



PROJECT IMPLEMENTATION PLAN

Reference No.: 252

Date of Issue	14 December 2023
Project Code	23-SN-04-GE-DMP-C-LK01
Title	Productivity Improvement in Manufacturing SMEs
Timing	18 December 2023–31 July 2024
Hosting Country(ies)	Sri Lanka
Venue City(ies)	Colombo and Elsewhere
Modality	Hybrid In-country
Implementing Organization(s)	National Productivity Secretariat, Sri Lanka and APO Secretariat
Participating Country(ies)	Sri Lanka
Overseas Participants	Not Applicable
Local Participants	Not Applicable
Closing Date	Not Applicable
Remarks	Not Applicable

Objectives	Establish demonstration companies on the applications of productivity tools and techniques such as 5S and kaizen in the manufacturing sector; showcase the processes and tangible results of productivity and quality improvement; and use the results as benchmarks for productivity improvement in other APO members.
Rationale	SMEs are the bedrock of the economy in Sri Lanka. Comprising 75% of all active enterprises, SMEs provide 45% of employment and contribute 52% to GDP (ADB, 2018). Thus, creating an environment conducive to SME growth and enhanced productivity is integral to achieving equitable economic growth in Sri Lanka.
Background	<p>In Sri Lanka, SMEs are defined as businesses with Rs16–750 million in annual turnover. Given their socioeconomic role, creating an environment conducive to the development and growth of SMEs has been a focus area of successive Sri Lankan governments (ADB, 2018).</p> <p>However, many SMEs face challenges such as low productivity and quality. Particularly in the manufacturing sector, rapid price increases of goods and services including fuel, electricity, machinery, and raw materials hit their businesses hard. Productivity and quality improvement is thus crucial for boosting resilience and helping businesses to thrive. This DMP project will analyze challenges and opportunities for each demonstration company and guide applications of productivity tools and techniques such as 5S and kaizen to improve production processes and product quality. The companies are then expected to disseminate their learning and results among other SMEs in the country and other APO members.</p>
Topics	Analysis of current challenges and opportunities related to productivity and quality; Strategies for increasing overall efficiency through application of productivity tools and techniques such as 5S and kaizen; and Shopfloor training for productivity and quality improvement.
Outcome	Demonstration companies will improve productivity and quality; the processes and results of productivity enhancement through productivity tools and techniques will be disseminated; and reference benchmarks for productivity improvement in the manufacturing sector will be established.
Qualifications	<p>This project will be implemented in the following demonstration companies:</p> <ul style="list-style-type: none"> - Jak Plastics (Pvt.) Limited - Kiyota Coffee Company (Pvt.) Limited - Roo Prabha (Pvt.) Limited

Please refer to the implementation procedures circulated with this document for further details.



Dr. Indra Pradana Singawinata
Secretary-General