



# APO *news*

## New Year Message

**APO Secretary-General Shigeo Takenaka**

**T**his is the first time I have addressed readers of the *APO News* since assuming the office of the APO Secretary-General in September 2004. I am glad to have this opportunity to greet you and to convey my best wishes for the New Year.


I count it an honor to serve as Secretary-General of the APO. Being new to the productivity movement, there is much for me to learn. At the same time, it is my sincere desire to make a meaningful contribution to strengthening the movement during my service in the APO. An individual striving alone can at best have only a limited impact. With an effective and cohesive team, however, much can be achieved. For this reason, I look forward to working closely with the APO Directors and Alternate Directors in the Governing Body, Heads of NPOs, and Liaison Officers to ensure that the productivity movement will make a significant difference to the growth and development of our member countries.



We are deeply saddened by the unimaginable loss of life and property in a number of APO member countries caused by the tsunami that struck on 26 December 2004, triggered by a massive earthquake in Indonesia. Our condolences go to the people in those countries in their grief, pain, and despair. When the time comes to rebuild and redevelop the affected areas, productivity will be an important factor in ensuring that resources are used to bring maximum benefits to the people. The APO hopes to be able to play a part in the reconstruction efforts.

The APO is essential because the mission it is entrusted with—accelerating the socioeconomic development of the Asia-Pacific region in general and of its member countries in particular through productivity enhancement—is fundamental to the well-being of the region, especially the alleviation of poverty and improvement of the quality of life. The organization has two major perennial challenges: staying relevant to the needs and aspirations of member countries and maximizing the benefits to them.

The *APO News* is one of two major vehicles for disseminating news and information about the mission and activities of the APO, its network of NPOs in member countries, and the productivity concept. The other is the APO Web site. Both are under constant review and improvement. This issue of the *APO News* features a new masthead and the beginning of a cartoon series that treats a serious subject in a lighthearted, fun manner. The Web site has a new homepage that is more sophisticated, pleasing to the eye, and easy to use. Both provide a wealth of ideas, news, and information.

I thank you for your interest in the *APO News*. I hope that it will always prove useful to you. 

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**“Under budgetary pressure (arbitrary or not) it is truly remarkable how many options one discovers one can do without.”**

**James R. Schlesinger**

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## Productivity improvement in the service sector

**D**eveloping countries in their early stages of development depend largely on the agricultural sector for economic development and employment generation. As a country advances economically, the manufacturing and service sectors become the new growth areas. In developed countries, the service sector is the major (more than 60%) contributor to GDP. It also accounts for the major share of employment.

Based on the *APO Asia-Pacific Productivity Data and Analysis 2001* publication, the share of the service sector in GDP in APO member countries ranges from 38% in Vietnam to 69% in Japan. In terms of productivity growth in the service sector, seven countries recorded negative growth rates, while six had positive growth. In Malaysia, the service sector is also the largest sector in the economy, contributing 56.7% to GDP and 48.6% to total employment in 2002. In terms of productivity, it recorded a growth of 2.4%.

Since the service sector is essential to a nation's economic growth, it must continuously enhance its productivity and sustain its competitiveness, especially in view of the global challenges of a more open market. For this reason, productivity- and knowledge-driven strategies, a customer-focused management philosophy, and effective applications of information and communications technology (ICT) are critical to building a productive service sector.

### Developing human resources competency

The ability to provide a high level of service quality and an effective productivity and knowledge management process require the involvement and commitment of employees at all levels in an organization. The success of an organization depends heavily on the quality and competency of its human resources. Excellent companies recognize that human resources are their number one asset. This is all the more true in the service industry. Therefore, employees must be adequately trained and retrained to ensure that their knowledge, skills, and competencies remain relevant and useful.



With the Internet increasingly relied on as a source of knowledge and with rapid changes in science and technology, the amount of knowledge is doubling every seven to 10 years. This also hastens the obsolescence of skills and knowledge. The shelf life of academic degrees has been estimated to be only one year for computer science, two years for electrical engineering, and four years for business studies. Training and skills development must therefore be a continuous process. On average, the training budget of an organization is about 1% of payroll. Excellent companies, on the other hand, spend about 4–5% and devote an average of 40–50 training hours per employee per year.

### Innovative and creative circles

To involve employees in productivity improvement activities, a team-based environment must be developed in which they can participate actively in improving service performance. One such employee participation program is quality control circles (QCCs). A 2002 survey on QCC activities by the National Productivity Corporation (NPC) of Malaysia revealed that the majority of the respondents were from the manufacturing (42.0%) and service (31.0%) sectors. Most of the projects undertaken were related to members' own workplaces, work processes, service delivery, and product development. The vast majority (95.1%) of the respondents said that QCC activities had helped reduce

operational costs, with savings reported ranging from US\$125.00 to US\$2 million, with the median of US\$50,000.

In 2004, the NPC launched the Innovative and Creative Circle (ICC) Program, which expanded the QCC approach to focus on innovation. It aims at promoting knowledge sharing, creative thinking, innovation for value creation, and cost optimization. The first National ICC Convention was held in September 2004.

### Customer focus and understanding customer requirements

Service quality is about understanding and meeting customer needs, requirements, and expectations. The strategy to achieve this is to develop and nurture a close relationship with them through periodic contacts and surveys. Any feedback received should be followed through and acted on. Service quality not only involves meeting service delivery targets. It also necessitates seeking opportunities to "delight" customers with value-added services that make them feel more satisfied.

Customer relationship management (CRM) is an approach that can assist organizations to serve their customers better. CRM helps to identify valuable customers, assess their needs, and provide more personalized service. It also streamlines the handling of enquiries and requests, resulting in higher operational efficiency and more rapid responses to customers.

### ICT and productivity improvement

Most macroeconomic research studies conclude that ICT is a significant contributor to productivity growth and most relevant in knowledge- and information-intensive service enterprises. However, a word of caution is necessary: heavy investments in ICT and automation alone may not increase productivity unless a total, integrated approach is taken. This requires complementary investments in organizational restructuring, workplace and work process redesign, and a mindset change among employees, who need to be computer literate.

Effective applications of ICT in the service industry will result in higher productivity, leaner service processes, better-quality products and services, lower costs, and shorter delivery times. In short, they lead to better customer service. The areas of ICT application are in software development, system integration, CRM, video- and teleconferencing, Web site development, and Internet-based data interchange.


### Productivity measurement

If we cannot measure performance, we cannot manage and improve it. But measuring performance, especially in the service industry, is far from easy. Despite this, we should measure what is measurable; if something is not measurable, we should try to make it so. Efficiency measures based on the output/input ratio can be supplemented with effectiveness measures in index form.

Basically, there are two main approaches to productivity measurement: partial factor productivity measurement and multifactor productivity measurement. The former is a ratio of the output to one of the factor inputs, such as labor productivity or capital productivity. However, partial productivity measures are not comprehensive and, if used alone, can be misleading. Multifactor productivity measurement, on the other hand, considers output in relation to multifactor inputs. A good example is total factor productivity, which measures the synergy and efficiency of utilizing both labor and capital inputs.

To supplement the above efficiency measures, the balanced scorecard approach provides additional measurement perspectives by focusing on the reliability and effectiveness aspects. It evaluates business performance in four areas: financial, customers, internal business processes, and learning and growing.

### Conclusion

The service sector, as one of the prime sectors in a nation's economic development, must continuously increase its productivity and resiliency to sustain its global competitiveness. Investment in human resources development, achieving deep customer focus, and effective applications of technology, in particular in ICT, are essentials for growth and sustainability. An appropriate productivity measurement system should be in place to assess performance and highlight opportunities for improvement. 

*Mah Lok Abdullah is the immediate past Director-General, National Productivity Corporation, Malaysia, and a former APO Alternate Director for Malaysia. Currently, he is Chairman of the Malaysian National Accreditation Committee; Principal Consultant, Railer Management Services; APO technical expert; and Fellow of the World Academy of Productivity Science. He has been involved in productivity promotion for 32 years.*



## p-TIPS

## Break on through to the other side (Achieving deep customer focus)

The management literature confirms the importance of customer focus for sustainable enterprise growth. Deep customer focus isn't just tracking purchases or offering new products; it's the attitude of an organization. A company with deep customer focus offers the outcomes sought by customers and becomes indispensable to them. How can the necessary changes be made for deep customer focus? Professor Sandra Vandermerwe, Tanaka Business School, Imperial College, University of London, offered advice on 10 "critical breakthroughs" in the Spring 2004 issue of *MIT Sloan Management Review*.

1. Create strategic excitement. Generate excitement about a new direction before a crisis, e.g., sagging sales, occurs. Then people will feel inspired, not scared.
2. Enlist "points of light." Don't worry about gaining a consensus. Find people willing to try new things and let them inspire others.
3. Articulate the new market space (desired customer outcome). Rely on "intelligent hypothesis" rather than research alone, since you are in a way inventing the future. Let people in different product groups and disciplines see how they could contribute to the new market space.
4. Identify the value opportunities. A high-level team should use the customer-activity cycle to identify gaps (what customers could or should do) and fill them.

5. Build a compelling case. Use the customer-activity cycle to develop detailed stories that exert rational and emotional appeal.
6. Size the prize. Determine how much the bottom line will improve with deep customer focus.
7. Model the concept. Start with a customer workshop demonstrating the customer-activity cycle. Let customers validate, or amend, the value propositions (filling of gaps).
8. Get people working together. A hierarchical, departmentalized attitude doesn't lead to deep customer focus.
9. Get critical mass. Make it easy for customers to choose a new option by quantifying both the financial and nonfinancial benefits. Collect "before" and "after" data to create and educate the market.
10. Gather momentum. Because customer value is created using information, it can be used repeatedly. Once knowledge is gathered, it can be adapted to other markets and areas at low cost.



## New APO publications



### SUSTAINABLE FARMING SYSTEMS IN UPLAND AREAS

APO 175 pp. July 2004 ISBN: 92-833-7031-7

Sustaining farming systems in upland areas in Asia is posing a major environmental challenge. Growing food demand and low income are driving farmers in many upland areas to use intensive farming methods that are more productive. The downside of this is that it causes deforestation, soil erosion, and reduction in land productivity. This problem is not only technical. It is also the result of limited investment on research in this area, sociopolitical neglect of marginalized upland societies, lack of awareness of the communities, and poor development planning. In recent years, however, there have been cases of successful sustainable upland farming.

Recognizing the importance of sustainable upland farming in Asia, the APO organized a study meeting in India, January 2001, to review recent developments in upland farming and attendant issues and constraints. This publication, a report of the proceedings of the meeting, provides a summary of the findings and the text of four resource papers and 12 country papers.



### EVOLVING SUSTAINABLE PRODUCTION SYSTEMS IN SLOPING UPLAND AREAS

APO 221 pp. July 2004 ISBN: 92-833-7021-X

Sloplands provide food and livelihood to millions of people in Asia and the Pacific. They are, however, facing growing problems of population pressure, poverty, and environmental degradation. In many slopland areas, productivity is falling and yields are declining. An important reason for this is poor planning for the development of sloplands for agricultural and other uses. Proper classification of sloplands for different uses is thus required. In response to this need, the APO organized a study meeting in Japan, July 2002, to review land classification in sloping areas for sustainable production systems, identify policy-related issues, and formulate measures for improvement. This publication is also a report on the proceedings of the meeting and includes a summary of the findings and the text of five resource papers and 15 country papers.

The APO has listed a number of e-books on its Web site ([www.apo-tokyo.org](http://www.apo-tokyo.org)). Some are also available in hard copy, while others, including the above two publications, are available only in the e-edition.

For order and inquiry on APO publications and videos, please contact the Information and Public Relations Department, 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) 5226-3927, Fax: (81-3) 5226-3957, e-Mail: [ipr@apo-tokyo.org](mailto:ipr@apo-tokyo.org)

## COMMON SENSE TALK



“Money is of no value; it cannot spend itself. All depends on the skill of the spender.”

*Ralph Waldo Emerson*

“Under budgetary pressure (arbitrary or not) it is truly remarkable how many options one discovers one can do without.”

*James R. Schlesinger*

“Why this reluctance to make the change? We fear the process of reeducation!”

*Isaac Asimov*

“All organizations do change when put under sufficient pressure. This pressure must be either external to the organization or the result of very strong leadership.”

*Bruce Henderson*

“A competitive world has two possibilities for you. You can lose. Or, if you want to win, you can change.”

*Lester C. Thurow*

“That writer does the most who gives his reader the most knowledge, and takes from him the least time.”

*Charles Caleb Colton*

“The worse the news, the more effort should go into communicating it.”

*Andrew S. Grove*

“The easiest, the most tempting, and the least creative response to conflict within an organization is to pretend it does not exist.”

*Lyle E. Schaller*

“New ideas... are not born in a conforming environment.”

*Roger von Oech*



# — APO productivity experts' mission to — Cambodia

At the request of Cambodia, the newest member of the APO, the APO Secretariat deputed a team of three productivity experts from 21 to 23 December 2004 to assist the country in developing an institutional framework for productivity promotion, planning the initial stage of the launching of the national productivity movement, and conducting a one-day seminar on productivity promotion. The experts were Mah Lok Abdullah (Malaysia), Koh Kasuga (Japan), and Low Choo Tuck (Singapore).

**T**hey paid courtesy calls on the Minister for Industry, Mines and Energy (MIME) Suy Sem, Minister for Environment Dr. Mok Mareth, and Minister for Labour and Vocational Training Nheap Bun Chin, and held in-depth discussions with MIME Secretary of State Dr. Ith Praing, who is also the APO Director for Cambodia; Secretary of State of the Ministry of Agriculture, Forestry, and Fishery It Nody; and senior officials of the Ministry of Economy and Finance and the Chamber of Commerce. Without exception, all those they consulted expressed keen interest in APO activities and a willingness to support the mission and activities of the Cambodian National Productivity Unit (NPU). Working sessions were held with NPU Head and APO Alternate Director for Cambodia Yea Bunna and his staff members to design an action plan for productivity promotion in the country.



(L-R) Kasuga, Mah Lok, Suy Sem, Low, and Yea Bunna

Minister Suy Sem inaugurated the seminar on “Productivity Development” held on 23 December and attended by 150 persons comprising senior government officials, private-sector CEOs and senior executives, and representatives from trade and commerce associations. In his address, the Minister stressed the

benefits of productivity and said that it is a new way for increasing profits and improving living standards. He announced that a follow-up seminar on “Productivity Enhancement” has been planned for March 2005. Dr. Ith Praing chaired the panel discussion and delivered the closing remarks. 🌀



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## NPO heads to confer in New Delhi

The annual APO Workshop Meeting of Heads of National Productivity Organizations (NPOs) for 2005 will be held in New Delhi, 15–17 February. About 60 delegates are expected to attend the 45th meeting, which will be hosted by the National Productivity Council of India. The delegates comprise Heads of NPOs and agriculture representatives of APO member countries, observers from nonmember countries and international organizations, and APO Secretariat staff members.

During the workshop, the delegates will hear the APO Secretary-General's statement, evaluate the APO projects implemented in 2004, and do strategic planning for 2006 and 2007. The workshop is also a time for the sharing and exchanging of information on how each is dealing with the challenges faced by their respective national productivity movements. The report of the workshop meeting will be submitted to the APO Governing Body for consideration and approval at its own annual meeting in June.

# Mission to UK on quality governance

The first APO multi-country study mission to the United Kingdom (UK) took place 8–12 November 2004 on a subject of growing concern to policymakers and companies in Asia and Europe, if not the world: corporate governance and corporate social responsibility (CSR).

Participants from nine Asian countries (Bangladesh, India, Japan, Malaysia, Nepal, Philippines, Singapore, Thailand, and Vietnam), representing both the public and private sectors (including stock exchanges, banks, manufacturing companies, and NPOs), attended to learn from best practices, share experiences, and present their conclusions and recommendations for action to a high-level panel at the Department of Trade and Industry (DTI) of the UK Government.




Participants in the mission

The weeklong program was developed by Henley Management College (HMC) in association with two other leading organizations that were uniquely placed to assist in cross-cultural business understanding: the Japan Business Council in Europe (JBCE) and Commonwealth Business Council (CBC). Meetings were facilitated by experts from the HMC, Ethical Trading Initiative, CBC, Railpen Investments, Foreign and Commonwealth Office, Royal Society of Arts, and English-Speaking Union. A videoconference was held with UNIDO in Vienna. The participants also met with Nirj Deva, Member of the European Parliament.

Recent corporate scandals in the USA, Europe, and Asia and high-profile cases of weak corporate transparency and accountability have shaken faith and trust in business corporations, to the extent that responsibility for management behavior must be clearly placed on the highest level of the organization, the board of directors. It is widely accepted today that a company must conduct its business as a good corporate citizen. “Quality governance,” combining corporate governance with CSR, is a key to understanding why and how a company should exist in a society. Its basic characteristics are legitimacy, transparency, accountability, and measurability.

In their recommendations for action to the panel meeting at the DTI, the participants called for, among others, more interaction between Asia and Europe on quality governance and related themes and investment in the promotion of and

education on this subject. Various suggestions were proposed on how these objectives could be achieved, including the establishment of a Corporate Governance and CSR Resource Centre by UNIDO, HMC, and others in developing countries to tap available best practices. To ensure the momentum set in motion by the study mission is sustained and to maintain a continuing dialogue for the development of future activities, it was proposed that an informal network—the Asian Productivity Network in Europe—should be established by the APO, HMC, JBCE, and CBC. This will represent the only network committed to sharing good practices in productivity between Asia and Europe. 

## Program calendar

### Republic of China

Symposium on Redesigning Integrated Community Development, 25–29 April 2005.

Workshop on Green Productivity and Occupational, Environmental Health and Safety, 9–13 May 2005.

### Fiji

Multi-country Study Mission on Marketing Strategies for Tourism Industries, 4–7 April 2005.

Workshop on Green Productivity Approaches to Sustainable Development, 11–15 April 2005.

### Republic of Korea

Seminar on Outsourcing Strategies for Small and Medium Enterprises, 12–15 April 2005.

### Laos

Training Course on 5S and Kaizen for the Government Sector, 23–27 May 2005.

### Malaysia

Practicum Workshop on Green Productivity, 7 March–1 April 2005.

Training Course on Income-generating Business Activities for Socially Vulnerable Women, 23 May–3 June 2005.

### Pakistan

Training Course on Assessors of Quality Awards, 18–22 April 2005.

### Member countries

APO Fellowship, January–December 2005.

Individual Country Observational Study Mission, one to two weeks per mission.

Special Program for Agriculture Productivity Enhancement in Asian Least Developed Countries.

*Kindly contact your NPO for details of the above activities, including eligibility for participation. If you need the address of your NPO, it is available from the APO Web site at [www.apo-tokyo.org](http://www.apo-tokyo.org).*



# p-Experts deputed by the APO

## BANGLADESH

The following were deputed to make a presentation at the 7th International Convention on Students' Quality Control Circles, 17–19 December 2004: **Prof. S. Chakraborty**, Director, Jaipuria Institute of Management, India; **Dr. Hesan Quazi**, Associate Professor, Nanyang Business School, Singapore; and **Mr. Donald Dewar**, President, QCI International, USA.

The following were deputed to serve as resource persons at the Symposium on Cross-functional Management, 20–23 December 2004: **Dr. Lim Ghee Soon**, Associate Professor, Department of Management and Organization, National University of Singapore; **Mr. Basur Girish**, Deputy Director, National Productivity Council, India; and **Dr. Daechang Lee**, President, Ulsan Regional Innovation Agency, Republic of Korea.

## CAMBODIA

The following were deputed to serve as members of the APO mission team to Cambodia, 21–23 December 2004: **Mr. Koh Kasuga**, Special Adviser, JPC-SED, Japan; **Mr. Mah Lok Abdullah**, Principal Consultant, Railer Management Services, Malaysia; and **Mr. Low Choo Tuck**, Director, Planning Division, SPRING Singapore.

## INDONESIA

**Mr. Carlos Canamero**, Economic Affairs Officer, Transport/TLB/SITE Division, United Nations Conference on Trade and Development, Switzerland, was deputed to serve as resource person in the winter meeting on Productivity Management of Public Infrastructure: Productivity of Seaports, 7–10 December 2004.

**Mr. Izani bin Ishak**, Consultant, Policy Research Division, Macro Analysis Unit, National Productivity Corporation, Malaysia, and **Dr. Mohd. Anuar Abdul Karim**, Consultant, National Productivity Corporation, Malaysia, were deputed to serve as resource persons in the TFP Training of Trainers for NPO Indonesia and Dissemination of TFP Techniques to Regional Productivity Offices on TFP Methodology and Computation in the Manufacturing Sector, 6–10 December 2004.

## APO/NPO update

### Secretariat Personnel Rotation

Mr. Kenneth Mok, Director, Information and Public Relations Department, was appointed as Director of the Administration and Finance Department, and Mr. N.G. Kularatne, Director, Administration and Finance Department, was appointed as Director of the Information and Public Relations Department w.e.f. 20 January 2005.

## ISLAMIC REPUBLIC OF IRAN

**Mr. Mah Lok Abdullah**, Principal Consultant, Railer Management Services, Malaysia, was deputed to conduct a seminar on TFP Measurement, 11–14 December 2004.

## MALAYSIA

The following were deputed to serve as resource persons in the Follow-up Meeting: Workshop on Enhancing NPO's Core Competence: Productivity Education and Certification sponsored under the APO's Strengthening NPO Services, 16–17 December 2004: **Mr. Hassan Haider**, Head, Training Division, National Productivity Organisation, Pakistan; **Mr. Kunapareddy Ashol Kumar**, Senior Deputy Director, SD-Division, National Productivity Council, India; **Mr. M. Moedjiman**, Head, Training and Productivity Board, Ministry of Manpower and Transmigration, Indonesia; **Dr. Segundo Joaquin E. Romero, Jr.**, Executive Vice-President, Development Academy of the Philippines; **Mr. Jek Min Tan**, Vice-President, PSB Corporation, Singapore; and **Mr. Anand Kuver**, Manager, Training and Productivity Support Service, Training and Productivity Authority of Fiji.

**Dr. Yang-Tzong Tsay**, Professor, National Taiwan University, Republic of China, and **Dr. Bibhas Chandra Ghosh**, Managing Director/Dean, Insurance and Financial Practitioners' Association, Singapore, were deputed to serve as resource persons in the symposium on the Balanced Scorecard, 6–9 December 2004.

**Dr. Masami Mizuno**, Professor, Development Anthropology, Department of Development Studies, College of Bioresource Sciences, Nihon University, Japan, and **Mr. Mohan Dhamotharan**, Consultant, Germany, were deputed to serve as resource persons in the seminar on Integrated Community Development Strategies: Kaizen and Rural Life Improvement Programs, 13–17 December 2004.

## MONGOLIA

**Mr. John Parsons**, Consultant, Australia, was deputed to serve as resource person in the Methodology and Strategies for Demonstration Companies project, 14–23 December 2004.

## PAKISTAN

**Mr. Mohd. Ghazali Mohd. Yunos**, Head, Incubator and Enterprise Development, Incubator and Small and Medium Industry Development Department, SIRIM Berhad, Malaysia, and **Dr. Hiroyuki Okamuro**, Associate Professor, Hitotsubashi University Graduate School of Economics, Japan, were deputed to serve as resource persons in the symposium on Strategic Alliances among SMEs through Technology Fusion, 30 November–3 December 2004.

**Ms. Rauzah bt. Zainal Abidin**, Manager, Public Sector Productivity, National Productivity Corporation, Malaysia, and **Dr. Ab. Wahab b. Mohamad**, Deputy Director-General, National Productivity Corporation, Malaysia, were deputed to conduct the training course on Productivity Measurement in the Government Sector, 13–17 December 2004.

## PHILIPPINES

**Datuk Dr. Victor Wee**, Secretary-General, Ministry of Tourism, Malaysia, was deputed to make a presentation at the Business Opportunity Forum 2005, 5 November 2004.

## SINGAPORE

**Mr. Shinichi Shimose**, Director, Processing Technology, Uosui Co., Ltd., Japan, was deputed to serve as resource person in the GPDP on Energy Conservation and Waste Recycling at Changi General Hospital, 4–8 October 2004.

The following were deputed to serve as resource persons in the symposium on Water Resources Management and Green Productivity, 5–7 October 2004: **Mr. L.V. Keshav**, Vice-President, R&D, Corporate Quality and Environment Management Ion Exchange Ltd., India; **Dr. Makoto Murase**, Chief, Rainwater Utilization Promoting Section, Sumida City Hall, Japan; **Dr. Jerald S. Fifield**, President, Professional Hydrologist and CPESC, HydroDynamics Inc., USA; and **Dr. Brendan M. Harley**, Senior Vice-President, Camp Dresser & McKee Inc., USA.

**Dr. Hiwhoa Moon**, Standing Advisor, UGCom Co., Ltd., Republic of Korea, and **Dr. Georges Haour**, Professor, International Institute for Management Development, Switzerland, were deputed to serve as resource speakers in the seminar on Enterprise Innovation, 29 October 2004.

**Mr. Victor A.L. Gielisse**, Associate Vice-President and Dean, Culinary and Baking and Pastry Studies, Culinary Institute of America, USA, was deputed to serve as expert to conduct the training course on Culinary Program, 20–27 November 2004.

## THAILAND

**Dr. M.R. Ramsay**, Chief Consultant, ENDESCO International Consulting Group, ENDESCO Pty. Ltd., Australia, was deputed to conduct a seminar on Measures of Economic Productivity, 7–9 December 2004.

**Mr. Hajime Suzuki**, Consultant, Japan, was deputed to conduct a seminar on Productivity Improvement (Kaizen) for Thai Manufacturing Industries, 7–9 December 2004.

**Prof. Noriaki Kano**, Professor, Department of Industrial Management and Engineering, Tokyo University of Science, Japan, and **Prof. Dr. Shoji Shiba**, Massachusetts Institute of Technology, Cambridge, USA, were deputed to make presentations at the ICQCC, 13–15 December 2004.

## VIETNAM

The following were deputed to serve as resource persons in the workshop on Green Productivity and Urban Environment Management, 6–10 December 2004: **Ms. Kamariah Mohd. Noor**, General Manager, Environment IDAMAN Sdn. Bhd., Malaysia; **Prof. Masaru Tanaka**, Division of Environmental Evaluation, Department of Environmental and Civil Engineering, Faculty of Environmental Science and Technology, Okayama University, Japan; and **Dr. Suporn Koottatep**, Associate Professor, Department of Environmental Engineering, Faculty of Engineering, Chiang Mai University, Thailand.



# Pilot knowledge management projects in Thailand

The Thailand Productivity Institute (FTPI), in support of the APO's initiative on knowledge management (KM) and to realize its vision of being the leading organization in driving productivity and quality improvement and organizational excellence in the country, launched a program to build its KM capability in 2003. A pilot project to implement KM within the FTPI was undertaken in February of that year. Three other organizations from both the public and private sectors were invited to join in the pilot scheme: Siriraj Hospital, the largest public hospital in Thailand; Spansion (Thailand) Limited; and TRUE Corporation Limited.

The pilot project was designed to: 1) formulate a practical methodology for implementing KM that is suitable for local organizations; 2) develop the pilot organizations into role models for others to emulate; 3) increase awareness of KM as a management tool for enhancing competitiveness among local organizations; and 4) build the FTPI's capability to provide consultancy and training services on KM.

The project was managed by the FTPI, with technical assistance provided by APO-deputed expert Robert J. Osterhoff, a former Vice President and Director, Corporate Quality and Knowledge Sharing, Xerox Corporation (worldwide). A six-step change management methodology was used: 1) transition and behavior management; 2) communication; 3) process and tools; 4) learning; 5) measurement; and 6) reward and recognition. The pilot projects were not meant to accomplish an organizationwide implementation of KM. Initial focus was on the following select areas: customer knowledge, technical knowledge, knowledge used by call center staff, and knowledge gained from continuous quality improvement activities. All the pilot organizations took one year and a half to complete their projects. They shared the lessons and experience gained in a public seminar on "Knowledge Management: From Theory to Practice" organized by the FTPI, August 2004, which was attended by more than 300 people, and in a book *Knowledge Management: From Theory to Implementation* published by the FTPI.

Among the key lessons learned from the pilot projects in implementing KM were: 1) a clear expectation of the desired results and creation of a supportive organizational culture are critical for successful KM implementation; 2) strong commitment and visible support from top management are imperative; 3) communication should be continuous to ensure that everyone understands and supports the implementing process; and 4) measurement should be performed constantly to gain feedback for further improvement.

The importance of a supportive organizational culture in the successful implementation of KM prompted the FTPI to launch a research study on cultural barriers to understand and identify the motivating factors for knowledge sharing in the four pilot organizations. They are also scheduled to meet later this year to exchange views on expanding and sustaining their KM programs and to develop a self-assessment tool for others to evaluate their KM status and identify new opportunities for improvement. 🌀

## APO Honorary Fellow Tajima



Tajima (L) receiving certificate from Takenaka

At a simple ceremony held at the APO Secretariat, 3 December 2004, Takashi Tajima received the APO Honorary Fellow certificate and silver tray from his successor as APO Secretary-General, Shigeo Takenaka. The occasion was witnessed by Secretariat staff members. Takenaka later hosted a luncheon in Tajima's honor, attended by the departmental directors. The APO Honorary Fellow is conferred on APO Directors, Alternate Directors, NPO Heads, and APO Secretary-Generals who have attended the annual Workshop Meeting of Heads of NPOs (WSM) and/or the Governing Body Meeting (GBM), also held annually, five times or more upon departure from their posts. APO Liaison Officers who have done outstanding work and have attended the WSM and GBM may also be so honored, if approved by the APO Chairman, two Vice-Chairmen, and Secretary-General.