



PROJECT NOTIFICATION

PN Issue Date	20 November 2019
Project Code	20-IN-04-GE-DMP-C
Title	Development of Demonstration Companies
Timing and Duration	Maximum 12 months (10 months for planning and implementation and two months for dissemination activities)
Venue	Selected member countries
Implementing Organization(s)	(1) Industry(ies), farm(s), or organization(s) (referred to as the demonstration company[ies]) (2) National Productivity Organizations (NPOs)
Participating Countries	APO member countries
Closing Date for Nominations	<p>Member countries interested in the project are invited 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).</p> <p>The nomination letter and supporting documents are to reach the APO Secretariat before 31 March 2020.</p>

1. 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, digitization, 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.

2. Background

The demonstration projects undertaken by the APO are meant to illustrate practical applications of productivity concepts, tools, and techniques in all sectors. Demonstration companies convey success stories on the development and implementation of productivity improvement initiatives undertaken by all stakeholders. By observing the established demonstration 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 Secretariat 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 projects.

All member countries are invited to submit detailed, comprehensive proposals in response to this project notification. Based on the appropriateness of the proposed projects and the demand from APO members, five to six projects are expected to be undertaken in 2020.

3. Scope and Methodology

Scope

Establishment of demonstration companies/organizations for applications of productivity concepts, tools, and/or techniques (such as Green Productivity, lean management, material flow cost accounting, etc.), digitization and smart technologies, innovative food-processing and safety systems, sustainable agriculture, and practices promoting sustainable development and inclusiveness which enhance productivity in SMEs, farms, and public-sector organizations.

Methodology

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

An international expert(s) designated by the APO Secretariat will be assigned multiple times during the project period to assist in the implementation of the project in the selected country.

4. Implementation of Demonstration Company Projects

The course of a demonstration company project comprises five stages: proposal and selection; planning; implementation; evaluation and dissemination; and postproject assessment. The flow of the demonstration project is described below.

Stage I: Proposal and 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 Secretariat 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, financial arrangements, responsibilities of partners involved, and other details.

Stage II: Planning (1–2 months)

- a. The expert(s) analyzes the challenges and opportunities related to productivity through a diagnostic survey at the demonstration company.
- b. The expert(s) proposes an improvement plan to the relevant partners 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 may include training, capacity building, modification of existing practices, development of new processes, and applications of new technologies, management tools, and productivity-improving methods.
- b. The expert(s), NPO, and APO Secretariat communicate at various stages of implementation to review the diagnosis and progress and recommend ways to resolve problems or administrative bottlenecks faced during the project.

Stage IV: Evaluation and Dissemination (2 months)

- a. The expert(s), NPO, and APO Secretariat review and evaluate the results of the demonstration project to determine whether the objectives have been achieved.
- b. The NPO takes the lead in planning, preparing, and conducting dissemination activities ensuring multiplier effects of the project in the country. The results and process of the demonstration project are disseminated through locally organized activities and materials derived from the project, such as the final report, training manual, promotional materials, and a demonstration video in a local language (if possible with an English version or English translation). The NPO in consultation with the demonstration company is expected to submit the project outputs and results for dissemination activities to the APO Secretariat before the completion of this stage.

Stage V: Postproject Assessment

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. A suggested format for the report is provided in Attachment III.

5. Roles and Responsibilities of Partners Involved

Demonstration Company

The demonstration company is expected to assign a team of dedicated, technically qualified professionals and staff members to work on the project in consultation with the NPO, assigned expert, and APO Secretariat.

It will provide all necessary inputs and information required for the project, extend all necessary local support to the expert/NPO/APO Secretariat, 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 expert/NPO/APO Secretariat.

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 proactive 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 candidates until the end of the project including dissemination.

Prior to nomination to the APO Secretariat, it is imperative that the NPO holds 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, implementing, monitoring, and documenting project activities in consultation with the expert and APO Secretariat.

The NPO will play the main role in dissemination activities and prepare a prior action plan for dissemination and its implementation. 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. It is also suggested that the NPO 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 Secretariat

The main responsibilities of the APO Secretariat are to assign the expert(s) during specified periods of the demonstration project and meet expenses according to the cost-sharing arrangements 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.

6. Financial Arrangements

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

Expenses to be borne by the APO

- a. Expenses for the expert(s) designated by the APO Secretariat 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.

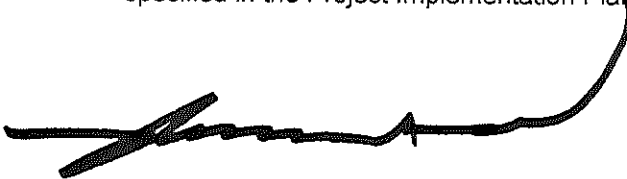
Expenses to be borne by the NPO

- 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. Expenses for logistic arrangements related to project implementation, including the local travel costs of the APO expert(s) and expenses for interpretation.

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.

A handwritten signature in black ink, appearing to read 'Dr. AKP Mochtan', with a long horizontal stroke and a curved flourish at the end.

Dr. AKP Mochtan
Secretary-General

Selection Criteria for a Demonstration Project

Factors that are considered in the selection of a demonstration project include:

1. NPO commitment

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

2. Priority

- a. Priority is given to SMEs in sectors with strategic importance to the applying countries and in line with the APO's strategic directions.
- b. Member countries that are not involved in this program in the previous two years will be prioritized in the selection process, although the content of proposals and their alignment with the APO's strategic directions remain major factors in the selection.

3. Dissemination potential for multiplier effects of the project

- a. The proposed projects and demonstration 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 suitable for completion in one year's time and able to trigger further learning and adoption by similar 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 the proposed productivity initiatives (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 organization

- a. Name, address, website, and type of businesses/activities of the 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.
- 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 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.
- c. Envisaged improvement plans and expected results based on the discussion between the NPO and candidate organization.

3. Dissemination plan for multiplier effects of the project

- a. Details of activities that the NPO will undertake for dissemination purposes.
- 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 organization and overall impact of the project. The report is expected to include the following points:

- a. Identify the postproject initiatives developed by the demonstration organization which are related to the completed project.
- b. Showcase the follow-up activities implemented by the NPO and/or demonstration organization as a continuation of the completed project.
- c. Identify the performance improvement initiatives derived from the project and undertaken by other organizations in the host country.
- d. Indicate the productivity improvements resulting from this process in qualitative and/or quantitative terms.