



A·P·O *news*

MONTHLY NEWSLETTER OF THE ASIAN PRODUCTIVITY ORGANIZATION


APO offers support in Sri Lanka's reconstruction

On 9–10 June this year, Japan hosted the Tokyo Conference on Reconstruction and Development of Sri Lanka to provide the international community with an opportunity to demonstrate its strong and unified commitment to the reconstruction and development of Sri Lanka and to encourage the Sri Lankan Government and the Liberation Tigers of Tamil Eelam to redouble their efforts to make further progress to bring peace to the north and east of the country. The conference was attended by representatives from 51 countries and 22 international organizations, including the APO. Japanese Prime Minister Junichiro Koizumi and Sri Lankan Prime Minister Ranil Wickremesinghe both spoke at the conference, which was co-chaired by Japan, Norway, the USA, and the European Union (Presidency and Commission). A total in excess of US\$4.5 billion in assistance was pledged to Sri Lanka over the four-year period 2003–2006. In addition, some countries and international organizations have offered technical support. Prime Minister Koizumi said, "Implementation of this assistance by the international community will be closely linked to steady progress in the peace process made by both parties through their own efforts."



(From L-R) Prime Minister Ranil Wickremesinghe, Mr. Takashi Tajima, and Mr. N.G. Kularatne

P rime Minister Wickremesinghe said that his government has three critical tasks: to lay a foundation for a lasting peace so that Sri Lanka will no longer be a divided nation filled with ethnic hatred and bitterness; to rebuild the economy so that the country can compete and prosper in the newly globalized world; and to resolve the problems of a deeply politically divided society. The Prime Minister also announced the formation of a new organization to implement foreign-funded projects efficiently and effectively, and with transparency and accountability.

The APO was represented at the conference by Secretary-General Takashi Tajima, N.G. Kularatne, Director (Administration and Finance), and Ken Inoue, Director (Industry). In his statement to the conference, Secretary-General Tajima said that the APO could play a meaningful role in the reconstruction of Sri Lanka within the framework of the conference. In particular, it could make direct contributions to enhancing productivity in all the economic sectors of the country to help achieve the Sri Lankan Government's "Regaining Sri Lanka" initiative, a comprehensive program to develop the country on a balanced and equitable basis. He identified five areas for special assistance to Sri Lanka and invited other governments and organizations to join the APO in the effort: 1) Strengthening small and medium enterprises; 2) Introducing information technology and knowledge management; 3) Promoting Green Productivity and integrated community development; 4) Strengthening the national productivity organization; and 5) Reviving the agriculture and fishery sectors. 

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**"Words are words,
explanations are explanations,
promises are promises—but only performance is reality."**

Harold Geneen

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There is something special about small businesses, since they are the seeds from which big businesses grow. The small and medium enterprise (SME) sector is the largest employer in Australia, and, for that matter, in all the world's economies. SMEs are also a major thrust area of the APO. Productive small businesses are of universal economic importance.

SMEs in Australia employ some 3.9 million people in about 1.2 million enterprises, in contrast to 3.7 million employed by big businesses and 1.6

million by the public sector. Officially, an SME is a private enterprise with fewer than 20 employees; in manufacturing, a small business is one with fewer than 100 employees; and in agriculture it is an operation with an estimated value of agricultural production between A\$22,500 and A\$400,000.

view that government action is needed to remove obstacles to small business employment growth, including changes in the "unfair dismissal" law, which inhibits small business owners and operators from expanding beyond 20 employees.

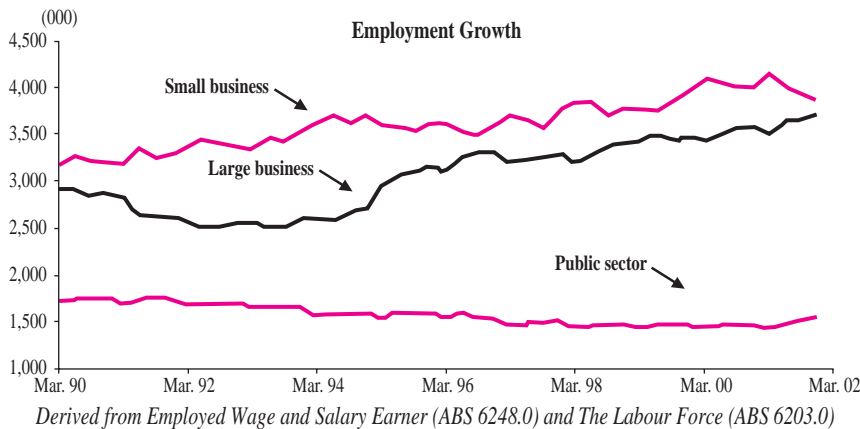
Success in all SMEs rests on making a perceivable difference to the customers they choose to serve. It is often the little "value-added" details that make customers feel special and make one business stand out from the rest: Attention to detail in every facet of the business process from how

remain competitive, retain key employees, and achieve a high degree of customer satisfaction.

In a recent survey of the top-performing small businesses in Australia, the key issues for the sector were identified as:

- Ethical conduct is important in business. Recent concerns about flawed corporate governance must be recognized by small businesses.
- Directors and senior managers should attend educational seminars. Staying current is recognized as vital for retaining a competitive edge.
- Human resources and/or IT functions are being outsourced. This refers mainly to administrative matters like payroll. People management is the direct responsibility of management and cannot be outsourced.
- Business partnerships and alliances are important, particularly as many small businesses are suppliers to larger ones and should be strategically linked.
- Business planning must be highly effective. Often the quality of the planning and the implementation of the plan differentiate success from failure.
- SMEs should hold regular board and management meetings. Effective and regular communication at all levels is necessary for both small and large business success.
- Directors must be competent in the use of technology. Now directors are being held more accountable and thus need to be able to access and understand company data.
- SMEs should have a risk management plan. This is important when the product is of high value/high risk.
- R&D is a success factor. A distinguishing feature of leading SMEs is the recognition and innovative use of sound R&D linked to the sales and customer requirement processes.

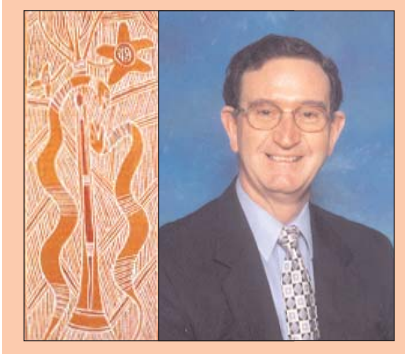
Employment growth in small and large businesses and the public sector in Australia, 1990–2003.



quickly and in how friendly a manner the telephone is answered, or how potential customers are welcomed, to the accuracy and timeliness of service delivery, billing, and collecting payment. My experience has revealed that to remain successful an SME must retain "big picture" vision but at the same time implement the little things that make the difference to customers.

When I last wrote for the *APO News* on this topic, SMEs were considered to be the growth engine of the Australian economy. But that has changed. According to an economics research paper dated September 2002, the trend in small business has turned downward since March 2001 despite the best economic conditions for business in almost three years. Some of this decline can be attributed to structural shift in the way people are paid, as there are taxation advantages to being self-employed in a small business, as opposed to being an employee in a small business. The survey data also indicate that the number of small businesses that employ staff seems to have plateaued. Many SMEs are content not to expand. There is also a

Small business owners and operators derive a great sense of satisfaction from their work, but they must constantly look for improvements in products, processes, and services to maintain the market niche and satisfy customers. Operating a small business is often referred to as common sense, but unfortunately, as in large businesses, sound business practices are not often common practices. To make a difference, the first step by the owner/operator is to recognize that there is a need to improve, and that translates into a desire to improve. Even high-performing SMEs must stay focused on the need to improve if they want to



Successful SMEs also place great emphasis on customer satisfaction and information. They recognize the importance of listening closely to customers and utilizing their feedback to improve products and services, and ultimately the business as a whole. Customers today are more demanding than they were even two years ago, which is why their needs must be monitored more closely than ever. The provision of customer-related technology services is appreciated. SMEs should be aware of the market potential of new products and services in their quest to maintain excellent customer relations.

While world equity markets have been in decline, the capitalized public SME companies listed on the Australian Stock Exchange have grown by 20% over the past three years. The lesson here is that productivity improvement in SMEs, even under adverse economic conditions, delivers profit growth.

All large enterprises were once small businesses, including Microsoft and IBM. How many future Microsofts and IBMs could be lurking among our SMEs already? The productivity challenge is to identify the potential high-performing SMEs and support them so they too can grow and develop to become worldwide corporations. 🌀

Richard Barton was the Process Improvement and Quality Management Executive for IBM in Australia and New Zealand. Among previous distinguished positions he held was General Manager in the Australian Quality Council. In this capacity, he had a long and close association with the APO. Mr. Barton writes this column regularly for the APO News.

From the SECRETARY-GENERAL'S schedule

June 2003

5 June

APO Secretary-General Takashi Tajima attended the 9th "Future of Asia" Conference in Tokyo organized by the Nihon Keizai Shimbun Inc. The theme of this year's meeting was "Genesis of a New Asian Order."

9 June

Attended the Tokyo Conference on Reconstruction and Development of Sri Lanka hosted by the Government of Japan and delivered an official statement on behalf of the APO (please see front-page story for more details).

9 June

Received Mr. Sunil G. Wijesingha, Managing Director and CEO, Merchant Bank of Sri Lanka and APO 2000 National Award recipient, who paid a courtesy visit to the APO Secretariat.

23 June

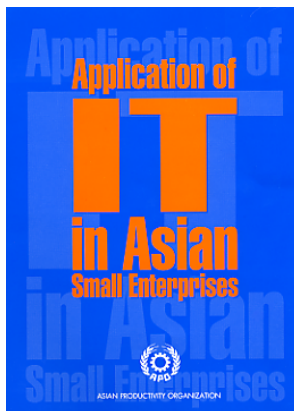
Received Mr. Kim Jae-Hyun, Chairman and CEO of the Korea Productivity Center (KPC) and APO Director for Korea, who paid a courtesy visit to the APO Secretariat. Mr. Kim was accompanied by Mr. B.J. Park, General Manager, Small Business Corporation (Tokyo Office), and Mr. Kang Tai-Ho, Project Manager, International Cooperation Dept., KPC.



Mr. Kim Jae-Hyun (left) and Mr. Tajima

30 June

Attended a lecture in Tokyo by the US Ambassador to Japan Howard H. Baker, Jr. organized by the International Friendship Exchange Council to mark the 150th anniversary of the establishment of a formal relationship between Japan and the USA after the arrival of Commodore Matthew Perry in Japan.



APPLICATION OF IT IN ASIAN SMALL ENTERPRISES

APO 406 pp. May 2003 ISBN 92-833-2338-6

Information technology (IT) has been making a huge impact on the development of IT-related industries, on the rationalization and efficiency of established industries, and on consumer behavior as they can now shop online. No enterprise can escape the tentacles of the IT movement. This includes small and medium enterprises (SMEs). As IT is now also closely associated with the economic development of a country, its use by SMEs should be given primary consideration as they constitute a very important economic sector. Moreover, IT is leveling their playing field vis-à-vis larger firms by enhancing their competitiveness through the ability to respond quickly to customer needs and to improve operational efficiency, especially in production and marketing. Despite this, research has revealed that SMEs still lack an understanding of the importance of IT to them.

To enable SMEs to formulate a policy framework and strategic measures for harnessing the potential and benefits of IT, the APO conducted a fact-finding survey in 2001–2002 on “The application of IT in SMEs” in 12 of its member countries. This publication provides an integrated report of the survey results and the national reports of the participating countries: Fiji, India, Indonesia, Islamic Republic of Iran, Republic of Korea, Mongolia, Nepal, Pakistan, the Philippines, Singapore, Thailand, and Vietnam. It documents the ways and extent to which SMEs have applied IT in their business activities and suggests a set of policy measures and recommendations for them to improve their IT capabilities.

In general, the survey revealed that although Asian SMEs are actively using IT in their daily operations, most are still at the beginning stage of IT application. There are exceptions, of course, like those in the Republic of Korea, Japan, and Singapore where IT is used intensively and extensively. According to the chief expert of the survey, Prof. Cheol Ho Oh of Soongsil University, this lack of IT application is the result of insufficient IT infrastructure, financial constraints, and weak management leadership. He went on to report that while most SMEs in the surveyed countries are satisfied with the benefits they have gained from using IT, they are not sufficiently proactive in making IT investments. They seem to consider it an expense rather than a worthwhile long-term investment.

This publication should prove most useful to small business entrepreneurs keen to improve their business operations through the application of IT and to those who are endeavoring to create an IT-friendly environment for them.

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

COMMON SENSE TALK



“There are only so many ways you can put chocolate, butter, cream, eggs, milk, fruit and nuts together—the real competition is in packing.”

Louis Larrick Ward

“Words are words, explanations are explanations, promises are promises—but only performance is reality.”

Harold Geneen

“Open your arms to change, but don’t let go of your values.”

Dalai Lama

“Even if you’re on the right track, you’ll get run over if you just sit there.”

Will Rogers

“To think too long about doing a thing often becomes its undoing.”

Eva Young

“No matter what accomplishments you achieve, somebody helps you.”

Althea Gibson

“What is most obvious may be most worthy of analysis. Fertile vistas may open out when commonplace facts are examined from a fresh point of view.”

L.L. Whyte

“Knowing is not enough, we must apply. Willing is not enough, we must do.”

Johann Wolfgang von Goethe

“Ideas must work through the brains and arms of good and brave men, or they are no better than dreams.”

Ralph Waldo Emerson

“To teach is to learn twice.”

Joseph Joubert

“Every man has a right to be wrong in his opinions. But no man has a right to be wrong in his facts.”

Bernard Baruch

— Business excellence campaign in Mongolia —

Mongolia launched its Business Excellence Campaign with the introduction of the National Productivity Award (NPA) in 1999. The objective was to enable Mongolian businesses to be competitive internationally. The NPA was initiated by the National Productivity and Development Center (NPDC) and supported by the President of Mongolia, Mr. Natsagiin Bagabandi. The NPA is administered by a Supervisory Committee and an Assessment Committee. Each has 10 members drawn from the public sector, industries, and academia. They are appointed by the President. Each year, six organizations are selected to receive the NPA: two each from the manufacturing sector, service sector, and SMEs. The 2002 winners were presented their awards by President Bagabandi at Government House on 20 May 2003.



President Bagabandi (center) presenting the NPA

Speaking to the dignitaries gathered to witness the award presentation, President Bagabandi said that productivity improvement is Mongolia's main strategy for enhancing the competitiveness of industries as well as that of the nation. "To ensure a better quality of life for all the people, productivity should be promoted at every level." He called on the NPA winners to make a vital contribution to the national productivity movement by serving as role models for benchmarking by others and to develop even better practices to enhance further the prosperity of the country and the people.

NPDC and APO Director for Mongolia, for the first time last year the productivity movement expanded to include the rural areas and the public sector. Among the 2002 NPA winners were two companies from the provinces: Aduunchuluun Mining Company (Dornod aimag) and Spirit Bal Buram Company (Selenge aimag). As for the other winners, except for Micom Co., Ltd., the rest were from the public sector: Energy Dispatching Center; Post and Telecommunication Authority (solar energy manufacturing unit); and Tsetserlegjilt Company of Ulaanbaatar. ☺

As reported by Dr. Pagvajav-Un Shurchuluu, Chairman and CEO of the

Experts meet to prepare 2003 productivity data and analysis book



The coordination meeting in progress

On 8–9 July in Bangkok, Thailand, national experts from 14 APO member countries met with the APO Secretary-General Takashi Tajima and

Chief Expert Dr. Renuka Mahadevan of the University of Queensland (UQ), Australia to make preparations for the publication of *the APO Asia-Pacific Productivity Data and Analysis 2003*, the third volume in this annual series. They were joined by Dr. Robert Jackson, also from UQ, and APO Secretariat staff members Kenneth Mok, Director for Information and Public Relations, and Mukesh Bhattarai, IT Program Officer. The national experts of four other participating countries could not attend the meeting. The APO publication concerned is to provide policymakers, business executives, social workers, researchers, and productivity activists of APO member countries with a useful resource to assist them in their planning and decision making.

NIPO marks first decade

(Continued from page 8)

nizations; and 3) a national high council for productivity to decide on allocation of resources for promoting productivity.

APO Secretary-General Takashi Tajima, in his congratulatory message to NIPO, said that there is a direct correlation between the success of a national

productivity program, the competency of its NPO, and the support the latter enjoys from the productivity stakeholders: government, employers, employees, and the community at large. He called on the stakeholders to intensify further their support for NIPO as there is much more it could do for Iran. ☺

— Developing a manager's competency in harnessing IT —

Dr. G.K. Suri, Honorary Professor, International Management Institute, India, and a former head of research and development in the APO Secretariat, recently conducted a workshop for senior managers on the "Role and Competency Development of a Manager for Harnessing the Potential of IT Infrastructure and Value of Information" in New Delhi, April 2003. The 30 participants including resource persons discussed advances in IT organizational infrastructure and their impact on the role of a manager; competencies required to harness the potential of IT infrastructure and value of information; and developing an organizational culture to tap the IT and information potential. At the end of the meeting, the participants reached some valuable conclusions and made several recommendations. Some of them are recapitulated below.

Challenges facing businesses today include: a) a new competitive landscape; b) major strategic discontinuities; c) rapid advances in technology and increased globalization; d) reduced time frame for strategic actions; e) increased focus on innovation and continuous learning; and f) changing career dynamics and employee expectations. Navigating in the new landscape requires organizational flexibility, strategic leadership, building core competencies, developing human capital, effective use of new technologies, and development of a new organizational structure and culture.

For those in management, the above challenges mean that they must: facilitate cultural and attitudinal changes; adopt new technology; create IT awareness and provide an IT-enabling environment; simplify systems and processes; resolve conflicts between business and technology teams; provide funds and optimize costs; restructure the organization; overcome the negative legacies of the existing infrastructure; ensure the compatibility of diverse systems in the organization; and manage a simultaneous process of training and implementation, including e-learning.




Dr. G.K. Suri

Top management has a vital role to play, especially in the critical areas of providing vision, leadership, support and commitment, resources, and quick decision making; adopting a transnational approach to business; building a learning environment within the organization; enhancing the integrated use of technology throughout the organization; and involving the functional managers in the planning and implementation of each of these processes.

Organizational IT infrastructure comprises hardware, software, data communication networks, and customized information systems. It must be supported by IT professionals and an open mindset by

everyone in the organization. Recent trends in IT infrastructure can be summarized as:

- a shift from inward to outward orientation;
- a shift from thinking in functional terms to thinking in terms of relationships with key entities like customers, suppliers, partners, and employees;
- a convergence of various enterprise applications into a unified whole;
- a shift from a linear "chain-centric" to nonlinear "hub-centric" view of enterprise applications; and
- a shift from rigid applications and assets to dynamic services and resources that are accessed over a network.

For effective implementation of IT, a change in organizational structure—from one that is hierarchical to a combination of vertical and horizontal systems—is most desirable. Systems and procedures should be developed to support a paperless office. Any barriers between IT professionals and users of IT in the organization should be removed and prevented from forming again. Benefits accruing from investments in IT should be quantified and forecast at the end of each financial year. 



p-TIPS

Amazon.com founder and CEO Jeff Bezos was cited as "one of the great CEOs of his generation" in the 26 May 2003 issue of *Fortune*. There are good reasons: revenues, at US\$4 billion, are growing by more than 20% per year; share prices are at a two-and-a-half year high; employee numbers have increased from a handful to nearly 8,000; and the online retailer continues to add new lines of merchandise (kitchenware, apparel, and electronics along with books, compact discs, and DVDs) to its virtual store. Amazon projects a fun and friendly image, but the company needed a visionary to guide it to the top of the Internet-based retailing heap. Bezos relies on data and technology. The six computerized Amazon warehouses are high-tech models of productivity, thanks to a huge initial investment in software. When Bezos visits a warehouse or holds a meeting, he wants precise data and does not stop asking questions until he gets answers. "Math-based decisions always trump opinion and judgment," says Bezos. Other tenets of the "Amazon way" are:

1. Hire smart. Bezos believes that in any job, smart people are the best innovators. He also fears that mediocrity has multiplier effects.

- 2. Depend on data.** Doing the math takes the guesswork out of opinions and judgments.
- 3. Make employees owners.** Allow them to buy restricted stock instead of offering stock options.
- 4. "Blunt" the boss.** Amazon employees who do something that will help the company without asking permission from their supervisors may win the in-house "Just Do It" award.
- 5. Bet on tech.** Technology is becoming less expensive, allowing a company to do more with less. "The three most important things for us are technology, technology, technology," stated Bezos.
- 6. Think long term.** The Amazon founder ignored critics and lack of profits early on and kept working to make his concept a reality.



BANGLADESH

Mr. Noel Shakespeare, Director and Corporate Fire Surveyor, Risk Survey Services Ltd., New Zealand, was deputed to conduct seminars and workshop on In-depth Risk Surveying, 22 June–1 July 2003.

REPUBLIC OF CHINA

Mr. Kiyonori Yoneta, President, Marketing Soft Inc., Japan, was deputed to provide technical expert services in the seminar on Counseling Skills for the Distribution Industry, 25–28 July 2003.

FIJI

Mr. Dirk Soma, Assistant Professor, Culinary Institute of the Pacific-Kapi'olani Community College, USA, was deputed to provide training on Food and Beverage Operations, 30 June–3 July 2003.

APO/NPO update

NPO Indonesia has new name

The Directorate of Manpower Productivity Development has been renamed the Directorate of Productivity Development, w.e.f. 11 June 2003.

New APO Liaison Officer for Indonesia

Mr. Sutanto, Director, Directorate of Productivity Development, was designated as the new APO Liaison Officer for Indonesia w.e.f. 11 June 2003, in place of **Mr. Bambang Nurdono**.

NPO Indonesia new fax number

The fax number of MPD/NPO has been changed to:
(62-21) 52963356 or (62-21) 5227588

New APO Director for Nepal

Mr. Dinesh Chandra Pyakural, Secretary, Ministry of Industry, Nepal, was designated as the new APO Director for Nepal w.e.f. 10 July 2003, in place of **Mr. Lava Kumar Devacota**.

New APO Director for India

Mr. Rajeeva Ratna Shah, Secretary, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, India, was designated as the new APO Director for India w.e.f. 11 July 2003, in place of **Mr. V. Govindarajan**.

INDONESIA

The following were deputed to serve as resource persons in the first preparatory meeting for the Indonesia National Round Table Conference, 15–17 July 2003: **Mr. Mah Lok Abdullah**, Director-General, National Productivity Corporation, Malaysia; **Mr. Koh Kasuga**, Adviser, Japan Productivity Center for Socio-Economic Development, Japan; and **Mr. Low Choo Tuck**, Director, Promotion, SPRING Singapore.

ISLAMIC REPUBLIC OF IRAN

Dr. Gurdershan Kumar Suri, Management Consultant, International Management Institute, India, and **Prof. Nelson Henry Delailomaloma**, Consultant, Fiji, were deputed to conduct workshops at the Rashed Quality Festival, 5–10 July 2003.

Mr. Toru Kashima, Assistant Manager, Mitsubishi Materials Corporation, Japan, and **Mr. Mikio Kajima**, Senior Chief Engineer, Mitsubishi Materials Natural Resources Development Corporation, Japan, were deputed to provide technical expert services in the workshop on Mining and Environmental Management, 13–17 July 2003.

MONGOLIA

Dr. A. N. Saxena, Vice-President, World Academy of Productivity Science, India, was deputed to conduct a seminar and provide consultancy services on Enterprise Development, 3–9 July 2003.

NEPAL

The following were deputed to serve as resource speakers in the seminar on SMEs and the Internet, 30 June–4 July 2003: **Dr. Phanit Laosirirat**, Director, Research and Information Technology, Thailand Productivity Institute, Thailand; **Mr. Muhamad Saufi Bin Ahmad**, Manager, ICT Development, National Productivity Corporation, Malaysia; and **Mr. Rajib Subba**, ICT Consultant, Nepal.

THAILAND

Mr. A.K. Asthana, Director, Energy Management Division, National Productivity Council, India, was deputed to provide technical expert services in the workshop on Green Productivity for the Food Processing Industry, 30 June–4 July 2003.

Mr. Robert Osterhoff, Vice-President & Director, Corporate Quality and Knowledge Sharing, USA, was deputed to provide consultancy services in the FTPI Capacity Building on Knowledge Management Program, 15–22 July 2003.

VIETNAM

Mr. Tang Kok Weng, Senior Consultant, and **Mr. Lee Keng Seng**, Consultant, both from Neville-Clarke Pte Ltd., Singapore, were deputed to provide technical expert services in the ISO 9000 QMS Lead Auditor Course, 14–18 July 2003.

Program calendar

Republic of China

Training Course on Tissue Culture, 3–14 November 2003.

India

Seminar on Development of Efficient Agricultural Marketing Infrastructure, 11–17 November 2003.

Symposium on Social Dimensions of Productivity, 16–18 December 2003.

Indonesia

Training Course on Facilitation for Community Development, 7–14 October 2003.

Seminar on Role of Women Entrepreneurs in Agribusiness, 20–24 October 2003.

Islamic Republic of Iran

Seminar on the Development of Feeding Systems for Better Livestock Productivity, 18–23 October 2003.

Japan

Web-based Training Course on Transition to ISO 9001:2000 QMS—A Paradigm Shift, 8–26 September 2003.

Seminar on Strengthening the Quality Management of Services of NPOs through the JQA Approach, 20–24 October 2003.

Seminar on Implications of Free Trade Agreements in Asia and the Pacific, 18–20 November 2003.

Working Party Meeting on Redesigning Integrated Community Development (Phase I), 18–21 November 2003.

Multi-country Study Mission on Agricultural Wholesale Markets, 2–9 December 2003.

Republic of Korea

Workshop on Green Productivity and Eco-Business Development, 20–24 October 2003.

Malaysia

Development of Productivity Specialists: Advanced Program, 1–18 October 2003.

Pakistan

Seminar on Water Resources Management for Sustainable Agricultural Productivity, 6–11 October 2003.

Seminar on Enhancement of Extension Systems in Agriculture, 15–20 December 2003.

Singapore

Study Meeting on Entrepreneurship and Innovation for Business Growth, 1–3 October 2003.

Seminar on Business Excellence, 15–17 October 2003.

Sri Lanka

Symposium on Industrial Relations for Higher Productivity and Employment Generation, 11–14 November 2003.

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.

NIPO marks first decade

The National Iranian Productivity Organization (NIPO) celebrated its 10th anniversary on 26 May 2003 with a commemoration ceremony—cum—national productivity conference under the rallying theme “Productivity Advancement Guarantees Economic Development.” This joint event was graced by Presidential Advisor in Development Affairs Mohammad Bagherian and 350 special guests.

Since its inception, NIPO has met many challenges. Its activities over the past 10 years can be classified into the following four phases:

Conceptualizing Productivity—In the initial phase, the unfamiliar productivity concept was defined and propagated to the public.

Legislating Productivity—In this phase, legal regulations/mechanisms were introduced which require state institutions and executive bodies to identify productivity indicators for planning, measurement, and analysis.

Piloting Productivity—Selected productivity techniques, such as *gemba kaizen* and problem-solving groups, were piloted in economic institutions and governmental organizations.

Developing Productivity Networks—In this current phase, NIPO has been mandated to develop and manage communication networks with stakeholders in the national productivity movement, such as experts, planners, and policy-makers in government, public institutions, and private-sector corporations.

NIPO programs cover a wide range of activities, including producing productivity data for macro-economic planning; building the capability of management consultancy organizations; providing support to productivity specialists, both individuals and groups; and establishing international relationships. The basic thrust areas are: Green Productivity; integrated community development; development of SMEs; information and communication technologies; value engineering; quality management; the National Productivity and Business Excellence Award; productivity improvement in the manufacturing and service sectors; and total factor productivity.

In his welcome address at the commemorative ceremony, Seyyed Ahmad Eshagh Husseini, NIPO’s Managing Director, remarked, “Productivity is an essential element in achieving sustainable development and securing an abundant future for our nation—without dependence on oil. As we plan for our nation’s economic, social, and cultural development, productivity can and should be used as a catalyst to encourage competition, promote economic growth, and improve standards of living.”



Presidential Advisor Bagherian delivering his opening address

Presidential Advisor in Development Affairs Mohammad Bagherian delivered the opening address in which he described productivity as the sustainable empowerment of national resources. The transfer of global experiences, even if they are not 100% localized, is important to productivity growth, he added. “It is advisable to evaluate and make use of best practices from throughout the world.”

Mr. Bagherian pointed to the 80% reduction in the productivity of national capital, labor, and energy over the last two decades; the inefficient public-sector systems, particularly in human resources development; the flight of human capital; and the increasing costs of infrastructure development and structural reforms as indications of insufficient attention given to productivity. He attributed the root causes to the lack of a clear vision in the economic, social, and cultural arenas; ad-hocism in management planning; complacency about management trends; and inflexibility in reforming outlooks, strategies, and approaches.

Mr. Bagherian made several proposals for inclusion in the Iranian Fourth Five-Year Development Plan to be finalized this year. They include the formulation of: 1) a culture of preparing productivity development plans; 2) a comprehensive system for productivity development based on priorities set forth by institutions of higher learning, market institutions, and governmental orga-

(Continued on page 5)