PROJECT NOTIFICATION

Reference No.: 801

Date of Issue	16 March 2026
Project Code	24-CP-64-SP-DMP-C
Title	Demonstration Project on Digital Kaizen for SMEs in the Manufacturing Sector
Timing	1 August 2025–31 December 2026
Hosting Country(ies)	APO Secretariat
Venue City(ies)	Tokyo
Modality	Hybrid In-country
Implementing Organization(s)	APO Secretariat
Participating Country(ies)	All Member Countries
Overseas Participants	Not applicable
Local Participants	Not Applicable
Closing Date	31 August 2025
Remarks	This PN supersedes the version issued on 31 July 2025 (Reference No. 633) to update the program timing. The extension is necessary to ensure the successful completion of the demonstration project.

Objectives	Develop model companies for digital kaizen in a selected APO member to serve as a benchmark in the Asia-Pacific region, equip productivity practitioners with advanced knowledge and skills in digital kaizen, and enhance understanding and promote implementation of digital kaizen by disseminating best practices and case studies.
Rationale	Digitalization in industries, including the manufacturing sector, enables improvements in real-time data utilization, process efficiency, and quality management through the use of digital technologies. Creating awareness among SMEs of the importance and effectiveness of digital kaizen is key to the digital transformation (DX) process and may lead to enhanced productivity for industries and SMEs in the manufacturing sector. This aligns with the Smart Transformation goal outlined in APO Vision 2025.
Background	Many industries, including SMEs, were required to adopt digital technologies to sustain and enhance their competitive advantage. However, a significant gap remains among APO members in advancing DX and its adoption. The APO Report on Smart Manufacturing: National Implementation Framework published in 2022 stated that a common challenge faced by SMEs when adopting smart manufacturing is a scarcity of resources. The high costs as well as the lack of skilled human resources to lead such initiatives are among the challenges in closing this gap. To provide support and enhance awareness among members, the APO implemented various initiatives including the Training Course on Digital Kaizen for SMEs started in 2021 and then revised to the Training Course on Digital Kaizen. Digital kaizen is defined as the integration of digital technologies into kaizen activities to fully exploit its capabilities in achieving DX optimization. In August 2024, the Digital Kaizen Guidebook was published by the APO as a manual to help productivity practitioners guide SMEs through effective DX processes. With the support of a special cash grant from the Government of Japan, the APO will develop model companies/organizations in a member country to demonstrate this application in industry. The dissemination and widespread adoption of digital kaizen is expected to boost productivity and economic efficiency.
Topics	Overview of digital technologies (IoT, and AI); Methodologies for analyzing needs and challenges for digitalization; Transformation procedures and digitization of SMEs; and Applications of DX and digital kaizen tools.
Outcome	Enhanced knowledge and understanding of concepts, methodologies, and applications of digital kaizen to improve SME productivity in the manufacturing sector and best practices shared among APO members.
Qualifications	Up to two SMEs from the manufacturing sector may participate as model companies. Please refer to the qualifications outlined in the Implementing Procedure.

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

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Secretary-General