



KAIZEN Newsletter



Quality and Productivity Improvement Project in Ethiopia

Vol. 1 7th August 2009

Quality and Productivity Improvement (KAIZEN) Project is starting in Ethiopia

Government of Ethiopia and Government of Japan agreed to conduct a Development Study on quality and productivity improvement (KAIZEN) in Ethiopia. Accordingly, the Japan International Cooperation Agency (JICA) and Ministry of Trade and Industry (MoTI) in Ethiopia will be responsible for the implementation.

Kaizen, in Japanese management, means “continuous improvement” of productivity and quality without additional cost, in a participatory process and a bottom-up approach. This management practice method has spread among Japanese companies in Japan and abroad. JICA has also offered assistance for Kaizen to many developing countries in Asia and Latin America in particular.

There are three objectives with the KAIZEN project. The first is to formulate a national plan to enhance both quality and productivity in industrial sector. The second is to produce a manual for explaining and guiding these activities. And the third is to transfer relevant skills and techniques to the staff members of the Kaizen Unit in the Ministry of Trade and Industry (MoTI).

The Government of Ethiopia and Japan have already signed a official document, Scope of Work of this project. Consequently, the Kaizen Unit has already been set up in MoTI and is under pre-training now.

This project consists of three phases. The first phase is supposed to begin in August 2009

Schedule of KAIZEN project

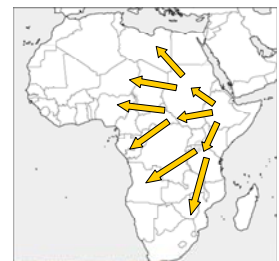
2009					2010												2011					
8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	
Review					Pilot Project (30 companies)												Dissemination					

and in the phase, the present situation on quality and productivity improvement activities in Ethiopian industry will be reviewed and preliminary diagnosis of factories will be done. Then, the preparation for a pilot project will be undertaken by selecting appropriate methodology and 30 pilot companies.

The pilot project will be implemented in the second phase. A JICA study team will visit the pilot companies to diagnose the situation, and give guidance on KAIZEN activities with the staff members of the Kaizen Unit in MoTI. The progress will be monitored by periodic visits and the pilot project will be evaluated and recommendations will be made to the factories concerned.

In the third phase, JICA will prepare a national plan for enhancing activities on quality and productivity improvement (Kaizen) including an action plan as well as a manual in order to spread out the KAIZEN movement at a national level.

JICA's cooperation for KAIZEN is the first case in Sub-Sahara Africa. The experience and the results of project will be an useful basis for disseminating KAIZEN concept to other African countries in future.



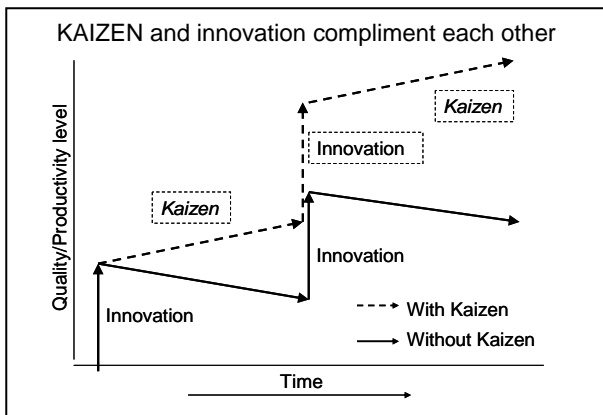
What is “KAIZEN”?

"KAIZEN" is a Japanese term meaning "change for the better". Applied to business organizations, it implies continuing improvement involving everyone that does not cost much, if any money.

Key Concepts of KAIZEN

Some main concepts are raised as below:

- “If no money, use your brain”: An effort to improve productivity, quality and cost without additional investment (= no new machines) first
- Participatory: Top/senior management, middle management, supervisors, and workers – all need to participate to continuously improve.
- Bottom-up: specific ideas of improvement come from the front-line (e.g. factory floors).
- Emphasis on process as well as results.

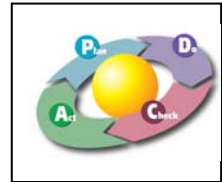


- Incremental Improvement: KAIZEN do not seek drastic changes to be called as innovation but daily incremental changes. Therefore, innovation and KAIZEN can compliment each other.

Method of Implementation

In the cycle of KAIZEN activity, certain requirements are set for each operation (Plan), new method or improvement is invented and

adopted (Do), Result of the change is measured (Check), and the new method is standardized (Act). The cycle continues infinitely and known as PDCA cycle.



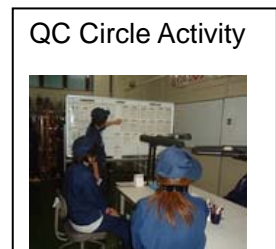
- Example: Changeover improvement

An example of concrete improvement is reduction of changeover time of dies or molds for press or molding. In philosophy of Japanese management, time of changeover does not contribute to any value added by itself and it is waste. In KAIZEN activities, target time of changeover is set, concrete process of changeover and actual time is measured and visualized, and potential improvements are identified.

Examples of KAIZEN Activity

- QC circles

They are voluntary groups formed in workplaces to involve employees in productivity and efficiency improvement activities, adopting a team-based environment in which they can participate actively in improving their process, product, or service performance.



- 5S

5S is a method for organizing a workplace, especially a shared workplace (like a shop floor or an office space), and keeping it organized. 5S stand for Japanese words below that start with S.

Seiri (sort), Seiton (systematize), Seiso (sweep), Seiketsu (standardize), Shitsuke (self-discipline)

- TQM, TPM, Just In Time, Kanban, etc.