



# APO NEWS

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## 51st GBM: High expectations for productivity

The APO Governing Body, the supreme organ of the APO, held its 51st session in Colombo, Sri Lanka, 20–22 April 2009. Thirty-nine delegates and advisers from 18 member countries as well as two observers from the Colombo Plan and FAO attended.

The three-day meeting held in the midst of an unprecedented global economic recession provided an opportunity for productivity leaders of APO member countries to exchange information and views on the theme “productivity and the global financial crisis.” Presentations from each member country dealt with the impact of the crisis, identified immediate and long-term solutions, and suggested some new focal points for the productivity movement.

The theme was taken up enthusiastically. Secretary Mahinda Madihahewa, Ministry of Labour Relations and Manpower, Government of Sri Lanka, in his welcome address stated, “The global crisis requires coordinated global and regional responses. The magnitude of the crisis demands pragmatic, innovative, far-reaching solutions.” He also emphasized the importance of productivity enhancement in Sri Lanka and spoke of the establishment and growth of the National Productivity Secretariat (NPS), the NPO of the country, and the success of the National Productivity Awards it organizes. He added that, “APO assistance helped us address diverse dimensions of productivity promotion.”



Inaugural session in progress

The opening address was delivered by Acting APO Chair and Alternative APO Director for IR Iran Dr. Mahmood Ghanizadeh. After sharing concerns on the daunting challenges created by the global recession, Dr. Ghanizadeh declared that the roles of the APO and NPOs were “to push the productivity agenda vigorously.”



Prime Minister Wickramanayaka presenting productivity DVDs to Secretary-General Takenaka (L–R: Madihahewa, Seneviratne, Wickramanayaka, Takenaka, Ghanizadeh)

The VIP guests at the inaugural session included Minister of Labour Relations and Manpower Athauda Seneviratne and Prime Minister Ratnasiri Wickramanayaka, who delivered the inaugural address and keynote address, respectively. Minister Seneviratne stated, “The APO’s role in the context of productivity enhancement is vital.” He also introduced major productivity policies and movements that Sri Lanka has adopted “to move into new realms of productivity growth.” Prime Minister Wickramanayaka stated that the timing and the theme of the meeting were apt and stressed the need “to discuss effective ways and means of jointly recovering from the turmoil.”

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# Annual Report of the APO Secretary-General

After welcoming all to the 51st APO Governing Body Meeting (GBM), APO Secretary-General Shigeo Takenaka expressed gratitude to the Government of the Democratic Socialist Republic of Sri Lanka for hosting the meeting in Colombo. He noted the honor shown the APO by the presence of Prime Minister Ratnasiri Wickramanayaka, who gave the keynote address, Minister of Labour Relations and Manpower Athauda Seneviratne, and APO Director for Sri Lanka Mahinda Madihahewa, who both spoke warm words of welcome.



Secretary-General Shigeo Takenaka

Because the Annual Report for 2008 had been circulated earlier, providing details of the APO's eventful year, the Secretary-General decided to focus his report on the impact of the global financial crisis on the APO, progress of activities initiated recently, and efforts to enrich projects and services. He acknowledged that the global financial crisis was unprecedented and had had numerous negative effects in the region. The turmoil had also affected the APO budget due to fluctuating exchange rates between the US dollar and the yen, with the yen appreciating nearly 14%. This year was the first under the newly introduced biennial budget system, under which total membership contributions, calculated and paid in US dollars, are fixed for 2009 and 2010. Most administrative expenses, however, are incurred in yen. "In a nutshell, the recent appreciation of the yen against the US dollar has created a major challenge to the Secretariat in maintaining an appropriate balance between project and administrative costs," he noted.

Although Secretariat staff had instituted a one-year voluntary salary return measure, Secretary-General Takenaka said that a proactive approach was needed to reduce administrative and staff expenses permanently and sustainably after a comprehensive review. He also said that it would be useful to examine the practices of other international organizations in dealing with currency fluctuations. He cautioned that a review of administrative expenses and of the practices of other organizations, then designing a new system for the APO, would take time.

The Secretary-General pointed out that endeavors for effective budget utilization and financial discipline he had introduced had markedly improved resource utilization and budget disbursement rates for projects. Consequently, the unappropriated surplus had significantly declined. While he thought that, "There is little chance that this declining trend will be reversed in the future," a declining surplus might make it difficult to hold many additional projects.

Secretary-General Takenaka also touched on personnel reform through a performance-based staff appraisal system, the first full cycle of which had been completed in December. The new system had contributed to "improving the Secretariat work culture and staff motivation as well as to controlling personnel costs." At the same time, there was room for improvement and future modifications would result in greater organizational efficiency.

The Secretary-General then reported that, after a suggestion at the last GBM on establishing APO centers of excellence (COE), the idea had been discussed at the 2008 Workshop Meeting of Heads of NPOs (WSM) in Cambodia and at a small, informal, consultative meeting with selected NPOs in Tokyo in February. Therefore the Secretariat proposed a pilot project on business excellence with SPRING Singapore as the pioneer COE. A two-year tentative action plan had been developed, Secretary-General Takenaka added. The Secretariat Director of Research and Planning gave a full report under the next agenda item.

As suggested at both GBMs and WSMs, Secretary-General Takenaka said that a new evaluation method was being finalized, with greater objectivity, depth of coverage, and involvement of NPOs. Evaluations will be conducted by a third-party evaluator and Secretariat staff member, with respondents to include superiors of former participants. Evaluation teams will conduct face-to-face interviews. "NPO involvement and assistance are necessary. The Secretariat is hopeful that the next evaluation report can be submitted to the WSM in October 2009 and that it will present a clearer picture of our contributions and their impact on the ground," Secretary-General Takenaka concluded.


For the development of NPOs, in-country training programs for productivity and quality practitioners on a pilot basis commenced in Pakistan, IR Iran, and India. Encouraged by the positive results, in 2009 the Secretariat initiated a new project called

Institutional Strengthening of NPOs through the Development of Productivity Practitioners to build NPO capacity using the same modality. "I hope that other NPOs will also take advantage of this new project under DON Implementation," the Secretary-General remarked.

Among efforts to add value to projects, he singled out the 2008 publication of the first edition of the greatly enhanced *APO Productivity Databook* featuring expanded economic indicators and productivity estimates, including total factor productivity analysis for some countries. Developing the capabilities of member countries to compute total factor productivity was a new element in this project, the Secretary-General reported.

Turning to productivity and environmental concerns, Secretary-General Takenaka noted that Green Productivity (GP) programs had expanded and "...the Eco-products International Fair (EPIF), has grown from strength to strength." Despite the financial crisis, nearly 100 exhibitors took part in the EPIF 2000 in Manila. Similarly, the newest *Eco-products Directory* contained a record number of product and service listings.

The Secretary-General assured delegates that the APO would continue projects in innovation, knowledge management, food safety, export promotion, and market access, along with efforts for the capability building of partners and stakeholders and investigating best practices beyond the region. The Secretariat had continued transferring the Asian productivity experience to Africa under a special cash grant from the Government of Japan, he noted, citing APO attendance at the Summit Meeting of the Tokyo International Conference on African Development and the four-week Basic Training Course for Productivity Practitioners in Johannesburg, South Africa. "These outreach programs made our productivity footprint larger and made the APO better known in more parts of the world," the Secretary-General stated.

In concluding his report, the Secretary-General urged GBM delegates to remember that, "Many experts, including those in governments, have spoken forcefully on the need for higher productivity to be one result of the crisis. These tough times demand greater involvement of NPOs and a more prominent role for the productivity movement. I assure you that the APO remains vigilant and committed to assisting NPOs in developing their capabilities and in serving the needs of member countries, especially in these trying times." 

# Special presentation on KM and Innovation for SMEs



Dr. Prusak speaking on KM and Innovation for SMEs

“Smallness is not a disadvantage for countries as they enter the new knowledge economy,” asserted Dr. Laurence Prusak, prominent US researcher and consultant and founder of the Institute of Knowledge Management, in a special one-hour presentation at the APO Secretariat in Tokyo on 17 April on


Knowledge Management (KM) and Innovation for SMEs in Asia and the Pacific. It was attended by an audience of 40 researchers, consultants, academics, and APO Secretariat staff.

He remarked that the monopoly of useful knowledge by Western civilizations was over. The knowledge economy offers opportunities for SMEs in the Asia-Pacific to become globally competitive using innovation. “Knowledge is better off with small offices and small groups with more live interactions and less hierarchy,” he said, because SMEs were agile and had the size, scope, and speed

to innovate. “Different perspectives” are needed to create knowledge and innovate since, “Better outcomes come from cognitive diversity.”

Dr. Prusak complimented the APO on promoting KM in the Asia-Pacific region and its soon to be published *KM Facilitators’ Guidebook*. He encouraged efforts to develop KM measurement methodology and research on “knowledge productivity,” an emerging area.

APO Secretary-General Shigeo Takenaka thanked Dr. Prusak for his informative lecture that gave “a powerful and theoretical boost” to continue initiatives to promote KM among SMEs in member countries. He added that the APO had organized a series of KM projects since 2000.

KM was designated an APO thrust area in 2001. As the concept has gained acceptance in member countries, the APO continues efforts to review and promote it, particularly its relevance to enhancing productivity. One of the latest initiatives was to develop a common KM definition, framework, and implementation approach for member countries and provide guidance for KM planning and implementation, especially for SMEs. Case studies of KM practices in SMEs are also being compiled. 



## Comment board

**Mr. Brian C. Tan**, BMI Management Inc., Philippines.

Participant, multicountry observational study mission on Export Promotion of Agrifood Products, Japan, 2–7 March 2009.

“The sharing of ideas and networking among peers from various Asian countries opened up new opportunities for us. As a Philippine food exporter, there is a lot to gain from the best practices in other countries. During the study mission, we visited FOODEX 2009, and when I participated in the APO study mission to France last year, I attended the world’s largest food industry show, le Salon International de l’Agroalimentaire (SIAL). Attending foreign trade shows gives insights on new design trends, packaging, health and safety standards, and product innovation. The trips to SIAL and JAPAN FOODEX were both eye openers. I was especially impressed by the Japanese attention to detail and commitment to kaizen. These are some aspects that I wish to carry over to my business and to instill in the minds of local food processors so that Philippine food products may also excel in the global arena.”

**University Researcher III Dr. Blesilda Macasaet Calub**, Agricultural Systems Cluster, University of the Philippines Los Banos.

Participant, multicountry observational study mission on Advanced Technologies for Greenhouse Farming, Republic of Korea, 16–20 February 2009.

“The other participants and I agreed that the program was informative and useful. Toward the end of the course, we were sharing ideas on how to adapt the advanced greenhouse technologies of the Republic of Korea to our own countries using local resources and expertise. I was impressed by the concern of farmers to ensure that greenhouse-cultivated vegetables met food safety standards. Instead of synthetic pesticides, they use biological agents and environment-friendly methods for the control of crop pests and diseases. The

government and private sector developed this effective technology and made it easily available to farmers. I will encourage my university to intensify efforts to promote and commercialize scientific research results for practical use by Philippine farmers. The knowledge I gained from this study visit is relevant to organic vegetable production and the marketing project we are promoting among small farmers and local agricultural extension staff.”



**Senior Research Officer Rajendra Ratna Bajracharya**, National Productivity and Economic Development Centre, Nepal.

Participant, training course on Performance Management Systems for the Public Sector, IR Iran, 14–18 February 2009.

“Given the importance of efficient public management systems in improving the productivity and quality of all other areas, I appreciate the APO’s initiatives in selecting the public sector to be a new thrust area for support. I attended the first two projects organized by the APO to strengthen public-sector agencies in member countries. The workshop held in the Republic of Korea last year was the first, with the training course in IR Iran being the follow-up. The project in IR Iran focused on imparting practical knowledge on integrated result-based management and performance-based budgeting for the public sector. This course featured many practical examples, and I found both projects to be appropriate for current needs. To move forward in this direction, I hope that the APO will conduct research on the problems and constraints of public-sector agencies in member countries. This would certainly assist participants who wish to apply and disseminate the knowledge gained from the previous projects to strengthen public-sector agencies.”





# Productivity methodologies, tools, and techniques

## Harnessing collective wisdom through employee suggestion schemes—Kelvin Chan

**E**mployee suggestion schemes (ESS) are popular among many organizations striving for world-class business excellence and functions. This employee involvement method taps their knowledge for ideas for improvement. There are two types of ESS. The traditional one focuses on suggestions with a high impact, and handsome rewards are given to employees whose suggestions have a significant effect on the financial performance of the organization. Very often, few suggestions are received since highly innovative suggestions are rare and hard to come by.

On the other hand, the kaizen ESS tends to focus on small, incremental, continuous improvements. Commonly, many world-class organizations that practice this type of ESS receive 30 or more suggestions per employee per year with an implementation rate exceeding 90%. This is translated into an economic benefit of US\$26,000 to US\$123,000 per employee per year for those organizations. It was reported that a Japanese company in the metal industry achieved US\$7.8 million in economic benefits from just a single suggestion. That example shows that, with a well-managed kaizen ESS, organizations will occasionally receive high-impact suggestions along with the less significant but still good ones. This article focuses on the characteristics and implementation of the kaizen-type ESS.

An ESS can not only harness the collective wisdom of all employees, it can also help to develop two-way communication between management and employees to synchronize improvement activities within the organization (Figure 1). It provides opportunities for the leadership development of supervisors and a platform for workers to develop the kaizen mentality, creativity, and innovation. It is important for management to receive suggestions on solving problems positively. Negative attitudes often dampen employees' morale, causing them to refrain from making suggestions, without which there cannot be any creativity and innovation.

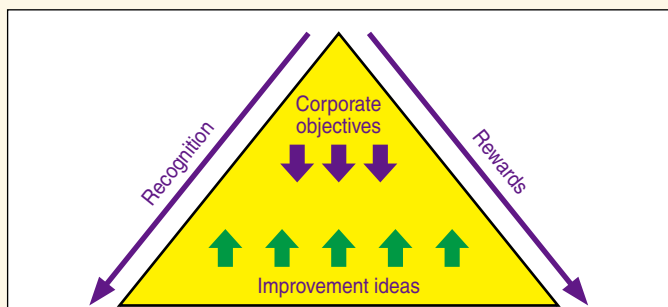


Figure 1. ESS enable two-way communication between management and employees. Source: Teian Consulting International, Singapore.

Implementing an ESS does not merely involve announcing the role of the staff and installing a few suggestion boxes. Very often, the boxes become rubbish bins and collect all sorts of items other than suggestions. A well-structured ESS with every detail worked out before implementation should have an organizational structure, policies, management system, evaluation procedure, award system, incentive and recognition system, and monitoring system (Figure 2).

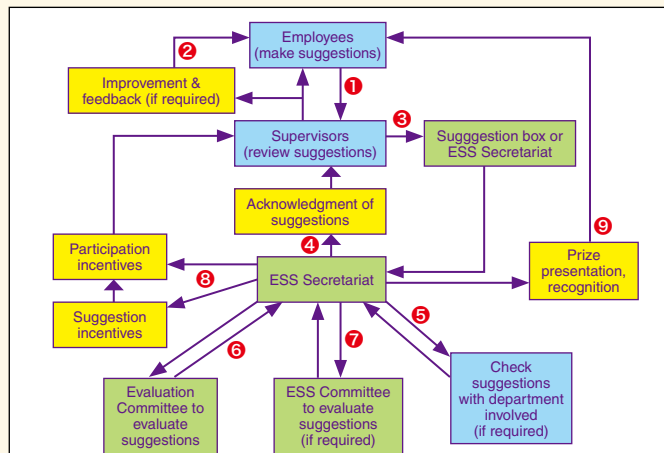


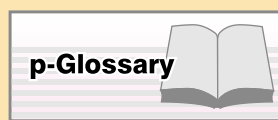
Figure 2. Process flow of the operation of a typical ESS. Source: Teian Consulting International, Singapore.

In many organizations, suggestions are usually made on areas related to the improvement of work methods, tools, workplace environment, equipment, products or services, clerical work, and conservation of energy and resources. The initial implementation of an ESS is seldom smooth sailing. Few suggestions are usually received initially. Organizations then typically launch a campaign to increase the number of suggestions submitted by employees. However, many organizations find it difficult to carry out the suggestions because those received are of poor quality. Such suggestions usually lack details concerning their implementation, would be costly and/or impractical, and lack analysis of the root cause of the problem. Ideas are valuable only when they can successfully be translated into practice.

A good suggestion should not only state clearly the idea or problem to be solved but also make a proposal to put the idea into practice or resolve the problem. Therefore, it would be worthwhile to provide training for supervisors so that they can coach workers to make quality suggestions. In some organizations, supervisors play a critical role in coaching and motivating workers to submit quality suggestions regularly, as they are the best person to judge whether a suggestion would be practical or benefit the organization.



Contributed by Director and Principal Consultant Kelvin Chan, Teian Consulting International Pte Ltd, Singapore, resource speaker for the APO training course on the Development of Productivity Practitioners: Basic Program.



For easy reference to productivity-related terms including methodologies, tools, and techniques, the APO developed the p-Glossary, available on its Web site ([www.apo-tokyo.org](http://www.apo-tokyo.org)). Definitions and explanations of kaizen and other relevant tools are given in the p-Glossary.

# Six Sigma Green Belts for the service sector

According to the *APO Productivity Databook* series, the service sector accounts for the largest share of all national economies, independent of development stage. Those in the APO region are no exception. However, the lack of proper training and quality assurance undermines the development of the service sector in APO member countries. Therefore, the APO organized an e-learning course on Six Sigma Green Belts to provide insight into service quality and how the Six Sigma Green Belt approach could improve customer satisfaction. It was conducted in three phases for 337 participants from 15 countries via the Global Development Learning Network of the World Bank.

“When implementing Six Sigma in the service sector, we first need to understand the unique aspects of service processes. Then we need to identify opportunities for improvement and put in place effective measures of performance. Only then should the Six Sigma project be launched,” said Senior Manager Kabir Ahmad Mohd. Jamil, Malaysia Productivity Corporation, who worked as an instructor in partnership with Industry Department Program Officer Duangthip Chomprang.



Participants in phase III of the course

The first two of the 16 modules identified the characteristics of quality in the service sector from different perspectives. Perceptions of service quality varied among participants depending on their background, but were mainly based on manufacturing. Group

work and case studies examined where service quality and Six Sigma intersect with regard to process capability, value propositioning, business process management, and quality.



Chomprang explaining service quality

Best known for its “zero defects” goal, the Six Sigma approach seeks to optimize daily operations through continuous improvements while pursuing total customer satisfaction. It is characterized by objectivity and its define-measure-analyze-improve-control cycle. Developed by Motorola in the 1980s, Six Sigma has become a major productivity improvement tool in the manufacturing sector. It was subsequently introduced by General Electric to improve nonmanufacturing processes in the service sector.

The Green Belt is the introductory level in the Six Sigma discipline. Therefore, the course focused on basics such as approaches to productivity improvement, quality concepts, and applications in the service sector. The service sector has minimal barriers to entry, unlike manufacturing where technology and high capital investments are prerequisites. The completion of all phases of the e-learning course will result in the creation of a pool of Green Belts working in the service sector in member countries. From a strategic viewpoint, those human resources in the sector are crucial, since they are needed to raise productivity levels and service standards in each country, sector, and regionally over the long term in an increasingly globalized, service-oriented world economy. ☺

## 51st GBM: High expectations for productivity ..... (Continued from page 1)

During the plenary session, APO Director for Japan Masato Watanabe was elected APO Chair for 2009–2010, with APO Director for the Republic of Korea Dr. Dong-Kyu Choi and APO Director for Lao PDR Somdy Inmyxai assuming the positions of First and Second Vice Chairs, respectively.

When delivering his report to the meeting on the programs and activities of the organization in 2008 (see page 2 for a summary of the Secretary-General's annual report to the GBM), Secretary-General Shigeo Takenaka explained the impact of the global financial crisis on the APO and various cost-cutting measures that the Secretariat had taken including the voluntary salary return by Secretariat staff. The report was well received by the meeting, and it was suggested that further reviews to identify more permanent measures to reduce expenses be undertaken.

The Secretariat also briefed the meeting on the follow-up activities to establish centers of excellence (COE) in member countries. A COE project on business excellence is ready to start with SPRING Singapore as the pilot COE.

In his closing statement, Secretary-General Takenaka remarked that, “I am pleased that this meeting fully supported the new initiatives by the Secretariat.” He noted that, “We could sense that there are high expectations for productivity. Everyone agrees that productivity is the basis for a sustainable

solution. Overall, I am pleased that the demand for productivity improvement measures remains high and that member countries value the activities of the APO, especially in the present challenging times.”

“This session of the Governing Body has been meaningful as we witnessed some more new initiatives by the Secretariat to improve program and administrative operations,” stated APO Chair Watanabe before declaring the meeting closed. “I am sure that the collective wisdom derived from our discussions will shed light on new directions for the productivity movement to assist member countries in dealing with the crisis speedily.”

While in Colombo, delegates visited the Sri Lanka National Museum, the oldest and largest museum in the nation. The delegates also visited the Gangaram Buddha temple, a noted cultural site.

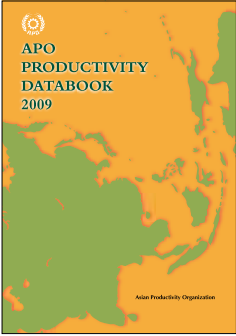


Delegates at the Sri Lanka National Museum

Malaysia will host the 52nd GBM in 2010. ☺



## New APO publication



### APO PRODUCTIVITY DATABOOK 2009

APO 143 pp. April 2009  
ISBN: 92-833-2394-7 (print edition)  
ISBN: 92-833-7079-1 (e-edition)

The 2009 edition of the *APO Productivity Databook* was released at the 51st Governing Body Meeting in Colombo (see page 1). Following the publication of internationally harmonized productivity data in the first edition in 2008, the new volume features wider coverage of economic growth and productivity analyses. The national experts met in Dhaka, Bangladesh, in May 2008 to be briefed on the APO methodology and reach a consensus on its use under the guidance of Chief Expert Professor Koji Nomura of Keio University, Tokyo. The national experts concentrated on collecting national data in line with the methodology, and these data were carefully verified by the research team to enable thorough analyses for compilation in the *APO Productivity Databook 2009*.

Some of the new features in the 2009 edition include the use of the most recent purchasing power parity estimates revised by the International Comparison Program of the World Bank in 2008. Labor productivity in the previous edition was only defined as output per worker, while the 2009 edition simultaneously attempted to compute labor productivity based on output per hour worked when the data were available. Furthermore, total factor productivity (TFP) was computed for some countries for which the national accounts contained solid data on capital formation which could be used for estimating capital services, such as the Republic of China, Republic of Korea, and Japan, and compared with TFP growth in reference countries. New analysis on final demand makes it possible to compare the output compositions in the region. In addition, real income comparisons enable a more realistic analysis of national purchasing power than simply comparing GDP, which is the basic indicator for assessing the standard level of production in an economy.

After the Introduction, the 2009 edition is divided into an overview of the analytical results and main chapters entitled Economic Growth of the Asian Countries and Region, Decomposition of GDP Growth by Expenditure Category, Real Income and Terms of Trade, and Productivity Performance and Industry Performance. Each chapter explains how the data are interpreted. The constructed data are also listed in more than 50 pages of tables after the Appendix for the convenience of readers wishing to carry out their own productivity analyses. Other tables in the main text of the *APO Productivity Databook 2009* make it easy for readers to make comparative analyses of various productivity indicators across countries and regions.

The *APO Productivity Databook 2009* is the tangible result of efforts coordinated by the APO Secretariat's Research and Planning Department and a team of productivity specialists at the Keio Economic Observatory of Keio University, headed by Prof. Nomura and including Eunice Y.M. Lau and Hideyuki Mozobuchi. Without their dedicated efforts and those of the national experts of APO member countries, the volume could not have been completed. The APO will continue research to improve the quality of the data and methodology of productivity analyses in future volumes. The more complete harmonized productivity dataset envisioned will cover not only labor productivity but also TFP since it is one of the most all-encompassing measures of economic growth and development in the highly technology-intensive, globalized economy.

## Common sense talk



"The real problem we face today is not a crisis of capitalism. It is a crisis of globalization. The new world coming into being is not going to go away. We will not return to a system dominated by a handful of countries around the North Atlantic."

*Fareed Zakaria*

"Some experts advocate strict emissions limits. Others favor voluntary targets. Still others debate the pros and cons of cap-and-trade carbon markets versus taxes and national conservation regulation. In truth, there is no one solution to climate change. We need all of the above. The important thing is to act, and to act now."

*Ban Ki-Moon*

"I know the price of success: dedication, hard work, and an unremitting devotion to the things you want to see happen."

*Frank Lloyd Wright*

"A lot of people think demand for electricity is inelastic. It's not. Our customers are cutting back and they're not paying their bills, either. Probably 25% of our customers are past due."

*Lewis Hay*

"What's surprising to me is the length of this recession we've had in IT. It must be a sign that IT is a matured function, that people are focusing on managing it better."

*Victor Jamulaitis*

"Wall Street indices predicted nine out of the last five recessions!"

*Paul A. Samuelson*

"An important scientific innovation rarely makes its way by gradually winning over and converting its opponents. What does happen is that its opponents gradually die out, and that the growing generation is familiarized with the ideas from the beginning."

*Max Planck*

"Publishers are notoriously slothful about numbers, unless they're attached to dollar signs—unlike journalists, quarterbacks, and felony criminal defendants who tend to be keenly aware of numbers at all times."

*Hunter S. Thompson*

"There is no comparing the brutality and cynicism of today's pop culture with that of forty years ago: from *High Noon* to *Robocop* is a long descent."

*Charles Krauthammer*

"Learning is what most adults will do for a living in the 21st century."

*Sydney J. Perelman*



## Program calendar

July

### Philippines

#### Training course on Development of Productivity Practitioners: Basic Program (DPP: Basic), 6–31 July.

► Objective: To equip productivity practitioners with the fundamental productivity concepts, principles, approaches, and tools.

► Participants: Trainers/consultants from NPOs with two or more years of working experience or from similar organizations and corporations with relevant experience.

### Fiji

#### Training course on Value Addition to Agricultural Products, 22–28 July.

► Objective: To broaden the understanding of the importance of value-adding activities for the creation of jobs and generation of income and enhance the knowledge and skills of participants in using various approaches and technologies for value addition to agricultural products

► Participants: Managers and product development officers of SMEs in agribusiness and food processing, officers of industry associations, consultants of NPOs, and extension officers of governmental agencies and NGOs.

*e-Learning Courses* (via the Global Development Learning Network of the World Bank platform)

#### Green Productivity and the Environmental Management System (ISO14001)

Phase 1: 29 June–2 July for IR Iran, Lao PDR, Nepal, Pakistan, and Sri Lanka;

Phase 2: 10–13 August for Bangladesh, Fiji, Indonesia, Malaysia, and Mongolia;

Phase 3: 14–17 September for Cambodia, India, Philippines, and Vietnam.

► Objectives: To train participants in Green Productivity concepts and the Environmental Management System: ISO14001 standards, requirements, and applications and prepare them to become practitioners and auditors.

► Participants: Potential auditors of ISO14001, trainers/consultants, senior/mid-level managerial and technical personnel from industry in the environmental field, and NPO consultants.

#### Food Safety Management System ISO22000

Phase 1: 27–30 July for the Republic of China, Indonesia, Malaysia, Philippines, and Vietnam;

Phase 2: 1–4 September for Cambodia, Fiji, Lao PDR, Mongolia, and Sri Lanka;

Phase 3: 5–8 October for Bangladesh, India, IR Iran, Pakistan, and Nepal.

► Objectives: To enhance participants' understanding of the key concepts in a modern safety management system and the ISO22000:2005 food safety management system (FSMS) intent, requirements, and applications and acquaint them with the knowledge and skills to implement an FSMS.

► Participants: Management personnel working in the food industry; personnel in charge of food safety management; government officers; professors, teachers, researchers, and scientists; and consultants of NPOs or similar institutes.

*Kindly contact your NPO for details of future 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](http://www.apo-tokyo.org).*

## Iranian delegates visit Secretariat



*Iranian delegates with Secretary-General Takenaka*

Six members of the Industry and Mines Commission for the Parliament of IR Iran visited the APO Secretariat on 17 April to learn about the APO and its productivity programs and activities for its member countries including IR Iran. This special visit was conducted at the request of the Embassy of IR Iran in Tokyo. The delegates paid a courtesy call on Secretary-General Shigeo Takenaka before receiving departmental briefings on the major APO projects relating to IR Iran and a presentation on the *APO Productivity Databook 2009*. Delegates expressed great interest in the area of productivity measurement and total factor productivity.

## New APO Chair and Vice Chairs



*(L-R) Dr. Choi, Watanabe, Somdy*

The 51st Session of the APO Governing Body elected APO Director for Japan Masato Watanabe as APO Chair for 2009–2010 and APO Director for the Republic of Korea Dr. Dong-Kyu Choi and APO Director for Lao PDR Somdy Immyxai as the First and Second Vice Chairs, respectively.

## APO/NPO update

### New APO Director and APO Alternate Director for Japan

Mr. Masato Watanabe, Deputy Director General, Ministry of Foreign Affairs, and Mr. Kozo Honsei, Director, First Country Assistance, Planning Division (Asia and Oceania), Ministry of Foreign Affairs, were appointed APO Director and APO Alternate Director for Japan, respectively, w.e.f. 9 April 2009.

### New APO Alternate Director for Republic of Korea

Dr. Sang-Jik Yoon, Director General, Ministry of Knowledge and Economy, was appointed APO Alternate Director for the Republic of Korea, w.e.f. 15 April 2009.

### New APO Director for Nepal

Mr. Pratap Kumar Pathak, Acting Secretary, Ministry of Industry, was appointed APO Director for Nepal, w.e.f. 25 March 2009.

### New APO Alternate Director for Pakistan

Mr. Muhammad Ahsan Akhtar Malik, Joint Secretary, Ministry of Industries, Production & Special Initiatives, was appointed APO Alternate Director for Pakistan, w.e.f. 28 February 2009.

### New name of NPO for Vietnam

The name of the NPO for Vietnam was changed to the Directorate for Standards, Metrology and Quality, w.e.f. 23 February 2009.

# Supporting the creation of successful SMEs

In the third week of March 2009, a group of Japanese productivity experts visited Sri Lanka to provide technical support and guidance to the National Productivity Secretariat (NPS), the NPO of Sri Lanka, and five Sri Lankan model companies as part of the APO Member Country Support Program (MCSP). The MCSP experts also conducted a midterm evaluation following the completion of the first phase of the 2008–2009 MCSP that started in July 2008. The two-year MCSP project implemented by the APO and the Japan Productivity Center (JPC) strengthens the productivity movement through capacity building of individual NPOs.

In his evaluation, the leader of the delegation, MCSP consultant Koji Yo, praised the enthusiasm and professional attitude of the NPS and model companies. Mr. Yo singled out Convenience Foods (Lanka) PLC (CFL), a manufacturer of soy-textured vegetable protein and other food products with 185 employees, for particular praise. “The level of quality control demonstrated by CFL is such that it obtained ISO9001:2000 certification without assistance from external consultants. This is an exceptional case since the vast majority of companies obtain ISO certification only with the assistance of ISO consulting firms.”

CFL’s productivity improvement efforts officially began in 2006 with its selection by the Ministry of Industrial Development as one of 10 SMEs to embark on a productivity and quality improvement program conducted by the National Institute of Business Management. CFL subsequently won both the Western Province and National Medium Manufacturer NPS Productivity Awards in 2006 and 2007. When the MCSP project started in 2008, CFL rose to the challenge by quickly implementing the various productivity tools on offer.

In the first three months, CFL managers and NPS consultants met eight times to establish the areas to be improved and formulate an action plan. According to CFL CEO Thilanka de Zoysa, “A primary MCSP project objective



*NPS consultant (standing) explaining 5S to CFL employees*

was to institute quality control circle (QCC) activities.” With the help of MCSP and NPS consultants, five QCCs were established promoting *seiketsu* (improvements) in packing machine processes, the utilization of the production floor for curry sachet products, cleaning methods for all production lines, inventory processes, and space utilization efficiency on the office floor. CFL also began basic total productive maintenance activities and enhanced its 5S practices.

de Zoysa went on to say that, “We have seen positive improvements in our employees’ mindset, which have triggered other positive changes in the company such as more suggestions and kaizen ideas coming from the production floor. Employee motivation is now very high thanks to the QCCs.” He thanked the NPS for continual assistance and for selecting CFL for the MCSP project. He also thanked the experts, consultants, and CFL employees. ☺

## People behind the scenes: Senior Program Officer Joselito C. Bernardo

Whether you celebrate the holiday or not, if you found a beautiful card and a nicely wrapped gift on your desk on Christmas day, that would make you happy. The APO Secretariat’s own Santa, who is happiest when he can put a smile on his colleagues’ faces, is Senior Program Officer Joselito C. Bernardo.

While all professionals working in a demanding environment are busy by definition, it is no exaggeration to say that APO program officers are unusually busy. They are always on the go, organizing projects and traveling throughout the Asia-Pacific region. Given this frenetic activity, it would be easy to forget important anniversaries of family, friends, and colleagues. When an officer’s bags are stuffed with documents, even small souvenirs like key chains can increase the burden. However, Secretariat staff know that Bernardo always brings gifts for his colleagues back from his travels and helps celebrate special days. When he cannot be there in person, he still makes sure that occasions are acknowledged. His friendliness, sense of humor, insight, and vivacity have gained widespread friendship and respect.

One cold early morning in late autumn, one of Bernardo’s colleagues was surprised to find the main door of the Secretariat unlocked, although it seemed too early for anyone else to have arrived. The mystery was solved a few minutes later when she found a bleary-eyed Bernardo working on his computer

wearing a big hat and gloves to ward off the chill, with a suitcase next to him. “You arrived so early today,” she exclaimed. With a smile, Bernardo corrected her, saying, “Oh, I spent the night here. I have to take a morning flight and it is much easier to get to Narita from here than from home. Besides, if I don’t sleep, I don’t have to worry about missing my flight.” About an hour later, he left for the airport saying, “Now everything’s ready; I must go.”



*Bernardo*

It is always impressive when you meet someone who strikes the perfect balance between being sharp and professional and relaxed and friendly. Bernardo’s balance is always appropriate for the situation, whether carrying out his duties in the Agriculture Department or off the job. Another colleague said of Bernardo that, “He is a family man and one of the best fathers whom I know.” Maybe the source of his warm heart and frequent smiles is the happy family he so much cares about. ☺