

Summary of the Breakout Session 1
The Challenges of COVID-19 and *Kaizen* Strategy to Reach out MSMEs

1. Major discussion points in three levels.
 - 1) how people are practicing and responding to COVID-19 in order to prevent infection and maintain their business in firm level,
 - 2) how the *Kaizen* promoting / BDS providing institution/unit can support business activities of firms, especially MSMEs and,
 - 3) What kind of strategies of the government we need to cope/live with corona, (as a message to AU).

2. In the firm level, preventive measures against COVID-19 infection are applied in many workplaces, which include wearing masks, washing hands, keeping social distance and working under shift system. For business continuation under COVID-19, development of new business strategies through visualizing market story and proceeding it with verification are observed. Some factories in garment and automotive industry are producing facemasks and personal protective equipment (PPE) as new business opportunities under COVID-19. *Kaizen* mindset and approaches can “turn adversity to opportunity.”

3. Many *Kaizen* promoting institutes/units have been supporting MSMEs and applying many *Kaizen* tools through online seminar, workshop and training as well as consultation for business continuity plan (BCP). Business contests that encourage entrepreneurs to present new business strategies are reported. *Kaizen* approaches focus on cost reduction through waste elimination but not cut human resource cost severely because it affects to motivation of workers. There is a possible scheme that support entrepreneurs by the government to continues employing workers under COVID-19. Although Job opportunities are affected by COVID-19, there are some measures to maintain job opportunity by company (cost cut by waste elimination instead of HR cost) and by government (support to continue employment).

4. Governments in some countries have provided broader support to individuals and to enterprises. For individuals, a government provides cash transfer by using fund, i.e. workers emergency benefit fund. For enterprises, the government provided tax break/delayed payment and relaxed credit repayment deadline for MSMEs. For continental and global value chain linkage, African Continental Free Trade Agreement and infrastructure development should be strengthened.