



ASIAN PRODUCTIVITY ORGANIZATION

## Project Implementation Plan Addendum

29 July 2013

1. **Project Code** 13-IN-04-GE-DMP-C
2. **Title** Development of Demonstration Companies Program  
(Developing and Implementing Key Performance Indicators,  
Vietnam)
3. **Addendum No.** 1
4. **Reference** 13-IN-04-GE-DMP-C: Project Implementation Plan dated 17  
June 2013
5. **Details** **Item No.9. “Collaborating Partners”**

c) the name of collaborating party has been changed from Danang Rubber Joint Stock Company, Vietnam to Hanoi and Duc Viet Manufacturing and Trad JSC, Bac Ninh Province, Vietnam.

Other terms and conditions remain the same.

Ryuichiro Yamazaki  
Secretary-General



ASIAN PRODUCTIVITY ORGANIZATION

## PROJECT IMPLEMENTATION PLAN

17 June 2013

1. **Project Code** 13-IN-04-GE-DMP-C
2. **Project Title** Development of Demonstration Companies  
(Developing and Implementing Key Performance Indicators, Vietnam)
3. **Reference** Project Notification 13-IN-04-GE-DMP-C dated 10 December 2012
4. **Timing and Duration** The duration for the implementation of the project will be from 12 to 18 months including dissemination period. The commencement date is scheduled for July 2013. Tentative details of the implementation schedules will be indicated later.
5. **Implementing Organization** Vietnam Productivity Centre (VPC)
6. **Mission** The mission of an APO Productivity Demonstration Company is to convey success stories on the development and implementation of productivity improvement initiatives undertaken by all stakeholders. An APO Productivity Demonstration Company should epitomize an enterprise wide productivity movement that achieves business expansion, increases profits and customer satisfaction, reduces waste, enables energy saving, and leads to fair, equitable, and mutually satisfying productivity gain-sharing for both management and workers.
7. **Objectives**

Under an APO Productivity Demonstration Company project, the designated National Productivity Organization (NPO) is expected to:

- a) Showcase how a company can successfully design and implement productivity improvement initiatives with the commitment and active participation of all productivity stakeholders;
- b) Demonstrate visibly and tangibly how productivity improvement initiatives lead to outstanding results for the company;

- c) Illustrate the benefits of productivity gain-sharing in boosting the motivation, morale, welfare, and overall achievements of the workers; and
- d) Disseminate results of the model company to inspire other enterprises, workers, and all stakeholders to promote productivity more vigorously in their workplaces.

## **8. Background**

In response to the project notification for the development of demonstration companies dated 10 December 2012, Vietnam Productivity Centre (VPC) submitted the proposal for taking up demonstration company project for the development and successful implementation of key performance indicators (KPIs) in manufacturing and service sectors.

Vietnamese business entities both manufacturing and service sectors are facing severe growth problems due to economic slowdown in the country and are inspired to increase productivity to compete and survive the tough market conditions. The VPC has been tasked with preparing a model for development of KPIs which can be utilized by the enterprises both in manufacturing and service sectors on DAM (Disclose, Accountable, and Monitor) basis which would help enterprises to continuously monitor and improve their productivity performance. This model can also be replicated in other APO member economies. VPC's consulting department will assign a team of consultants who will work on this project to learn and upgrade their capacity so as to develop and implement KPIs in similar other enterprises in Vietnam ensuring a multiplier impact. The APO also wishes to prepare its publication on development of KPIs based on the finding of this project.

Keeping in mind the multiple outcomes of this project envisioned by the VPC and the APO and significance of the productivity improvement in manufacturing and service sector by adopting KPIs, it is worth commissioning this project.

## **9. Collaborating Partners**

This project is to be implemented in close collaboration with the following parties:

- a) The APO Secretariat (hereafter referred to as the APO);
- b) The Vietnam Productivity Centre (hereafter referred to as the NPO); and
- c) Peltro Vietnam Insurance Joint Stock Corporation, Hanoi and Danang Rubber Joint Stock Company, Vietnam (hereafter referred to as the demonstration companies)

## **10. Roles & Responsibilities**

The collaborating parties will perform the following respective duties:

### **a) The APO**

- 1) Coordinate communication among the international expert(s), NPO, and demonstration companies to ensure smooth implementation of the project;

- 2) Identify, select, and depute the appropriate international technical expert(s) to the demonstration companies to implement productivity improvement plans and activities;
- 3) Create and maintain a page on the APO Web site to detail the processes and progress of the demonstration company projects for dissemination to the public; and
- 4) Advise the NPO and demonstration company on planning and organizing a dissemination workshop for local participants and, if applicable, a multicountry observational mission for overseas participants enabling them to learn directly from the demonstration company experiences.

**b) The NPO**

- 1) Appoint a coordinator from the NPO office/NPO branch office who will serve as the focal point for communication and coordinate the overall schedule for implementation of the project in the country;
- 2) Provide, in addition to a coordinator, the necessary number of technical experts from the NPO to work as counterparts to the overseas expert(s) to be deputed by the APO;
- 3) Monitor closely the process of implementation, particularly the key performance areas;
- 4) Measure the productivity improvement progress at the demonstration companies using quantitative data and analyses;
- 5) Coordinate and supervise the companies in the production of a video/DVD on the demonstration company experience;
- 6) Assist and supervise the demonstration companies in preparing an interim report and comprehensive final report for submission to the APO;
- 7) Organize a dissemination workshop upon completion of the project to enable experience sharing and learning by the local public and/or international participants following the advice of the APO;
- 8) Compile the overall activities of the project in a practical, easy-to-follow manual/guidelines so that similar exercises can be replicated by other enterprises in the country; and
- 9) Prepare a final report, stressing analyses of the impact of the demonstration projects on NPO activities and productivity promotion in the region in general, as well as suggestions/recommendations for replication in the country with emphases on the utilization of local talent, local networks, and local resources.

**c) The Demonstration Companies**

- 1) Accept and facilitate consultancy services conducted by the experts deputed by the APO and counterpart experts from the NPO;
- 2) Designate a coordinator and the necessary team members to work closely with the APO and NPO team of experts;
- 3) Arrange for all logistical requirements relating to the project (e.g., local transportation, discussion rooms, etc.) for both the APO experts and counterpart experts from the NPO;
- 4) Prepare monthly updates (including photos) for uploading on the homepage;
- 5) Submit an interim report at the midterm to review the progress of implementation and identify corrections and adjustments as necessary;
- 6) Videorecord from the start the process of implementation activities to produce a video/DVD upon completion of the project in association and consultation with the NPO;
- 7) Announce, publicize, and prominently display the APO's presence and involvement in the demonstration companies throughout the duration of the project;
- 8) Share the experiences of the companies with local and overseas parties who are interested in learning about productivity improvement;
- 9) Present the experiences in a dissemination workshop to be organized upon completion of the project; and
- 10) Prepare a comprehensive final report for submission to the APO explaining about the initiatives and technical details of the projects, overall analyses of the benefits, impact of productivity improvements, and competitiveness gained by the companies upon completion of the project.

**11. Expense Sharing**

**a) The APO**

- 1) All expenses for deputation of the international expert(s), covering the airfare, daily subsistence allowances, and overseas travel insurance;
- 2) Expenses\* for producing a practical manual for replication of the experience (to be prepared by the NPO) of up to US\$2,000;
- 3) Expenses\* for the production of a video/DVD (to be prepared by the NPO) of up to US\$3,000; and

- 4) Expenses\* for conducting a dissemination workshop for the local public (to be arranged by the NPO) of up to US\$5,000.

\*The disbursement of expenses will be made at the appropriate time corresponding with the specific activities undertaken and following submission of the necessary supporting documents under the applicable APO rules and regulations for disbursement of project expenses.

**b) The NPO**

- 1) Expenses relating to the deputation of a coordinator and NPO expert(s) involved in this project.

**c) The Demonstration Companies**

- 1) Expenses for logistical arrangements related to the implementation of the project, including the local travel costs of the APO international expert(s), as well as for NPO experts when required due to the distance and/or location of the demonstration companies from the NPO office/branch office;
- 2) Costs associated with the purchase and installation of equipment and/or fixtures relating to the implementation of the project, if any; and
- 3) All other expenses for the implementation of the project not covered by the APO and/or NPO.

## **12. Methodology**

The project will be conducted in the following three stages:

- Planning;
- Implementation; and
- Dissemination.

The planning stage consists of diagnosing productivity related issues and challenges faced by the companies and setting the overall direction and specific goals to be achieved. It includes defining process improvement goals, measuring key aspects of vital processes, and analyzing data to verify cause-and-effect relationships. It is expected to be completed within two to three months.

The implementation stage involves design and development of KPIs and their implementation in the demonstration companies. It refers to practical, action-oriented, on-site activities, with the involvement of international experts, counterparts from the NPO, and all other stakeholders from the demonstration companies. This stage will focus on developing 4 to 5 KPIs and their implementation schedule. The implementation will be carried out by the demonstration companies under the supervision and guidance of the expert. This stage should be completed in eight to 10 months.

The dissemination stage evaluates the improvement efforts and initiatives implemented and extracts the main lessons learned to provide a practical guide and encourage other enterprises

to emulate them in the future. Among the main activities expected in this stage are finalization and production of a practical manual and a video/DVD and organization of a national dissemination workshop. This stage should be completed in one to two months.

### **13. Project Schedule**

It is envisaged that five visits of the APO expert will be required for this project, although the actual number and duration will be determined by the expert after the first visit in July 2013. Subsequent visits should tentatively be scheduled at intervals of two or three months in October, and December 2013, March, and June 2014. The duration of each visit should be approximately one or two weeks subject to the availability of the expert and approval by the APO.

### **14. Accounting Procedures**

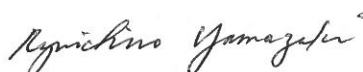
- a) In regard to the expenses for video and training manual production, 50% of the APO share will be advanced soon after the Project Implementation Plan is signed.
- b) The remaining 50% will be paid in exchange for the video/DVD, training manual and final project report together with the documents supporting the expenses (receipts).
- c) If a local seminar/workshop is held, 50% of the APO share will be advanced before program implementation and the remaining 50% will be paid after implementation based on supporting documents.

### **15. Final Project Outputs**

The Demonstration Company Project will be completed with the submission of the following:

- a) Final reports prepared by the NPO and demonstration companies;
- b) Practical manual for replication (in video/DVD and/or printed hard copy) prepared by the NPO; and
- c) A video/DVD of the demonstration company experience to be prepared by the demonstration companies.

The APO will issue certificates of completion and present them to the demonstration companies upon completion of the project.



Ryuichiro Yamazaki  
Secretary-General