



ASIAN PRODUCTIVITY ORGANIZATION

PROJECT NOTIFICATION

10 December 2012

1. **Project Code:** 13-IN-04-GE-DMP-C
2. **Project Title:** Development of Demonstration Companies
3. **Duration & Timing:** Maximum 12 months (8–10 months for execution and 2–4 months for dissemination activities)
4. **Venue:** Selected member countries
5. **Implementing Organizations:**
 - (1) Industry(ies), farm(s), or organization(s) (referred to as the demonstration company[ies])
 - (2) National Productivity Organizations (NPOs)
6. **Participating Countries:** APO member countries
7. **Closing Date for Nominations:** Member countries interested in the project are requested to nominate a demonstration company(ies) based on the selection criteria (Attachment I) and submit a proposal document for the demonstration project following the application guidelines (Attachment II).

The nomination letter and supporting documents should reach the APO Secretariat before **30 March 2013**.
8. **Objectives:** To establish demonstration-cum-productivity model companies/organizations to showcase the processes and results of productivity, quality, environmental, energy efficiency, and food safety improvements in factories, farms, companies, and enterprises in a tangible, practical manner while assisting NPOs to build the capacity to provide consultancy and training services through their complete involvement in such projects.

9. Background:

The demonstration projects undertaken by the APO are meant to illustrate practical applications of productivity tools and techniques in the industry, service, and agriculture sectors. Demonstration companies convey success stories on the development and implementation of productivity improvement initiatives undertaken by all stakeholders. By establishing demonstration/model organizations, companies, and communities to showcase the tangible results of productivity improvement programs, others are encouraged to undertake similar efforts.

Potential candidates for demonstration company projects are recommended by NPOs, and the final selection is made in consultation with experts and the APO Secretariat. The APO assigns experts to the selected organizations to perform diagnostic studies, recommend an action plan for productivity improvement, and help implement the plan. The results are documented for learning by others. Through this program, NPOs will eventually develop the ability to manage their own demonstration/model projects.

In 2012, the focus was on productivity improvement in the food-processing and sugar industry and Green Productivity (GP). Accordingly two demonstration projects in the Republic of China and Islamic Republic of Iran were initiated. In 2013, the focus would be on public-sector productivity, small and medium enterprises (SMEs), and GP.

All member countries are invited to submit detailed, comprehensive proposals in response to this project notification. However, member countries that were not involved in this project in the past two years will be given priority in 2013. Based on the strengths and appropriateness of the proposed projects, two projects are expected to be undertaken in 2013. As one of the outputs, actual case studies will be developed based on the outcome of demonstration projects, which will be utilized for training purposes by NPOs and the APO in related projects.

10. Scope and Methodology:

Scope

Establishment of demonstration companies/organizations for application of productivity and quality tools and techniques such as Green Productivity, lean production systems, Six Sigma, innovation management, knowledge management, and food safety management systems to enhance productivity in SMEs and public-sector organizations.

Methodology

This project involves a tripartite arrangement among a demonstration company or group of demonstration companies, the NPO, and APO. The APO will mainly be responsible for the assignment of technical experts to assist demonstration companies in the implementation of the project.

An international expert(s) designated by the APO will be assigned several (three or four) times during the project period to assist in implementation of the demonstration project in the selected member country based on need.

11. Execution of demonstration company projects:

The implementation of the demonstration company project will tentatively comprise five stages: selection; planning; implementation; evaluation and dissemination; and postproject assessment. The flow of the demonstration project is described below.

11.1 Stage I: Selection (2 weeks)

- The NPO nominates a company (or a few candidate companies) and submits the proposal documents. The nomination of a company requires careful consideration, as the demonstration company must be in a strong position to act as a model exhibiting leadership and influence on other organizations in the area with a high level of commitment from the management.
- In the case of multiple candidate companies, the NPO and APO Secretariat with the expert conduct a preassessment exercise at the candidate companies.
- Based on the selection criteria and assessments, the APO Secretariat approves a company/organization for a demonstration project.
- After the selection is finalized and the demonstration project is identified, the APO issues a Project Implementation Plan, which will include a mutually agreed upon plan, budget, and other details, to the concerned NPO.

11.2 Stage II: Planning (2 weeks)

- The expert(s) analyzes the level of productivity-related issues (Item 10) and problems through a diagnostic survey at the demonstration company.
- The expert(s) proposes an improvement plan to the relevant parties and obtains a consensus on a mutually agreeable action plan for the scheduled duration of the project.

11.3 Stage III: Implementation (8–10 months)

- The agreed-upon productivity improvement plan is implemented, which will include training and capacity building of the parties involved in the demonstration project.
- The expert(s), NPO, and APO communicate at various stages of implementation to review the diagnosis and progress and recommend ways to resolve any problems or administrative bottlenecks.

11.4 Stage IV: Evaluation and Dissemination (2–4 months)

- The expert(s), NPO, and APO conduct an evaluation upon the completion of the demonstration project to determine whether the objectives have been achieved. The NPO takes the lead in this stage and carries out dissemination activities ensuring multiplier effects in the region/area. (The NPO in consultation with the demonstration company will submit the plan for dissemination activities to the APO in advance before the completion of stage III.)
- In this stage, the results of the demonstration project are disseminated through locally organized activities. The final report, training manual, dissemination material, and/or a

demonstration video in a local language (if possible, in English) are distributed for wider dissemination.

11.5 Stage V: Postproject Assessment (up to 1 week)

- The APO assigns an external expert to carry out a postproject review to assess the results and benefits derived by the company and overall impact of the project. The timing of the assignment is decided in consultation with the NPO concerned and the company.

12. Roles and Responsibilities of Parties Involved:

Demonstration Company:

The demonstration company will assign a team of dedicated, technically qualified company professionals and staff to work on the project in consultation with the NPO/APO.

It will provide all necessary inputs and information required for the project, extend all necessary local support to the expert/NPO/APO, implement all suggestions and recommendations of the expert based on feasibility, and document results/outcomes.

It will demonstrate complete openness and willingness during dissemination activities for the benefit of other enterprises as planned by the NPO/APO including observational study missions.

It will cooperate and provide all necessary support during the postproject impact evaluation.

NPO:

Since NPOs are the key to the sustainability and reproducibility of demonstration company projects, their active participation in the project is essential. The NPO concerned is the nodal implementing agency responsible for successful execution of the project from the selection of units until the end of the project including dissemination.

Prior to nomination to the APO, it is imperative that the NPO hold meetings with top managers of prospective demonstration companies to explain the objectives and methodology of the demonstration project and ensure their commitment.

The NPO will identify and assign at least one qualified NPO expert/consultant/professional to be fully involved in the project and will be responsible for his/her involvement throughout the project.

The NPO will guide and assist demonstration companies in planning, coordinating, executing, monitoring, and documenting project activities in consultation with the expert and APO.

The NPO will play the main role in dissemination activities and prepare a prior action plan for dissemination and implement it. (The tentative dissemination plan will be submitted along with the application.)

The NPO is advised to involve relevant industrial associations in the project from the beginning to ensure multiplier effects and dissemination. The NPO will also explore possibilities of

obtaining financial support from such industrial associations for dissemination activities, ultimately benefiting other organizations in the area.

The NPO will assign priority to qualified candidates from demonstration companies for nomination to relevant APO projects for the capacity building of technical staff.

The NPO will endeavor to utilize the services of the expert(s) assigned by the APO for other neighboring organizations during the project period to ensure multiplier effects.

The NPO will, in association with demonstration companies, prepare dissemination material on the project for distribution among other organizations in the area.

APO:

The main responsibilities of the APO are to provide the expert(s) during specified periods of the demonstration project and provide expenses according to the cost-sharing basis to be specified in the Project Implementation Plan.

The APO will provide an exclusive web-based portal for demonstration company projects which can be accessed by NPOs and demonstration companies, serving as a platform for exchange of project-related information.

Expert(s):

The role of the expert(s) is to perform consultancy and training in the areas specified in the productivity improvement plan. Whenever necessary, he/she will organize training programs for skill development of the employees of the demonstration company. On a continuing, regular basis, he/she should monitor and evaluate the performance and progress of the productivity enhancement activities of the company. It is also his/her responsibility to assist the NPO in developing a training manual, CD-ROM, and dissemination material for the demonstration project. He/she is requested to undertake the role of chief resource person in organizing a dissemination seminar/workshop.

13. Financial Arrangements:

The APO will apply the following guidelines for the sharing of expenses among the parties involved:

13.1 Expenses to be borne by the APO

- Expenses for the expert(s) designated by the APO during the entire demonstration project; and
- Partial expenses for dissemination-related activities (documentation, video production, dissemination workshop, dissemination material, etc.). The budget details will be explained in the Project Implementation Plan based on the specific project and methodology.

13.2 Expenses to be borne by the NPO

- Expenses for coordinating and implementing the demonstration project; and
- Partial expenses for dissemination activities (documentation, video production, dissemination workshop, dissemination material, etc.).

13.3 Expenses to be borne by the demonstration company

- Expenses of local counterparts and assistants for implementation of the demonstration project;
- Purchase of equipment and physical alterations, if necessary; and
- Local transportation for the expert(s).

The APO expects the NPO and demonstration company to consider ways to share the implementation costs to the extent possible in the APO's spirit of mutual cooperation. Cost-sharing arrangements will be specified in the Project Implementation Plan.



Ryuichiro Yamazaki
Secretary-General

Attachments I & II

SELECTION CRITERIA FOR CHOOSING A DEMONSTRATION PROJECT

The major factors to be considered in selecting a demonstration project are:

1. NPO commitment

- NPOs should demonstrate their clear intentions and capabilities in implementing demonstration projects.
- NPO should identify a national-level partnering institute/organization that can be the key to dissemination of the project results.

2. Priority

- Priority should be given to medium-sized organizations (up to 500 employees) in view of the one-year project period.

3. Preferred sectors

SMEs and public-sector organizations that have strategic importance within the national economy are preferred.

4. Dissemination potential for multiplier effects of the project

- The project (proposed sector/organization) should have good potential for dissemination of the results and multiplier effects in the country.
- When there are several similar companies/organizations, the possibility of sharing with them to multiply the effects of the project should be explored.

5. Other considerations for the demonstration company

- There should be a willingness and commitment of the selected demonstration company to improve its productivity and quality and to share its achievements with other enterprises in similar lines of business.
- The selected candidate should have sufficient organizational resources (time, staff, money, business plan) to plan, implement (e.g., changes in facilities, technologies, processes), and disseminate the results of the project or have access to such capabilities through various external incentive schemes.
- In principle, the selected candidate should not have received or be receiving concurrent funding from another international agency without the consent of all parties concerned.

APPLICATION GUIDELINES

The following information should be included in the application:

1. Profile of the demonstration company

- Name/address of the company and its head/CEO
- Type of business/activities undertaken
- Location of demonstration site (postal mailing address if different, and telephone/fax/e-mail)
- Date of establishment and type and volume of products/services
- Annual turnover/budget if available
- Number of employees (seasonal and off-season employment figures if applicable)
- Financial statements for the last three years

2. Current problems faced by the demonstration company related to productivity

- i) Details of major services/activities
- ii) Problems encountered by the company in productivity and quality and efforts to overcome them so far if any.
- iii) Envisaged improvement plans and expected results.

3. Partnering institute/organization

- Profile of the partnering institute/organization (national level) that is expected to join the NPO in the project, especially to enhance the visibility and impact of the project in the country.

4. Dissemination plan for multiplier effects of the project

- The NPO should provide details of activities that it will undertake for dissemination purposes.
- The NPO should provide the names of other organizations that are expected to learn from and follow the demonstration company(ies).