9 June 2016

1. Project Code

14-IN-04-GE-DMP-C

2. Title

Development of Demonstration Companies (Knowledge Management for Quality and Productivity Enhancement in the Electricity and Power Industry, IR Iran)

3. Reference

Project Notification 14-IN-04-GE-DMP-C dated 17 December 2013

4. Timing and Duration

The duration of the implementation of the project will be from 12 to 15 months including the dissemination period. The commencement date is scheduled for July 2016. Tentative details of the implementation schedules will be given later.

5. Implementing Organization

National Iranian Productivity Organization (NIPO) in collaboration with the Ministry of Energy of IR Iran

6. Mission

The mission of an APO Productivity Demonstration Company is to convey success stories on the development and implementation of productivity improvement initiatives undertaken by all stakeholders. An APO Productivity Demonstration Company should epitomize an enterprise-wide productivity movement that achieves business expansion, increases profits and customer satisfaction, reduces waste, enables energy saving, and leads to fair, equitable, mutually satisfying productivity gain-sharing for both management and workers.

7. Objectives

Under an APO Productivity Demonstration Company project, the designated National Productivity Organization (NPO) is expected to:

a. Showcase how an organization can successfully design and implement productivity improvement initiatives with the commitment and active participation of all productivity stakeholders;

b. Demonstrate visibly and tangibly how productivity improvement initiatives lead to outstanding results for the organization;

c. Illustrate the benefits of productivity gain-sharing in boosting the motivation, morale, welfare, and overall achievements of the workers; and
8. Background

In response to the project notification for the development of demonstration companies dated 17 December 2013, NIPO submitted a proposal for a demonstration company project for the application of knowledge management (KM) for quality and efficiency enhancement in the energy and water sector.

KM is a practice that helps individuals and organizations to capture, store, share, and apply their knowledge in a systematic manner to achieve their targets and objectives. Especially in the context of the public sector, it enables organizations to achieve greater competency and synergy by improving accountability, making informed decisions, encouraging innovation, and enhancing collaboration and partnerships. The proposed project will focus on improving KM systems for IR Iran’s policy research think-tank and major companies in the power sector to integrate their knowledge capital and thus enhance the capacity for and quality of planning and decision making in the sectors of energy, resources, and infrastructure.

APO is commissioning this project due to the significant multiplier and demonstration effects of this project envisioned by NIPO as well as the productivity improvement in the public sector pursued by the APO.

9. Collaborating Partners

This project is to be implemented in close collaboration with the following parties:

a. The APO Secretariat (hereafter referred to as the APO);

b. NIPO (hereafter referred to as the NPO);

c. Ministry of Energy of IR Iran; and

d. Niroo Research Institute and Tehran Regional Electric Company (hereafter referred to as the demonstration companies).

10. Roles and Responsibilities

The collaborating parties will perform the following duties:

The APO

a. Coordinate communication among the international expert(s), NPO, and demonstration companies to ensure smooth implementation of the project;

b. Identify, select, and assign the appropriate international technical expert(s) to the demonstration companies to implement productivity improvement plans and activities based on KM;

c. Create and maintain a page on the APO website to detail the processes and progress of the demonstration company project for dissemination to the public; and
d. Advise the NPO and demonstration companies on planning and organizing a dissemination workshop for local participants and, if applicable, a multicountry observational mission for overseas participants enabling them to learn directly from the experiences of the demonstration companies.

The NPO and Ministry of Energy of IR Iran

a. Appoint a coordinator from the NPO office/NPO branch office who will serve as the focal point for communication and coordinate the overall schedule for implementation of the project in the country;

b. Provide, in addition to a coordinator, the necessary number of technical experts from the NPO to work as counterparts to the international expert(s) assigned by the APO;

c. Monitor closely the process of implementation, particularly the key performance areas;

d. Measure the productivity improvement progress at the demonstration companies using quantitative and qualitative data and analyses;

e. Coordinate and supervise the companies in the production of a multimedia record such as video/DVD demonstrating the experiences of the demonstration companies;

f. Assist and supervise the demonstration companies in preparing an interim report and comprehensive final report for submission to the APO;

g. Organize a dissemination workshop upon completion of the project to enable experience sharing and learning by the local public and/or international participants following the advice of the APO;

h. Compile the overall activities of the project in a practical, easy-to-follow manual/guidelines so that similar exercises can be replicated by other enterprises in the country; and

i. Prepare a final report, stressing analyses of the impact of the demonstration project on NPO activities and productivity promotion in the region in general, as well as suggestions/recommendations for replication in the country with emphases on the utilization of local talent, local networks, and local resources.

The Demonstration Companies

a. Accept and facilitate consultancy services conducted by the expert(s) assigned by the APO and counterpart experts from the NPO;

b. Designate a coordinator and necessary team members to work closely with the APO and NPO team of experts;

c. Arrange all logistical requirements relating to the project (such as local transportation, discussion rooms, etc.) for both the APO expert(s) and counterpart experts from the NPO;

d. Prepare monthly updates (including photos) for uploading on the APO website;
e. Submit an interim report at midterm to review the progress of implementation and identify corrections and adjustments as necessary;

f. Videorecord from the start the process of implementation activities to produce a video/DVD upon completion of the project in association and consultation with the NPO;

g. Announce, publicize, and prominently display the APO’s presence and involvement in the demonstration companies throughout the duration of the project;

h. Share the experiences of the company with local and overseas parties who are interested in learning about productivity improvement through KM;

i. Present the experiences in a dissemination workshop to be organized upon completion of the project;

j. Prepare a comprehensive final report for submission to the APO explaining the initiatives and technical details of the projects, overall analyses of the benefits, impact of the implemented KM methodologies, and competitiveness gained by the demonstration companies upon completion of the project.

11. Expense Sharing

The APO

a. All expenses for assignment of the international expert(s), covering airfare, daily subsistence allowances, and overseas travel insurance;

b. Expenses* for producing a practical manual for replication of the experience (to be prepared by the NPO) of up to USD2,000;

c. Expenses* for the production of a video/DVD (to be prepared by the NPO) of up to USD3,000; and

d. Expenses* for conducting a dissemination workshop for the local public (to be arranged by the NPO) of up to USD5,000.

*The disbursement of expenses will be made at the appropriate times corresponding with the specific activities undertaken and following submission of the necessary supporting documents under the applicable APO rules and regulations for disbursement of project expenses.

The NPO

a. Expenses relating to the assignment of a coordinator and NPO expert(s) involved in this project.

The Demonstration Companies

a. Expenses for logistical arrangements related to the implementation of the project, including the local travel costs of the APO international expert(s), as well as for NPO
experts when required due to the distance and/or location of the demonstration companies from the NPO office/branch office;

b. Costs associated with the purchase and installation of equipment and/or fixtures relating to the implementation of the project, if any; and

c. All other expenses for the implementation of the project not covered by the APO and/or NPO.

12. Methodology

The project will be conducted in the following three stages:

- Planning;
- Implementation; and
- Dissemination.

The planning stage consists of a diagnostic survey regarding the application of KM, which includes understanding the operations of the demonstration companies, identifying the challenges faced by them, collecting data and information, and envisaging a master plan for the remainder of this project and the implementation of KM in the demonstration companies. This stage will also involve the capacity building of all stakeholders engaged in the implementation. It is expected to be completed within two to three months.

The implementation stage involves the actual application of KM tools and techniques in the demonstration companies to improve the efficiency and effectiveness of their information and knowledge systems. This refers to practical, action-oriented, on-site activities that engage international and local experts, the NPO, and all other stakeholders. This stage will be carried out by the demonstration companies with the guidance of the experts and is expected to be completed in eight to 10 months.

The dissemination stage evaluates the improvement efforts and initiatives implemented. It also extracts the main lessons learned to provide a practical guide and encourage other organizations to emulate them in the future. Among the main activities expected in this stage are the finalization and production of a practical manual and a video/DVD and organization of a national dissemination workshop. This stage should be completed in two months.

13. Project Schedule

It is expected that four visits of the APO expert will be required for this project, although the actual number and duration will be determined by the expert after the first visit in July 2016. Subsequent visits should tentatively be scheduled at intervals of two or three months in October and December 2016, and in March and May 2017. The duration of each visit should be approximately one to two weeks subject to the availability of the expert and approval by the APO.

14. Accounting Procedures

a. In regard to the expenses for the video/DVD and training manual production, 50% of the APO share will be advanced soon after the Project Implementation Plan is signed.
b. The remaining 50% will be paid in exchange for the video/DVD, training manual, and final project report together with the documents supporting the expenses (receipts).

c. If a local seminar/workshop is held, 50% of the APO share will be advanced before program implementation and the remaining 50% will be paid after implementation based on supporting documents.

15. Final Project Outputs

The Demonstration Company Project will be completed with the submission of the following:

a. Final reports prepared by the Ministry of Energy and demonstration companies and endorsed by the NPO;

b. Practical manual for replication (in video/DVD and/or printed hard copy) prepared by the Ministry of Energy and endorsed by the NPO; and

c. A video/DVD of the experiences of the demonstration companies prepared by the demonstration companies.

The APO will issue a certificate of completion and present them to the demonstration companies upon completion of the project.

Mari Amano
Secretary-General