This start-up will require an initial investment of JOD 14,500 to be set up and launched for operations towards year 1 targets and as the platform user base and clients grow, additional investments will be needed in the next 4 years reaching JOD 11,000 in year 5 as per the CapEx tables below:

Table 6: Capital Expenditures Cost – five-year projection

Description / Year	0	1	2	3	4	5
Portal Development & hosting	10,000	3,000	3,000	5,000	5,000	5,000
Subscriptions for Remote Teams Management		1,500	3,000	4,000	5,000	6,000
<b>Total CapEx</b>	<b>10,000</b>	<b>4,500</b>	<b>6,000</b>	<b>9,000</b>	<b>10,000</b>	<b>11,000</b>

## 5. Financial Analysis

### 5.1 Financial Study Assumptions

The feasibility study is based on the following key assumptions:

Discount Rate: The study employs a conservative discount rate of 14%, reflecting a cautious approach to valuation.

**Financing Structure:** The project is entirely financed by equity. This conservative approach avoids the financial leverage and thus underestimates project value, given the lower cost of debt compared to equity.

**Terminal Value:** The project assumes a zero-terminal value at the end of year five, aligning with the study's conservative outlook.

**Cash Flow Projection:** Cash flows beyond year five are excluded from the analysis, focusing on the initial project phase.

**Tax Rate:** The assumed tax rate of 20% complies with Jordan's income tax law.

**Depreciation Rate:** Capital expenditure (CapEx) is depreciated at an annual rate of 20%. Any deviation from this rate may impact projected profitability but not project feasibility, as depreciation is a non-cash expense.

### Working Capital Assumptions

Operational liquidity requirements are guided by the following assumptions:

- **Cash Reserves:** The project will maintain cash equivalent to 90 days of projected annual operational expenses, ensuring robust liquidity management.
- **Accounts Receivable (A/R) Collection Period:** The average collection period for receivables is 30 days, reflecting expected credit sales conversion into cash.
- **Accounts Payable (A/P) Payment Period:** The average payment period for payables is 30 days, indicating the time frame for settling supplier obligations.

Capital expenditures expected to be incurred in the first year were included as part of the initial costs of the project.

Provisions were made within the initial cost to cover any potential negative net free cash flow that may arise during the first five years of operation, if needed.

## 5.2 Financial Study

### 5.2.1 Projected Working Capital

Table 7: Working capital projection (JOD)

Description / Year	1	2	3	4	5
<b>Cash</b>	13,064	19,992	24,414	25,992	27,807
<b>Accounts Receivable (A/R)</b>	9,167	23,750	41,667	58,250	79,284
<b>Accounts Payable (A/P)</b>	5,500	14,250	25,000	34,950	47,571
<b>Net Working Capital (JOD)</b>	16,730	29,492	41,081	49,222	59,521
<b>Change in Working Capital (JOD)</b>	-	12,762	11,589	8,141	10,299

This table shows that the net working capital needed for the project for the first year of operation is JOD 16,730, which has to increase steadily year over year to reach JOD 59,521

in the fifth year of operation. The steady increase in the working capital comes to cover the rapid increase in the project operations and mainly the increase in the projected revenues.

### 5.2.2 Project Initial Cost

Table 8 Initial Cost Summary (JOD)

Description / Year	JOD
CapEx	14,500
Provisions for first year(s) negative free cash flows	8,254
Net Working Capital	16,730
<b>Total Initial Cost</b>	<b>39,484</b>

The project's initial cost is projected to be JOD 39,484, comprising JOD 14,500 as CapEx, JOD 8,254 as provisions for the first-year negative free cash flow and JOD 16,730 as net working capital.

### 5.2.3 Projected Income Statement

Table 9 Projected Income Statement (JOD)

Description / Year	1	2	3	4	5
Total Revenues	110,000	285,000	500,000	699,000	951,413
COGS	66,000	171,000	300,000	419,400	570,848
<b>Gross Profit (JOD)</b>	<b>44,000</b>	<b>114,000</b>	<b>200,000</b>	<b>379,600</b>	<b>380,565</b>
OpEx	52,254	79,968	97,657	103,689	111,230
<b>Net Profit Before Tax and Depreciation (JOD)</b>	<b>8,254</b>	<b>34,032</b>	<b>102,343</b>	<b>175,911</b>	<b>269,335</b>
Depreciation	2,900	4,100	5,900	7,900	10,100
<b>Net Profit Before Tax (JOD)</b>	<b>11,154</b>	<b>24,932</b>	<b>96,443</b>	<b>168,011</b>	<b>259,235</b>
Tax Expense	-	3,756	19,289	33,602	51,847
<b>Net Profit (JOD)</b>	<b>11,154</b>	<b>26,177</b>	<b>77,154</b>	<b>134,409</b>	<b>207,388</b>

The projected income statement indicates that the project will generate a loss of JOD 11,154 in the first year of operation. However, net profits are expected to be positive in the second year of operation and increase gradually over the study period, reaching JOD 207,388 in the fifth year of operation.

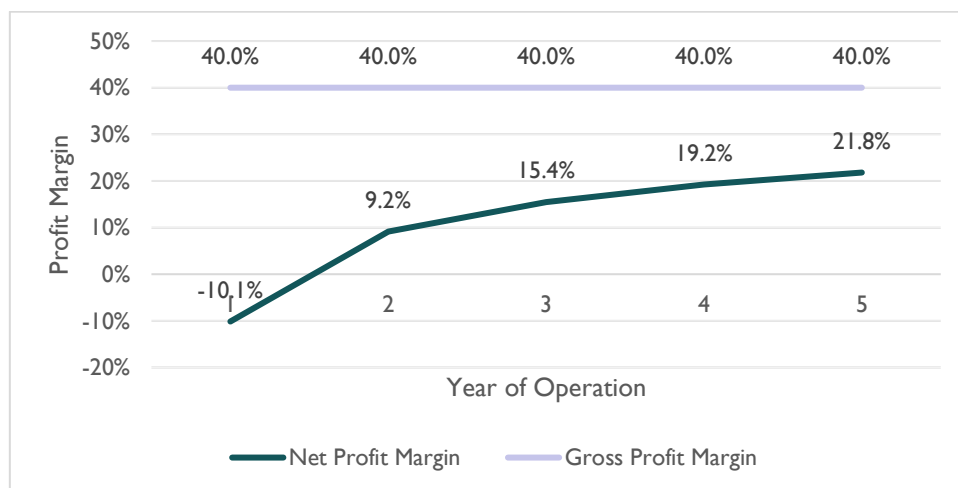


Figure 3: Gross vs Net Profit Margin

In the first year of operation, the project is expected to generate a negative profit margin of 10.14%; from the second year onwards, the net profit margins will be positive and increase gradually. In the fifth year of operations, the gross profit margin is expected to be 40.0%, and the net profit margin is 21.8%.

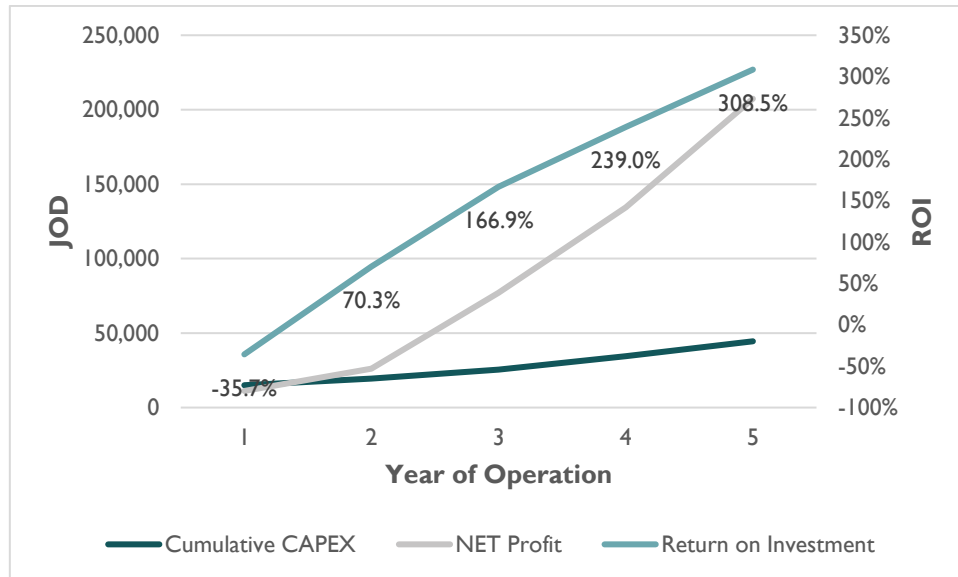


Figure 4: Return on Investment

On the asset management side, the study shows that the return on investment will increase steadily from -35.7% in the first year of operation to 308.5% in the fifth year.

#### 5.2.4 Projected Free Cash Flow Statement

The table below demonstrates that the project can generate a negative free cash flow in the first year of operation, JOD 8,254. However, starting from the second year, the free cash flow is expected to be positive and increase gradually. By the end of your five, the projected free cash flow will reach JOD 196,189.

Table 10: Free Cash Flow (FCF) Projection (JOD)

Description / Year	0	1	2	3	4	5
<b>Cash-In Flow</b>						
Net Profit		11,154	26,177	77,154	134,409	207,388
Depreciation		2,900	4,100	5,900	7,900	10,100
Injected Capital	39,484	-	-	-	-	-
<b>Total Cash-In Flow (JOD)</b>	<b>39,484</b>	<b>8,254</b>	<b>30,277</b>	<b>83,054</b>	<b>142,309</b>	<b>217,488</b>
<b>Cash-Out Flow</b>						
Initial Cost	31,230	-	6,000	9,000	10,000	11,000
Changes in Working Capital	-	-	12,762	11,589	8,141	10,299
<b>Total Cash-Out Flow (JOD)</b>	<b>31,230</b>	<b>-</b>	<b>18,762</b>	<b>20,589</b>	<b>18,141</b>	<b>21,299</b>
<b>Free Cash Flow (JOD)</b>	<b>8,254</b>	<b>8,254</b>	<b>11,515</b>	<b>62,466</b>	<b>124,167</b>	<b>196,189</b>

Based on these results, the project's feasibility indicators demonstrate its viability, with a net present value of JOD 179,709.3 and a profitability index of 5.55. Moreover, the project's internal rate of return (IRR) is expected to be 71.06%, indicating feasibility is not sensitive to changes in market conditions.

Feasibility Indicators	
Net Present Value (NPV)	179,709
Profitability Index (PI)	5.55
Internal Rate of Return (IRR)	71.06%

### 5.3 Sensitivity Analysis

To assess the project's sensitivity to market conditions, a sensitivity analysis was conducted involving six unfavourable scenarios:

- Decrease projected revenues by 5% while keeping other variables constant.
- Decrease projected revenues by 10% while keeping other variables constant.
- Increase operational expenditure by 5% while keeping other variables constant.
- Increase operational expenditure by 10% while keeping other variables constant.
- Increase initial costs by 5% while keeping other variables constant.
- Increase initial costs by 10% while keeping other variables constant.

Table 11: Sensitivity analysis outcomes

Sensitivity Scenario	Net Present Value (NPV)	Profitability Index (PI)	Internal Rate of Return (IRR)
Original Case	179,709	5.55	71.06%
Drop in revenue by 5%	111,621	3.48	49.13%
Drop in revenue by 10%	16,193	1.21	18.17%
Increase in OpEx by 5%	175,047	6.49	75.04%
Increase in OpEx by 10%	148,650	4.23	57.21%
Increase in initial cost by 5%	169,480	4.41	61.91%
Increase in initial cost by 10%	161,455	3.80	56.23%

The sensitivity analysis shows that the project is feasible and not sensitive to unfavourable market conditions. The project's economic feasibility is strong and viable under all the above-mentioned scenarios. The drop in revenues has a more dramatic impact on the project viability than the increase in the OpEx or initial cost by the same magnitude. It is recommended that investors check and further study the market to ensure that the projected revenues are achievable within the thresholds of the proposed initial cost and operational expenditures.

## 6. Integration with Other Sectors

FlowSphere's expertise in HR solutions and outsourcing services opens up significant opportunities for integration across various sectors, enhancing value for clients and expanding its market reach.

Education and Training: FlowSphere addresses the gap between educational curricula and labour market needs by partnering with vocational training institutes and universities. By setting up internship and apprenticeship opportunities, FlowSphere can give students valuable hands-on experience and connect schools with employers, enhancing job prospects and creating a pipeline of skilled talent. By integrating FlowSphere's job vacancy database and employer profiles into their services, educational institutions can offer enhanced career counselling and placement support, providing students with personalized guidance and access to job opportunities that match their skills and aspirations.<sup>16</sup>

## 7. Entrepreneur Persona

Based on the needs of FlowSphere, following are some key elements of the entrepreneur's persona:

Strategic HR Management: The entrepreneur must align HR strategies with business goals to ensure the right talent is in place, driving growth and innovation. They must understand the unique needs of each business, from start-ups to large corporations. Identifies talent gaps, develops recruitment strategies, and implements effective onboarding processes.

Compliance and Regulatory Knowledge: The entrepreneur must be an expert (or partner/collaborate with one) in navigating labour regulations to ensure HR practices comply with local and international laws. They must be someone who covers employment contracts, payroll processing, tax regulations, and labour issues. They must stay updated on regulatory changes, mitigating risks, and avoiding penalties.

Data-Driven Decision Making: The entrepreneur uses data analytics to inform HR decisions, analysing workforce demographics, skills gaps, and employment patterns. They provide actionable insights for workforce planning and talent management, optimizing HR functions based on solid data.

Technology Integration: The entrepreneur is aware and keeps up with advanced technologies like remote work tools and software, cloud computing, big data, and AI to continuously evolve how they are integrated into HR processes. They implement AI-driven recruitment tools and big data analytics to forecast hiring needs, ensuring clients benefit from the latest innovations.

Leadership and Team Building: The entrepreneur builds and leads high-performing teams, fostering a collaborative and inclusive environment. They employ clear communication, supportive mentoring, and a focus on continuous improvement. They empower the team with professional development and regular feedback, enhancing skills and organizational success.

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<sup>16</sup> Hooley, T., & Rice, S. (2019). *Ensuring quality in career guidance: a critical review*. *British Journal of Guidance & Counselling*, 47(4), 472–486. <https://doi.org/10.1080/03069885.2018.1480012>

## 8. Stakeholders

The key stakeholders who will play a role in the functioning of FlowSphere are as follows:

Jordanian Government and Regulatory Bodies: These stakeholders dictate how FlowSphere should comply with local labour laws and regulations. Their cooperation is crucial for the smooth licensing and operation of FlowSphere’s Employer of Record (EOR) and HR services.

Employers (Local and Global): This group includes tech start-ups, SMEs, and global organizations and companies. They are the primary clients who will use FlowSphere’s services to hire and manage talent, both locally and globally. Their needs and feedback will shape the services FlowSphere provides.

Skilled Professionals: This includes Jordanian professionals with diverse backgrounds and expertise, gig workers, and digital nomads. They form the talent pool that FlowSphere will connect with employers. Their profiles, skills, and experiences will be central to FlowSphere’s value proposition.

Industry Associations and Chambers of Commerce: These stakeholders will facilitate networking and partnership opportunities, helping FlowSphere connect with potential clients and stay informed about industry trends and demands.

Technology Providers: Providers of cloud computing, big data analytics, and other advanced technologies will be crucial for the development and maintenance of FlowSphere’s HR solutions. Their technology will enable better data management, compliance, and employee engagement.

Employees of FlowSphere: The internal team, including HR professionals, IT experts, compliance officers, and customer service representatives, will be responsible for delivering and managing FlowSphere’s services.

## 9. Risk Assessment and Mitigation

Risk	Impact	Likelihood	Risk Mitigation Technique
Operational Risks	Ensuring quality of service, FlowSphere must continually maintain high standards of service delivery to meet client expectations and retain their trust and satisfaction.	Moderate	FlowSphere should implement a comprehensive quality management system (QMS) to standardize processes and monitor service delivery. Regular audits on quality of hired employees and reviews of delivered services will help identify and rectify issues promptly. Setting up robust client feedback mechanisms and acting on feedback swiftly can enhance service quality. Clearly defined Service Level Agreements (SLAs) with clients will set expectations and measure performance, which should be regularly reviewed and updated.



Financial Risks	Fluctuations in project demand or delays in payments from clients may impact cash flow and revenue stability. Additionally, unforeseen expenses related to team management, technology infrastructure, or talent acquisition may lead to cost overruns and affect profitability.	Moderate	FlowSphere should diversify its client base to stabilize revenue streams and minimize the impact of client-specific issues. Establishing robust financial management practices, including budgeting, forecasting, and regular reviews, will help monitor cash flow and identify potential issues early. Developing contingency plans and maintaining a financial reserve ensures operational stability during financial uncertainties. Additionally, implementing an efficient invoice management system can ensure timely payments, with incentives for early payments.
Regulatory Risks	Ensuring compliance with data protection regulations to safeguard client data and mitigate legal liabilities is often a tricky area. Additionally, adhering to labor laws and regulations governing remote work arrangements and international employment to avoid legal disputes or penalties is key to FlowSphere's functions.	Moderate	FlowSphere should hire or consult with legal and compliance experts specializing in data protection and labor laws in different regions, ensuring the company stays updated with regulatory changes. Regular internal and external compliance audits can identify and rectify non-compliance issues. Investing in advanced cybersecurity solutions to safeguard client information and providing ongoing training for employees on compliance requirements ensures adherence to regulatory standards.
Market Risks	Shifting market trends or economic conditions may impact the demand for outsourcing services, necessitating agile responses to changing market dynamics.	Low	FlowSphere should continuously monitor market trends and conduct regular research to stay ahead of industry changes, enabling proactive adjustments to services. Developing flexible and scalable service models that can be quickly adapted to changing client needs and conditions is vital. Maintaining close client relationships to understand their evolving needs helps retain clients during market fluctuations. Forming strategic alliances and partnerships with other companies and employment initiatives promoting Jordanian talent can enhance service capabilities and market reach, providing additional revenue streams.

Given the considerations, FlowSphere’s specialized HR solutions and outsourcing services have the potential to contribute to addressing Jordan's unemployment challenges and enhancing its economic landscape. FlowSphere effectively aligns skilled Jordanian professionals with the needs of both local and global companies, offering customized talent solutions, compliance and payroll management, and cost-effective HR services. These services cater to the diverse requirements of tech start-ups, SMEs, and global organizations and companies, ensuring operational efficiency and compliance. With the global HR outsourcing market projected to grow significantly, and the growing remote work uptake, FlowSphere can capitalize on these trends by offering flexible, scalable services. Despite challenges such as regulatory compliance, data security, and market competition, the benefits of FlowSphere's offerings outweigh the drawbacks, enabling its potential to become a player in Jordan's labour market and economic development.

## 10. Conclusion

In conclusion, the project demonstrates promising feasibility indicators based on the assumptions formed during the development of this study. Nonetheless, entrepreneurs are advised to conduct additional analysis on projected demand, initial costs, and operational expenses to mitigate potential risks associated with adverse market conditions that could jeopardize its validity.

### **Disclaimer**

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Founders and investors considering this project are advised to conduct further analysis on projected adoption rates, development costs, and ongoing operational expenses. This additional scrutiny will help mitigate potential risks related to technology challenges, changes in regulations, market penetration, and competitive pressures.

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