



Believe in **Progress** 



Productivity movement in Africa



JAPAN PRODUCTIVITY CENTER



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(Not included in the handouts)



Only included in the handouts.
(Not projected on the screen)



Profile of JPC

- Established in 1955
- Private and non profit organization
- Tripartite composition of management, scholars & trade union leaders
- Now 10 departments with 300 + employees (250 permanent staff, 50 + exclusive consultants and overseas technical experts)
- 7 regional centers and 8 prefectural centers (4,000 members)
- JPC has 2,000 members (72% from companies, 18% from trade unions. 34% from SMEs)
- Total Budget: 9billion JPY (app. 82 million USD), FY 2016
- Business income 94%
 - Government consignment 4%
 - Membership fee 2%

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Main activities

- Management innovation & development
- Management consultation
- Policy Proposal making & productivity researches
- Labor-management relations
- International cooperation

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Management Innovation and Development



- Management seminars for top executives
- Managerial capacity development programs (by managerial level, management skills and professional expertise)
- In-company tailor made training programs
- Business School “Management Academy”

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Management consultation



- Consultation activities
 - Strategy and Plan
 - Human resource management
 - Production innovation

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Policy proposal & Productivity researches

- Policy proposal making for improving Socio-Economic System – basis for productivity improvement
- Productivity research
 - Labor Productivity -Monthly & Quarterly
 - International Comparison
 - Total Factor Productivity

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IMPORTANCE OF PRODUCTIVITY

【Businesses】

The efficiency of corporate activities can be improved while enhancing profits and expanding resources for wages.

【Countries, industries】

Enhanced labor productivity can improve economic efficiency, leading to economic growth and bringing affluent lives to people.

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IMPORTANCE OF PRODUCTIVITY (VARIOUS COUNTRIES' PERSPECTIVES)



【Japan】

1955

- Improvements in general productivity, including corporate management skills, and facility modernization led to reduced costs and enhanced quality while boosting exports and increasing the national income.

2015-2016

- As the working population declines, productivity innovation has become imperative to overcome supply constraints and achieve sustainable growth. (Investments in equipment, technology and human resources aimed at improving productivity are crucial.)
- Comprehensive measures are required to strengthen growth in the service industry, which accounts for 70% of GDP. (The goal is to double the productivity growth rate of the service industry by 2020.)

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IMPORTANCE OF PRODUCTIVITY (VARIOUS COUNTRIES' PERSPECTIVES)



【USA】

2014 Economic Report of the President

- Productivity over the past two decades was higher than in the 1970s and 1980s, though falling short of the levels achieved in the 1950s and 1960s. The Administration aims to improve productivity by implementing measures to promote innovation while reducing its impediments.

2015, 2016 Economic Report of the President

- The widening income gap has been particularly conspicuous in the US in recent years compared with other industrialized countries. Reducing inequalities in income, wealth and opportunities is among the top priority issues for the U.S. economy. By promoting equality in productivity, labor participation and labor outcomes, the US aims for inclusive growth in the country.

※ In 2016, sluggishness of labor productivity, an indicator of economic efficiency, triggered a debate among observers in the US over the outlook of the country's economy.

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IMPORTANCE OF PRODUCTIVITY (VARIOUS COUNTRIES' PERSPECTIVES)



【The European Union】

Europe 2020: Medium-term economic and employment strategies

- The three pillars of Europe 2020 are smart, sustainable and inclusive growth aimed at eliminating the mismatch of labor supply and demand while improving productivity by ensuring opportunities for member countries actively developing human resources.

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IMPORTANCE OF PRODUCTIVITY (VARIOUS COUNTRIES' PERSPECTIVES)



【The African Union】

Agenda 2063: Long-term vision on politics, economy and society

- The Productivity Agenda for Africa will be enhanced as an essential engine for industrialization, increasing agricultural and industrial values and boosting the African continent's competitiveness in the global economy.

【Kenya】

Vision 2030: Long-term development policy

Vision 2030, the country's long-term development policy from 2008 to 2030, includes the National Productivity Policy aimed at improving productivity at an annual rate of 5% while raising the percentage of the population who understand the concept of productivity to 60% by 2030. Pillars have been set for enhancing productivity mainly in four areas: productivity culture, labor market development, technological change and innovation, and institutional and legal arrangements.

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ROLES PLAYED BY THE PRODUCTIVITY ENHANCEMENT MOVEMENT (JAPAN'S EXPERIENCE)



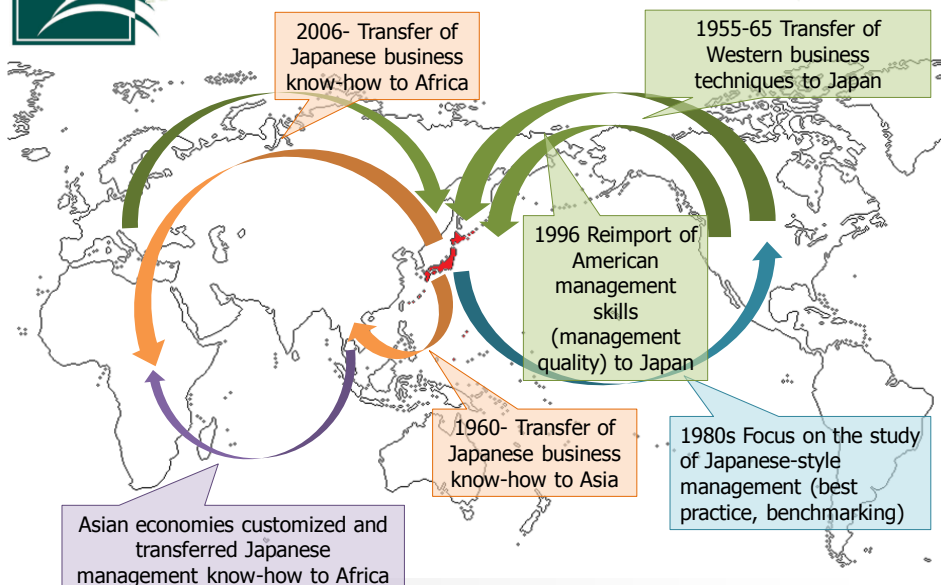
Three Guiding Principles on “Productivity”:

- (1) Improving productivity should lead to expanding employment.
- (2) Labor and management must cooperate in researching and discussing specific methods to improve productivity in consideration of specific corporate circumstances.
- (3) The fruits of productivity should be distributed fairly among labor, management, and consumers in line with the state of national economy.

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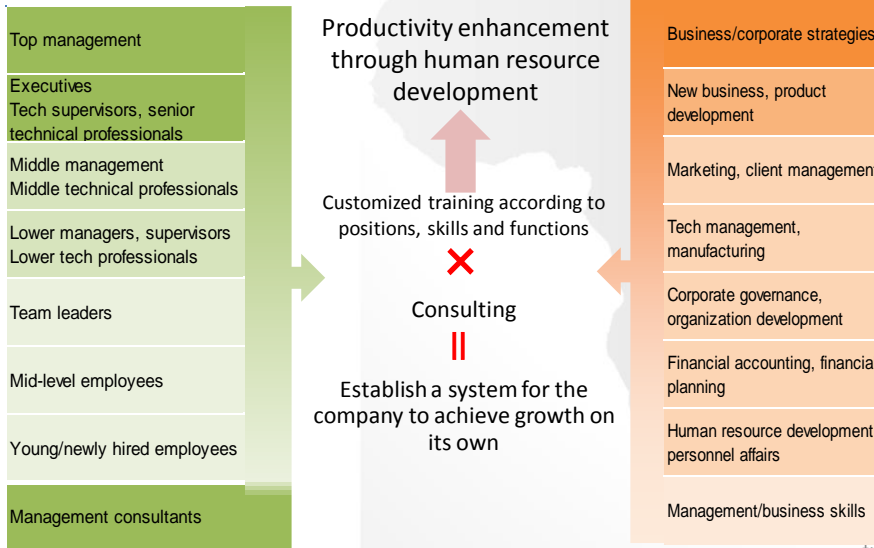
SHARING JAPAN'S EXPERIENCE WITH ASIA AND AFRICA



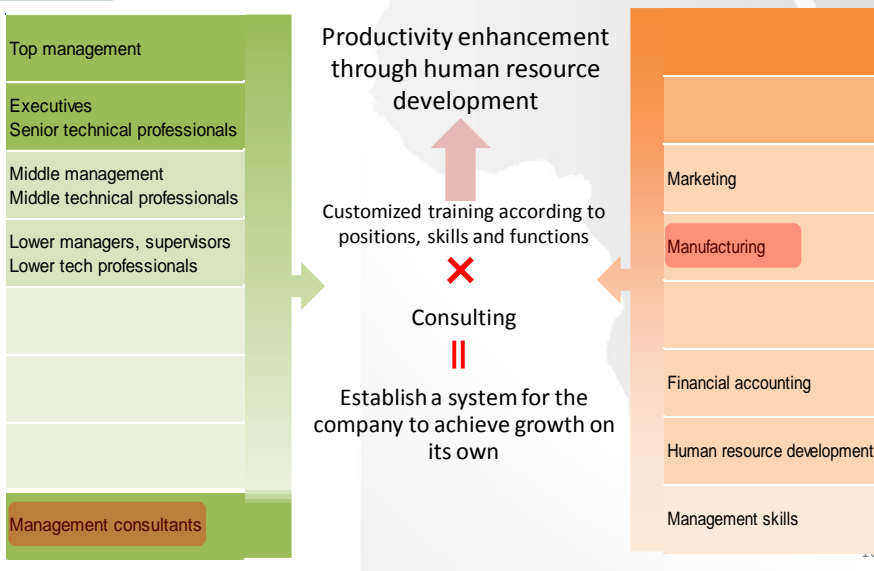
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PRODUCTIVITY ENHANCEMENT THROUGH HUMAN RESOURCE DEVELOPMENT (JAPAN'S EXPERIENCE)



PRODUCTIVITY ENHANCEMENT THROUGH HUMAN RESOURCE DEVELOPMENT (IMPLEMENTED IN AFRICA)



1. Background

【Asian-African Summit, April 2005】

Then Prime Minister Junichiro Koizumi proposed support for peace-building and economic development in Africa by applying the knowledge gained through Asia's movement towards higher productivity.

【TICAD V, June 2013 Plenary Session 3 “Dialogue with the Private Sector”】

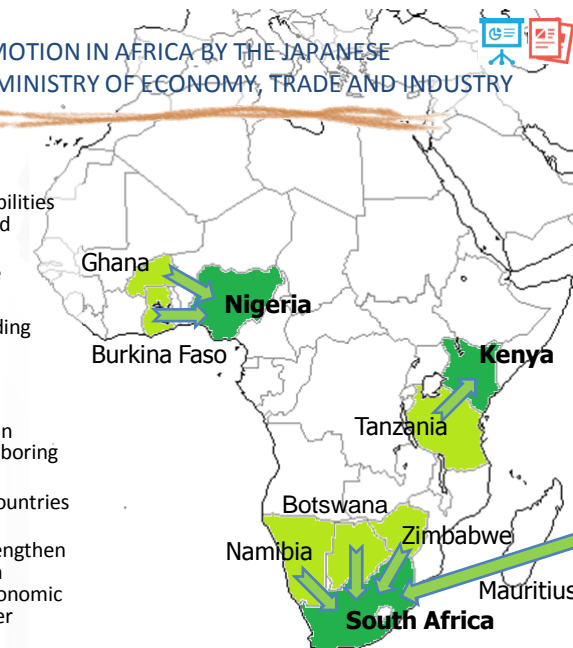
Prime Minister Shinzo Abe introduced *Kaizen* as one of Japan's business strengths, proposing to spread the industrial culture that brought about miraculous economic growth in Asia to Africa.

2. Objectives

- Support the establishment of national productivity organizations (NPOs) as prospective members of the Pan-African Productivity Association (PAPA)
- Strengthen the consulting ability of NPO staff
- Conduct pilot projects that involve productivity enhancement in manufacturing and other industries (OJT at model companies)
- Promote productivity enhancement in Africa

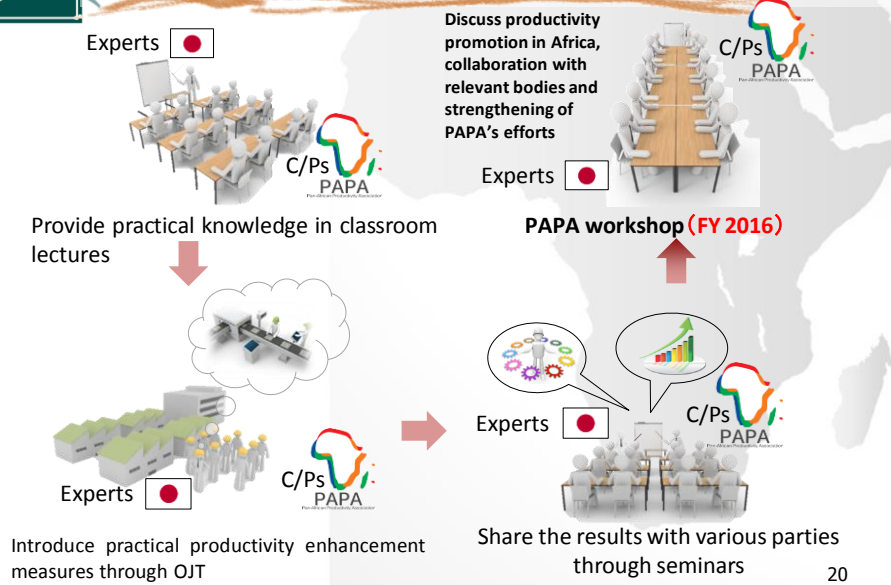
3. Project overview

- Dispatch experts to strengthen the abilities of NPO staff and provide OJT on 5S and Kaizen at model companies
 - Disseminate initiatives by sharing the results in seminars
 - Enhance consulting abilities by providing training in Japan
- ※ Features of the 2016 project
- Strengthen the abilities of NPO staff in South Africa, Kenya, Nigeria and neighboring countries
 - ⇒ Invite staff to the project's target countries
 - PAPA workshop
 - ⇒ Promote productivity in Africa, strengthen the relationship with the AU, establish relationships with African Regional Economic Communities (RECs), and support other efforts by PAPA



4. Transition of target countries

Business year	Target countries
2006-2010	South Africa, Kenya, Mauritius, Botswana, Zambia (from 2010)
2011-2012	Zambia
2013	South Africa, Kenya, Mauritius, Botswana, Zambia
2014	South Africa, Kenya
2015	South Africa, Kenya, Nigeria (preliminary survey only)
2016	South Africa (participants invited from Namibia, Botswana, Zimbabwe and Mauritius), Kenya (participants invited from Tanzania), Nigeria (participants invited from Ghana and Burkina Faso)





What is 5S?

5S represents five keywords for maintaining order in the workplace with the aim of enhancing productivity and quality

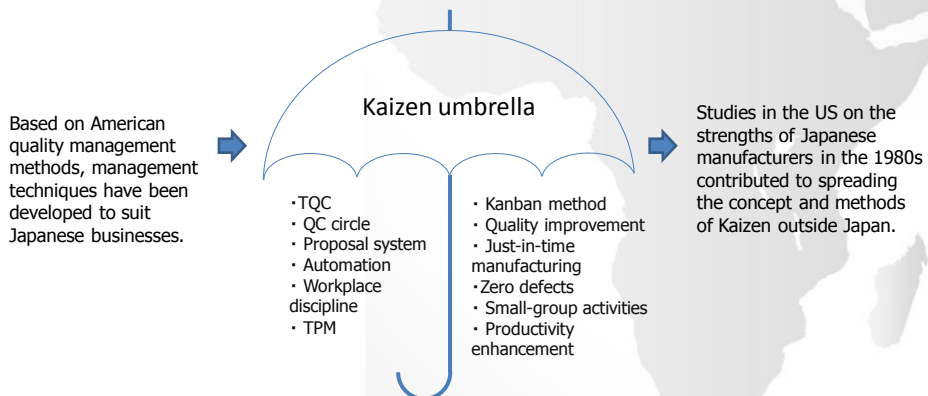
Japanese	English	Examples of actual measures
<i>Seiri</i>	Sort	Discard unnecessary things
<i>Seiton</i>	Set in order	Keep documents and tools where they can be found within 30 seconds
<i>Seisou</i>	Shine	Assign an area to each person to be responsible for keeping clean
<i>Seiketsu</i>	Standardize	Store things where they are visible (avoid stacking and blocking passageways)
<i>Shitsuke</i>	Sustain / Discipline	Practice the above 4S's in daily operations

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What is KAIZEN??

Kaizen refers to simultaneous, multilateral improvement efforts that involve everyone in the organization from top management to rank-and-filers.



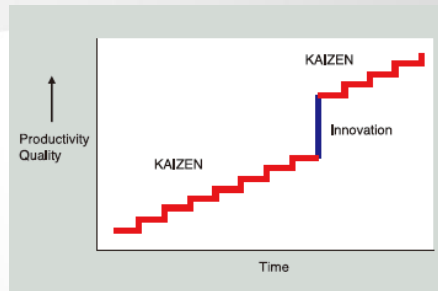
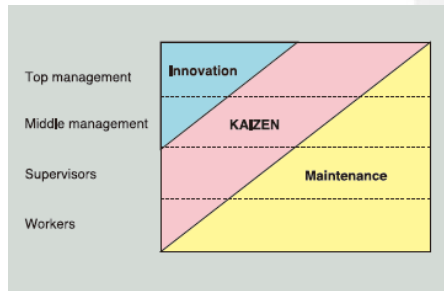
KAIZEN is an umbrella concept that covers various management techniques devised in Japan.

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Features of KAIZEN

- Existing techniques are developed further in a phased manner.
- Focuses are placed on human elements and improvement efforts in each process.
- No need for large investments.

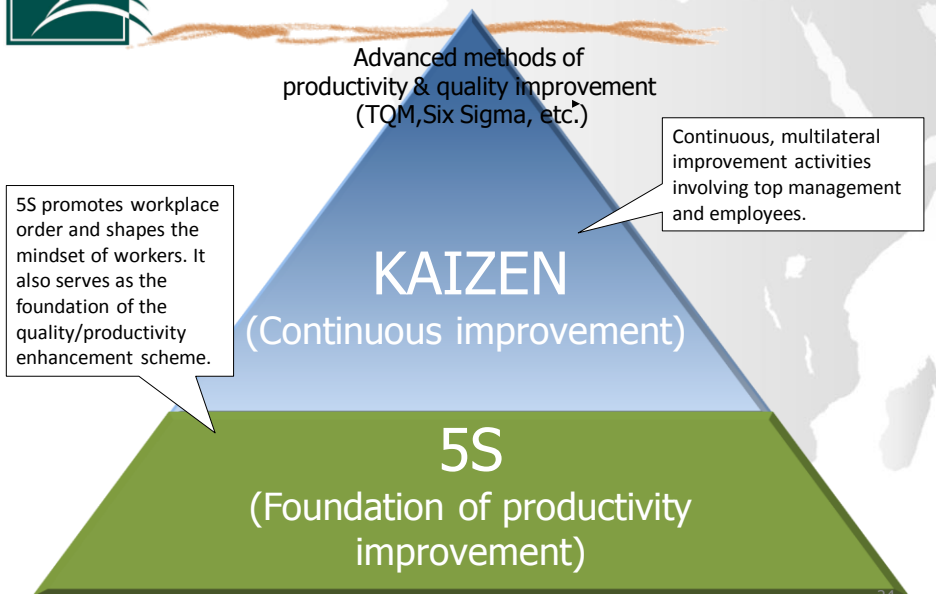


Kaizen is a method of improving quality and productivity using existing personnel and financial resources. Kaizen requires constant effort and contribution by all members of the organization!

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Structure of Productivity & Quality Improvement Methods



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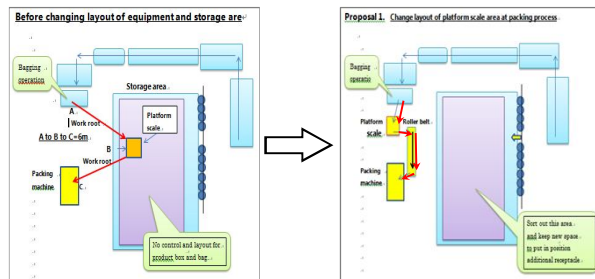
RESULTS OF OJT AT A MODEL FIRM: JUNGLE NUTS (KENYA) – NUTS PROCESSING COMPANY



Piled up products blocked the passageway, making it hard to use the shelves. By securing the necessary space, the time for taking out or storing products was reduced by 120 hours per year.

Improvement in temporary product storage (review of the workspace)

Inefficient routes of moving products were causing a number of unnecessary moves. By changing the processes, productivity per worker improved 162%.



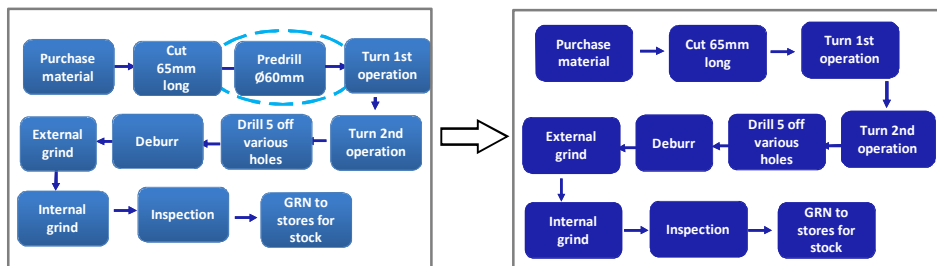
Improvements in the processes of packing and moving products

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RESULTS OF OJT AT A MODEL FIRM WECO (SOUTH AFRICA) – MANUFACTURER OF PRECISION MACHINERY PARTS



Improvement in the manufacturing processes of "1838 Liner"



Visualization/reexamination of the manufacturing processes helped confirm that predrilling could be cut without affecting product quality. The elimination of predrilling shortened the production cycle for 30 units from 119 hours to 88 hours.

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Major Results of Consulting at Model Firms in Recent Years (Reference)

【South Africa】

Company data	Productivity / quality issues	Consulting outcomes
Main business: apparel manufacturing Employees: 114	<ul style="list-style-type: none"> ●Low labor productivity due to <i>muda</i> (activities that add no value), such as excessive waiting time and inefficient machine preparations ●High manufacturing costs 	<ul style="list-style-type: none"> ●Improvement in labor productivity by rethinking the work procedures (small-group activities for reviewing operations, standardization of work procedures, introduction of cellular manufacturing, etc.): 18.5% ●Cost reduction through productivity improvements: 19.2%
Main business: manufacturing of building materials (curtain rails, etc.) Employees: 200	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S, lead-time management, and quality control not practiced) ●Need to increase sales 	<ul style="list-style-type: none"> ●Implementation of 5S ●Introduction of lead-time management by small-group activities, introduction of quality standards, enhancement in client communication, standardization of work procedures, production planning and management ●Per-capita sales increase through the above efforts: 45.2%
Main business: manufacturing of clothing items Employees: 30	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) 	<ul style="list-style-type: none"> ●Implementation of 5S in the embroidery area and visual work management (installation of a bulletin board for shipment control) ●Reduced time for finding necessary materials: 75%
Main business: manufacturing of water valves Employees: 75	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low productivity due to unnecessary processes (inefficient conveyance, hard to find parts and tools) 	<ul style="list-style-type: none"> ●Reduced time for finding works-in-process and tools by implementing 5S in the storage areas
Main business: manufacturing of office furniture (steel shelves) Employees: 250	<ul style="list-style-type: none"> ●Low productivity due to <i>muda</i> (inefficient conveyance, excessive waiting time) ●High costs due to excessive work-in-process inventory 	<ul style="list-style-type: none"> ●Improvement in productivity by changing the layout and rethinking the processes and movements: 11.5% ●Formulation of a plan for reducing excessive work-in-process inventory
Main business: manufacturing of granite products (headstones, etc.) Employees: 67	<ul style="list-style-type: none"> ●Short-term challenge: customer complaints arising from sales-manufacturing miscommunication ●Medium-term challenge: frequent do-overs due to unclear instructions 	<ul style="list-style-type: none"> ●Revision of the contract form based on an analysis of customer complaints, reduction in complaints by early provision of necessary information ●Reduction of do-overs through the introduction of job cards (work instruction chart)
Main business: manufacturing of intravenous fluids Employees: 700	<ul style="list-style-type: none"> ●Defects in flagship products (A-product labeling line, A-product processing line) 	<ul style="list-style-type: none"> ●Reduction of defects by introducing an on-site QC circle and implementing specific measures against major causes (improvements in work balance, reinforcement of inspections, worker training, etc.); improvement rate in A-product labelling line: 60.3%, processing line: 43.7%



Company data	Productivity / quality issues	Consulting outcomes
Main business: cleaning, linen supply Employees: 120	<ul style="list-style-type: none"> ●Low productivity due to inefficient ironing methods ●High failure rate relating to color changes during cleaning 	<ul style="list-style-type: none"> ●Improvement in productivity by revising the work methods (modification of working tables, reconsideration of movements): shortened ironing time per item by 12.2 seconds ●Reduced failure rate by introducing a QC circle and adopting measures according to its analysis of major causes (standardization of procedures, implementation of 5S to prevent the accidental mixture of solvents, worker training): approximately 70%
Main business: manufacturing of tissue paper Employees: 51	<ul style="list-style-type: none"> ●Long lead time of packaging ●High failure rate in pocket tissue production 	<ul style="list-style-type: none"> ●Shortened lead time by increasing the efficiency of the packaging process (reduction of unnecessary procedures, waiting time): 23% ●Reduction of defects by taking measures based on the cause analysis results (introduction of machine maintenance tools, machine cleaning and inspections, introduction of a quality control check sheet, etc.)
Main business: port management	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Need to raise quay usage 	<ul style="list-style-type: none"> ●Implementation of 5S at the model quay ●Introduction of education and training programs for employees ●Introduction of a value-streaming map for raising quay usage
Main business: manufacturing of steel and aluminum molds	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) 	<ul style="list-style-type: none"> ●Shortened moving distance through layout changes ●Work standardization
Main business: brazing of diamond chips on cutting tools Employees: 4	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) 	<ul style="list-style-type: none"> ●Shortened walking distance through layout changes, leading to reduced working hours equal to 2-3 days per year ●Shortened working hours by standardizing the procedures for eliminating unnecessary movements
Main business: manufacturing of excavators and their repair parts Employees: 73	<ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) 	<ul style="list-style-type: none"> ●Major improvements in the working environment by installing a 5S committee and carrying out its measures ●Reduction in manufacturing time and costs by identifying wasteful spending



【Kenya】

Company data	Productivity / quality issues	Consulting outcomes
Main business: truck assembling Employees: 280	(FY2013) <ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low productivity resulting in the failure to meet deadlines (inefficient work procedures) 	<ul style="list-style-type: none"> ●Improvement in productivity by reviewing the work procedures and implementing 5S (better management of parts and tools): 36.2% (a total of two lines) ●Introduction of 5S and visual management
	Main business: manufacturing of car components (wire harnesses, roof parts, etc.) Employees: 154	(FY2013) <ul style="list-style-type: none"> ●Low productivity due to inefficient manufacturing processes (excessive work-in-process inventory, waiting time, inefficient conveyance, etc.) ●Poor material management ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low manufacturing quality
	(FY2014) <ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low productivity due to inefficient manufacturing processes (excessive work-in-process inventory, waiting time, inefficient conveyance, etc.) ※Continued agenda from the previous year	<ul style="list-style-type: none"> ●Introduction of 5S and visual management ●Improvement in labor productivity by reviewing the manufacturing processes; improvement rate in wire harness production: 20% ●Reduced failure rate in wire harness production: 30%→3%
	(FY2015) <ul style="list-style-type: none"> ●Need for organizational enhancement of 5S, including other divisions ●Low productivity due to inefficient manufacturing processes (excessive work-in-process inventory, waiting time, inefficient conveyance, etc.) ※Continued agenda from the previous year	<ul style="list-style-type: none"> ●Introduction of 5S and visual management ●Introduction of visual management in manufacturing for reviewing work procedures and eliminating inefficiencies



Company data	Productivity / quality issues	Consulting outcomes
Main business: manufacturing of nuts Employees: approximately 1,000	(FY2014) <ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low productivity due to inefficient manufacturing processes (excessive work-in-process inventory, waiting time, inefficient conveyance, etc.) 	<ul style="list-style-type: none"> ● Introduction of 5S and visual management, enhancement of safety management ●Improvement in the productivity of packaging by reviewing the procedures to reduce waiting time and improve conveyance: 162%
	(FY2015) <ul style="list-style-type: none"> ●Lack of basic structure for improving productivity and quality (5S and visual work management not practiced) ●Low productivity due to inefficient manufacturing processes (excessive work-in-process inventory, waiting time, inefficient conveyance, etc.) ※Continued agenda from the previous year	<ul style="list-style-type: none"> ●Introduction of 5S and visual management ●Achievement of stable productivity (quantity/time) by improved shelling efficiency



EXPECTATIONS FOR THE PAN-AFRICAN PRODUCTIVITY ASSOCIATION (PAPA)



“Productivity is above all a state of mind. It is an attitude that seeks the continuous improvement of what exists. It is a conviction that one can do better today than yesterday and that tomorrow will be better than today. It also requires constant effort to adapt economic activities to ever-changing conditions and the application of new theories and methods. It is a firm belief in the progress of humanity.”

-----Rome Declaration in 1959, the European Productivity Agency

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***KAIZEN for the brighter future
of Africa.***

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