



APO NEWS

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p.5, Workshop



p.6, GPAC meeting



p.8, NSCI, KPC

Iran hosts forum on Development of NPOs

The Asia-Pacific network of national productivity organizations (NPOs) is one of the greatest strengths of the APO. Together the APO and NPOs have overcome many obstacles in achieving regional and national productivity enhancement. The success of APO projects relies heavily on NPO capabilities, making the Development of NPOs (DON) Program a key APO thrust area.

A vital DON Program event is an annual forum that has brought together NPO heads and senior officials since 1998. The forums discuss critical issues arising from socioeconomic changes and their impact on national productivity movements. The tenth forum in Tehran, Islamic Republic of Iran, 28–30 January 2008, deliberated on NPO plans for capacity building as well as specific member country plans arising from the NPO need assessment survey undertaken by the APO as part of DON Strategy.

APO Research and Planning Department Director Mukesh Bhattarai spoke on the think tank role of the APO and outlined the new two-tiered DON Program comprised of DON Strategy, and DON Implementation. “The DON Strategy objective is to help promote a strategic approach to NPO and member country capacity building, which ensures an allocation of resources that maximizes results,” explained Bhattarai. “The survey employed a cluster approach to analyze NPO needs and determine strategies for the development of NPOs,” he added.



Senior representatives of NPOs discussing the findings of the need survey

Two resource speaker presentations reported the results of a survey of the two clusters. Identified needs were subdivided into common needs shared by countries surveyed and specific needs of each. Common needs were similarly divided into organizational and capacity development needs. Organizational needs consisted of 28 items for the eight countries in cluster A, including NPO restructuring and reorganization, holding roundtable conferences, reviewing and drafting strategic plans and activities, developing incentive plans for NPO staff, and redesigning job descriptions. Capacity development needs were subdivided into productivity and quality, environment, promotion, and others and emphasized the need to develop productivity trainers, consultants, and researchers.

The seven cluster B countries identified both long- and short-term needs, although some were both. Organizational needs included networking with APO members and overseas institutions and developing e-learning materials on benchmarking, energy efficiency, and lean manufacturing. Long- and short-term capacity development needs covered lean manufacturing, knowledge management, intellectual property rights, SME development, public-sector and service-sector productivity enhancement, energy efficiency, Six Sigma, and innovation. Cluster B countries emphasized eight key development areas including more active networks with APO members and other institutions, strengthening of infrastructure and research activities, more effective dissemination of productivity information, and development of better materials for

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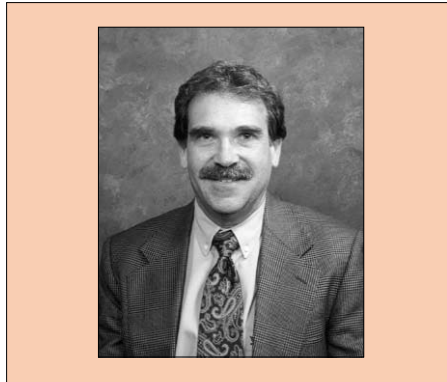


Pains of realignment

Americans are squeamish at best and fear the worst as the economy shows evidence of cracking under the weight of bad debt, overzealous risk taking, government and consumer indebtedness, and lower productivity. Cheap imports, especially from China, and easy credit have kept consumers happy and willing to spend beyond their means. US companies, for the most part, have strong cash positions, but are becoming wary about expansion and investment. This economic upheaval, added to world political uncertainty and global environmental degradation, makes Americans nervous about the future. What will be the cost and who will suffer from the USA's current state of economic misalignment? What will be needed to right the American economic ship?

“This economic upheaval, added to world political uncertainty and global environmental degradation, makes Americans nervous about the future.”

The USA's economic malaise can be attributed to several factors. The most obvious is the volatility of the stock markets which is the result of investor greed finding vulnerable consumers who want to realize the “American dream” although they lack the resources in an overheated housing market. Policymakers should have been extremely nervous over the news that 40% of California homebuyers last year purchased their homes on interest-only loans, suggesting that they had no money for a down payment. Loans based on very little documentation to people with few or no assets ran to about half of all mortgages in 2006. The sellers of those loans made their money up front, packaged the loans to investors, and then covered their eyes to avoid seeing the ugly consequences. Who is to blame? That depends on whom you talk to. Your textbook capitalist will argue that bad economic decisions are penalized by the market, and the



market will self-correct. The opposing view is that trickery and misinformation duped the consumer and such behavior is morally and perhaps legally unacceptable. Regardless of one's position on the matter, in August 2007 the Federal Reserve Bank pumped in over US\$60 billion and central banks around the world took similar actions to avert a global economic meltdown. The Federal Reserve Bank's infusion of money three times in one day was unprecedented in US economic history. As this article was being written the outcome was still uncertain.

One must wonder why the overly generous credit climate never rang the alarm bells among economists. Retail store offers of no money down and no payments for two years would seem to strike at least the more senior economists who once lived in a cash economy as extraordinary. What should really rattle economists are the negative savings rates for individuals and the government. Individual savings have declined into negative territory from about 7% 15 years ago. As mentioned above, businesses maintain a positive savings rate. Having no savings would seem to be a problem, but many economists believe that economic growth trumps indebtedness. Such faith in economic growth is not shared worldwide. The USA has the lowest individual savings rate among industrialized countries and many developing countries; a good example is Chinese peasants who reportedly save 20% of their income.

Alarms are being heard, however, over the US government's dependence on foreign investment to

cover its debt. The government's operational shortfall of some US\$800 billion a year has been made possible by some US\$900 billion in foreign purchases of long-term US securities. Governments, however, are exhibiting reluctance to continue to depend on the US dollar and are diversifying away from dollar-denominated debt. Higher yields can be found elsewhere, although at greater risk. Perhaps it is hyperbole to suggest that the USA is intoxicated with what debt can buy, but certainly some lifestyle adjustments are in order for both the consumer and the government.

“The USA needs to resolve the healthcare crisis and revamp Social Security to ensure long-term viability.”

Increasing productivity was the cornerstone of the US economy over the past decade. During that time, the economy benefited from over US\$6 trillion in additional output due to improvement in productivity rates. From 1995 to 2005, the average productivity increase was 2.7% per year. This represents a one-point increase over the prior two decades and a 10% increase in economic output. The ensuing productivity bonanza allowed Americans to enjoy an unprecedented improvement in their standard of living and provided the courage to incur considerable debt. The ability to continue to depend on productivity is now being questioned with the latest revised figures for 2006 showing a low 1% productivity gain. (The preliminary estimate was 1.7%.) The first quarter of 2007 showed only a 0.7% increase in productivity. This compares with a 3% average annual rate from 2000 through 2005. At the same time, labor costs are increasing. Unit labor costs rose 2.9% in 2006 and 3% in the first quarter of 2007. The decline in productivity and increase in labor costs will erode the living standards of Americans, perhaps more dramatically than the current turmoil in the stock market.

Given the storm clouds on the horizon, what might be the face of a realigned economic landscape for the USA? It is hard to imagine that business as usual will suffice. A decline in US quality of life will be felt disproportionately by the middle and lower economic classes who will shoulder the brunt of the re-adjustment. Should the shock be severe, the next election will divert the USA away from President Bush's "ownership society" toward more government responsibility for righting the ship. Americans do not relish more government involvement, but will need to turn somewhere for relief. Americans will want to curtail military expenditures and put more money toward social improvement. This may or may not be possible, however, given the perceived threat of increased terrorism. The USA needs to resolve the healthcare crisis and revamp Social Security to ensure long-term viability. Job creation is key, which begs the question of immigration and job outsourcing. In an eye-opening article by Michael Mandel of *Business Week*, we learn that job creation in the US private sector, except for healthcare and construction, has been negative over the past five years. Job growth has been limited to healthcare (1.7 million jobs), construction (0.94 million), and the government (0.9 million). The remainder of

the private sector lost 1.2 million jobs, with the highly touted information sector losing 800,000.

The US economy needs to reinvigorate itself beginning with some belt-tightening and a renewed sense of mission that has been derailed of late by investor greed, unrealistic consumer expectations, and government miscalculation of how best to lead the country and share world leadership. 🌀

Michael Manson had a long and close association with the APO when he was the Assistant Director of the East-West Center's Institute of Economic Development and Politics in Honolulu. He helped to initiate a number of collaboration programs between the APO and the East-West Center. Manson also served in the Asian Development Bank, and was Director of Communications with the State of Hawaii's Department of Business, Economic Development and Tourism. He is presently an educator.



Comment board



Manager Noeline Chanan Singh, Wages and Productivity Unit, NPC Malaysia.

Resource Person, training course on Productivity-Linked Wage Systems, 28 January–1 February 2008, Sri Lanka.

“The five-day program on the Productivity-linked Wage Systems (PLWS) was tailored to enhance the knowledge of participants on linking wages to productivity and to share Malaysia’s experience in this area. This system has been developed since 1996, and the National Productivity Corporation (NPC), Malaysia has developed various systems and models for companies to adapt and adopt. The NPC had also developed the PLWS Application Tools, a software package that provides hands-on experience for companies to simulate their own PLWS models. Through Malaysia’s experience, the participants in this course were able to grasp the basic principles of linking wages to productivity and understand the basic concepts of performance measurement. Actual company experiences were also shared with the participants, which enabled them to conceptualize the implementation process and action that was needed to ensure company wide implementation. Many of participants also had prior knowledge on linking wages to productivity which allowed effective sharing and discussion all through the program.”

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Manager Viliame Waqalaivi, Productivity Promotion, TPAF, Fiji.

National Expert, research on Applications of Productivity Methodologies, Tools, and Techniques in Member Countries (Coordination Meeting), 8–12 January 2008, Japan.

“The coordination meeting of this one-year search project provided each na-

tional expert with the opportunity to present a preliminary report and obtain insight into the actual situation in each participating country. Under the guidance of the chief expert and the Research and Planning Director of the APO Secretariat, I was able to understand the requirements of the research, its magnitude, and the subsequent planning that would take place at APO level once our individual reports are completed. Now with the guidelines in place, I have a better understanding of what is expected of me and am working in partnership with respondents so that information will be forthcoming. All in all, the task ahead is enormous but it does present a challenge for us as future training and seminars hinge on the availability of national reports on productivity methodologies, tools, and techniques.”

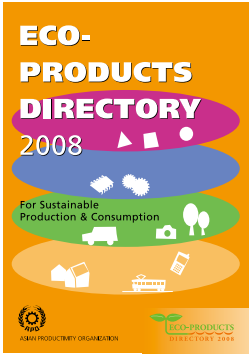
Supervising Tourism Operations Officer Roselle Quimpo Ruiz, Provincial Government of Aklan, Philippines.

Participant, multicountry study mission on Regional Development: International Tourism Promotion, 4–8 February 2008, Japan.

“My objective in participating was to learn about Japan and its experience, policies, and techniques in terms of the regional development of tourism through the promotion and management of tourism resources. It was an enriching experience. I learned a lot from the topics presented and the visits to attractions and industries that reflect Japan’s culture and tradition like the sake brewery, cut glass factory, and fish paste producer. As a whole, the project was a success and definitely worth doing again. However, there was limited time considering that there were so many activities and places to see. The knowledge from the trip to Japan will be a point of reference for our future developments in tourism. Japan’s achievements in tourism through hard work, discipline, and determination serve as an inspiration to us in the Philippines and in our province of Aklan.”



New APO publication



ECO-PRODUCTS DIRECTORY 2008

APO 395 pp. February 2008
ISBN: 92-833-2381-5 (print edition)
ISBN: 92-833-7066-X (e-edition)

The Asia-Pacific region has experienced tremendous economic growth in recent years, particularly due to the increasing industrialization and catching up of the world's two most populous countries, India and the People's Republic of China. With the rise in the income of the people and increasing concerns for sustainable economic development, the demand for environment-friendly goods and services is also growing, motivating enterprises to incorporate environmental aspects into every stage of production and supply.

The Green Productivity (GP) concept, a strategy aimed at harmonizing improved productivity with environmental protection, has become an important area of activity for the APO over the years. In addition to organizing training courses, seminars, and workshops on GP, along with the series of Eco-products International Fairs, the *Eco-products Directory* publications are a significant effort to promote the concept and practice of environmentally responsible purchasing among enterprises and consumers in the region. The Eco-products International Fair 2004, hosted in Kuala Lumpur, Malaysia, witnessed the debut of the first *Eco-products Directory*, with the three subsequent volumes published annually up to 2006. The *Eco-products Directory 2006* included a total of 591 eco-products, eco-components, and eco-services available in the region and beyond.

The *Eco-products Directory 2008*, the fourth volume, will be released during the inauguration of the Eco-products International Fair 2008, 1-4 March, in Hanoi, Vietnam. It contains more than 700 eco-products/services developed by environmentally advanced enterprises, of which more than 400 are categorized as effective in preventing global warming. Considerable efforts have been made to make the directory more user-friendly by the inclusion of enhanced descriptions of many features and new chapters such as Rationale for the *Eco-products Directory 2008* and Main News and Topics Related to the Environment. It also provides participating organizations with an opportunity to publish their own policies on environmental and corporate social responsibilities.

This publication is expected to be useful for business-to-business eco-entrepreneurs, enterprises wishing to green their supply chains, and members of the general public who would like to support environment-friendly producers and service providers through their own consumption patterns. The APO therefore plans to distribute the *Eco-products Directory 2008* at the G8 Hokkaido Toyako Summit to be held in July 2008. In the long run, it is hoped that it will contribute to the sustainable economic development of the region by expanding awareness of eco-product and service availability.

Common sense talk



"Education is the ability to listen to almost anything without losing your temper or self-confidence."

Robert Frost

"If you see in any given situation only what everybody else can see, you can be said to be so much a representative of your culture that you are a victim of it."

S.I. Hayakawa

"For many people a job is more than an income—it's an important part of who we are. So a career transition of any sort is one of the most unsettling experiences you can face in your life."

Paul Clitheroe

"The great enemy of clear language is insincerity. When there is a gap between one's real and one's declared aims, one turns as if it were instinctively to long words and exhausted idioms, like a cuttlefish squirting out ink."

George Orwell

"There is nothing more productive of problems than a really good solution."

Dr. Nathan S. Kline

"To say that a particular psychiatric condition is incurable or irreversible is to say more about the state of our ignorance than about the state of the patient."

Dr. Milton Rokeach

"Living up to basic ethical standards in the classroom—discipline, tolerance, honesty—is one of the most important ways children learn how to function in society at large."

Eloise Salholz

"The worst sinner has a future, even as the greatest saint has had a past. No one is so good or so bad as he imagines."

Sarvepalli Radhakrishnan

For order and inquiry on APO publications and videos, please contact the Asian Productivity Organization, Hirakawa-cho Dai-ichi Seimei Bldg. 2F, 1-2-10 Hirakawa-cho, Chiyoda-ku, Tokyo 102-0093, Japan. Phone number: (81-3) 5226-3920, Fax: (81-3) 5226-3950, e-Mail: apo@apo-tokyo.org.

GP integrates management systems

One business challenge today is to manage activities holistically instead of adopting management systems such as ISO9001, ISO14001, and OHSAS 18001 in isolation. The integrated management systems (IMS) help organizations to develop unified, consistent objectives and a comprehensive implementation plan to optimize quality, environmental, and health and safety (QEHS) performance. Green Productivity (GP), a strategy developed by the APO for harmonizing improved productivity with environmental protection, is based on the plan, do, check, and act cycle identical to ISO9001, ISO14001, and OHSAS 18001, thus covering the QEHS aspects. GP integrates all three systems simultaneously.

To train a pool of GP experts in member countries, the APO now uses a multi-tiered approach. The workshop on GP and Integrated Management Systems began with a basic self-learning course through the APO e-Learning Portal and an e-learning course using the facilities of the World Bank Global Distance Learning Network in July–August 2007. It concluded with a face-to-face workshop organized in India, 7–17 January 2008, for 23 selected participants from among the 350 who took the e-learning course in 2007. One of the participants, Assistant Vice-President for Special Projects Dr. Miriam Esquejo Necessito, Philippines Women's University, commented that, "The e-learning program was an opportunity to learn about the IMS via an innovative, cost-effective modality. The face-to-face workshop complemented the e-learning. Participants could obtain additional insights, learning, and guidance through the direct interaction."

The 23 selected participants gained practical experience to add to theory. The NPC, India, the workshop host organization, provided the latest versions of ISO9001, ISO14001, and OHSAS 18001 for group exercises. Participants studied the main system elements to integrate them using the GP approach. A comprehensive assessment of QEHS issues was made using the GP process, illustrating how to assist organizations to develop an integrated policy,



Discussing integration of current systems using the GP approach

objectives, and targets in a combined plan. "The group exercise on GP and the IMS and its presentation were particularly interesting. It created very healthy competition among the participants and gave great motivation to work hard to develop an integrated policy and plan," said Assistant Manager Ali Asghar, Heavy Mechanical Complex (Pvt.) Ltd., Pakistan.

The workshop confirmed that the IMS helps organizations more efficiently manage all QEHS issues, thereby minimizing incidents and reducing costs. "I am now reviewing our management system and will make a report to managers to suggest plans for improvement. I am also planning to carry out some training among our employees on the IMS and GP for application in our company," Team Leader of Quality Control Sector Luong Ngoc Thuy, Nghison Cement Corporation, Vietnam, wrote in a letter addressed to the APO, resource speakers, and other participants in the workshop. ☺

Iran hosts forum on Development of NPOs (Continued from page 1)

training and consultancy, including assistance in case study writing and certification of management consultants.

"Needs are many and varied due to the different stages of development, maturity of the productivity movement, and economic profile. They range from the need to review and restructure the NPO to staff development requiring assistance from the APO," said Chief Expert Mah Lok Abdullah, in describing the diversity of specific needs. Participants divided into three groups and again listed the priority needs of each country and common needs of each group based on the findings of the survey. "The outcome of the survey was very informative and beneficial. It provided useful feedback and information in formulating the appropriate roadmap for the respective NPOs," Director Abdul Latif Bin Abu Seman, NPC Malaysia, commented.

The experts recommended that the APO and NPOs utilize individual-country assistance programs such as Technical Expert Services, Bilateral Cooperation Between NPOs, and observational study missions. The experts

explained that one problem was that NPO roles were increasingly complex and divergent while resources and capabilities remained limited. Therefore they suggested that NPOs prioritize their market segment and focus on major areas. "The NPO need assessment survey is a progressive step for the APO. It has given some insights into the issues and given a starting point. It is a major investment of time and resources by the APO to make the regional productivity movement effective," said Chief Expert S.A. Khader. He also emphasized the APO's role as an adviser by saying, "The APO should look at each NPO, not only as an implementing partner, but also a fostered younger brother, who needs support and professional inputs."

The APO will integrate all the input and findings in action plans after consulting with NPOs and national and chief experts. "To benefit fully from the whole exercise, NPOs should follow up with the APO on the proposed programs and roadmap, while the APO should work more closely with the NPOs," Abdullah advised. ☺

GPAC confirms importance of private-public alliance

The APO has been tireless in its efforts to encourage private-sector participation in its projects, because the involvement of representatives of that sector is crucial to the success of productivity drives in member countries. This is particularly true in the promotion and implementation of Green Productivity (GP).


In 2003, the APO set up the Green Advisory Committee (GPAC), composed of individuals in charge of environmental management in leading companies, mainly in manufacturing, to give advice on environmental measures based on the long-term experience of Japanese corporations. The GPAC selected the greening of supply chains (GSC), which aims at linking manufacturing with sustainable economic development, as its main theme and has been working to ensure that Asian governments and businesses promote the use of environment-friendly products as a fundamental business objective. The GPAC annual meeting has become one of major events on the APO's calendar. The meeting has reviewed all GP projects, especially the Eco-products International Fairs (EPIFs) and *Eco-products Directory*, since initiation in 2004.

The sixth meeting of the GPAC, held at Grand Arc Hanzomon Hotel, Tokyo, 23 January, again emphasized the importance of joint efforts between the APO and private corporations to encourage sustainable development throughout the Asia-Pacific region. The new chairperson of the GPAC confirmed at the sixth meeting, Dr. Tamotsu Nomakuchi, Mitsubishi Electric Corporation, stressed the importance of strengthening the network of Asian economies through the APO and that the APO's GP private-sector projects such as the EPIFs and *Eco-products Directory*, were both timely and necessary. Outgoing Chairperson Etsuhiko Shoyama, Chairman, Hitachi Ltd., stressed the necessity of proactive governmental support in the APO GP Program for creating increased synergy in the pursuit of sustainability, while the private sector as represented by the GPAC had also made significant efforts to assist the promotion and practice of GP in the region.



Dr. Ngo Quy Viet presents a memento to GPAC Chairperson Nomakuchi, Tokyo, January 2008

The meeting was attended by three vice chairpersons, Prof. Ryoichi Yamamoto, University of Tokyo, Representative Director and Executive Vice President Hideaki Sekizawa, Nippon Steel Corporation, and Senior Counselor Kazuyoshi Terashima, Ebara Corporation, and Adviser Masatoshi Yoda, former president of Ebara Corporation, along with GPAC members and observers. Two special guests from Vietnam, the host of the EPIF 2008, Director General Dr. Ngo Quy Viet, Directorate for Standards and Quality, the national standards body of Vietnam, and Managing Director Nguyen Anh Tuan, Vietnam Productivity Centre, gave presentations at the meeting. Tuan reported on the final preparations for the EPIF 2008 to be held in Hanoi, 1-4 March.

Director Takuki Murayama, Industry Department, APO Secretariat, also made a presentation on overall activities for GSC in 2008, and Industry Program Officer Yoshikazu Kihira described the preparations for publication of the *Eco-products Directory 2008*. The meeting underlined the determination of GPAC members to achieve a sustainable society within and beyond the Asian region. 

Quiz winners

The *APO News* quiz contest in the December 2007 issue received 76 entries including 50 with 100% correct answers (answers available on the APO Web site: www.apo-tokyo.org). The prizewinners were decided through a lucky draw performed by APO Secretariat staff members. Our congratulations to all the winners, who will receive their prizes soon. We also thank everyone for enthusiastic participation in the quiz.

Winners of diary planners

Suborna Shekhor Ahmed (Bangladesh)
K.A. Krishnan (India)
Kalathur Srinivasan (India)
Mohamad Usman (Indonesia)
Soo Chul Park (Republic of Korea)
Rabindra Kumar Shakya (Nepal)
Myrna Atienza Tenorio (Philippines)
Gilbert Hu (Singapore)
Katika Samanein (Thailand)
Nguyen The Cuong (Vietnam)

Winners of three APO publications

S. Shanmugam (India)
Hardadi Lukito (Indonesia)
Haris Budiyo (Indonesia)
Rudi Hartono (Indonesia)
Robert Wesley Sihar Sirait (Indonesia)
Ahmad Navid (Iran)
Yass Yousefi Yekta (Iran)
Fouzan Muhammad (Pakistan)
M. Mohsin Iqbal (Pakistan)
Chanda R. Inocencio (Philippines)



APO Secretariat staff displaying prizes after quiz draw

Winners of APO T-shirts

Nazila Sedghi Sigarchi (Iran)
Souvanthong Namvong (Lao PDR)
N. Tuul (Mongolia)
Bindra Devi Shakya (Nepal)
Syed Muhammad ul Haque (Pakistan)
Sarmad Mohsin (Pakistan)
James Lek Chun Hou (Singapore)
Mangala De Zoysa (Sri Lanka)
Le Vu Soai (Vietnam)
Mohamed Saad El-Ashkar (Egypt)

Program calendar

May

Republic of China

Workshop on Quality Engineering: The Taguchi Method, 5–9 May.

- ▶ Objectives: To grasp the principles of quality engineering; review the current status of its adoption; and plan for the development of a demonstration project.
- ▶ Participants: Production managers/engineers and process improvement or quality assurance and technical consultants of NPOs or similar institutions.

June

Indonesia

Workshop on Improving Managerial Skills of Women Entrepreneurs in Agribusiness, 10–14 June.

- ▶ Objectives: To enhance participants' knowledge of current global trends, opportunities, and challenges in agribusiness; identify the training needs of women entrepreneurs and women managers of agribusiness enterprises; and develop training modules.
- ▶ Participants: Officers and managers of agribusinesses, industry associations, or agricultural cooperatives, representatives of academia or training institutes, and consultants of NPOs involved in human resources development.

e-Learning Course

Exporting Processed Agri-food Products in Major Global Markets (based on the Global Development Learning Network of the World Bank platform).

Phase 1: 13–15 May for Indonesia, Malaysia, Philippines, ROC, and Thailand
Phase 2: 24–26 June for Bangladesh, I.R. Iran, India, Nepal, Pakistan, and Sri Lanka

Phase 3: 1–3 July for Cambodia, Fiji, Lao PDR, and Vietnam

- ▶ Objectives: To investigate the current trends and emerging opportunities for the export of processed agri-food products and policies and regulations governing such exports; and provide the tools necessary to start exporting and expanding into new markets.
- ▶ Participants: Executives or senior managers from agri-food-processing SMEs, senior officials of export promotion boards or agencies, and leaders in the food industry and exporters'/traders' associations involved in promoting exports of agri-food products.

Kindly contact your NPO for details of the above activities, including eligibility for participation. The project details along with the address of your NPO are available from the APO Web site at www.apo-tokyo.org.



*Site visit to a local brewer of traditional Japanese sake
Multicountry study mission on Regional Development: International Tourism Promotion, Japan, 4–8 February 2008.*



*Presenting an action plan for a productivity-linked wage system
Training course on the Productivity-linked Wage Systems, Sri Lanka, 28 January–1 February 2008.*

Iran to host 50th GBM

The Governing Body, the supreme organ of the APO, will hold its 50th annual session in Tehran, Islamic Republic of Iran, 21–23 April 2008. Traditionally held in June, this year's Governing Body Meeting (GBM) was brought forward two months to April to facilitate the transition to a new budgeting system as a result of the new membership contribution formula approved by the 49th session of the GBM held in Mongolia last year. The National Iranian Productivity Center will play host to approximately 70 attendees comprising APO Directors and their advisers from 19 member countries, observers from various national agencies and international organizations, and APO Secretariat staff.

APO/NPO update

New APO Liaison Officer for Republic of China

Mr. Chen-Chi Mii, Senior Management Consultant, International Cooperation Department, China Productivity Center, was appointed APO Liaison Officer for the Republic of China, w.e.f. 1 January 2008.

New Acting APO Liaison Officer for Fiji

Ms. Sainimili Mocevakaca, Labour Inspector (APO), Ministry of Labour, Industrial Relations, Employment, Local Government, Urban Development &

Housing, was appointed Acting APO Liaison Officer for Fiji, w.e.f. 4 February 2008.

Promotion of APO Alternate Director for Pakistan

Mr. Zafar Iqbal, APO Alternate Director for Pakistan, has been promoted from Joint Secretary to Senior Joint Secretary, Ministry of Industries, Production & Special Initiatives, w.e.f. 18 December 2007.

Gauging satisfaction 10 years on

Customer satisfaction (CS) ratings and customer-oriented management are not new concepts. Slogans such as “the customer is always right,” or “the customer is king” are decades old. However, the plethora of choices and information available has resulted in very sophisticated, demanding customers. Consequently, companies require more effective strategies to ensure repeat business.

The Korea Productivity Center (KPC) recognized the necessity for accurate measurement of CS for companies needing a reliable indicator and as a standard index of sectoral and national competitiveness. The KPC worked closely with Prof. Claes G. Fornell, University of Michigan, the developer of the American Customer Satisfaction Index (ACSI) and launched the National Customer Satisfaction Index (NCSI) in 1998.

On 29 January, the KPC organized the NCSI 10th Anniversary International Conference at the Grand Intercontinental Seoul. The conference reviewed 10 years of NCSI research and the improvements it had made to Korean company income. The APO assisted by deputing two overseas resource speakers, Prof. Fornell and CEO Dr. Jan Eklöf of the European Performance Satisfaction Index (EPSI) under its Technical Expert Service Program. In the opening address, KPC Chairman and CEO Sung-Ki Bae stated that, “NCSI research was embarked upon to induce corporations to enhance their quality competitiveness through the scientific measurement of their customers’ satisfaction. I am proud to say that the NCSI has successfully promoted customer satisfaction-driven management over the past 10 years, based on the proven accuracy of the index and the authority that the government grants to the KPC.”



Two TES experts deputed by the APO

In his keynote speech, KPC Executive Director Dr. Chun Sun Lee, manager of NCSI research since its inception, highlighted three main achievements of the NCSI as “winning recognition as being a credible indicator of national quality competitiveness, playing the role of driving force for quality competitiveness enhancement, and finally contributing to a higher quality of life for the people of the country.” Dr. Lee also reported analytical findings from the past 10 years of NCSI research which confirmed a close correlation between



Bae (fifth from left) with representatives of companies ranked first in the NCSI for a decade

the NCSI and major economic indicators such as GDP, consumer spending, and unemployment rate.

“The NCSI method itself has been evolving and expanding for the past 10 years,” said Head of the KPC’s CS Management Center Hyung Bum Kim. “The subject of NCSI research was 37,000 customer responses, covering 161 companies in 37 industries. As of 2007, the subject had grown to 64,000 responses, covering 237 companies in 56 industries.” Kim also added that the average NCSI score was 58.8 in 1998, although it improved significantly to 71.6 in 2007. In comparison, the ACSI score was 75.2 in 2007.

“It is clear that economic growth in a global economy hinges on both productivity and buyer satisfaction. Productivity without customer satisfaction leads to loss of revenue. Customer satisfaction without productivity is too costly... with it [a national measure of CS] economic resources can be allocated for the benefit of all,” said Prof. Fornell, emphasizing the important role of the NCSI in his congratulatory message to the KPC. He also gave a presentation on the growing relevance of CS to business management, investment returns, and economic growth. Dr. Eklöf outlined the development of CS studies in Europe along with the methods of the EPSI, the pan-European counterpart of the ACSI.

An awards ceremony was held for companies ranked first more than six times in their subsectors, which included eight companies that had maintained first-place ranking for 10 consecutive years. Three of those eight companies, Telecom, Asiana Airlines, and Samsung Corporation, shared their experiences in using NCSI results to improve CS management. An NCSI innovation award was also presented to 13 companies and institutions that showed the most improvement in their sectors. The conference concluded with an affirmation of the seven NCSI visions, including NCSI coverage expansion, formation of an Asian regional CS network hub, development of a global CS index database, new-generation modeling, increased CS knowledge, determining consumer impact, and new projects. 