

Project Reports: *Industry and Services*

APO WORKSHOP ON ENHANCING NPO'S CORE COMPETENCE

23–25 January 2001, Lahore, Pakistan

BACKGROUND

In line with the current thrust area of the "Development of NPOs," the APO launched a new annual series of projects to enhance the core competence of NPOs. The core competence of an NPO is its capability to provide more effective services to various stakeholders than any other organisation in the country. As the start of this annual series, the first workshop on enhancing NPO's core competence in consultancy activities was organised from 23 to 25 January 2001 in Lahore, Pakistan. This workshop was a sequel to an earlier one and a symposium organized on the same subject during the past decade, i.e., Consulting Skills in the Asian Context, 25 to 29 November 1991; and Strengthening Consultancy Capabilities of NPOs, 7 to 11 September 1993, respectively.



Participants of APO-NPO Workshop on Enhancing NPO's Core Competence

The workshop was attended by 12 delegates representing 11 member countries, which consisted of heads of NPOs, heads of consulting divisions of NPOs, and government representatives from Pakistan. The workshop provided a platform for exchange of experience in developing and extending consultancy services by NPOs. The deliberations resulted in strategies, plans, and programs for enhancing the core competence of NPOs, in addition to identifying the role that the APO may play and the support it may render in this regard. The program of the workshop is given at the end of this report.

WORKSHOP STRUCTURE

With a view to understanding and integrating the concepts of core competence in consulting by individual NPOs, the workshop included resource presentations by four APO resource persons covering the related aspects of: 1) Consulting Scenario and Concept of Core Competence; 2) Features of World-class Productivity Organizations; 3) Models of Consulting Business by NPOs; and 4) Role of Internal and External Consultants. These were further enriched with presentations by representatives in charge of consulting activities of NPOs who shared their policies, strategies, plans, and programs in developing both the consulting profession and enhancing competence in NPOs. The participants were requested to work on two structured questionnaires to evaluate their current positioning and specific strategies for enhancing competence as well as promoting consulting business. This was followed by three syndicate sessions to deliberate on various topics, including the significance of consultancy in NPOs, ways and means to enhance core competence, repositioning of NPOs toward consulting, NPO-NPO and NPO-APO collaborations, and follow-up actions. Finally the workshop developed generic recommendations to NPOs and suggestions to the APO for promoting consultancy in the region. Individual NPO participants evolved their own plans for enhancing core competence in consulting. In addition, the chief resource person gave a presentation on the Productivity Awards Scheme in India evolved by the NPC over the past 15 years of implementation. A summary of the

proceedings and the recommendations is given below.

SUMMARY OF THE PROCEEDINGS

Presentations by Resource Persons

Management Consultancy and NPOs, S.A. Khader, Deputy Director-General (MS), NPC India

This report began with a survey of the objectives and activity framework of NPOs. In particular, it focused on the role played by NPOs in promoting as well as extending consulting services as an integrated package of productivity promotion in their respective countries.

While analyzing the development of consultancy globally, the presentation clearly established the linkage between the growth of consultancy and the rate of economic development. The case of Singapore and the role played by the PSB of Singapore were cited as an example.

While delineating the competitive situation in the rapidly developing consulting sector, Mr. Khader emphasized the need for developing the core competence of NPOs if they are to make a mark in promoting and extending consultancy services with the broader objective of supporting more rapid economic development. The presentation outlined three strategies to bring full-fledged professionalism to consulting by NPOs, which in itself involves strategies of competence enhancement. These are:

1. strengthening consulting work by infusing professionalism, utilizing standardized methodologies for consulting, and strict adherence to the accepted "Code of Ethics of the Profession";
2. continuous skill development of knowledge-based workers, allowing the NPO to become a learning organization; and
3. integrating cooperation and networking strategies, including client education and participation in the consulting interventions

Finally, the presentation illustrated the example of the NPC, India, highlighting the approaches currently used to enhance the competence of consulting groups. This presentation clearly demonstrated the need to reposition NPOs to integrate management consultancy activities with other promotional objectives. This is necessary due to the rapidly changing environment as well as the desire of member governments to make the productivity movement self-reliant and be of direct value to the process of economic development.

Toward a World-class Productivity Organization: Competence/Capability Development Plan, Dr. Awang bin Musa, Director, Service Research Division, NPC Malaysia

Management consultancy and national productivity and quality awards are crucial activities to spearhead the practice of productivity and quality (P&Q) values, systems, techniques, and procedures. NPOs as the leading institutions in propagating the P&Q culture have no option except to excel themselves. NPOs are operating in a globalization era, knowledge



Opening session of APO-NPO Workshop on Enhancing NPO's Core Competence

economy, and e-business environment. Therefore, they must rethink their objectives, business plans, and strategies. NPOs' customers are not only locals but also foreign companies that have world-class management systems and styles. One of the vital strategies to be adopted by NPOs is to have world-class knowledge workers and managers and operate in an e-environment. A comprehensive (short- and long-term) plan for competency development, supported by career development, rewards, and incentives, must be put in place. It is advisable for NPOs to develop a pool of experts in each area to enable them to create value and deliver new products and services to clients. The records of competence development of each consultant should be established, monitored, reviewed, and updated. Consultants' yearly performance and contributions should be measured and rewarded.

Introduction to the JPC-SED Model of Consulting Business, Mr. K. Kuroda, Deputy-Director, International Department, JPC-SED

The consulting industry in Japan, a vital part of the service sector, is a fast-growing business as in other developed countries. The rate of growth in the service sector is much higher than average in terms of revenue per employee. However, most consultancy firms (about 60%) are operated on an individual proprietorship basis with only one to four employees. Information technology consulting has been an emerging area since 1994.

Since the Consulting Department in the JPC-SED is identified as a profit center, it must compete with private consulting firms. The profitability of this department is higher than the average of other profit centers. JPC-SED consulting is targeted at medium-sized enterprises focusing on a human-oriented management philosophy through innovation and human resources development (HRD). While the Consulting Department is divided into the four divisions of consulting, training, promotional seminars, and in-house training, the core is consulting. However, most activities are utilized to develop the competitiveness of consulting business.

To conceptualize consulting methodology and promote consulting business, the JPC-SED has built up a strategic business review system with nine modules. The components of the business promotion model are: 1) resources such as consultants, staff, and partners; 2) training courses, in-house training, promotional seminars, and study groups and; 3) systems such as revenue-sharing contracts, monitoring systems, HRD systems, and management by objective. All these components are aimed at winning the target clients.

For the past 10 years the JPC-SED has been involved in Japan International Cooperation Agency (JICA) as well as APO projects to assist the reinforcement of NPOs through overseas technology transfer. For example, in 2001 a new project has started for an institution in Costa Rica to enhance its consulting capability. Long-term experts, training course materials developed in Japan, and necessary equipment will be provided under the project. Successful cases of such technology transfer in the past include development support extended to the PSB of Singapore and FTPI of Thailand. Some of the tools evolved by the JPC-SED, which other NPOs may easily adopt to strengthen their consulting competence are 1) a virtual consulting system; 2) quick productivity management; 3) cost clinic system; and 4) demonstration of a training package program for instant consultancy, comprising five-day units on productivity concept building, quick assessment of productivity measurement, quick review of management performance, introduction of a Kaizen program, and report writing and presentation to clients.

Similarities and Differences of Internal and External Consultants and How to Manage Them, Dr. Iqbal M. Khan, President of SURE Institute, Pakistan

During his presentation, Dr. Khan described the subtle aspects of the consulting profession and analyzed the role of internal consultants in an organization vis-à-vis deploying external consultants from the market. As NPOs are external consultants to its members and clients, he pointed out 15 ways in which NPO contribution could be made more effective.

Country Paper Presentations

Eleven NPO status papers prepared on the basis of the guidelines provided by the APO were presented and discussed. The following are the general points that emerged during those presentations, which were the highlight of the workshop:

1. Participating NPOs can be categorized in three groups based on their consultancy integration;
2. NPOs with a commercial outlook since inception, for example, the JPC- SED of Japan;
3. NPOs extending a combination of services, i.e., government-supported free services and fully commercial consulting such as the PDC-DAP of Philippines and NPC of Malaysia; and
4. NPOs contemplating the adoption of a commercial outlook for consulting, which include the NPO Bangladesh and PITAC of Pakistan.

While some NPOs have progressed in their consulting services and become nearly self-sufficient in pursuing the productivity movement, it is felt that NPOs in general should take on the role of promoting consulting as well as providing consultancy services to establish the efficacy of emerging productivity tools, techniques, and processes. NPOs should serve to establish and develop professionalism in the consultancy activities in the country. Because large enterprises are well aware of the usefulness of consultancy services, NPOs should consider focusing more on small- and medium-sized enterprises (SMEs). Almost all NPOs have their own committed and professionally qualified specialists who mainly focus on promotion-related activities. It is essential to orient this manpower toward the requirements of consulting profession.

Giving credit to the support that NPOs receive from their respective governments, international promotional agencies such as JICA etc. should be approached to install good infrastructure in terms of hardware and software to facilitate faster repositioning and promotion of consulting activities. While the government linkage of NPOs is advantageous for business generation in certain quarters, the NPOs are required to focus on minimizing the detrimental effects of such linkages with other target groups through enhanced professionalism and customer focus. NPOs are well versed in networking with national and international bodies, which act as providers of infrastructure for strategic positioning of consulting activities in the respective member countries. Another unique dimension of NPO specialist resources is the judicious mix of capabilities in concept promotion, training and communication, and applied research, which provides a better base for consulting activities.

Considering all the above, NPOs in general have an ideal setting to become effective learning organizations and consultancy providers. However, NPOs may also face some problems, including the following:

1. Because NPOs are good developers of specialists, employee turnover is rather high, making it difficult to provide quality service to their clientele.
2. The government image and style of functioning may also hinder full-fledged

professional work.

3. The general industry perception is that NPOs are developmental, promotional, and support organizations providing free or subsidized services instead of professional business entities providing consultancy on a commercial basis.

However, there emerged a consensus that the above constraints are not insurmountable and can be effectively tackled by implementing appropriate strategies for developing competence. It was concluded that total competence for implementing promotion and HRD-related activities exists in all NPOs, but competence in consulting exists in differing degrees.

CONCLUSIONS AND RECOMMENDATIONS

The deliberations of the three syndicate groups resulted in a set of common conclusions and recommendations, as outlined below.

NPOs and Consulting

It is within the normal mandate of NPOs to extend consultancy facilitation for productivity and quality improvement. NPOs should transform themselves into full-fledged consulting organizations. They should establish core competency in relevant consulting areas, leverage existing competencies in productivity promotion, and maintain a panel of specialists and consultants for specific problem areas.

Enhancing Core Competence

The capability as well as core competence is an essential requirement to be successful in consultancy. The following general approaches for strengthening competence were:

1. Capacity building through long-term basic training ranging from six months to two years, followed by on-the-job training or association with consultants of other NPOs is useful. APO fellowships exclusively for NPO consultants for association with commercial consulting organizations may also be integral to this scheme.
2. APO-designated consultants could be placed with one NPO for a period of six months to two years to train and develop local consultants and undertake consultancy projects along with the NPO's trained consultants for coaching and monitoring, on-the-job training, review, and evaluation.
3. There is a need to recruit a competent workforce through a systematic and streamlined recruitment process of specialists.
4. A performance-based incentive package should be formulated to retain consultants with good potential and good performance.

The following consulting aids should be developed, standardized, and continuously updated: diagnostic tools and standardized methodologies; national/international databases (sectoral as well as benchmarked processes, etc.); case studies and success stories; information technology networking including Internet access; standardized publications, brochures, videos, etc.; and other state-of-the-art facilitation including audiovisual aids.

NPOs should develop and strengthen networking, partnerships, or alliances with industry associations, academia, research bodies, and specialist institutions in the country and with consultants from other NPOs.

Repositioning of NPOs (Transitioning to Consulting Organizations)

NPOs should undertake revisioning exercises to integrate consulting with productivity promotion activities. However, the integration must be slow and steady with appropriate capacity building and seeking external support in the form of project-type assistance if required from the APO or advanced NPOs. The charter in consulting may include one of the following or a combination of them:

1. extending niche area services;
2. building the consulting industry or enhancing market potential through client education;
3. providing consulting information by maintaining a roster of consultants;
4. registering and accrediting consultants by adhering to a code of conduct, standardized rates and charges, rules of consultant-client relationships, etc.;
5. developing consultant capability by organizing short-term and long-term programs for increasing skills to suit the changing needs of the industry, economy, and society; and
6. embracing consultancy as a key strategy to improve productivity in enterprises.

However, any attempt by an NPO to enter the consulting field should be based on sound values. For example, it should serve the national interest by being cost-effective, result oriented, and customer focused, with a high degree of accountability and responsibility including the willingness to learn and continuously update to serve the stakeholders better. Advanced NPOs need to serve as catalytic agents to strengthen the resolve of those who decide to offer consulting.

Inter-NPO and NPO-APO Collaboration

Possible areas of cooperation and networking between NPOs may include exchange of expertise (management consultants), training of consultants through mentoring, best practice exchange, exchange of information and knowledge on consultancy methodologies and analytical tools and techniques for diagnosis and problem solving, and undertaking projects by joint teams of experts from two or more NPOs. The APO may play the role of a catalyst in fostering inter-NPO networking and cooperation. In addition, the APO may initiate action to establish a databank of expertise in NPOs exclusively to promote cooperation and collaboration, establish linkages between member NPOs and international consulting bodies, and orient the DON program to develop NPO consultants.

Follow-up Actions Recommended for NPOs

Four follow-up activities were recommended for NPOs:

1. devising and implementing local training programs for capacity and expertise building;
2. undertaking surveys and evaluation studies to identify potential clients and target groups for consulting as well as the competitive situation including study of competitors in the field;
3. evolving an action plan based on the surveys and integrating the discussions and consensus of this workshop; and
4. developing suitable databases of consultants, clients, consulting expertise, etc. for promoting the consultancy sector.

Follow-up Actions Recommended for the APO

It was recommended that the APO should:

1. formulate a plan to address the concerns of NPOs under "Inter-NPO and NPO-APO Collaboration";
2. provide project-type assistance to strengthen the consulting activities of NPOs under existing schemes like the TES, BCBN, and DON to dispatch long-term and short-term experts to support NPOs in establishing consulting divisions;
3. adopt one less-developed NPO annually for intensive development;
4. promote and support the conduct of a long-term program through an NPO or specialized institution to develop productivity specialists and consultants of member NPOs;
5. establish a best-practice database including a roster of consultants, standardized consulting methodologies, diagnostic tools, and problem-solving approaches along with report writing and presentation standards; and
6. undertake a survey of management consulting practices in member countries and the participation of NPOs in the consulting sector to develop consultancy in the Asian-Pacific region.

PROGRAM

APO Workshop on Enhancing NPO's Core Competence 23 - 25 January 2001, Lahore, Pakistan

Tuesday, 23 January 2001

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| 08:30 - 09:00 | Registration |
| 09:00 - 10:15 | Inauguration Ceremony |
| 10:15 - 10:45 | Tea Break |
| 10:45 - 12:15 | Session I: (1) "Overview of Workshop & Concept of Core Competence; and (2) Emerging Consulting Scenario in Developed & Developing Countries (Productivity Consulting VS Performance Consulting)" by Mr. S.A. Khader, Workshop Leader and Deputy Director General (MS), NPC India |
| 12:15 - 13:15 | Session II: "Towards a World Class Productivity Organization: Competence/Capability Development Plan" by Dr. Awang Bin Musa, Director of Service Research Division, NPC Malaysia |
| 13:15 - 14:15 | Lunch Break |
| 14:15 - 15:15 | Session III: NPO Presentations & Critical Analysis - Experience in Consulting & Strategies to Develop Core Competence |

- (1) Bangladesh - Mr. Abdul Baqui Chowdhury & Dr. Islam Md. Nazrul
- (2) Fiji - Mr. Yogesh Jitendra Karan
- (3) India - Mr. Marandhalli L. Suryaprakash

15:15 - 15:30 Tea Break

15:30 - 17:00 Session IV:

NPO Presentation & Critical Analysis - Experience in Consulting & Strategies to Develop Core Competence

- (4) Indonesia - Mr. Sutanto
- (5) Malaysia - Mr. Lihin Mohamad
- (6) Mongolia - Ms. Shagdarsuren Nurmaa

19:30 - Welcome Dinner hosted by the APO

Wednesday, 24 January

09:00 - 10:30 Session V:

"Introduction to JPC-SED Model of Consulting Business" by Mr. K. Kuroda, Deputy Director, International Department, JPC-SED, Japan

10:30 - 10:50 Tea Break

10:50 - 12:30 Session VI:

"Similarities and Differences of Internal and External Consultants and How to Manage Them" by Prof. Iqbal M. Khan, President of SURE Institute Pakistan

12:30 - 13:30 Tea Break

13:30 - 15:00 Session VII:

NPO Presentation & Critical Analysis - Experience in Consulting & Strategies to Develop Competence

- (7) Pakistan - Mr. Javaid Iqbal Shaikh
- (8) Philippines - Mr. Arnel Diaz Abanto
- (9) Singapore - Mr. Alexandar Mathew Williams

15:00 - 15:20 Break

15:20 - 16:50 Session VIII:

NPO Presentation & Critical Analysis - Experience in Consulting & Strategies to Develop Core Competence

- (10) Sri Lanka - Mr. Nagare Gamage Kularatne
- (11) Thailand - Mr. Chadej Tangcharoen

16:50 - 17:20 National Productivity Award Scheme of NPC India

Thursday, 25 January

- 09:00 - 10:30 Session IX:
Syndicate Discussion by Group Identifying NPO's Strategies for their Core Competence Enhancement and Areas of APO's Support
(Resource persons serve as facilitators and catalysts)
- 10:30 - 10:50 Tea Break
- 10:50 - 12:30 Session X:
Syndicate Group Discussion and Outcome Presentation by Group
- 12:30 - 13:30 Lunch Break
- 13:30 - 14:30 Session XI:
Summing up by Mr. S.A. Khader
- 19:00 - Farewell Dinner hosted by PITAC