

#### Japan's Assistance in Africa



## JICA's Cooperative Framework for Industrial Development in Ethiopia







PASDEP: Plan for Accelerated and Sustained Development to End Poverty, GTP: Growth and Transformation Plan, IDS: Industrial Development Strategy, MoFED: Ministry of Finance and Economic Development, MoARD: Ministry of Agriculture and Rural Berlin Development, MoE: Ministry of Education, MoI: Ministry of Industry, MoUDC: Ministry of Urban Development and Construction

## Sample Improvement Results (1)

#### **Quantitative Results:**

 ✓ Monetary impact from reported improvements was 500,000 ETB/company. (Amount ranged from 10,000 ETB to 3.2 mil. ETB)

- By reducing costs (a) <u>10,000 ETB per month</u> and (b) <u>78,000 ETB per year;</u>
- ➢ By generating additional income of <u>1.2 mil. ETB</u> per year;
- ➢ By decreasing downtime by 204,000 ETB per day.
- By rectifying defects in raw materials used for manufacturing, <u>2.4 mil.</u> <u>ETB;</u>
- By identifying, repairing, and reusing machines & equipment worth <u>3.25</u> mil. ETB
- ✓ Non-monetary measures of improvement include:
  - Increasing labor productivity by an average of 50% by reducing time lost searching for tools;
  - Reducing floor space by approx. 50%;
  - Reducing percentage of defects by 50%–70%;
  - Improving lead time by <u>16%–90%;</u>
  - Saving labor by <u>15%–90%</u>.

Note: 1 USD = approximately 17.1 ETB as of Aug. 2011

Japan International Cooperation Agency

## Sample Improvement Results (2)

#### **Qualitative Results:**

- Creation of <u>clean</u> working environment
- ► Increased <u>teamwork</u> and worker motivation
- ➤ Improved health and occupational <u>safety</u> of workers
- Increased employee <u>participation</u>—lower-level workers <u>suggested</u> ideas for improvement to management
- Better understanding of how to improve <u>delivery</u> times and reduce <u>costs</u>



## Sample Improvement Results (3)

#### **Quantitative Results** Company A (Metal) Recovered 118,995 birr in additional revenue Company B (Metal) Reduced lead time from 2 weeks to 1 week Company C (Textile) Reduced time wasted by 624 min./month ≻Company D (Chemical) Reduced overproduction waste by 50% Increased motion and movement by 100% ≻Company E (Agro) Decreased wheat flour waste by 190 qtl Company F (Agro) Produced an additional 12,000 lit./day by eliminating 6 hours downtime/day Company G (Agro) Saved 846 birr/day by decreasing milk waste



# Photographic Examples of Some of the Achievements of the Pilot Companies

Fig. 1 <u>Sort, set-in-order & shine</u> (3S) implemented to standardize inventory stock





Fig. 2 In-process stock is repositioned to avoid wasted transportation



Before Kaizen

After Kaizen

# Highlights of the Pilot Project (1)



• 10 companies that were graded 5 or 4 were excellent candidates.

• Over one-third of companies had a chance of becoming a model *Kaizen* company.

### Assessment of Development Capacity of KU Members

Level	Competence	Assignment	Before project	After project
0	No experience with <i>Kaizen</i>		9	
I	Competent to conduct <i>Kaizen</i> activities for yourself	Junior <i>Kaizen</i> Consultant		
II	Competent to guide <i>Kaizen</i> activities	Assistant <i>Kaizen</i> Consultant		3
111	Competent to provide consulting services for <i>Kaizen</i>	<i>Kaizen</i> Consultant		<b>√</b> 6
IV	Competent to provide consulting services for <i>Kaizen</i>	Senior <i>Kaizen</i> Consultant		
V	Competent to provide consulting services for <i>Kaizen</i>	Lead <i>Kaizen</i> Consultant		



# **Spreading the** *Kaizen* **Movement from Ethiopia to Other African Countries**



