



ASIAN PRODUCTIVITY ORGANIZATION

## PROJECT NOTIFICATION

11 December 2017

1. **Project Code** 18-IN-04-GE-DMP-C
2. **Project Title** Development of Demonstration Companies
3. **Duration & Timing** Maximum 12 months (10 months for planning and implementation and two 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 **31 March 2018**.
8. **Objectives**

To establish demonstration-cum-productivity model companies/organizations to showcase the processes and results of improvements in productivity, quality, environmental impact, energy efficiency, innovation, utilization of smart technology, or food safety in factories, farms, companies, or other organizations in a tangible, practical manner while assisting NPOs in building 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 observing the established demonstration/model organizations, companies, and communities that showcase 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 at the discretion of the selection committee of the APO Secretariat. The APO assigns experts to the selected organizations to perform diagnostic studies, recommend an action plan for productivity improvement, and help to implement the plan. The results are documented for learning by others. Through this program, NPOs are expected to develop the ability to manage their own demonstration/model projects.

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 2018. Based on the strengths and appropriateness of the proposed projects, two to three projects are expected to be undertaken in 2018. As one of the outputs, case studies may be developed based on the outcome of demonstration projects, which can be utilized for training purposes by NPOs and the APO in related projects.

## **10. Scope and Methodology**

### **Scope**

Establishment of demonstration companies/organizations for applications of smart technologies (such as cloud computing, big data, cybersecurity, digitization, enterprise mobility, business intelligence, the Internet of Things, robotics, simulation, additive manufacturing, and augmented reality), clean technologies, climate-smart agriculture, and innovative food-processing and safety systems to enhance productivity in SMEs and public-sector organizations.

### **Methodology**

This project involves a tripartite arrangement among a demonstration organization or group of demonstration organizations, 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 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. Implementation of Demonstration Company Projects**

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

### **Stage I: Selection**

- a. 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 that exhibits leadership and influence



on other organizations in similar fields with a high level of commitment from the management.

- b. In the case of multiple candidate companies, the NPO and APO Secretariat may conduct a preassessment exercise in consultation with relevant professionals.
- c. Based on the selection criteria and assessments, the APO Secretariat approves a company/organization for a demonstration project.
- d. After the selection is finalized and the demonstration project is approved, the APO identifies and designates an international expert(s) in consultation with the concerned NPO and issues a Project Implementation Plan to the NPO, which includes a mutually agreed plan, budget, and other details.

#### **Stage II: Planning (1–2 months)**

- a. The expert(s) analyzes the level of productivity-related issues (Item 10) and problems through a diagnostic survey at the demonstration company.
- b. 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.

#### **Stage III: Implementation (8–9 months)**

- a. The agreed-upon productivity improvement plan is implemented, which will include training and capacity building of the parties involved in the demonstration project.
- b. 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.

#### **Stage IV: Evaluation and dissemination (2 months)**

- a. 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.
- b. 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. The NPO in consultation with the demonstration company should submit the results for dissemination activities to the APO before the completion of stage III.

#### **Stage V: Postproject assessment**

The NPO is requested to submit an impact evaluation report six months after the completion of the demonstration project that assesses the outcomes and benefits derived by the company and overall impact of the project. A suggested format for the report is provided in Attachment III.

## **12. Roles and Responsibilities of Parties Involved**

### **Demonstration company**

The demonstration company should assign a team of dedicated, technically qualified professionals and staff members 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 the results and outcomes of the improvement plans.

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 should 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, in collaboration with demonstration companies, prepare dissemination materials for distribution among other organizations in similar areas.

### **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.



### **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 and multimedia dissemination materials 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:

#### **Expenses to be borne by the APO**

- a. Expenses for the expert(s) designated by the APO during the entire demonstration project; and
- b. 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.

#### **Expenses to be borne by the NPO**

- a. Expenses for coordinating and implementing the demonstration project; and
- b. Partial expenses for dissemination activities (documentation, production of training manual and dissemination materials, dissemination activities, final report, etc.).

#### **Expenses to be borne by the demonstration company**

- a. Expenses of local counterparts and assistants for implementation of the demonstration project;
- b. Purchase of equipment and physical alterations, if necessary; and
- c. 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.



Santhi Kanoktanaporn  
Secretary-General

## SELECTION CRITERIA FOR A DEMONSTRATION PROJECT

The major factors that are considered in the selection of a demonstration project include:

### 1. NPO commitment

- a. NPOs should demonstrate their clear intentions and capabilities in implementing demonstration projects and supporting the identified demonstration company(ies).
- b. NPOs should submit proposals with thorough planning, information on candidate companies/organizations, and strategies with specific plans for national-level dissemination.

### 2. Priority

- a. Priority is given to small- and medium-sized organizations in sectors with strategic importance to the applying countries and in line with the APO's strategic directions.
- b. Member countries that were not involved in this project in the previous two years will be given priority in the selection process.

### 3. Dissemination potential for multiplier effects of the project

- a. The proposed organizations should demonstrate good potential for dissemination of the results and multiplier effects in the country.
- b. The topic and scale of the proposed project should be adequate for completion in one year's time and triggering further learning and adoption by similar companies/organizations.

### 4. Other considerations for the demonstration company

- a. The nominated organizations should demonstrate their willingness and commitment to improving their productivity and to sharing the results with other organizations in similar sectors.
- b. The nominated organizations should have sufficient organizational resources (time, staff, capital, and business plan) to plan, implement (for example, making modifications in processes, technologies, and work functions), and disseminate the results of the project.
- c. In principle, the selected organizations 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/organization**

- a. Name, address, website, and type of businesses/activities of the company/organization and basic information on its representative/leader;
- b. Location and contact information of the demonstration site, including postal mailing address and telephone/fax/e-mail of the main contact person responsible for this project;
- c. Organizational information including number of employees, organizational chart, and type and volume of products/services; and
- d. Financial information including annual turnover/budget and financial statements for the last three years.

### **2. Topic and scale of the productivity improvement plan**

- a. Challenges encountered by the company/organization in productivity improvement and efforts that have been made to overcome them, if any;
- b. Specification of the processes, technologies, and/or aspects of performance that are to be improved; and
- c. Envisaged improvement plans and expected results based on the discussion between the NPO and candidate company/organization.

### **3. Dissemination plan for multiplier effects of the project**

- a. Details of activities that the NPO will undertake for dissemination purposes; and
- b. Names of other organizations that are expected to learn from and follow the demonstration company(ies) identified by the NPO.

### **4. Partnering institute/organization**

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

**SUGGESTED IMPACT EVALUATION REPORT FORMAT**

The NPO is requested to submit an impact evaluation report six months after the completion of the demonstration project which assesses the outcomes and benefits derived by the company and overall impact of the project. The report is expected to include the following points:

1. Identify the postproject initiatives developed by the demonstration company/organization that are related to the completed project;
2. Showcase the follow-up activities implemented by the NPO and/or demonstration company/organization in continuation of the demonstration company project;
3. Identify the performance improvement initiatives derived from the project and undertaken by other organizations in the host country; and
4. Indicate the productivity improvement resulting from this process in qualitative and/or quantitative terms.