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## Case Study

# Ajman Free Zone Authority: Services

## Introduction

A prominent feature of competitive markets is that the entities involved must continuously find new ways of improving their performance in order to stay in the race. In both the private and public sector, this entails ensuring that all stakeholders in an entity, including customers, employees, strategic partners, suppliers, and society, are satisfied. One such method of remaining competitive is service excellence, that is, service excellence, that is, an entity's ability to understand and meet the needs of all stakeholders. The Ajman Free Zone Authority (AFZA), which received the Government Service Excellence Award in 2010, is a prime example of an entity that remains competitive due to its service excellence.

## Case Presentation

AFZA was established in 1988 as a public entity in the United Arab Emirates. According to Alhubaishi and Ahmad (2014) AFZA was established with the following objectives:

- to provide commercial and industrial bases in Ajman
- to attract domestic and international capital investments in numerous economic sectors
- to make the private sector more active in establishing private and joint enterprises
- to provide job opportunities to the local population and in turn develop their technical skills

AFZA provides many services, such as licensing services, leasing services, and visa services. Ajman is the smallest emirate in the UAE and is also in close proximity to the emirates and free zones of Sharjah and Dubai, which are both more economically developed and therefore more attractive to foreign and domestic investors. As a result, AFZA has implemented a service excellence strategy to remain competitive in the market and consequently attract investments that can boost Ajman's industrial development.

## Management & Outcome

In order to effectively execute this strategy of Service Excellence, AFZA has made investor needs its primary focus. In order to attract investment, AFZA offers investors certain incentives. These include the following (Alhubaishi and Ahmad, 2014):

- Quick and efficient processing of license applications
- Full ownership of companies for domestic and foreign investors alike
- Exemption from taxes, customs duties, and sales tax
- Lease of land for up to 20 years
- Business facilities
- Reasonable prices of premises
- Special privileges, such as typing offices, travel agent, and daily newspapers
- A complaint and suggestion platform titled “Your Voice” that allows for improvements based on customer needs

By providing investors with such services, AFZA is able to satisfy its investors and earn their confidence. That being said, AFZA’s Service Excellence strategy extends beyond investors; it also encompasses other stakeholders like employees, strategic partners, society, and suppliers. **Table 1 accounts for the services and interactions exchanged between AFZA and its stakeholders (Alhubaishi and Ahmad, 2014):**

**Table 1: Services & Interaction with Stakeholders**

Stakeholder	Service/Interaction
<b>Employees</b>	<ul style="list-style-type: none"> <li>▪ Recognition through Career Excellence Award and various scholarships</li> <li>▪ Skills training and education</li> <li>▪ Leisure outside workplace for team-building</li> <li>▪ Social communications service, “Chatter.com”, to encourage productive communication between employees</li> <li>▪ AFZA Cinema for presentation of creativity and innovation</li> </ul>
<b>Strategic Partners</b>	<ul style="list-style-type: none"> <li>▪ Ajman Civil Defence issues certifications to meet requirements of fire prevention and fire fighting</li> <li>▪ Ajman Chamber of Commerce and Industry issues a certificate of chamber membership to investors</li> <li>▪ Ajman Municipality               <ul style="list-style-type: none"> <li>- Inspects institutions and companies under AFZA that have an environmental impact</li> <li>- Supervises and examines food for institutions and companies under AFZA</li> <li>- Adopts engineering plans and issues building permits</li> </ul> </li> <li>▪ Ajman Port and Customs provides an outlet to complete transactions for investors</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>▪ Recognition through Career Excellence Award</li> <li>▪ Affiliation with Google Apps to implement new communication technologies</li> <li>▪ “A Cup of Coffee” initiative to enhance communication between investors and AFZA management</li> </ul>
<b>Society</b>	<ul style="list-style-type: none"> <li>▪ Undertakes “Invest Your Computer” initiative, where computers from nearby communities are collected and donated to charities, to avoid harm caused to environment by improper disposal</li> <li>▪ Participates in “Clean the Emirate” campaign</li> <li>▪ Participates in “Worker’s Winter Bag” project</li> <li>▪ Opening of “Limitless Innovation” Exhibition</li> <li>▪ Organizes blood donation campaigns</li> </ul>

## Discussion

AFZA has initiated various activities, projects, and partnerships with its stakeholders, with the aim of achieving high levels of stakeholder satisfaction. In 2012, AFZA carried out a survey to measure the level of satisfaction of each of its stakeholders (Alhubaishi and Ahmad, 2014). Based on the survey results, suppliers had the highest level of satisfaction, at 92%, followed by customers (investors) at 85.90%. Strategic partners, employees, and society had lower levels of satisfaction, ranging from 76.69% to 79.80%. Additionally, between 2011 and 2012, the number of companies registered with AFZA rose from 789 to 948 (Alhubaishi and Ahmad, 2014). These figures indicate that AFZA's Service Excellence strategy has been most effective in attracting investors and maintaining investor satisfaction.

Since its establishment, AFZA has progressed considerably and has contributed greatly to the amount of ongoing economic activity in the UAE. Despite being disadvantaged in terms of size and location when compared to Dubai and Sharjah, AFZA's Service Excellence strategy has made it an attractive investment destination for many companies. By garnering stakeholder satisfaction, AFZA's Service Excellence has allowed it to become a strong competitor in the market.

## References

1. Alhubaisi, H. S. H., & Ahmad, S. Z. (2014). Stakeholder-oriented service excellence: the case of Ajman Free Zone Authority of United Arab Emirates. *Emerald Emerging Markets Case Studies*.

This short case extract summary was written by Madiha Sayani (madihasayani1@gmail.com) and Immanuel Azaad Moonesar (Immanuel.moonesar@mbrsg.ac.ae) based on a previously published case study. It was prepared using an organisation information, and its intention was to provide material for class discussion through publication. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

## Potential Case Questions:

1. What are the Strengths, Weaknesses, Opportunities, Threats (SWOT) facing this organisation in relation to the strategic excellence planning/leadership/management?
2. Compare and contrast this case with your current organisation, in terms of operations, management and/or leadership. Discuss.

## About Mohammed Bin Rashid School of Government

Launched in 2005 under the patronage of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President, Prime Minister and Ruler of Dubai as the first research and teaching institution focusing on governance and public policy in the Arab world. The School aims to support good governance in the UAE and the Arab world, and build future leaders through an integrated system offering education and training programs, as well as research and studies. The School's operations are founded on global best practices developed in collaboration with the Kennedy School at Harvard University, and it is considered a unique model for academic institutions in that it focuses on the practical side of governance. The School also collaborates with several government and private institutions both regionally and internationally. The overall design and implementation of training programs is built on the foundation of scientific thought and is inspired by the reality of Arab public administration and with a view to addressing the issues and helping future leaders meet the challenges facing public administration in various parts of the Arab world. The School also organizes international and regional conferences and specialized workshops, and holds forums to facilitate the exchange of ideas and knowledge between Arab region and the world.