

Proceedings of the Africa *Kaizen* Annual Conference 2018

“Opportunities of *Kaizen* in Africa, Now and Future”

Monday 2 to Wednesday 4 July 2018

at aha Gateway Hotel, Durban, South Africa

I. Opening session on Day 1 (Monday, 2 July)

1. Ms. Momoko Suzuki of Japan International Cooperation Agency (JICA), moderator of the plenary session, invited the following four speakers to deliver short welcoming remarks; Mr. Shigeyuki Hiroki, Ambassador of Japan to South Africa, Mr. Mthunzi Mdwaba, Chair of Productivity South Africa (PSA) Board, South Africa, Mr. Shigeru Maeda, Senior Vice-President of JICA and Ms. Fawzia Peer, Deputy Mayor, eThekweni Municipality, South Africa.

2. The first opening speech was given by the Minister of Labour of South Africa, Ms. Mildred Oliphant. The minister stated that they are grateful of Japan’s commitment to share *Kaizen* Philosophy and Activities with them African continent. *Kaizen* had been adopted in the companies in the African Continent and already contributed productivity improvements. She stressed that productivity improvements must be a part of combination of many factors, and not a stand-alone initiative that fails to observe the key pillars of the decent work. *Kaizen* helps improvement through training and retraining, and also *Kaizen* practitioner would be able to mitigate undesired outcome of economic growth in Africa. She, lastly, thanked The New Partnership for Africa’s Development Agency (NEPAD), JICA, in partnership with Productivity South Africa under the auspices of the Pan-Africa Productivity Association (PAPA), for hosting the conference.

3. The message from CEO of NEPAD Agency Dr. Ibrahim Assane Mayaki titled “Progress on the Africa *Kaizen* Initiative” was read by Dr. Diran Makinde, Senior Advisor, NEPAD. The message from Dr. Mayaki informed some backgrounds of Africa *Kaizen* Initiative and also main aim of Annual *Kaizen* Conference as to promote the application of *Kaizen* in Africa countries through a mutual learning process of theory and practice of current *Kaizen* activities in Africa, Asia and Latin America; and to encourage a dialogue on the impact of *Kaizen* practices in Africa. He also stated the progress of the activities related to *Kaizen* in NEPAD and also the importance of the political commitment and leadership for the success of *Kaizen* movement. Dr. Mayaki wished a successful conference as the participants would prepare action plans during the conference to promote *Kaizen* in Africa.

4. Following the opening speech and message, Prof. Hiroshi Osada, Professor Emeritus, Tokyo Institute of Technology, Japan delivered his keynote speech, which was about one hour, titled “The Role of *Kaizen* to Increase Firm Capabilities”. Prof. Osada explained about the topic referring Toyota as it became the global number one auto manufacturer. He emphasized the effectiveness of the business model accepting integrated innovation and *Kaizen* with scientific methods for sustainable growth of the

company by creating values for stakeholders. High firm capabilities are also an essential for winning mega competition in the 21st century. According to his theory, innovation can be re-identified as the combination of “radical innovation” for vision achieving, and “incremental innovation (*Kaizen*)” for problem solving as maintenance. Prof. Osada also explained *Kaizen* as a management tool to increase firm capabilities. He stressed Quality Control Circle (QCC) was useful to increase cohesion in the organization. And the use of other elements including continuous spiral up of the PDCA cycle and advanced/high quality *Kaizen* was effective for further development of firm capability.

II. Panel discussion session on Day 1 (Monday, 2 July)

5. After 30 minutes’ tea break, two panel discussion were organized. The first panel discussion focuses on “*Kaizen and Improving Firm Capability for Innovation*”, moderated by Prof. Go Shimada, Meiji University, Japan. This session had 4 panellists: Dr. Gabriel Goddard from the World Bank, Prof. Norman Faull from the Lean Institute in South Africa, Mr. Mothunye Mothiba from Productivity South Africa and Prof. Hiroshi Osada.

6. Responding to questions on possible scenarios for industrial development in Africa and the potentials and challenges of *Kaizen* in contributing to Africa’s industrial development, Dr. Goddard began by looking at some of the trends observed in Africa. On the downside, he noted that there has been a steady decline in the contribution of manufacturing to GDP. On the upside, he noted that there was an increasing market enabled by the demographic dividend and a growing middle class, that regional integration was moving forward as evidenced by the Continental Free Trade Area and regional initiatives such as the SADC industrialization strategy and that in most countries, the business environment was improving through doing business reforms. Noting that a 1% increase in productivity would have a commensurate increase in manufacturing contribution to GDP and at least 0.5% increase in jobs, there was potential for *Kaizen* to contribute to Africa’s industrial development and this needed to focus more on the private sector. Specifically, Dr. Goddard remarked that the World Bank had observed an innovation paradox where investments in research and development (R&D) were not yielding returns and private sector was not investing in R&D or innovation. The underlying issues were weak managerial capabilities and as such productivity could be improved by organisational changes. From a public policy view, embracing *Kaizen* would entail innovation policies that are more holistic and include quality infrastructure, bringing Total Quality Management (TQM) etc. into the public sector, maximising follow-on foreign direct investment (FDI) in parallel with new FDI, and introducing *Kaizen* systematically into regional initiatives. Dr. Goddard noted that Africa would have to deal with some challenges in this quest to improve industrialisation through *Kaizen* and these included weak education systems, limited energy and transport infrastructure, the problem of under-utilisation of infrastructure where it exists, the need to catalyse private sector investments and changes in the volume and composition of foreign investment (focusing on efficiency-seeking FDI as opposed to market-seeking FDI).

7. Addressing the issue of lean management and enhancement of firm capabilities through *Kaizen*, Prof. Norman Faull noted that while the media is full of bad news and doom and gloom, there are good things happening across Africa's firms and industries. Specifically, he noted that continuous improvement as espoused by *Kaizen* happens continuously and in small amounts and thus does not make the news. He further noted that African firms needed to focus on the customer and this required being specific and knowledgeable in identifying the "customer". Prof. Faull observed that lean management was concerned with achieving goals in the face of obstacles and that firms needed to stabilise before stepping up. He stressed that this required changing the behaviour of managers and creating a work environment where there was mutual respect between workers and management.

8. On the question of how *Kaizen* could contribute to enhancing productivity and firm capabilities, Mr. Mothunye Mothiba observed that productivity is a catalyst for growth and that African economies are struggling because they do not address efficiency of productivity. He went on to stress that *Kaizen* is about systems/processes and people. Requiring incremental changes through non-threatening, collective approaches that encourage team work. Looking at the specific case of South Africa he noted that in 2014 one of the policy imperatives was to reduce inequality and unemployment by increasing productivity by at least 3% and at best 6%. Several sectors were prioritised including manufacturing, agriculture, mining and energy and the focus of improvements was on management practices, organisational culture and operational systems. Mr. Mothiba identified several policy considerations for institutionalising *Kaizen*, including the need for national productivity centers, policy frameworks that looked at SDGs 8, 9, 17 and how *Kaizen* could be applied, peer-learning and knowledge sharing (currently only 10 countries are members of PAPA). He ended by saying that embracing *Kaizen* is not costly and only requires commitment from all concerned.

9. Prof. Hiroshi Osada captured the substance of the panellists' interventions by noting that Africa needed to introduce a more strategic approach to *Kaizen* and consider *Kaizen* as a set of tools. He further recommended the use of a back-casting approach to unpack what constituted business performance and what constituted customer satisfaction.

10. The audiences raised the following three questions addressed to the panelists:

- a) How to contextualise the notion of *Kaizen* to Africa where we have different social, political and /economic setups including mind-set?
- b) Element of culture and people regarding commitment, growth, transformation => what is inside that "culture"
- c) How to deal with human resources aspects - rising costs, labour dissatisfaction? The link between 4th industrial revolution and job creation?

The panellists responded to the first two questions essentially called for participants not to ignore evidence, to avoid silos (e.g. within government departments), to include the informal sector, focus on services, to

go back to our roots and systems that have worked in our communities in the past, to listen to the voice of the workers, to improve organisational culture and emphasize culture-building. On the third question, participants were reminded of the need to focus on organisational purpose and the contribution of each individual to the purpose noting that *Kaizen* helps with how to implement problem-solving using a customer-first approach.

11. The send panel discussion was made with title of “*Kaizen and Corporate Cohesion*”, moderated by Mr. Kimiaki Jin, JICA. The session invited four panellists: Dr. Justin Barnes, Chairman, B & M Analysts, South Africa, Mr. Bobby Fairlamb, K-Way/Keedo, South Africa, Mr. Getahun Tadesse Mekonen, Principle Kaizen Consultant, Ethiopia and Prof. Hiroshi Osada.

12. Dr Barnes started the discussion by looking at the concept of corporate cohesion as requiring respect, trust and empathy between management and labour. He noted that *Kaizen* should be part of strategic framework and not a quick fix. As such *Kaizen* should be a building block of capability and should start with top management and senior leadership. He noted that currently most firms were using *Kaizen* to extract residual value from companies whose manufacturing capability was declining instead of building in *Kaizen* to improve productivity.

13. Speaking on the case of K-Way, Mr. Fairlamb, K-Way noted that in 2004 K-Way suffered from low staff morale, declining productivity/profitability, top-down management with 100,000 jobs lost since 1994. A strategic change was made after visiting other companies that were practising lean manufacturing and K-Way embraced lean manufacturing, engaged a lean coach and began to use a PDCA approach. The also implemented a culture survey which focused on valuing people and giving them the right incentives. In this way the company was able to turn around and return to profitability.

14. Mr. Getahun Tadesse Mekonen gave the example of an integrated textile mill which had been running at a loss for 10 years (1994-2004). A decision was made to implement *Kaizen* with the objective of eliminating waste, improving productivity and improving profitability. A *Kaizen* core team was put in place consisting of senior management, middle management and workers. The overall result was improved team cohesion, improved morale and physical and mental well-being and the opportunity for everyone to share in the benefits through bonuses and salary increments. He further noted that continuous improvement had become a way of life for all the staff and they had started using the principles even outside their workplace.

15. Citing the case of an Indian company, Prof. Hiroshi Osada reported that QC participation and EOS (Employer opinion survey) scores were improved after the introduction of Kaizen approaches.

16. The following three questions were raised by the audience;

- a) Noting that people are at the center, strategy is important and cohesion is important, what were the experiences in sharing the final outputs of Kaizen implementation?
- b) Although *Kaizen* is human relational movement; what about the human element?
- c) What is the interface between firm innovation vs collective bargaining and sector-focused industrial policy?

The panelists responded to the first question that 1) fairness in dealing with workers and meeting salary needs of them before rewarding management are keys, and 2) competition between individuals and teams results in benefits that are both in-kind and financial. Regarding second and third questions, the panelists commented that 3) when *Kaizen* works, workers are not afraid of sharing information, 4) when everybody wins, business wins, economy wins, 5) keep talking to entire workforce, customers etc.

17. In summarising the session, the moderator noted that lean management and Toyota Production System (TPS) are similar and that *Kaizen* approaches should apply equally to technical (engineering) staff as well as management and other workers. He noted that culture had many dimensions including regional culture, national culture, corporate culture and that for the most part, *Kaizen* was concerned with change of corporate culture. All these elements formed part of the process toward corporate cohesion.

18. Subsequently, research activities on *Kaizen* were introduced in order of 1) outline of JICA/GDN (Global Development Network) joint research project on “Quality & Productivity Improvement in the Private and Public Sector: Roles and Lessons from *Kaizen* Approaches”, 2) research progress in Ghana under JICA/GDN project and 3) a book publication of “Applying the *Kaizen* in Africa, New Avenue for Industrial Development” by Palgrave in August as a project of JICA Research Institute. Dr Elsje Fourie, University of Maastricht in Netherland also explained her intention to interview with some of the participants. Interview record will be material for her research on *Kaizen* in Africa.

III. Breakout session for policy makers on Day 1 (Monday, 2 July)

19. This session was held for discussion about curriculum standardization, certification, and award systems for *Kaizen* among the stakeholders who are working for institutionalizing *Kaizen* dissemination. The main presentations were made by Mr. Yoji Watanabe, UNICO, Japan, on the recently published *Kaizen Handbook*, which aims to guide each country to standardize the *Kaizen* concept and methodologies and to learn from the best practices so that the *Kaizen* dissemination is promoted throughout Africa. In each sub-section, the panelists explained how the system is formed and practiced in their countries. The sessions are moderated by Mr. Getahun Tadesse, principle *Kaizen* consultant, Ethiopia.

20. Sub-Session 1 is titled “*Kaizen* curriculum standardization” with presentations by two panelists, Dr. Sugumaran Muniretnam, Regional Director, Malaysia Productivity Center (MPC), Malaysia and Mr. Kokebe Demeke, Deputy Director General, Ethiopia *Kaizen* Institute (EKI), Ethiopia. *Kaizen Handbook* proposes a ladder system for developing *Kaizen* specialists; the trainers in the lower layer and the

consultants in the upper layer. The qualification for the lower layer is divided into the Basic *Kaizen* Trainers and the Advanced *Kaizen* Trainers after receiving the Class Room Trainings and In-Company Trainings that cover skills related to quality and productivity improvement as well as business management. The panelist has presented, in Malaysia, MPC offers training programs for Productivity Champions who successfully lead changes in productivity improvement process in organizations. Ethiopia has developed three types of *Kaizen* specialists: private and public trainers developed by EKI; TVET trainers; and graduates from MSc course at Mekelle University.

21. Sub-Session 2 focuses on “*Kaizen* consultant certification system”. Panelists are Mr. Marcos Rodriguez, Coordinator, INTI, Argentina and Dr. Sugumaran Muniretnam, MPC, Malaysia. *Kaizen* Handbook proposes certifying the *Kaizen* consultants. The certification is divided into three levels depending on duration of *Kaizen* consultation experience: consultants, senior consultants, and principal consultants. Only those who have completed both basic and advanced *Kaizen* trainings can apply for the certification. The panelist has presented, in Argentina, the certification is only at a single level. The government offers subsidies for consultation by the certified trainers and monitors efficiency and effectiveness of their delivery. In Malaysia, Productivity Champions are certified in two categories: the productivity leaders at a CEO level and the practitioners. The certified productivity leaders are expected to become icons for bringing about productivity movement beyond their organizations. In both Argentina and Malaysia, the certificates are renewed every two-year based on continuity of practices and trainings.

22. In the Sub-Session 3, participants discuss *Kaizen* award system. Panelists are Ms. Monica Mwiche, Consultant, *Kaizen* Institute of Zambia (KIZ), Zambia, and Mr. Nkumbuzi Ben-Mazwi, Manager, Automotive Industry Development Center (AIDC), South Africa. NEPAD Agency and JICA jointly propose presenting the African *Kaizen* Award at the African *Kaizen* Annual Conference. The aim of the Award is to encourage best practices throughout Africa. The Award is categorized into the manufacturing sector, service sector, and the public sector. Nomination is made by each country, and the Examination Committee organized by NEPAD Agency selects the winners. The panelist explained that Zambia started awarding at the annual National *Kaizen* Conference in 2010. The award is given to the best QCC presenter at the Conference. In South Africa, AIDC annually provides *Kaizen* Award to automotive suppliers, which have significantly showcased *Kaizen* activities. Judges include those from the OEMs.

23. Some participants expressed their concern about discrepancy between the practices in their countries and the proposals in the Handbook. The moderator and the presenter replied that the Handbook is reference for standardization, but each country is not necessary expected to modify what has been established or well planned.

24. In concluding the Session, JICA commented that the market for the certified *Kaizen* consultants has to be created for enhancing sustainability and that the policy support is required to fill the gap between

the consultancy fees and affordability of the small and micro enterprises. We need to enhance dissemination more efficiently and economically. While the basic approaches are similar among countries, it is the time for creating a unified system in Africa in collaboration with NEPAD. The Moderator encouraged the participants that it is "our" work to enhance dissemination. We need more details for the system creation, but this is the starting line to establish the continental standard.

IV. Breakout session for practitioners/industries on Day 1 (Monday, 2 July)

25. This session was held for sharing good practices of *Kaizen* promotion through presentations by private companies and *Kaizen* promoting institutions. The session was moderated by Mr. Chola A Mwitwa, CEO of KIZ and Mr. Kiyoshi Adachi, Chief Advisor, JICA *Kaizen* project in Zambia. The session consists of two sub-sessions divided by a break. In the first sub-session, five presenters from private companies reported their own cases of quality and productivity improvement. In the second sub-session, five speakers representing public *Kaizen* promotion institutes made presentations. In both sub-sessions, commentary and question and answer were made following the presentations.

26. Mr. Timothy Jessep, Megh Cushion Industries in Kenya presented a case of *Kaizen* through 5S, layout change and improvement in book keeping in their automotive trim and component factory. Mr. Bonaventure Moonga, Strongpak in Zambia presented their eight years' experience of *Kaizen* in manufacturing sacks/bags by using some of 7 QC tools. Ms. Linda Kankoh, Nallem Clothing in Ghana reported introduction of 5S, QC, visual management, etc. which improve 86% of productivity in fashion item industry. Mr. Ali Ben Salem, SOMEF in Tunisia explained their activities of 5S, single minute exchange of die (SMED), TPM and layout change in their switch and circuit-breaker production lines. Mr. Ekwe Divine Esong, ETS PROMEB, a manufacturer of wooden furniture in Cameroon reported their *Kaizen* activities, which increased 25% of staff productivity and 40% of orders and customers.

27. During Q&A session, a participant pointed out the importance of supporting the role of labour for its success of *Kaizen* project and recommended the presenters to consult with labour union in the company and the conference organizers to invite labor union member to this conference. Prof Sonobe commented that *Kaizen* start with participation and involves labours. Mr. Mwitwa of PSA added that all the stakeholders sit together and decide its introduction is important process so that the organizers of the conference will consider how to organize the event next time.

28. An audience asked the presenter from Ghana what kind of entrepreneurship did employer encourage using in the *Kaizen* project. She explained that she sometimes felt entrepreneurship in a company was misused by employers. Ms. L. Kankoh responded that her company had mass production line in which skill training for young women is very important since more female workers than male workers in factory. The company encourages both male and female to stay in the company and learn higher level of techniques. That is a part of entrepreneurship of the company.

29. Next question was raised about what kind of support did companies receive from JICA in implementing the project. Mr. Moonga from Zambia explained that expert Mr. Adachi is managing and supporting the project. Entrepreneurship concept is also included and taught to people. However, monetary support is not included. Dr. Ngubane, former SA Ambassador in Japan added that Japan has governmental organization like JETRO that works in trade promotion and JICA that works to implement ODA of the Japanese government. This *Kaizen* project has been implemented as a part of TICAD process. It is a developing project for industrialization and modernization in Africa. Manufacturing level in SA is high, but we still have to reduce poverty. This *Kaizen* project was also introduced to tackle with poverty.

30. After a thirty minutes' break, five presenters representing public sector made presentations. Dr. Isack Legonda, MITI in Tanzania introduced *Kaizen* project phase 1 (2013-16) and phase 2 (2017-20). The projects achievements include training 195 people and involved 91 companies. Ms. Amelia Naidoo, PSA in South Africa presented outline of organization, training courses and workplace solutions. Mr. Mekonnen Yaie, EKI in Ethiopia presented its organizational outlines, activities and monetary gains by *Kaizen*, which is 90.4 Million USD. He also explained targets to be achieved by 2020. Mr. Isidore Kemawou Foabong, KC&S in Cameroon explained *Kaizen* activities in nearly 50 SMEs in 7 regions in the country. He added his promotion of 5S to AFD, GIZ and UNDP. Finally, Dr. Chunderpaul J. Paramanund, Durban University of Technology in South Africa made presentation on Employability Improvement Project (EIP), which fill gap between skills trained by education and demand in industry.

31. In his commentary, Prof. Go Shimada, Meiji University in Japan questioned to JICA and African countries how to institutionalise *Kaizen* in Africa as a region rather than individual country. He explained that in Europe, it took 4 years to establish European Productivity Agency (EPA) and in Asia, it took 6 years to establish Asia Productivity Organisation (APO). In Africa, three annual conferences have been organized during the last three years. Mr. Kimiaki Jin, JICA Headquarters responded that he hopes someone from Africa can also comment on this issue. His idea about establishment of cross continental institution to promote *Kaizen* activity is not yet very clear. JICA proposes to create a Centre of Excellence by strengthening the capacity of existing mechanisms, is one idea. If Africa wants to create international organization like the case in Europe and Asia, we need to create stronger mechanisms based on PAPA or African *Kaizen* Initiatives, which is also cross country activities. However, there is no clear timeframe how this can be achieved. It needs more discussion and input from the African side.

32. Mr. Hiroyuki Kawanishi, JICA Headquarters made his comments on the presentations as follows. All of the presentations show steady progress and clear achievement of agenda. For Tanzanian presentations, 3 areas of support have expanded to 8 areas which shows steady progress. Programme is short of resources for *Kaizen*. JICA is currently discussing networking of business service providers for Japan and such situation is similar in Tanzania. Areas to note for stakeholder expansion. Quality of

stakeholders and a certification process can be used for this. Networking coordination of stakeholders. One stop window for firms as they do not know where to go when there is a problem. For South Africa, the presentations show provision of service for business cycle, very streamlined and comprehensive. Similarity in South African approach and JICA consideration to support start-up companies. For Ethiopia, the most prominent character of Ethiopian approach to *Kaizen* is the strong commitment of government. Pioneering approach in many aspects. University degree has started, and Ethiopia should continue to advance such degrees. For Cameroon, it is unique and a pioneer in terms of coordination of development partners which contributes to the effectiveness of the *Kaizen* movement. Government also allocates own budget to *Kaizen* movement and not only relies on development partners, which shows good commitment. Importance of private consulting companies for *Kaizen*, when number increases then certification becomes important. In terms of the question from Prof. Shimada on institutionalising *Kaizen* in Africa will be discussed later.

33. Moderator Chola A. Mwitwa wrap up the session as follows. This is the first time that we have seen actual *Kaizen* practitioners that came to tell us what they are doing and what they have achieved. We should continue to do this and should increase the number of players. Both coaches and players are important to achieve this. JICA and NEPAD should point the direction to which international bodies can be affiliated to and begin to show our skills.

V. Keynote Presentation on Day 2 (Tuesday, 3 July)

34. At Toyota South Africa Motors, Mr. Kyogo Onoue, Operation Management Development Division, Toyota Motor Corporation delivered a lecture titles “Basics of Toyota Production System (TPS) and Application to other Businesses”. He explains a key concept of TPS that selling price of a product is decided by the customer so that a manufacturer cannot increase profit without cost reduction. History of Toyota created by Toyoda family was introduced by a video clip. Toyota’s way of thinking is “do not produce what is not sold”. Heijunka can minimize manpower because each operator can work by weighted average cycle time. TSP is applied in blood services in Canada and clinics in the US.

VI. Group Discussion Session on Day 3 (Wednesday, 4 July)

35. Mr. Tadesse Chaffo Dullo, Minister, Ministry of Public Service and Human Resource Development made a presentation titled “ASK (attitude, skill and knowledge) for *Kaizen*”. He explained brief history of *Kaizen* promotion in Ethiopia under the framework of five-year national development plans during 2010/11-15/16 and 2015/16-20/21. *Kaizen* has been disseminated by EKI to manufacturing sector and by regional/city *Kaizen* institute to educational institutions and public works.

36. Following the presentation, the participants on the Day 3 who were around 120 people were divided to four groups based on the topics of discussion, namely “*Broadening opportunities of Kaizen*”, “*Way forward for Africa Kaizen Initiative*”, “*Dissemination of Kaizen through Market System*” and “*Toward the Africa Kaizen Award*”.

37. Participants in the group 1 discussed a topic about “*Opportunities of Kaizen*” with proposed sub-topics of 1) possible extension of roles of *Kaizen*, and 2) role of public and private sectors. The discussion was moderated by Dr Isack Legonda, MoITI in Tanzania. The group 1 was further divided to three sub-groups and discussed lessons learned from the case of Ethiopia. Ethiopian model is characterised by focusing on manufacturing and changing of mind-set of stakeholders. A key lesson with regard to role of public and private sectors are that role of the government is critical. The Ethiopian government initiated the movement of *Kaizen* promotion. The process needs to integrate both public and private sectors. Securing revenue for *Kaizen* implementing organization and customizing the approaches are key to catalyze *Kaizen* dissemination. Strategies need to be established. In other countries, South Africa supports automotive industry and Cameroon takes approach to consolidate public and private. The group further discusses proposed cost sharing between the government and private, which is 30% and 70% respectively. Regarding *Kaizen* extension, number of sectors can be increased including mining and education (schools, colleges and universities) because 5S is taught at schools in Japan. Government can demonstrate commitment and public sector can be model demonstrators. Government may be able to identify companies for *Kaizen* implementation. 5S can be implemented in strategic sector identified the government.

38. The group 2 discussed a topic of “*Way forward for Africa Kaizen Initiative*” with sub-topics of 1) role of Centre of Excellences, 2) mobilizing resources and 3) disseminating *Kaizen* to neighbouring countries, moderated by Dr Diran Makinde, NEPAD. The following points are discussed. Despite the fact there is a difference in the levels of Excellence among the 8 African countries where JICA *Kaizen* project has been implemented though *Kaizen* should be spread all over Africa effectively and efficiently. In the reality, the group members agree that EKI is the key resource of Center of Excellence in terms of the well-organized structure of spreading *Kaizen*. However, over-dependence on the one organization (eg. EKI) does not work effectively as its budget is not only for the cooperation with neighboring countries as Center of Excellence. In this regard, the role of NEPAD has to be strengthened as the secretariat of African *Kaizen* Initiative. To do so, the other financial resource rather than JICA has to be identified, establishing the partnership with the other international organizations related with industrial development (eg. UNIDO), the fund for African Industrial Development or the regional institutions (eg. ECOWAS). In the initial stage of the Center of Excellence, the above resource has to be found for their activities, however, at the end of the day, all the beneficiaries have to bear the cost for the concept of Center of Excellence even from the private sector. The discussion goes to the theme that “How the Center of Excellence works”. One idea is that bringing the consultants to be trained in the selected countries, which cost a lot. The other idea is that the certified *Kaizen* consultant will visit the countries, which cost less. To implement the latter idea, the standardized *Kaizen* certification system is necessary to disseminate it effectively.

39. Discussion in the group 3 is moderated by Ms. Catherine Wairimu Waweru, Kenya Institute of Business Training (KIBT) in Kenya. The given topic is “*Dissemination of Kaizen through Market System*” and suggested sub-topics are 1) promotion of charged service, collaboration with FDIs, and 3) mobilizing resources. The participants share cases of own countries. In Kenya, National Productivity and Competitiveness Center (NPCC) and KIBT trained entrepreneurs on *Kaizen* through a JICA project free of charge. Now the dilemma is to move to charged services, or to keep them free of charge. In South Africa, Productivity South Africa (PSA) uses government funding but do also charge companies according to their size and resources. It uses a sliding scale (from 0% to 50% of the cost borne by the company itself) and charges black-owned enterprises less frequently. Industrial Development Corporation (IDC)/provincial government/local/national government covers the rest. In experience in SA, if the companies don't pay at least something, they don't take it seriously and it doesn't work out. One South African participant urged more financial support and commitment so that *Kaizen* could be rolled out from kindergarten. A simple methodology for poor countries and poor companies - national rollout should be feasible and provide value for money. Also it needs university programmes and TVET.

40. In Tunisia the institute provides theoretical and practical trainings on *Kaizen*. Under JICA's project, the training/consultancy are provided free of charge, but the government has fund to subsidize trainings and consultancy services so that market development is feasible through 8 technical centers. In Zambia, JICA used to give technical support to train consultants, but now in the second phase it needs to be sustainable, so KIZ has implemented a fee structure charging per hour depends on size of company. Companies are told to budget a certain amount beforehand. E.g. a micro company (less than 10 employees) would pay 20 dollars an hour. In Botswana, the Botswana National Productivity Center (BNPC) has been working with the Japan Productivity Centre since 2006. From 2015 to 2016, EU partnership partly funded this as part of SME promotion. After, the Botswana Investment and Trade Centre (BITC) which is a Parastatal in the Ministry of Investment Trade and Industry (MITI) took over. Assisting 8 companies at the moment, and 10 more soon to be funded by govt. The BNPC has partnered with Halfway Ngami Toyota to host the Global lean summit in Maun Botswana. The BNPC is also working closing with the University of Botswana (Department of Industrial Engineering). The BNPC has had two breakfast seminar where companies presented on kaizen improvements. The events were covered in the National Television, Radio and local newspapers.

41. In Tanzania, first trial led charging just a registration fee (40-50,000 Tanzanian schillings). Something went wrong and now this fee no longer exists. Individual lecturers/trainers charge, and it's fairly unregulated and doesn't work so well yet. JICA project started in 2013 and entered phase 2 in 2017. In Cameroon, *Kaizen* training funded by JICA started in 2016. The project trained 20 consultants in two major cities, did their practices in 40 SMEs. Partly paid for by national institute for SME promotion (80%), and partly by companies (20%). *Kaizen* consultants also find that companies have to contribute in order for them to appreciate it and participate properly. Demand is increasing but currently there isn't enough supply

of consultants. They are also forced to charge privately now to meet this demand. As beneficiary of this scheme, the participant feels he benefited tremendously – has been able to delegate and created more employment.

42. Ethiopia is now considering to provide services through the market system. But they are not sure whether it is really necessary, though it might help to evaluate quality of the training. Companies will evaluate private consultants, and this would help to improve quality. Last year EKI introduced certification system, with candidates charged a token amount. This is the only fees we have at the moment. AIDC participant commented that we can learn from Ethiopia the need for the public sector to become much more involved. In Ghana, *Kaizen* is driven by National Board for Small-scale Industries, supported by JICA. About 50 firms were trained, and academics called in for an impact assessment.

43. Regarding a question that foreign-owned firms can receive kaizen training from the public budget, major answer is yes, because they create jobs – we can assess their contribution and reward those that have local benefits. In Botswana, it's one way to attract FDI. In Kenya, too, *Kaizen* trainings happen even in foreign firms such as Toyota.

44. An overall move towards privatisation and making it more market-driven. We should go hand in hand with marketing *Kaizen* nationally in order to drive up demand. *Kaizen* is good work, but long-term work. Although *Kaizen* assistance in Tunisia started in 2006, the institute still feel like they are just starting out. It is important to prioritise and choose some key sectors, so that these can drive the others and act as a model. Collaboration between the foreign-owned enterprises and TVET institutions are already established in the areas of equipment provision, apprenticeship, and students' projects. TVET institutions should additionally request assistance on *Kaizen* since these enterprises do practice *Kaizen*. "You can't do *Kaizen* alone – you need the government *and* the private sector".

45. The group 4 discussed a topic of "*Toward the Africa Kaizen Award*" moderated by Ms. Kosi Antwiwaa Yankey, NBSSI, Ghana. The discussion group took place on the following questions: 1) how should *Kaizen* award look like by next year? It will be international level, local and national level or firm level? 2) what role and capacities of national focal point of the award? What action plan should be made?

46. Following the presentation of the experience of some participant of their country experience, the group agreed about the following points: 1) purpose of the award is to motivate firms and organizations, 2) an action plan should be developed, 3) an assessment process should be established for the credibility of the award and to ensure transparency. For this, we need to have a steering committee which will elaborate a standard assessment system including the identification of evaluation criteria. 4) the main points which must be evaluated are the engagement of leadership, the allocated resources for *Kaizen* activities, check the setup of *Kaizen* activities (GEMBA CHECK), results related to productivity

improvement, impacts of *Kaizen*, how the organization is disseminating *Kaizen* for others, 5) communication system between group members should be adopted for sharing documents, remarks, feedback, 6) the role of national organization must be identified mainly for providing funding from government or ask other sponsors for funding. By the end of group 4 discussion, the members agreed to nominate Ms. LALANE from Productivity SA to be the leader of this group.

47. Following the group discussion, the participants are re-organized based on county-teams (Cameroon, Ethiopia, Ghana, Kenya, South Africa, Tanzanian, Tunisia, Zambia) and international organization teams (PAPA, NEPAD). The team of South Africa was further divided to teams of organization/project (AIDC, EIP, PAS) because of number of participants was more than forty. The teams have discussed own action plan for the coming one year until the next Africa *Kaizen* Annual Conference.

VII. Plenary Session on Day 3 (Wednesday, 4 July)

48. At the plenary session twelve teams have made presentation on their own action plans. These action plans are preliminary ones based on one-hour discussion among each team. Each team is expected to elaborate the plan further, implement it and report the progress at the next *Kaizen* conference.

49. Cameroon team presented seven main activities as follows; 1) intensify the national policy of promoting SMEs at the level of the government and Agence de Promotion des Petites et Moyennes Entreprises (APME), 2) design a sensitization and awareness strategy for the *Kaizen* approach to other stakeholders, 3) expand the *Kaizen* project in two other regions, 4) conduct the survey in 100 companies to select 40 companies to be trained, 5) train 6 consultants for advanced *Kaizen*, 6) select six SMEs for training consultants for advanced *Kaizen*, and 7) train 20 new private and public consultants at basic level of *Kaizen*.

50. Ethiopia team presented a series of actions as way forward, namely 1) refining of existing curricula of Class Room Training (CRT) and In-Company Training (ICT) to the level of Africa *Kaizen* Hub, 2) developing standardized *Kaizen* textbook, 3) auditing 50 companies, 4) certification of *Kaizen* consultants (240 *Kaizen* starters, 20 Basic *Kaizen* consultants, 50 intermediate *Kaizen* consultants), 5) disseminating *Kaizen* to neighboring countries (Eritrea, Djibouti, Sudan, Somali, Rwanda), 6) securing government budget allocation, 7) increasing cost sharing (from 56 to 100 companies), 8) establishing a system of fee-based consultancy services, 9) linking successful companies with FDIs (priority to Japanese companies), 10) 9 companies, 9 *Kaizen* Promotion Teams (KPTs) and 9 individuals to be awarded.

51. Team Ghana explained its way forward as 1) for resource mobilization, getting beneficiary entities to contribute to the cost of *Kaizen* consultations, securing governmental subsidy for the provision of *Kaizen*, and development of proposals for sourcing for funds from development partners. 2) For the center of excellence, work at meeting the standards set by the *Kaizen* handbook, institute a certification system,

and initiate action to secure funding for logistics. 3) For *Kaizen* promotion through market system, showcase relevant *Kaizen* success stories through media, getting the government to subsidize the cost, promotion through educational system, using the *Kaizen* for the profiling of prospective clients, taking advantage of *Kaizen* forum to get the private and public sector to develop an interest in *Kaizen*, and work with private, public and educational institutions to disseminate *Kaizen* and develop list of potential participants. 4) For awarding, National Board for Small Scale Industries (NBSSI) and partners will work to institute the awards at the firm, national and international levels, facilitate the constitution of an awards committee and develop ToR, source funding, develop support programs for applicants who do not qualify for awards, and work with other countries to standardize their existing awards.

52. Kenya team presented the action plan with a form of table. Contents are as follows. 1) Complete the process of instituting the legal framework, through finalize the bill and the national productivity policy by March 2019. 2) Identify the critical sectors to support, through establishing national steering committee and define the sectors aligning with Big Four by September 2018. 3) Assess the customer needs in critical sectors, by securing the fund and conducting needs survey and validate the results during December 2018 and March 2019. 4) Make the interventions, namely secure the finding, prioritize the beneficiaries, and start the provision of the services, by July 2019. 5) Communicate with success stories, though share the current success stories and create the reservoir of success stories.

53. AIDC team in South Africa presented its own actions of 1) identify key players for the presidential and steering committee on dissemination of *Kaizen* jointly with NEPAD and PSA, 2) identify existing institutions promoting *Kaizen* (e.g. LIA, SEDA, AIDC, PSA, consultants and development partners). 3) SWOT analysis for the identified institutions to establish an improved frame work for *Kaizen*. The Team also requested to NEPAD to sell *Kaizen* idea to the government with reference to NDP, to DUT and MUT to expand existing EL Projects to all education level, to Treasury to establish *Kaizen* related funding source-local/provincial/national government.

54. EIP team in South Africa presented a series of cyclical actions starting from; improve productivity in industry that leads National Economic Growth => make people be ready for *Kaizen* in Large, SMME and entrepreneurship => incubate youth in educational institutes => cost efficient and effective => EIP confirmed a training package => EIP confirmed a training package =>RSA confirmed system => South Africa model => EIP for people in all Africa => back to the first action.

55. South Africa team consists of PSA and others except AIDC and EIP presented six actions. 1) dissemination of information on TOR/SOPS relating to awards to contribute to Tokyo *Kaizen* pilot. 2) mobilise financial resources from ILO, CSIR SETA's BUSA, NEDLAC etc. 3) Research by scan the environment and prepare skill matrix. 4) Stakeholder mobilization (NEDLAC, NEPAD, PAPA, ILO etc.). 5)

Development of a plan based on the above item no 3 and 4 and contribute to NDP. 6) Presentation to president on value of *Kaizen* with funding from SEAT's and link to NDP.

56. Tanzania team prepared a matrix based on the topics of the discussion and made presentation. Regarding opportunities of *Kaizen*, identifying potential public institutions (4 to 8) and private enterprises (24) for implementing *Kaizen* and extending to aligning sub-sectors (education, infrastructure, agriculture and mining). For way forward for AKI, National Institute for Productivity (NIP) and Tanzanian Kaizen Unit are strengthened through capacity building of human resources. In terms of *Kaizen* dissemination through market system, consultation and resource mobilization from other stakeholders are actions to be taken. Toward the Africa *Kaizen* Award, development of mechanism for Tanzanian to participate in Africa *Kaizen* Award including formulation of assessment committee is action to be taken.

57. Tunisia team presented 5 key actions, namely 1) industrial and innovation policy will be drafted, 2) ToT plan will be confirmed and level 1 training will be prepared for kick-off, 3) legal framework for award and certification system will be created and submitted for authorization, 4) first *Kaizen* award will be given, and memorandum of understanding with the industrial upgrading program will be made.

58. Zambia team explained five key areas of actions. 1) *Houshin Kanri* (policy management) includes customer analysis and development, ISO promotion, statistical quality control, development of *Kaizen* model in the government and income generation. 2) national *Kaizen* conference will be organized in Feb 2019. 3) Equal opportunity for benefitting from *Kaizen* will be given to every Zambian (i.e. MSMEs, large Corporations, both public and private in rural and urban. 4) charging a small fee for service just to recover the expenses. 5) approach to the government to participate ICQCC in 2018 in Singapore, and introduce 5S activities in Cabinet office. In addition to above, KIZ is establishing *Kaizen* practitioners network (KPN) in the country aimed at creating a human resource pool required for national *Kaizen* program.

59. PAPA team presented six actions. Signing on memorandum of understandings between PAPA and NEPAD is a political will of member countries at leadership level. Request METI/JPC to extend assistance for ongoing capacity building. Requesting AU involvement for office space/desk office (ongoing) to strengthen the secretariat of PAPA. NPO/Productivity units actively promote *Kaizen* activities within member countries and report on progress. All NPO/Productivity Units will have a *Kaizen* training plan. And PAPA will intensify recruitment of new members and report on progress.

60. NEPAD explained that they will review the existing action plan in policy advocacy, establishing center of excellence, standardizing *Kaizen* and networking. NEPAD also promote *Kaizen* within their organization to improve own productivity.

61. There are several comments from the floor. One commentator pointed out that some of the plans seem quite ambitious to implement and some of them seem moderate. He also mentions that two presenters couldn't manage their presentation within allocated time despite time is precious resource. Another commentator encouraged three presenters from South Africa to try to integrate three action plans, which can create synergy and impact.

62. Finally, Dr. Ben Ngubane, Former Ambassador to Japan, South Africa and Mr. Hiroyuki Kawanishi, IDPPD, JICA, Japan delivered closing remarks and the conference was officially closed.