## A POO NEWS Information to Make a Difference in Productivity

# APD A

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Asian Productivity Organization (APO) Leaf Square Hongo Building, 2F 1-24-1 Hongo, Bunkyo-ku Tokyo 113-0033, Japan Tel: 81-3-3830-0411 Fax: 81-3-5840-5322 e-Mail: apo@apo-tokyo.org

### **Eco-products International Fair returns to Singapore**

or the second time, Singapore hosted the APO's Eco-products International Fair (EPIF) at Sands Expo & Convention Center, Marina Bay Sands.

On 14 March, H.E. Grace Fu, Minister in the Prime Minister's Office, Second Minister for the Environment and Water Resources, and Second Minister for Foreign Affairs, was the guest of honor at the event organized by the APO and Waste Management & Recycling Association of Singapore (WMRAS). SPRING Singapore was the principal supporting organization. Minister Fu said that, "Eco-products make us think about the impact on the environment when products are produced, used, or disposed of. The products that are being promoted and exhibited in this fair illustrate to us that innovation and creativity can bring us solutions that will enable development in a sustainable way." Chairman Jerome Baco of the WMRAS pointed out that, "The 2013 EPIF is an ideal international



Ribbon cutting at the Opening Ceremony (L–R): Yukio Yanase, Senior Advisor of ORIX Corporation, GPAC Vice-chairperson; Japanese Ambassador to Singapore H.E. Yoichi Suzuki; Kazuyuki Sakai, Senior Advisor for Technology, Teijin Limited, GPAC Vice-Chairperson; WMRAS Chairman Baco; Minister Fu; GPAC Chairman Kitayama; Secretary-General Yamazaki; Cheong Boon Png, Chief of Executive of SPRING; and Dr. Ryoichi Yamamoto, Emeritus Professor, University of Tokyo, GPAC Vice-chairperson.

platform where the different stakeholders, government representatives, trade exhibitors and visitors, and the public can exchange their experiences, build networks, and share the best practices that can be global solutions to environmental challenges."

The exhibition, themed One Environment, One Future: Towards a Sustainable and Greener Asia, focused on the B2B (businessto-business) model and exhibited cutting-edge, environmentally friendly eco-technologies, eco-products, and eco-services in pavilions representing six APO members. In addition, the Japan Pavilion debuted at the EPIF with the support of Japan's Ministry of Environment, alongside the booths of more than 25 leading Japanese corporations including Sumitomo Mitsui Banking Corporation, Teijin Limited, Hitachi Limited, Mitsubishi Electric Corporation, and Toshiba Corporation.

A concurrent, high-impact international conference on Opportunities and Challenges in Sustainable Urban Living was also organized with a parade of renowned speakers such as Teisuke Kitayama, Chairman of the Board of Sumitomo Mitsui Banking Corporation, who is also Chairperson of the Green Productivity Advisory Committee (GPAC), and Johannes Christian Wichards, Deputy Director General of the World Intellectual Property Organization. Kitayama stated that, "Continuing industrialization and increasing reliance on modern-day comforts threaten our natural heritage. That is why I believe eco-products can help stop the further ravaging of nature." He added that there was a misconception that eco-products were costly, when in fact they could be affordable and accessible. "I also think that the promotion of eco-products contributes directly to establishing a green economy."

APO Secretary-General Ryuichiro Yamazaki commented that the EPIF had started in 2004 with the unwavering support of APO member countries and the GPAC to address the challenges of achieving sustainable economic growth through the promotion of Green Productivity. He added, "After a total of more than 700 exhibitors and some 370,000 visitors later, APO member countries are reaping the rewards of the past seven EPIFs... the establishment of green purchasing networks and policies in many member countries, initiatives to host national green exhibitions, and here in Singapore, the development of the eco-city model that promotes a sustainable urban environment for achieving green growth."

The EPIF flag handing-over ceremony was held on 15 March with delegates from Singapore consisting of WMRAS and SPRING Singapore passing the EPIF flag to the ROC delegation from the Chung-Hua Institution for Economic Research and Taiwan External Trade Development Council. The 2014 EPIF will be held in Taipei and promises to assemble an exciting line-up of exhibitors from the Asia-Pacific and beyond. (2)



### Carbon financing beyond the CDM

he Clean Development Mechanism (CDM) managed by the UN to receive funding for conducting greenhouse gas (GHG) reduction projects and activities has been one of the most popular methods of carbon financing for businesses in developing countries including many in APO members. This article analyzes the current environment surrounding the CDM in the aftermath of the recent UN climate talks and introduces domestic and bilateral carbon finance schemes being developed in Asia.

#### CDM: achievements and challenges

The CDM allows owners of GHG emission reduction projects in developing countries to earn carbon offset credits or certified emission reductions (CERs), which can be traded and sold to governments and companies in industrialized countries to meet emission reduction targets. The consideration paid to CDM project owners in exchange for CERs issued supplements project cash flow and thereby incentivizes the use of low-carbon technology and sustainable development.

Since the registration of the first CDM project in 2004, over 6,600 projects in 85 developing nations had been registered and nearly 1.3 billion tons of offset credits issued as of March 2013. Among the top 10 CDM project hosts, six are APO member economies (India, Indonesia, the ROK, Malaysia, Thailand, and Vietnam, with the Philippines holding 11th place). These countries combined have hosted more than 1,900 projects and reduced 300 million tons of GHG, reflecting the strong potential for low-carbon development in the region. Although there are no official figures, many project owners are local mid-sized companies that do not necessarily have extensive international exposure. Popular project types in the region are renewable energy (wind, hydro, biomass, solar PV, etc.), methane gas reduction (wastewater treatment, composting, animal waste treatment, etc.), energy efficiency in industries, waste gas/heat recovery, and energy efficiency in households.

Despite these accomplishments, there are two key imperfections from the CDM host countries' perspective. 1) It sometimes seems as if "CDM" stands for "complicated development mechanism." It is common for CDM project owners to spend three or even more than five years from project inception to first issuance of CERs, due to complex CDM rules and procedures that are exacerbated by the unpredictability of UN rulings. 2) The failure to provide initial investment support can be fatal. Additional financing is generated from CER sales revenue, which is usually paid after CER delivery, no less than several years after the initial development phase. In other words, project developers cannot count on a CDM project as a reliable source of funding when finance is most needed, obliging them to risk adopting a low-carbon technology that may be novel in their country.

#### Post-2013 CDM

The UN Climate Change Conference that took place in Doha, Qatar, 26 November–8 December 2012, unfortunately could not agree on any immediate measure to revive the dwindling CDM system. Delegates from over 190

nations extended the legal obligation of industrialized countries to reduce emissions under the Kyoto Protocol for another eight years until 2020. Yet the emission reduction target is applied to only 35 countries, covering only 15% of global emissions. Canada, Japan, New Zealand, and Russia, which previously had targets, opted out of the protocol and no longer have legally binding targets from 2013; nor does the USA, which did not even ratify the treaty. It was agreed to impose certain restrictions on the transfer and acquisition of CERs generated during the 2013–2020 period against nations without legal targets, effectively barring major investors such as Japan and New Zealand from the market, further limiting demand.

Even the EU's regional emissions trading system, which has been the biggest buyer of CERs, has restricted the use of new CDM projects from 2013 to only those that originate from least developed countries, excluding projects conducted in most APO member economies with solid CDM track records. In addition, the CER price crash came as a blow. With the advent of the European financial crisis, CERs that used to be traded in the  $\in$ 10–15 range fell below  $\in$ 1 in October 2012, making it almost impossible for project owners to rely on the CDM for extra funding.

Without structural reform allowing more predictability in the registration and issuance procedures, together with the restoration of demand, the CDM is currently not a reliable incentive to go low carbon, particularly for SMEs that have tight cash flows and limited access to credit.

#### Regional and bilateral schemes

As the centralized global GHG emission control system under the UN loses momentum, regional and bilateral carbon finance/emissions trading schemes are emerging in Asia.

**Indonesia:** The Nusantara Carbon Scheme (NCS) is an emission reduction initiative under which GHG reduction projects carried out in Indonesia will be issued with carbon credits that can be traded and used to offset emissions domestically. The NCS is still under development and plans to allow seven project types including renewable energy, energy efficiency, and industrial process enhancement.

**Japan:** The Joint Crediting Mechanism (JCM)/Bilateral Offset Credit Mechanism (BOCM) is promoted by the Japanese government. A partner country signs an agreement with Japan to host a JCM/BOCM project, mainly using low-carbon Japanese technology. In return, the GHG emission reductions achieved are used to meet Japan's target. Japan signed JCM agreements with Mongolia and Bangladesh in the first quarter of 2013 and is said to be in advanced talks with Indonesia, Lao PDR, and Vietnam. Consultation with other Asian and African nations, such as Cambodia, India, and Thailand, is underway. Nearly 200 feasibility studies in 30 countries have been performed, with the emphasis on energy efficiency in manufacturing, buildings, and power generation. Pilot projects are expected to begin in 2013.

### by Ayato Kurokawa

**Republic of Korea:** A mandatory cap-and-trade system covering nearly 500 major companies is expected to start in 2015. The ROK's target is to reduce GHG emissions to 30% below the business-as-usual levels by 2020.

**Thailand:** Thailand plans to launch the Thailand Voluntary Emission Reduction Program (T-VER) and Thailand Voluntary Emission Trading Scheme (TVETS) in 2013 and 2014, respectively. T-VER is a project-based mechanism where project owners will earn T-VER credits by conducting GHG-reducing projects in energy efficiency, alternative energy, renewable energy, solid waste management, transportation management, forestry, and agriculture. Pilot projects to improve energy efficiency in the building sector have been conducted together with the development of T-VER general guidelines and methodologies. TVETS is a domestic cap-and-trade system in which firms participate voluntarily without identifying target industries. Several years were spent studying the carbon market rules and consulting with major carbon-emitting companies.

**Others:** Among APO member economies, the Republic of China and Vietnam plan to introduce domestic carbon emission trading schemes. Other notable schemes in Asia are regional emission trading systems targeting five cities and two provinces in PR China which expects to start an initial phase in 2013.

While many economies envision adopting mandatory cap-and-trade systems, the JCM/BOCM, T-VER, and NCS are unique in being project-based, voluntary mechanisms that allow the direct flow of support to businesses/ projects trying to save energy costs and reduce carbon emissions through low-carbon technology. Although these new systems have yet to devise ways to create solid demand and set prices for credits, they will be important in the creation of a low-carbon society, and constructive development of decentralized schemes is eagerly awaited. (2)



Ayato Kurokawa is a consultant in the Clean Energy Finance Division (CEF), Mitsubishi UFJ Morgan Stanley Securities, a leading carbon credit consultancy specializing in the CDM and JCM/BOCM. He has an investment banking background and since joining the CEF has been involved in CDM consultancy and carbon credit transaction advisory, as well as writing

carbon finance-related reports.

### Social innovation and effective knowledge management

sian economies are growing rapidly. However, the more accelerated economic growth becomes, the wider the income disparities and the more issues of poverty remain. While the world is moving toward a more open-solution society, the APO recognizes the importance of tackling such social issues as part of its mission to enable sustainable socioeconomic development, ensuring a fair distribution of the results of productivity enhancement.

Individuals, enterprises, communities, and all members of society are encouraged to apply their creativity and talents to crafting innovative solutions to social problems and increasing their impact. Societies around the world are facing significant human issues for which they often do not have effective, affordable solutions. As they struggle, they also face difficulty in efficiently and effectively utilizing and passing on useful knowledge in tackling such issues. Social innovation in tandem with effective knowledge management (KM) can play an important role in dealing with social issues and at the same time improve productivity to drive inclusive economic growth. KM can assist social innovators and relevant stakeholders to create and translate valuable tacit knowledge on solving social problems into explicit knowledge and scalable solutions via businesses and other productive means. In cooperation with the National Productivity Secretariat of Sri Lanka, the APO organized a study meeting on KM and Social Innovation, 19–22 February, in Colombo, inviting eight international participants from seven member countries, as well as six local participants and four local observers. Two international resource persons, KM specialists Ronald Young of Knowledge Associates Cambridge Ltd. from the UK and Naoki Ogiwara of the World Bank in the USA led intensive sessions comprising informative lectures, interactive panel discussions, and brainstorming among the participants on how social innovation could be initiated and become sustainable and powerful within an effective KM framework.

After a thorough review of the APO KM framework, participants examined how it could be applied to solving social issues they faced in their own settings. They were enlightened by presentations by actual social entrepreneurs who generously contributed to the APO study meeting as guest speakers: CEO Takuto Motomura of Granma Inc., Japan; and Chairman Uchita de Zoysa of Global Sustainability Solutions-cum-Executive Director for the Centre for Environment & Development, Sri Lanka. They detailed their experiences in driving social innovation and shared lessons learned on how KM should be undertaken to maximize the positive outcomes and make a greater impact when tackling social issues. (Q)



### SMEs and market access: opportunities and challenges

#### Japan and SMEs

Although Japan is usually associated with major corporate brands such as Toyota, Nissan, Sony, Toshiba, Panasonic, etc., over 99% of its registered companies are SMEs. Such large companies manufacture their products mainly by subcontracting to SMEs, which is why the percentage of the latter is high.

This is not specific to Japan. SMEs make up around 90% or more of registered companies worldwide and form the backbone of national economies whether in the manufacturing, trade, or service sectors. SMEs in Japan are also often referred to as the backbone of the industrial as well as social fabric of the country, as these companies, regardless of whether they are small or medium in size, provide the majority of jobs in the manufacturing and service sectors. It is thus not surprising that such SMEs would also venture into overseas markets to trade, invest, and sustain their businesses, while contributing to the development of the host countries. This is especially true today when Japanese SMEs are losing markets at home and need to seek new ones overseas. Such new markets can be found through a variety of channels, including: 1) networking through governmental or international organizations, embassies, or government offices overseas, including investment and trade promotion agencies; 2) web-based services (e-platforms); 3) international business missions; and 4) attending exhibitions/seminars domestically and abroad, to mention a few.

However, entering new markets is not an easy task. Like the APO, the Investment and Technology Promotion Office, Tokyo (ITPO Tokyo), of the UN Industrial Development Organization (UNIDO) works closely with SMEs. Specifically, the ITPO Tokyo fosters the business interests of Japanese SMEs in developing countries by introducing government windows/officials and assisting in business matching and project discussions, especially in the initial stages. Some opportunities and challenges facing SMEs when they venture into new markets are described below. The information is based on ITPO Tokyo's experience.

#### **Opportunities and challenges**

SMEs are usually quicker than larger companies, as their management is usually less complicated and bureaucratic. The president of an SME can quickly decide on a project if he or she is convinced of the benefits. Sometimes the decision can be immediate. However, even though the decision to trade or invest can be made swiftly, this does not mean that the SME will not face difficulties. SMEs are prone to many challenges in their business dealings. Some of the main advantages of SMEs are strength through independence, with a positive spirit; speed and efficiency; interest in business combined with a desire to contribute to the development of countries and communities; and the belief that long-term business is more important than immediate profit. Their disadvantages are: limitations in staff and finance; little knowledge of foreign languages, cultures, laws, and regulations; interest in trading before investing to test the market; and, paradoxically, the belief that long-term business is more important than immediate profit.

Most of the advantages and disadvantages are self-explanatory and obvious at the outset of business negotiations. The belief that long-term business is more important than immediate profit is listed twice, showing that an advantage can also be a disadvantage. Sometimes this approach raises eyebrows on the recipient side, where businesses are more interested in discussing profits before long-term developmental benefits or management principles. This "profit-centered approach" of foreign companies sometimes causes problems for Japanese SMEs. In addition, lack of negotiation skills in a foreign language (usually English) also slows and distorts negotiations.

The following major factors are minimum requirements needed to make an SME's venture into a foreign market successful:

- 1) Visit and fact finding in the country;
- Identification of government partnering organizations in the country, i.e., chamber of commerce, Investment Promotion Agency, board of investment (BOI), trade support agency, etc.;
- 3) Identification of a "window person" to assist locally;
- 4) Identification of a good business partner;
- 5) If relying on a local consultant, cross checking of inputs through government partner organizations;
- 6) Hiring of qualified interpreters;
- 7) Taking a flexible approach in business discussions; and
- 8) Relying not on handshakes but on binding agreements.

The most important item in the list above cited by SMEs is the identification of a reliable partner and/or window person or organization who can be contacted when issues are faced in setting up and operating a business. This type of resource seems in the long term to be more important than even financial or other resources. The following examples show successes and challenges encountered by real SMEs.

#### The right joint venture partner in Nigeria

An automotive waste management SME set up a joint venture in Lagos, Nigeria, in 2011 to start end-of-life auto recycling operations. The project was identified in cooperation with the National Automotive Council (NAC) of Nigeria. The SME was introduced to the right partner by the NAC and immediately signed a partnership agreement to develop this new market. Currently, a feasibility study on the project is underway. It is expected that the project will have an initial investment of US\$100,000 and create jobs for 100 workers.

#### The right window organization in Bangladesh

An SME in the textile industry invested in a joint venture in Bangladesh in 2010 to produce 500 metric tons of gray fabric. The project was promoted with the BOI of Bangladesh. The SME depended on the BOI for assistance with all registration processes and to address issues arising from discussions with labor, local communities, and authorities. The BOI staff's assistance became indispensible for the project's success. An initial investment of US\$186,000 led to the creation of 50 jobs, which have since increased to 450.

#### Stringent technical requirements by an SME

A pipeline engineering SME negotiated a joint venture project with a company in the Middle East in 2003. The project benefited from assistance by window organizations in Japan and the other country. However, the SME placed priority on the training of joint venture staff in Japan, which affected the project's success. As the SME was proud of its technical expertise, it wanted to ensure that the joint venture staff would be trained appropriately to ensure the quality of production and success of the project. The would-be partners could not agree upon the acceptable amount or length of training to be imposed, and eventually the discussions broke down.

All SMEs outlined above benefited from window organizations in the

countries they planned to work in. This is a fundamental tool for any successful project. The projects were affected by different factors, such as finding the right partner, assistance by the window organization, or focus on technical aspects of the project vs. the business opportunity when the latter was closer to the interest of the foreign partner. Thus it is essential to remember that whether SME projects are successful or not depends on the availability of good assistance, appropriate partners, and a flexible stance that considers the requirements of foreign partners, whether these are technical, pricing related, or other. (2)

#### Contributed by Deputy Head Ferda Gelegen, UNIDO ITPO, Tokyo



Ferda Gelegen serves as Deputy Head, United Nations Industrial Development Organization (UNIDO), Investment and Technology Promotion Office, Tokyo. His work covers promotion of Japanese manufacturing industries, including SMEs, in

developing and emerging countries. Before joining UNIDO in 1995, he studied business administration at George Washington University, Washington, DC, worked in the private sector in the USA, and later served on the Foreign Economic Relations Board of Turkey, where he advised on bilateral economic relations with the USA and Japan.

### **Development of SMEs**

MEs play an important role in the economies of the Asia-Pacific region not only because of their sheer numbers but also the variety of their activities. However, the lack of knowledge of advanced management practices, weak technical capabilities, and limited access to external assistance are their critical common factors and should be closely examined for the development of SMEs.

After the enthusiastic reception of a similar project in January 2012, the APO in conjunction with the Japan Productivity Center (JPC) organized a multicountry observational study mission on SME Development in Tokyo, 4–8 February, to illustrate best practices in utilizing productivity improvement tools and techniques by SMEs. The 15 participants, including four observers from Myanmar, were NPO trainers/consultants, government officials in charge of SME development, and SME owners. After presentations by two JPC resource persons, the participants had the opportunity to visit three excellent SMEs: Cucire Corporation, a subsidiary of Seiko Corporation, where they were introduced to the Toyota sewing system (TSS); Seiko itself to observe overall corporate management based on the TSS; and Yasui Co. Ltd. for plant practice. After observations at Yasui Co. Ltd., they were requested to make two kaizen suggestions to company management.

The participants also presented action plans for kaizen or 5S activities reflecting the actual situation in their organizations to be shared with their NPOs, or with the Ministry of National Planning and Economic Develop-

ment in the case of the Myanmarese observers. Noted APO Secretariat Industry Department Program Officer Muhammad Idham bin Mohd. Zain, "Although most participants were not familiar with production sites, they tried their best to understand productivity improvement activities and the approaches used by Japanese companies.



Participants observing the TSS process as explained by Manager Kimihiro Tagawa, Plant Planning, Research & Planning Center of Cucire in Chiba prefecture.

Overall, they gained an understanding of their roles and responsibilities in developing productivity measures through their action plans."

Participant Vilivong Phonesavanh from Lao PDR commented, "It would be nice to have a more advanced follow-up activity. I would like to learn more about how to manage and run a successful business. Ideally, that would be a meeting with all the same participants again to follow how each of them has implemented kaizen or 5S." Chuon Mony from Cambodia concurred, adding that he "very much appreciated the onsite practice in the factory, but the time spent was not quite long enough."

### Greening the supply chain for processed food products

he food-processing industry is expanding fast in the Asia-Pacific region, creating many opportunities, but is also generating a substantial environmental burden. To address this, world-class food companies are encouraging suppliers to be green. Greening the supply chain (GSC) has several benefits for the food business such as cost savings, enhanced image, smaller carbon footprints, and lower risks from food pathogens. The application of GSC concepts to different components of the supply chain could, however, be challenging for food-processing industry SMEs in developing countries that do not have such standards and continue to use practices that may be considered environmentally unfriendly. The main constraints are a lack of awareness, limited capacity, and insufficient financial resources.

To build the capacity of food-processing SMEs to apply GSC concepts and principles for greening their businesses, the APO and Korea Productivity Center (KPC) organized a workshop on Greening the Supply Chain for Processed Food Products in Seoul, 12–16 November 2012. Eighteen participants from 13 member economies and three resource persons from Australia, the ROK, and Singapore attended.

The resource person from Singapore, Dr. Kheng Soon Rodney Wee, Chief Executive/Principal Consultant, Asia Cold Chain Centre (Singapore), provided an overview of GSC for processed food products. He also talked about the impact of an unregulated agro/food-processing sector on the environment and mitigation of such impacts. Australian speaker Peter de Lacy, Operations Director, Training and Export, Grow SA Ltd., made a presentation on the Framework for GSC for Processed Food Products. Both Dr. Wee and De Lacy made presentations on approaches and tools for GSC of foodprocessing SMEs. Korean expert Dr. Kun-Mo Lee, Professor, Department of Environment Engineering,



Participants examining ornamentals during their visit to the Korea Agro-Fisheries & Food Trade Corporation Flower Marketing Center.

Ajou University, shared the Korean experience in promoting the application of the GSC concept and principles in the processed food industry.

The participants reported the current status of GSC concepts application in the food-processing industry in their countries in presentations. In a group exercise, they identified issues and problems in promoting the application of GSC concepts and practices in the processed food industry and formulated roadmaps to address them. In addition, participants made informal commitments to take specific follow-up action plans after attending the workshop. To observe the application of GSC principles and practices, participants visited the Korea Agro-Fisheries & Food Trade Corporation Flower Marketing Center and a Korea Agricultural Cooperative Marketing supermarket. (Q)

### Performance management of service-sector organizations

wenty-seven performance management professionals from 13 member economies gathered for the five-day workshop on Performance Management of Service-sector Organizations held by the APO in collaboration with the National Productivity Organization (NPO), Pakistan, 18–22 February, in Islamabad. The service sector is the mainstay of the economy in most APO members. Apart from public-sector organizations, it also includes healthcare, education, retail, transport, tourism, etc. that employ thousands. There is increasing demand to improve productivity in service organizations, although this is challenging. Performance management is one effective tool that can achieve quantum leaps in the productivity of these organizations. Performance management can lead to enhanced service quality, increased stakeholder satisfaction, and greater costeffectiveness and transparency. It also helps to recognize and reward outstanding performers and to develop modest ones.

The workshop discussed ways, new approaches, and methodologies for performance management of service-sector organizations; examined the difficulties and challenges in conducting performance management by sharing case studies; and worked on solutions for the effective use of performance management as a tool to enhance the productivity of service-sector organizations.

The NPO chose a major local healthcare institution, Shifa International Hospital, in Islamabad for the site visit. A private hospital, it attained ISO certification in 2008. The Department of Clinical Support did an excellent job of explaining the hospital's performance management and improvement system, how it worked, and how

it impacted the management of the organization's performance down to individual performance management. It was a good illustration of the power of a performance measurement and improvement system which correlated directly related to the workshop contents. The workshop participants, some of whom were senior hospi-



Participants brainstorming during group work on action plans for performance management.

tal officials, posed interesting questions that sparked stimulating discussions.

Um Serivuth from Cambodia committed to conducting internal training for colleagues and add performance management to the action plan for productivity improvement in his office. Senior Employment Relations Officer from the Housing Authority of Fiji Kelera Cawai Ratinaisiwa remarked that she would try and improve the performance management system of her agency. "The service sector is a major component of all the countries represented at the workshop and even among the emerging nations present, the service sector is contributing more than 50% of GDP. Therefore I think this workshop demonstrated that the APO made the correct decision in focusing more projects on this sector," stated Canadian expert Richard Clarke. (2)

### APO/NPO Update

#### Islamic Republic of Iran

**New APO Director and NPO Head** Name: Dr. Mojtaba Khalesi Designation: Head, National Iranian Productivity Organization Effective date: 5 March 2013

#### Japan

#### New APO Liaison Officer

Name: Sayaka Harada Designation: Deputy Director, International Cooperation Department, Japan Productivity Center Effective date: 1 April 2013

#### Sri Lanka

**New APO Director** Name: Dr. Damitha de Zoysa Designation: Secretary, Ministry of Productivity Promotion Effective date: 7 February 2013

### New Officer in the Secretariat

On 1 April, Dr. Jose Elvinia started at the APO Secretariat as a new program officer in the Research and Planning Department. The Filipino national was connected with the Department of Trade and Industry in the Philippines, where he had extensive professional experience in SME development and small business consultancy, SME productivity training, microfinance, trade



promotion, and sector-based development. He also worked in universities in both Japan and the Philippines before joining the Secretariat. He has a Bachelor's degree in Accounting and Master's degrees in Business Administration and International Development. He earned a PhD in International Development from Nagoya University in 2008. Citing a major free-time interest as music, he hopes to enjoy musical performances while in Tokyo. As a program officer, Elvinia hopes to bring in new ideas on the research front.

### ANNOUNCEMENT

Self-learning e-course open to all!

A self-learning e-course on Green Productivity and Integrated Management Systems (ISO 9001, ISO 14001, OHSAS 18001) starts 8 May 2013. Registration opens at 10:00 Japan Standard Time on 8 May 2013 on this site. Participants can register directly from this portal on the APO website. Those who are already registered can access the course by using the assigned username and password. This course is open to all.

Note: Participants from non-APO members will not be issued a certificate. To find out more, go to http://www.apo-tokyo.org/wp/annual-program/files/2013/04/PIP\_13-IN-06-GE-TRC-A\_self-learning.pdf.

### Photo news



EPIF flag handover ceremony (L–R): Chung-Hua Institution for Economic Research Chairman Dr. Chi-Yuan Lian, Taiwan External Trade Development Council President and CEO Yuen-Chuan Chao, Teijin Limited Senior Advisor for Technology Kazuyuki Sakai, Chairman of the Board of Sumitomo Mitsui Banking Corporation Teisuke Kitayama, APO Secretary-General Ryuichiro Yamazaki, WMRAS Chairman Jerome Baco, and SPRING Chief Executive Cheong Boon Png.



Visitors to the Secretariat (L–R): Attaché Hossein Javaherian and Ambassador of IR Iran to Japan Dr. Reza Nazar Ahari, with APO Secretary-General Ryuichiro Yamazaki and Secretariat Administration and Finance Department Director Sherman Loo, 6 March.



Visitor to the Secretariat Prof. Ralph Christy (R), Director of Cornell International Institute for Food, Agriculture and Development, Cornell University, with APO Secretariat Director of the Agriculture Department Joselito C. Bernardo, 13 March.



o mark 20 years of continuous contributions to socioeconomic growth by the national productivity movement, the Mongolian Productivity Organization (MPO) organized an open house on Productivity Day, 12 December 2012. MPO Chairman of the Board Yamaaranz Erkhembayar, Mongolian Academy of Sciences Vice President Tuvd Dorj, University of Science and Technology Vice Director Luvsandorj Oyuntsetseg, and MPO Consultant Byambaa Uranchimeg were the keynote speakers at the opening session of the event, which served as a focal point for communications among client companies closely associated with the MPO as well as other Mongolian organizations.



One highlight of Productivity Day was a presentation of the MPO's vision for the coming decade, followed by a showing of a documentary produced to chronicle its first 20 years of productivity endeavors. The open house allowed the opportunity for the MPO and its client organizations to showcase best practices of productivity and quality improvement efforts. Attendees heard presentations by researchers and productivity practitioners as well



Winners of the productivity presentations competition.

as lectures on national productivity policy implementation and new government approaches.

The Productivity Day open house also featured a competition to determine the best presentation on productivity. That by GolomtBank Manager Sukhbaatar Bolor-Erdene entitled Business Excellence in a Beautiful World was selected as the winner by fellow participants. At the final session, attendees shared views on the national productivity improvement policy and strategies for the next 10 years. The need to focus on an innovation culture through productivity and quality initiatives was emphasized. (2)



### **MPC's Lean Performance Excellence Asian Summit 2013**

he Malaysia Productivity Corporation (MPC) in collaboration with Lean Applied, a company of established lean and Six Sigma practitioners in Malaysia, organized a summit to acknowledge the exceptional achievements and Lean Six Sigma journeys in various companies in Malaysia, held in Selangor, 26–27 February. Approximately 150 individuals from Malaysia and ASEAN countries representing various corporations and industry groups attended the summit. A parade of knowledgeable speakers from the Sime Darby Group, Petronas Gas, Kuwait Finance House, Malaysia Airports, MPC, CCM Fertilizers, and Lean Applied's global partners Valeocon Management Consulting from Italy and Japan shared their experiences and best practices in the area of lean production and management systems. The keynote address was delivered by MPC Director General Dato' Mohd. Razali



MPC Director Razali Hussain officiating at the opening ceremony of the summit.

Hussain, who has tirelessly championed the lean concept in Malaysia and throughout the APO membership.

The theme of the summit was Solidifying Operational Excellence via Convergence of Mindsets in Continuous Improvement and the objectives were to ensure that outstanding top managers emphasized continuous improvement as a routine practice and to provide a platform to discuss the most effective tools and techniques to promote a continuous improvement culture and share success stories of performance excellence. Summit delegates were also exposed to performance excellence modules in their par-



MOU signing by representatives of the MPC (R: Ahmad Fadzil), Valeocon Management Consulting (L: Massimo Appiotti) and Lean Applied Sdn. Bhd. (Shahril Goh Fadhil).

ticipants' kits as well as ideas and knowledge suitable for immediate application.

A memorandum of understanding (MOU) signing ceremony also took place between Lean Applied–MPC–Valeocon to spread the lean approach worldwide. This agreement will intensify cooperation in and exchanges of continuous improvement knowledge, best practical experiences, and know-how among parties in the Americas, Europe, and Asia. The MOU will open the gateway for more meaningful collaborations on Lean Six Sigma hands-on projects and allow access to specialized tours of corporations leading the way in lean adoptions. (2)