



APO news

Top Management Forum: Corporate brand management

The theme of this year's APO Top Management Forum, the 22nd in the series, held at the Kyoto International Conference Hall, 6–9 March, was Corporate Brand Management. This project was co-hosted by the Ministry of Economy, Trade and Industry (METI) of Japan, and Japan Productivity Center for Socio-Economic Development (JPC-SED). The objectives of the forum were to develop a profound understanding of the drastic changes in the management environment today; recognize the significance of corporate brand management for the sustainable development of business corporations; and discuss how APO member countries can promote brand management for future growth.

In addition to the 27 international participants, around 40 local participants attended the forum. Opening addresses were given by APO Secretary-General Shigeo Takenaka, JPC-SED President Tsuneaki Taniguchi, and Kozo Shindo of the Kansai Productivity Center. Director Takuki Murayama, Research and Planning Department, APO Secretariat, in his introductory presentation, noted that the three basic requirements for corporate brand management were “a clear vision, consistency, and strong leadership.” The nine forum speakers from the Machine Industry Memorial Foundation, METI, KPMG Azsa & Co., Honda Motor, Wacoal, Matsushita Electric Industrial, Dai-ichi Mutual Life Insurance, Oriental Land, and Central Japan Railway concurred with those requirements. In addition, their presentations stressed the importance of intellectual capital, disclosing intangible assets, customer relationships, and making each employee a representative of the corporate brand. They noted that a strong corporate brand must be founded on a clear mission that is emphasized by managers who believe in it sincerely.



CEO Takeo Fukui, Honda Motor, speaking at the forum

During the forum, presentations were also made by Janususilo of Indonesia and Abdul Hafeez Chaudhry of Pakistan to share their experiences in the APO Member Country Support Program. Subsequent group discussions were facilitated by Masahiro Ota, a JPC-SED management consultant.

Kawashima Textile Manufacturers Ltd., a maker of traditional clothing, artistic textiles, and fabric for automobile, train, and aircraft interiors, hosted an observational visit by participants. 🌐

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“Science succeeds by failure, just as surely as it works by success. We slowly come to know how the physical world works by learning that what we thought was true is all wrong.”

Laurie Zoloth

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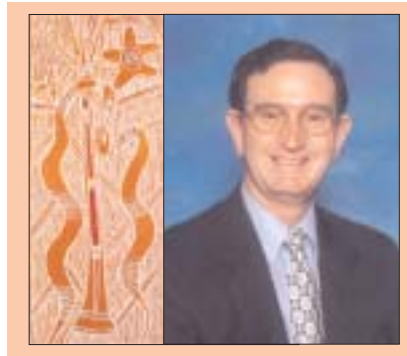


The APO's mission is "to contribute to the socioeconomic development of Asia and the Pacific through enhancing productivity." Articulating socioeconomic outcomes can be a challenge. A recent study of an industry support program in Australia by a leading technology university used a series of evaluation models to measure the outcomes of the program in the small business sector. The table below lists the relevant generic business processes to illustrate the possible socioeconomic outcomes. The table is useful in understanding what to look for when seeking to evaluate the benefits of socioeconomic development, whether at the macro or enterprise level.

The social benefits of healthy, growing, and more efficient enterprises are sometimes elusive. This table sheds more light on the important aspects of productivity improvement.

By improving real income, we can expect to see more sustainable businesses and therefore fewer business failures. In Australia, about 50% of new small businesses fail in the first two years of operation, with resulting loss of capital and jobs, and unnecessary costs to the government (community). With sound businesses, we can expect to see improved living standards and better government services.

Improvement in traded goods and services (exports) ensures that the national brand ("made in Australia") becomes better known and respected. Export income provides real income opportunities for the economy. Import reduction or import



replacement reduces the national trade deficit and also reduces the cost of debt funded by government and enterprises. This leads to healthier, more sustainable economic performance.

In service industries, particularly tourism and hospitality, customer expectations are rising as more people travel globally. The five-star service quality standard is an internationally known and expected benchmark. Income generated through in-bound tourism is generally regarded as export income because the revenue source is from external economies.

The adoption of contemporary production methods drives efficiency. Improved production methods lead to efficiency, higher job satisfaction, and safer workplaces. This does not mean always seeking to replace older equipment, but looking for ways to improve production line efficiency and improved maintenance of existing machinery and methods, enabling the process and operations to perform better. It is not unusual to find factories using older

equipment which outperform newer ones because the management in the older ones works with the people in the process to improve total processes.

Environmental protection is now a global issue, not just for governments but for all citizens of the world who recognize their corporate and social responsibility. This will mean a cleaner environment in every way. Pollution of all types leads to a deterioration in community health and resulting costs to government services and business through the ill health of workers. Workforce welfare is enhanced through better, safer, cleaner production methods, and safer workplaces.

Lower or more competitive prices have an interesting positive effect on improved consumption of goods and services. Lower prices mean that there is more disposable income available for additional consumption. Improving employment opportunities results in higher self-esteem and better morale of the workforce. The general community health and well-being also improves. A happier, healthier, and wealthier workforce tends to have more disposable income so that consumption improves, and as morale improves so do family relationships and the quality of life for all.

As wealth is generated in business and the workforce, new and better work opportunities open up. Business investment is enhanced, and the growth engine responds. The economic benefits of a healthy, growing economy or enterprise are more readily identifiable, but they are linked to the social benefits, since one enables the other. By increasing

Business process	Social benefit	Economic benefit
Real income	Sustainable businesses Improved living standards Improved government services	Increased profitability Increased wages More government revenue
Export	Better opportunities	Increased outward trade
Import	Replacement or substitution	Reduced inbound trade
Production	Better choice of goods/services	More goods/services
Environment	Cleaner Better community health	Less pollution
Pricing	Higher consumption	Reduction in input cost Lower consumer product prices
Employment	Improved self-esteem, consumption, and family/community relationships	Increased employment More training and skills
Investment	New and/or better opportunities	Better investment opportunities

real income through increased profit to the company, we see increased wages paid to employees and increased government revenue from taxes and charges, which in turn benefit the national economy and well-being of enterprises.

Export growth provides income not just for the company producing the goods and services, but also for associated supply and service organizations such as transportation companies. Import replacement by locally produced, more competitively priced, quality products and services occurs when the customer becomes aware that purchasing locally produced products helps build the economy. However, the discerning customer will recognize and buy quality local products if they represent true value.

Improved, more efficient production methods and quality of service provision means better productivity outcomes in cost, quality, and timeliness. Improved environmental outcomes through Green Productivity/environmentally friendly methods and practices are a long-term quality-of-life benefit. This is not just a social requirement but rapidly becoming an economic imperative.

An appropriate pricing policy can reduce input costs for business, leading to reductions in the cost of locally made consumer goods and services. Public-sector services should understand their key role here in reducing costs to assist busi-

nesses to become more competitive. Employment openings are naturally increased as business expands and develops. This leads to the need for a more skilled and educated workforce. Investment opportunities are improved as businesses seek to grow organically or expand through acquisitions or mergers.

Using such a socioeconomic process framework allows for the application of key performance indicators and applies measurements to the outcomes. We can gauge the effectiveness of an enterprise and its contribution to the economy no matter how large or small it is. In future columns this year, I will discuss some of the other key productivity factors important in developing and growing SMEs in particular, such as sales and marketing. ☺

Richard Barton is the Managing Director of Business Improvement Advisory Services. Previously he was the Business Process and Quality Management Executive for IBM in Australia & New Zealand. Prior to that he was General Manager with the Australian Quality Council. He has had a long and close association with the APO since 1992. Mr. Barton writes this column regularly for the APO News.



p-TIPS

Doing your homework (Productivity for home-based businesses)

Home-based businesses are nothing new; many if not most Asian micro and small enterprises operate from homes. However, people currently starting up home-based businesses tend to rely heavily on IT and enter fields qualitatively and quantitatively different from the traditional living-above-the-shop model. AllBusiness.com, an online media and e-commerce company founded in 1999, is meant to “help entrepreneurs, small and growing businesses, consultants, and business professionals save time and money.” Below are AllBusiness.com’s 10 productivity tips for today’s home-based businesses (www.allbusiness.com/articles/HomeBasedBusiness/3337-3349-3354.html).

- 1) Prioritize your tasks ahead of time. Schedule tasks in order of importance. Checking the main ones off the list early frees time to take care of routine matters or unexpected requests.
- 2) Set goals for your day. Ensure that your to-do list contains reasonable goals and do your best to meet them.
- 3) Instruct your family. Many home businesses are unproductive due to “family interference.” Explain that even though you are at home, you are really at work. Those with small children may need childcare help.
- 4) Do not avoid overtime. Long hours may be necessary when first starting a

home-based business. If you want your business to succeed, don’t shy away from investing extra time.

- 5) Turn off distractions. Shut down radios, TVs, and music. If that’s not possible, move your home office as far from them as possible.
- 6) Schedule fun time. Even if you’re working harder than ever, take some time for yourself. You’ll return to the job with a more positive attitude.
- 7) Limit your time on the Internet. One site can easily lead to another, so find what you need and then disconnect.
- 8) Try multitasking. Make any downtime or waiting period as productive as possible.
- 9) Be a good boss. Demand excellence of yourself and your work, but don’t push too hard.
- 10) Enlist help if you need it. If there’s too much work and your productivity levels are falling, ask friends or family for (paid or unpaid) temporary help. Evaluate the need for permanent assistance realistically and be prepared to rethink it periodically.

Productivity enhancement at community level: OVOP movements in Thailand and Japan

The Working Party Meeting on Integrated Community Development for the Mekong Region on the One Village, One Product Movement (OVOP) in CLMV Countries was held 19–24 December 2005. The meeting was organized to coincide with “OTOP City,” a national event of the One Tambon, One Product (OTOP) movement in Thailand.

When the OVOP movement was initiated 25 years ago in Oita prefecture, Japan, it was seen as a means to promote regional revitalization. Each local community identified one or a few products as locally specific, concentrated resources on its production, established it as a local brand, and marketed it to the entire country or beyond. The movement thus combined the production of commodities with local pride and human resources development. Villagers found that their local products became national brands and that many tourists visited their villages to enjoy local traditions and products. The leadership and unity of the community nurtured through the OVOP movement paved the foundation for sustainable rural community development thereafter.

The OTOP movement in Thailand, on the other hand, is strongly promoted by the present government as a core national policy for rural community development. Various support measures for OTOP producers and community groups are provided in the form of technical and marketing assistance. OTOP City is one of the biggest events, in which more than 3,000 producers/community groups exhibited and sold OTOP products; about 1 million people visited OTOP City from 17 to 25 December 2005.

The APO meeting was attended by 18 participants from Cambodia, Lao PDR, Myanmar, and Vietnam, and six self-financed participants from Mongolia, the United Nations Development Programme, Food and Agriculture Organization, and Japan International Cooperation Agency, who had the opportunity to visit OTOP City and speak directly with producers and community groups. In addition to a briefing on the OTOP movement and OTOP City by Thai government representatives, the participants were asked to buy the most innovative OTOP products, identify the most impressive points of OTOP City, and analyze why they were appealing. Through such exercises, the participants were able to identify the factors behind the success of the OTOP movement and OTOP City in Thailand.

A field visit was made to OTOP production villages in the suburbs of Bangkok, after which participants drafted action plans on how to promote similar activities in their own countries. Participants from Cambodia focused on improving the quality of and marketing silk products; those from Lao PDR on disseminating the concept of OVOP; those from Myanmar on strengthening existing silk producers’ cooperatives; and those from Vietnam proposed a trial project before introducing the long-term One Village, One Rural Industry movement nationwide from 2006 to 2015. The APO will support these initiatives under the special “ICD for the Mekong Region Program” funded by the Japanese government. ☺

COMMON SENSE TALK



“A life has to move or it stagnates. It is no good telling yourself that one day you will wish you had never made that change; it is no good anticipating regrets. Every tomorrow ought not to resemble every yesterday.”

Beryl Markham

“Societies that respect women will progress; the rest will degenerate.”

Krishna Raman

“Prejudging people makes one wrong about most things most of the time.”

Ludlow Perry

“There are a lot of creative types looking for the next big thing. Well, these days, environment is it.”

Robert Sheppard

“Science succeeds by failure, just as surely as it works by success. We slowly come to know how the physical world works by learning that what we thought was true is all wrong.”

Laurie R. King

“I not only use all the brains I have, but all I can borrow.”

Woodrow Wilson

“If one sticks too rigidly to one’s principles, one would hardly see anybody.”

Agatha Christie

“If you are going through hell, keep going.”

Winston Churchill

“Travel has a way of stretching the mind. The stretch comes not from travel’s immediate rewards, the inevitable myriad new sights, smells, and sounds, but with experiencing firsthand how others do differently what we believed to be the right and only way.”

Ralph Waldo Emerson

“A shift in awareness is the first change.”

Deepak Chopra

SME development in the Mekong Region

The APO, in collaboration with the Japan Productivity Center for Socio-Economic Development (JPC-SED) and Ministry of Trade and Economy of Japan and with financial assistance from the Government of Japan, organized the Forum on SME Development in the Mekong Region, 20–24 February, in Tokyo.

In mid-2005, experts from the JPC-SED visited Lao PDR, Cambodia, Myanmar, and Vietnam and selected model companies in which to apply the criteria drafted by the JPC-SED for evaluation of SMEs in the region. The CEOs and managers of those model companies together with consultants of NPOs were invited to participate. In addition, participants from Thailand were included to make suggestions for further improvement of the criteria. As a final output, the February forum revised the criteria. It is planned to hold a forum again in 2007 to expand the criteria and to make them more rigorous for use in SMEs in the Mekong region.


The objective is to establish common evaluation criteria and executive guidelines, allowing SMEs in the Mekong region to become more competitive and introduce management systems confirmed to be effective in Japanese SMEs in the model companies and support their management innovations.

The participants visited Techno Wing Ota, officially referred to as the Ota Public Second Factory Apartment Complex and owned by the Business Owners' Association. This is an apartment complex housing about 45 companies, each of which has excellent technology. There are some 5,000 SMEs in the Ota area, and the Ota brand, which can be used only by specific companies, is renowned in the global market. Forum participants visited two companies in the apartment complex: Kataoka Seisakusyo, a fabricator of plastics; and Koa Kanaami, a metal product manufacturer.



Participants examining leather at Ibiza Co. Ltd.

The participants also had an opportunity to visit the Great Mekong Exhibition at JETRO headquarters, where 48 companies from Vietnam, Myanmar, Lao PDR, Cambodia, and Thailand exhibited their products covering the range from general merchandise such as lacquerware and wooden desktop items to furniture, food, accessories, and silk products.

One group of participants visited two SMEs in Chiba and Saitama prefectures, while another group proposed revisions and improvements to the SME evaluation criteria. The first company visited was Harima Industry Co. Ltd., which won a 2003 Chiba Quality Award and makes traditional Japanese paper-covered sliding doors. The second was Ibiza Co. Ltd., a producer of leather goods and the first SME recipient of the Japan Quality Award in 1998. Chairman Shigeru Yoshida explained Ibiza's mission enthusiastically. 

First 5S model companies in Cambodia

Cambodia joined the APO in 2004 and set up its national productivity organization, the National Productivity Center of Cambodia (NPCC), which has recently begun implementing productivity promotion programs.

An NPCC project team held a three-day training course, 20–22 February, for managers and workers of Hagar Soya Company, a soy-milk producer, which was selected as a model for the demonstration of 5S on the shopfloor. After a definition of 5S and its objectives and philosophy, basic productivity tools were introduced. During the course, 5S was practiced in production areas. The employees and their supervisors expressed satisfaction with the improved, more pleasant work environment, with machinery and production materials in a tidier arrangement.

At the end of the course, a 5S Steering Committee was established in Hagar Soya, comprising two managers, five supervisors, and 42 workers. The general manager declared that a day would be devoted to 5S once each fortnight. It was also decided to print T-shirts, posters, and other items to promote the 5S movement continuously.



Sorting out unnecessary items at Hagar Soya

The same NPCC team also conducted a similar one-day 5S course at the confectionery maker LyLy Food on 28 February. The NPCC will expand its productivity enhancement efforts based on the achievements of the two initial training courses.

Greening the agri-food supply chain for enhanced food safety, competitiveness, and sustainable agriculture development

In the agri-food industry, many food processors and exporters of fresh products are working closely with their suppliers and supporting them with state-of-the-art technologies and advice on the choice of seed, disease control, use of appropriate chemical inputs, preservation of biodiversity, prevention of soil/water pollution/contamination, etc. Many examples provide concrete evidence that greening supply chains (GSC) has led to improved environmental conditions and more efficient use of scarce natural resources, notably water and energy, by companies in several countries. These examples also demonstrate the benefits to companies which include economic benefits from lower costs through reduced waste, improved product quality and safety, improved public image, and greater competitiveness.

The APO, in cooperation with the Japan Association for International Collaboration of Agriculture and Forestry, organized a multi-country study mission in Japan, 24–31 January, on greening the agri-food supply chain. The study mission was organized to review successful cases of GSC among agri-food firms in Japan and examine the current and prospective role of GSC in enhancing the quality and safety of agri-food products and competitiveness of agri-food companies while at the same time contributing to more sustainable development of agriculture and a cleaner environment. Twenty-one participants from 17 member countries from government, NPOs, academia, and private industry chambers joined the mission. Three resource persons from the Netherlands, Malaysia, and Japan made presentations on “Framework for GSC,” “Tools and principles for GSC,” and “Building partnerships and managing risks in supply chain management in Japan.”



Participants inspecting organic fertilizer produced at Hotel New Otani

During the mission, participants visited the Hotel New Otani, Tokyo; AEON Company, Chiba; JA Tomisato Company, Tomisato; Ajinomoto Company, Kawasaki; Wagoen Farmers' Cooperative, Katori; and Bio-recycle Research Project of the Ministry of Agriculture, Forestry and Fisheries, also at Wagoen in Chiba prefecture.

Participants were particularly impressed with the recycling system of the Hotel New Otani, where 5,000 kilograms of raw waste materials produced every day by the 50 kitchens in the hotel are processed into high-grade organic compost. The compost is sold to farmers, and vegetables produced by them are purchased by the hotel for its restaurants. This system results in 100% composting of raw refuse and saves the hotel ¥30 million annually, the cost previously incurred for thermal disposal of the raw kitchen refuse.

AEON Company has already achieved a high green level in its supply chain and established product marks informing customers that fewer pesticides and chemicals, antibiotics, or artificial additives went into the item. It is currently promoting the “My Bag, My Basket” campaign, to reduce the use of plastic shopping bags by encouraging customers to bring their own.

JA Tomisato Company is engaged in the contract growing of fresh vegetables and assembling products supplied mainly to the AEON chain of supermarkets. JA Tomisato extension specialists supervise the use of selective fertilizers and chemicals in the production phase. Packaging relies on reusable plastic containers instead of nonrecyclable packing materials.

The Wagoen Farmers' Cooperative has its own biomass and waste recycling center where livestock waste and vegetable residues are transformed into high-quality compost. Every point of the supply chain incorporates the greening process. One of the success factors for greening is the receptivity of cooperative farmers, most of whom are in their 30s, to green concepts.



Wastewater purification system explained at Kawasaki Plant, Ajinomoto Co., Inc.

The Ajinomoto Company has established a “bio-cycle” system whereby products generated during its amino acid production process are returned to the farm in the form of fertilizers and other organic materials sold to farmers. The adoption of the bio-cycle system enabled a 99% resource recovery rate of the byproducts from fermentation processes.

The visits illustrated different methods and tools that can be used for greening the agri-food supply chain, resulting in a win-win situation for companies, suppliers, and consumers. 🌱



p-Experts deputed by the APO

FIJI

Dr. Rajesh Bheda, Professor, National Institute of Fashion Technology, India, was deputed as technical expert for the training course on Quality Control for Apparel Manufacturers, 13–17 March 2006.

JAPAN

Dr. Amy Khor, Chairman, Singapore Government Parliamentary Committee for National Development and Environment, and Mayor, South West Community Development Council, was deputed to make a presentation at the 4th Meeting of the Green Productivity Advisory Committee, 23 January 2006.

REPUBLIC OF KOREA

Prof. Alex Maggs, Faculty of Business, University of the Sunshine Coast, Australia, was deputed as resource person for the multi-country study mission on In-company Training Programs, 14–17 March 2006.

MALAYSIA

Dr. Suporn Koottatep, Associate Professor,

Department of Environmental Engineering, Faculty of Engineering, Chiang Mai University, Thailand, was deputed as resource person for the practicum workshop on Green Productivity, 13–31 March 2006.

SRI LANKA

Dr. Sung Hyun Park, Professor, Department of Statistics, College of Natural Sciences, Seoul National University, Republic of Korea, and Mr. Sean Shao Changqiang, Principal Consultant, PSB Corporation, Singapore, were deputed as resource persons for the project on Strengthening NPO Services: Statistics-based and Quantitative Analyses: Productivity Measurement Tools and Techniques for NPS Sri Lanka, 8–11 March 2006.

THAILAND

Prof. Soo Jiuan Tan, Associate Professor of Marketing, National University of Singapore, and Mr. Ross Fishman, Chief Exceleation Officer, Ross Fishman Marketing, Inc., USA, were deputed as resource persons for the workshop on Niche Market Development, 27 February–3 March 2006.

Program calendar

June

Republic of China

Multi-country Study Mission on Agro-tourism for Enhancing Business Opportunities in Rural Areas, 20–27 June 2006.

Japan

Seminar on Practical Management for Corporate Social Responsibility, 26–30 June 2006.

Malaysia

Training Course on Small Business Development for Women, 19–29 June 2006.

July

Republic of China

Multi-country Study Mission on Precision Farming, 17–27 July 2006.

August

Republic of China

Workshop on Retail Store Management, 22–25 August 2006.

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.

South African delegation visits Secretariat



(L-R) Takenaka, Chabane, and Ramano

A delegation of senior officials from Limpopo province, South Africa, visited the Secretariat on 16 March to become acquainted with APO activities. They paid a courtesy call on Secretary-General Shigeo Takenaka and heard a presentation from the Director of the Information and Public Relations Department N.G. Kularatne. Consultant Yoshikuni Ohnishi explained the role of the APO in productivity promotion in the region. This visit was organized by the South African Embassy in Japan. The delegation comprised O.C. Chabane, M.F. Ramadisha, Mashudu Ramano, and Manabile Shogole, accompanied by Ray Medhurst and Kunio Katsunuma from the embassy.

APO/NPO update

New Agriculture Director and Industry Officer in APO Secretariat

Mr. Song Hyun Choi, Senior Program Officer, Industry Department, was appointed Acting Director of the Agriculture Department, w.e.f. 1 April 2006, and Mr. Akira Munakata, Program Officer, was transferred from the Agriculture Department to the Industry Department, w.e.f. 1 March 2006.

NPO for Cambodia Upgraded

The National Productivity Unit of Cambodia was upgraded from office to department level in the Ministry of Industry, Mines and Energy and renamed the National Productivity Center of Cambodia, w.e.f. 20 January 2006.

New NPO Head and APO Liaison Officer for Pakistan

Mr. Tariq Bajwa, Joint Secretary (Policy and Implementation), Ministry of Industries, Production and Special Initiatives, and Chief, National Productivity Organization, was appointed the new NPO Head/APO Liaison Officer for Pakistan, w.e.f. 18 February 2006.

National productivity promotion events in Lao PDR

Lao PDR became an APO member in 2002, and the Lao National Productivity Organization (LNPO) was established within the Ministry of Industry and Handicraft in the following year. To accelerate the productivity movement in the country, the LNPO organized two national-level productivity promotion events on 30 and 31 January.

The Seminar on the Dissemination of Demonstration Companies Project for Productivity Improvement highlighted the results of a demonstration project in four selected companies in Vientiane: 1) Vientiane Steel Industry Co., Ltd; 2) Pan Motor Electric Factory; 3) Pharmaceutical Factory No. 2; and 4) Phetlaiphone Concrete Factory. LNPO staff with the help of Toshiyuki Yamana, a United Nations Volunteer dispatched by the APO for six months to the LNPO, rendered consultancy services to the four model companies on improvement of their workplaces by implementing 5S and applying the concept of kaizen in their management. In addition, short-term experts were dispatched from the Japan Productivity Center for Socio-Economic Development (JPC-SED) to provide technical services. As a result of the joint efforts, operations at the model companies improved dramatically. The outcomes of the demonstration project were presented to the public on 31 January. Approximately 50 attended the morning seminar, followed by afternoon visits to the demonstration companies for firsthand observations.

The changes in the model companies, lessons learned, and future challenges identified in the process of the implementation of the model project were presented for frank discussion at the seminar. The implementation of 5S and kaizen is a simple but effective method to improve productivity without extra funding, and therefore they were considered feasible productivity enhancement measures for SMEs in Lao PDR.

One thousand video CDs summarizing the improvement process in the four model companies were produced for wider dissemination of the demonstration project results and to create awareness among the general public. After undergoing intensive on-the-job training during the model project with the UN Volunteer and JPC-SED experts, LNPO staff will be able to extend their consultancy services to other SMEs to contribute to the national productivity movement. Specifically, the LNPO will continue its demonstration project in two agro-industry SMEs, Lao Furniture and Animal Feed (Gold Coin) under the Agricultural Productivity Enhancement in Asian Least Developed Countries (APE-LDC Program), which is supported by the Japanese Government.

The utility of the project was acknowledged by the Lao government, and the Deputy Minister of Industry and Handicraft congratulated the four companies on their successful outcomes and the LNPO on its plans to extend its services to two others. The seminar was widely publicized in the Lao press, including Vientiane's English-language newspaper, which has led to expressions of interest from other firms that would like to join in the demonstration project.

The Forum on Public-Private Sector Agro-industry Working Group was a one-day follow-up to two previous APO projects: 1) Study Mission on Agro-industry under the Special Program of APE-LDC, 28 November-9 December, Japan; and 2) Working Party Meeting on Integrated Community Development for the Mekong Region: "One Village One Product (OVOP)" in CLMV Countries, 19-24 December,

Thailand. The one-day follow-up seminar was held in Vientiane on 31 January and attended by approximately 60 from the government, private sector, development organizations, and others. After an introduction of the APO-NPO system, presentations on "The current status and challenges of agriculture and agro-industry," "Case study of three food companies," and "Learning from OVOP in Japan and Thailand" were given by former participants in APO projects. An innovative feature of the seminar was an exhibit of the products of three agro-industry companies at the venue. The seminar was organized jointly by the NPO/Ministry of Industry and Handicraft, Ministry of Agriculture and Forestry, and Ministry of Interior.



Sayasith Khamphasith (R), APO Liaison Officer for Lao PDR, presenting 2005 activities of LNPO

The seminar demonstrated how many local companies in the food industry manage to succeed even in the difficult environment. Participants debated methods to protect and promote agro-industry under the National Poverty Eradication and Growth Strategy, which calls for Lao PDR to eliminate poverty by 2020. They identified challenges to be resolved, such as 1) inappropriate system and unclear procedures for expanding businesses and exporting; 2) insufficient loan system; and 3) weak market information. OVOP for agro-industry was recognized as an innovative way to promote local production and consumption in the agriculture-based economy. The LNPO will therefore organize a study mission to northeast Thailand to observe its OVOP movement before initiating its own in mid-2006. The mission will be supported by the APE-LDC Program. ☺

