



## REPORT ON PRODUCTIVITY MANAGAMENET CAPACITY BUILDING WORKSHOP IN AFRICA, FOR MSMEs, FROM 20-24 JULY 2015 DAR ES SALAAM, TANZANIA

### 20-24 JULY, 2015 PARTICIPANTS

#### *In attendance*

Hussein Hassan	AUC, Department of Trade and Industry
Oumar Diop	AUC, Department of Social Affairs
Samson NOUGBODOHOUE	AUC, Department of Economic Affairs
William Che	AUC, NEPAD
Diana Diallo	AUC, HRST
Dimakatso Phiri	Productivity SA
Oyibo Wada Samuel	National Productivity Centre, Nigeria
James Kimani	Productivity Centre of Kenya
Mokgadi Mahlakgane	Pan African Productivity Association
Beata Minga	SIDO, Tanzania
Tasiana Mzozo	ILO, Kenya
Nina Nchimbi	SIDO, Tanzania
Stephen Bondo	SIDO, Tanzania

### 21-23 JULY, 2015 PARTICPANTS

#### *In attendance*

Merry Minja	AKSA Organic Products
Obeid Musiba	EFA Inter-Trader
Yusta Mushi	YUFESTA Products
Joseph Mlay	MLAKO Purified Ice Cube
George Buchafwe	STAR Natural Products
Flotea Massawe	MARVELOUS Flotea Co. Ltd
Feda Tesha	PROPHET Dairy Co. Ltd
Evodius Ruma	KIU Leather Products
Paschal Kimario	MAWANI Signs
29 SIDO Officers from all over the regions	

## **INTRODUCTION AND BACKGROUND: PRODUCTIVITY CAPACITY BUILDING ON MSMES**

Africa and indeed Tanzania is among the least productive region in the world, recording the largest productivity gap with a value added per worker 12 times less in Sub-Saharan Africa than that of a worker in the industrialized world. According to the AU Agenda 2063, key lessons from economic performance of East Asian countries of relevance to Africa demonstrate that all successful East Asian countries achieved major gains in total factor productivity. Labour productivity is relatively low; the East Asian worker is three times more productive than the African worker. About 75% of the labour force holds vulnerable jobs - jobs in the informal sector that are insecure and pay less wages than poverty threshold per day.

The 7th Session of the Labour and Social Affairs Commission adopted a “Productivity Agenda for Africa (PAFA) 2010-2016”, in pursuit of the goal of improving the quality of life of the African people through productivity improvement.

The PAFA is based on three objectives: (i) Increase value added, productivity and competitiveness of the African Economies; (ii) Facilitate the improvement of productivity culture of people in Africa; and (iii) Mobilize all relevant stakeholders at national, regional and continental levels for socio-economic development. To ensure the attainment of these objectives, Strategies were devised such as (a) Promote Labour management relations within the enterprises/organizations; (b) Promote productivity in key sectors of the economy, in particular the informal economy, SMEs, public/parastatal sector, industry and communities; (c) Promote the use of productivity approaches, techniques, tools, and processes by all stakeholders; (d) Encourage and support the setting up of NPOs and strengthening of existing ones in member states; (e) Establish continental and regional infrastructures to drive and coordinate the productivity movement in Africa; and (f) Establish and maintain strategic partnership with international and regional institutions.

The AU Plan of Action on Employment, Poverty Eradication and Inclusive Development dedicates one of its six Key Priority Areas to promoting productivity in Africa.

SMEs contribute to employment for 39% in Malawi, 38% in Kenya, 33% in Ivory Coast, 21% in South Africa, 19% in Cameroon, 32% in Tanzania and 37% in Zambia. Most of the studies on SMEs focus more on correlation between business environment and growth opportunities. The better the business environment, the more SMEs will be established. However, little has been done on internal factors impacting the productivity and competitiveness of SMEs. The management and workers of SMEs have direct control over these factors which affect the effectiveness of the relationship of SMEs with key external service providers on finance and insurance in particular.

The AUC started the implementation of the Agenda in 2011, through the First Training of Trainers’ Session that sensitized on productivity improvement techniques that are relevant for the MSMEs. These techniques were, amongst others:

- 5S Tools
- Employee Suggestion Scheme
- Total Productive Maintenance
- ILO WISE
- Simple Strategic Planning
- Business Entrepreneurship Skills
- ISO 9000
- Ethics and Productivity

Pursuant to the Seventh Joint Annual Meetings of the Economic Commission for Africa Conference of African Ministers of Finance, Planning and Economic Development and African Union Conference of Ministers of Economy and Finance, the AU leaders committed to “...join

efforts with the ministries of labour, industry, economic development and finance and with other relevant bodies in the public and private sector in promoting social dialogue and productivity in support of the implementation of industrial policies at all levels, with particular focus on the SMEs and agribusiness.” Assembly/AU/Dec. (XXIII)<sup>1</sup>

In order to improve the situation of African economies in global competitiveness, the AU embarked in a branded AU-PAPA-ILO MSMEs Productivity Capacity Building Initiative.

This initiative was ensued as follows:

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<sup>1</sup> DECISION ON PRODUCTIVITY, COMPETITIVENESS AND INDUSTRIALIZATION, AU Assembly, Malabo, June 2014

## DAY ONE, 20 JULY 2015

### REVIEW OF THE TRAINING PACKAGE TO ASSESS THE PRODUCTIVITY TOOLS: PRESENTATIONS, DISCUSSION AND VALIDATION OF THE PACKAGE

#### 1. INTRODUCTION AND AGENDA REVIEW

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The meeting commenced at 10:15 am with Mr. Oumar Diop, Senior Policy Officer (SPO) from the Department of Social Affairs (DSA), African Union Commission (AUC) welcoming all experts and apologizing for the late start. He then gave the floor to the Mr. Hussein Hassan, the Head of Industry from the Department of Trade and Industry (DTI) who elaborated on the key objectives and the meeting expectations. Mr. Hassan briefed the experts on the need for a continental package to boost productivity rates, which are at the core of accelerating Africa's growth. He emphasized that productivity is one of the main pillars for fighting poverty and unemployment and pointed out on some of the AUC instruments that are already in place, such as CAADAP and Agenda 2063 that are geared towards the fight against poverty and unemployment.

The Chair noted that in Africa almost half of the labour force is not working. This gives a clear picture of the unemployment challenges we are faced with. He further stressed that when we export our raw materials, it is important that we take into consideration how it affects the employment rate of African citizens. Accordingly the Chair pointed out that the AUC is working towards a Continental Free Trade Area (CFTA) with strategies aimed at removing barriers such as tariffs and custom duties so that we can ultimately allow a way for goods and services to flow freely from one end of the continent to the other.

Following this, the experts introduced themselves, with each briefly highlighting their respective professional backgrounds.

At this point, the agenda was modified to solely focus on the strategic overview of the tools. The adaptation and running order were as follows:

- The timing of some of the presentations is to be shortened;
- It is important to get context of what some of the presentations will be geared towards, share information and profile of industry and sectoral products;
- The nature of productivity tools is very technical - there has to be some level of assessment in assessing the capability of implementing the tools within the business. It is important that we understand the best ways of disseminating this information, the target audience and how best we can meet their needs, with emphasis on the follow-up mechanisms;
- **Day one** will focus on the training package to assess the productivity tools with presentations, discussions and then proceeding to the validation of the package. Quick information with regards to productivity in the continent will be discussed so that we can have a lively discussion;
- **Day two** aims to train the SMEs and SIDO experts. The sequencing of the presentations will also be altered;
- **Days three and four** will focus on planned visits. There is a need for diagnostic tools on staff so that we will be able to engage and analyse and thus recommend solutions to the challenges.

Participants noted the purpose of this forum would be to discuss the productivity levels so as to assist the AUC and Member States in coming up with a policy position. Workers and employers will attend the meeting. Members pointed out the need to really understand what it is that the participants expect, so that their expectations are met. There is a need to mobilise stakeholders; however it is vital to consider the time it takes to move forward to other topics - how can organisations be more effective and deliver better – there is a need to make precision in the upcoming days on how to help companies become more effective in their work delivery. Emphasis was put on how one of the problems with African entrepreneurs is that they don't

keep records – therefore by day two we should have questionnaires for the visits on Thursday and Friday.

The meeting will take a ‘training of trainers’ approach where CEOs can impart their skills on their workers. If they fail to do so, SIDO will assist and share the skills with the workers. Another key item to reshuffle is the presentation on SCORE where a consensus was made that it be moved to the last day of the training. Mr. Diop commented that the pilot training of this model will help gain input from the various steps in practice. Focus will be on the recommendations given so that we have a clear-cut report.

We need to think about capacity building. How can we make our organization become more productive? How can we do a better job as institutions in developing our own organizations? The experts committed to building on this meeting by delivering and reporting. A drafting team will be put together to ensure strong recommendations. AOB is also an additional item on the agenda.

## **2. PRESENTATIONS**

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The experts went on to presenting the intended key points that will be expounded on, on the two training days. Specific comments and recommendations were noted:

- Economics is variable - therefore we need improvement. The need for ownership and presentations needs to be more practical because if we talk person to person the employers and employees will get more involved. CEOs think differently from that of the workers. We have to capture the imagination of what they will say;
- Entrepreneurs need to engage, moving from policies to thinking outside the box by foreseeing what is coming and acting swiftly. We need a general objective in terms of strategic planning; group work and a pedagogical approach will help guide this.
- Ensure that the 5S approach is not a stand-alone activity. There must be emphasis on the involvement of the CEO and constant improving and maintenance of the system.;
- Important to note that improvement in the workplace has no limit. Organizational structure is very important because without it 5S cannot be done in an excellent manner. Development of 5S policy and goals is paramount.
- An employee suggestion scheme can be an avenue to systematically solicit creative ideas from individuals or groups throughout the organisation. If you don't have a structure how do you coordinate in order to move forward? Ideas are what bring innovation;
- AU has a good idea of productivity implementation plans but the AU should fund the idea rather than pushing the idea through the ILO.

## **DAY TWO, 21 JULY 2015**

### **TRAINING OF MSMEs AND SIDO EXPERTS**

#### **1. OPENING STATEMENTS BY ILO, PAPA AND AUC**

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The Chair Mr. Hussein Hassan opened the meeting by welcoming all participants from SIDO, Tanzanian SMEs and Productivity Experts from all over Africa. The Chair commended the development of the initiative with its co-joined efforts from ILO, PAPA and AUC. To follow, brief introductions were made from each of the participants and apologies were made from the SMEs representatives running late.

#### **2. INTRODUCTION TO THE INITIATIVE AND PROGRAMME**

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Mr. Diop started off the session by introducing the initiative and highlighting the key expectations of the two-day training. He emphasised the importance of the intervention by reiterating the Chairs sentiment on the commitments made by ILO, PAPA and AUC to deliver on this productivity agenda. He went on to give a brief run-down of the two-day program and the agenda was adopted as follows:

1. Opening Statements by ILO, PAPA and AUC
2. Introduction to the initiative and programme
3. Introduction of the MSMEs
4. Where we start from: Facts on the 10 MSMEs
5. Simple Strategic Planning
6. 5s
7. Ethics and Productivity

#### **3. INTRODUCTION TO THE 10 MSMEs**

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The SMEs used this opportunity to briefly highlight their companies' backgrounds, current profiles, and objectives. They also used this opportunity to address the challenges that they face in their organisations and their expectations from this meeting. Some key challenges noted from one of the CEOs in the agriculture industry were the lack of sufficient raw resources and the lack of working capital. Expectations were geared towards boosting production within their industries, specifically in a competitive environment. Other challenges highlighted by the CEO of a Purified Ice Cube Production Company were on the sustainability of the products, quality control and distribution efforts.

Another major challenge conferred was on the global market competition. The low productivity rates as well as the more affordable commodities offered from China and India hinders the development of local companies in the Tanzanian market. Also it was emphasised that finding good production managers in Tanzania is hard. It was noted that what is mostly offered in the local market are low-skilled workers who require a lot of training.

Getting into business in Tanzania is hard. Training from the main body, SIDO is limited and not communicated effectively. In a nutshell, there is a lack of support from the government and relevant institutions. The financing blockages, from banks and investors are a major challenge, as these groups are setting unrealistic expectations. The issue of market analysis was also key. There is a need for orientation to drive businesses more effectively.

A PAPA Representative noted that it is important to look at the factors within control and those that are not in our control. It is important to note that the ones within our control is the reason why we are here. The issue of handling and reducing costs is exactly the reason we are gathered. This is participatory effort and engaging process.

#### **4. WHERE WE START**

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SMEs are producing more jobs than the informal sector. How does productivity come in? Africa is associated with some of the lowest productivity ratings; as a result this affects institutions in promotion of employment and creating new jobs. Productivity is a key factor in terms of growing an effective work environment. When SMEs earn money, they are able to

improve the quality of life for their employees. The AU agenda on alleviation of poverty also elaborates on this factor. Expectations by the end of tomorrow should reflect on providing answers so that one is able to go back and implement on relevant strategies that this forum will provide.

## **5. SIMPLE STRATEGIC PLANNING**

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### ***Presentation by Dimakatso Phiri, Productivity SA***

Ms. Phiri presented on how this simple strategic planning approach forces you to think outside of the box. She went on to highlight how it is really about how we think and see opportunities. This approach helps us gather how we think about solutions. A key take-away from this presentation is that the future is not pre-determined or predictable, so instead one must focus on getting an idea about what is plausible.

### **Group work on the types of futures for businesses (Possible, Plausible, Probable and Preferable)**

#### **Responses from the exercise raised by SMEs Representatives:**

- Review the rules and current trends to make it more relevant to today as the landscape has changed;
- Possible for businesses to be lead in their respective industries – producing more by using opportunities in the country and other markets;
- New setup of industries, avenue of skilled manpower, and increased productivity;
- Need for expansion in the country;
- Winning people's minds
- Apply new technologies and collaboration with other industries by sharing good practices and other institutions that can facilitate with new technologies needed;

The presenter noted that there is a need to look at what is relevant in order to succeed. It is essential to start from the basis of what we don't know, it is only when we start there that a business can grow. It is critical for businesses to review the legal, social, political, technological and economic environments when looking at business models. Demand and production are still critical factors in the challenges faced by small businesses.

#### ***Comments and Questions:***

Thinking out of the box means that we need to be relevant. Which tools do we need to make this work? How can we use the tools? It is important that we note the environment is progressive and the only thing one can do is to perfect their skills and remain current.

AUC Representative Mr. Diop challenged the participants to think about how important strategic planning is for their businesses and how they can do better planning in the organisation of their businesses. This type of thinking is key for the planned field visits.

In *Simple Strategic Planning* we must have a well-presented paper. In businesses we must have a vision for the company; what road do we have ahead of us and what do we want to become. Missions and values are very important for businesses in helping businesses frame their organisation's activities. It was noted by a PAPA Expert that the reason why SMEs often don't survive long enough is because of their value systems. To improve the value systems, innovative and iterative approaches are key for the sustaining any business.

The PAPA Expert went on to add that value added productivity analysis will help determine the challenges, problems and identify where it is that recommendations and solutions can be provided.

## **6. 5S WORKPLACE MANAGEMENT PRACTICE AND VISUAL MANAGEMENT**

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### ***Presentation by James Kimani, Productivity Kenya***

The session started off with brief footage showcasing an example of a poor operational and organizational system at a cement company. The presenter went on by introducing the 5S model, articulating that it is a visually oriented system of cleanliness, organization, and arrangement, designed to facilitate greater productivity, safety, and quality. It engages all employees and is a foundation for more self-discipline on the job for better work and better products.

In his overview, Mr Kimani went through some of the different types of workplaces we come across on a daily basis as well as noting the different concerns facing companies. It was emphasised that the key element to a successful work environment is top management commitment. There is a direct relationship to the product we produce and the work environment, therefore poor management practices result in delay, lower morale and accentuate other problems. In order to have an effective system in place, practicing the 5S approach is crucial - one must visualise productivity. A key highlight is that recognizing and applying the learning curve in any business acquire best practises.

**Comments and Questions:**

A participant asked about what are some of the methods to drive the 5S system successfully. The presenter prescribed this common Mnemonic provided by the model that helps us think about the different wastes: **TIM WOOD**.

Transportation  
Inventory  
Movement

Waiting  
Over-Production  
Over-Processing  
Defective Products

It was stressed that these activities in any company do not add value and cost money. Waste reduction is a major part of this component. It helps you reduce time wastage and service your customers better. The Mnemonic is effective in helping us understand these 7 wastes that will subsequently lead to a more principled implementation model.

## **7. ETHICS AND PRODUCTIVITY**

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**Presentation by Dimakatso Phiri, Productivity SA**

Again Ms. Phiri presented some of the key features involved in the productivity levels of an organisation - wastage elimination and reduction. The objective of the presentation was to touch base on this concept. Ms. Phiri proceeded in stating that the term productivity should not be negatively associated with more work but rather a term used to achieve production more effectively. The presentation highlighted on how productivity is a mindset that embraces the value of doing what you do today better than what you did yesterday and even better tomorrow. It is a continuous performance improvement. Ms. Phiri also emphasised that if one wants to get it right, we must say the right things to get the desired results right away.

Additionally the 'breakeven' approach was elaborated on; a situation where income incurred during a certain period of time is exactly equal to the cost incurred to earn income. It is important to know the breakeven point of a business so that it can determine the number of sales it needs to realize in order to start making profit. Another aspect that was highlighted on is on the importance for businesses to do feasibility studies, to design products to what people need. In order to better understand competition, one must create a business plan that forces an analysis of the market. A formal business plan is necessary to show all interested parties the level of commitment to building a business. A fundamental take-away is that we must allow ourselves to learn more and question our work. There is a lot that we don't know!

**Comments and Questions:**



Mr. Diop raised a comment on how SMEs owners now anticipate and foresee the level of production in their industries. A participant responded by highlighting that a lot of information has been presented regarding innovation that will eventually be translated into their work and passed onto their employees. Another comment noted is that expenses and proper planning is key to the success of a business. Direct costs and indirect costs are both key and important factors.

Mr. Wada-Samuel of PAPA recommended that small business owners should never enter any business agreements without clearly understanding the terms. He also added that small business owners should always employ people on a 'casual' basis. An ILO Representative added that it is important that one understands the countries' laws first. There is a link between productivity and working conditions. The problem with absenteeism is because some people are not satisfied at work. The issue of 'casual' employment statuses could be unlawful and should carefully be scrutinized first before fully engaging in it.

In addition, studying the business labour regulations in respective countries is also very important for the success and risk mitigations of SMEs. Any business should have a step-by-step process that is re-evaluated continuously. An imperative proposal is for SMEs to reserve savings for emergency bailouts. The service provided by business specialists can also help take you through a number of options in order for businesses to realize how to boost staff morale-understanding what is needed and what lowers morale is key to improving the success of any business - morale is far beyond money.

## DAY THREE, 22 JULY 2015

### 1. EMPLOYEE SUGGESTION SCHEME (ESS)

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#### ***Presentation by James Kimani, Productivity Kenya***

Mr Kimani noted that the ESS presentation will aim to feed into what has already been discussed on the previous days. He recapped on some of the main outcomes of the previous day; highlighting the 'thinking outside the box' process. He stressed however, that the ESS infers to 'thinking without the box'.

Accordingly, the ESS is an avenue to systematically solicit creative ideas from individual or groups throughout the organization for improvement at the workplace. Employee involvement should not be autonomous of the 5S model, Quality Control (QC) and ESS. All of these are co-dependent to achieving the desired outcome. This scheme emphasises on the two-communication approach, recognising rewards and as a consequence improving ideas and corporate objectives. The ESS objectives stress on the tangible kaizen improvement, importance of cultivating creativity, providing direction and promoting understanding of job and opportunities for staff to participate in management through collective wisdom.

Furthermore the presenter touched on how 'Data rich, information poor' was core to the principle. An ESS can easily end up as a channel for employees to vent their frustrations or suggest merely self-serving benefits. To prevent this from happening, ideas need to be backed up with solid information.

#### ***Comments and Responses:***

Mr Hassan took the floor by questioning the statement 'Complaints on Management Policies and Decisions'. The presenter pointed out management should provide leadership on how these suggestions come in. When managers provide the leadership then this can work.

The suggestion scheme is meant to improve the work process. How one delivers complaints/suggestions should have a remedial effect. If one is not happy with current policies in place then one should put forward a specific plan with a desired outcome. It is also to note that how Managers receive complaints is critical; the suggestion scheme is what will help structure this.

A question was raised on how one can turn complaints into ideas effectively. Mr Kimani informed the participants that opinions could be good ideas, however an opinion is not tailor-made for improvement. It is subjective. An idea is objective and may very well contribute to improvement.

A participant commented on the importance for Managers to be careful when giving incentives as it may delineate and create animosity between employees, hindering the spirit of teamwork; giving recognition to everyone is crucial. Mr Kimani emphasised the importance of having structures and rules in place before engaging in any form of incentive scheme. Ms. Phiri added the importance of always having structures in place that will help minimise any legal matters, should they arise.

The chair went on to reiterate that this is a training of trainers' initiative. This training is to support SIDO and top management to implement their work effectively and to provide the right skills to employees.

## **2. TOTAL PRODUCTIVE MAINTENANCE (TPM)**

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### ***Presentation by Oyibo Wada-Samuel, National Productivity Centre, Nigeria***

The presenter defined TPM as an advanced productivity improvement technique that deals with the overall. It is aimed at promoting equipment improvements, by maximising equipment effectiveness with total system of preventative maintenance.

He noted that SIDO staff should operate as 'extension workers' for SMEs. This support will help SMEs function fully. He stressed on the importance for SIDO staff to observe companies and diagnose the problems at hand.

He went on to state that the building blocks of TPM hinges on the following 5 pillars;

1. Improvement activities designed to increase equipment effectiveness
2. Autonomous programs performed by the operators
3. Planned maintenance system put in place
4. Training of people to improve operation and maintenance skills
5. System for maintenance prevention and early equipment management.

### ***Comments and Responses:***

A participant pointed out that TPM is focused for SIDO staff rather than CEOs. The presenter responded by affirming participants that this module is equally very useful for CEOs. SIDO's role will be to complement the CEOs efforts.

Another participant questioned on how SIDO will give them the technical expertise on the maintenance of machines unless they themselves come and learn from companies. Mr. Wada-Samuel further emphasised that SIDO's primary duty is to encourage the top management to put their eye on the specific activities: i.e. cleaning. Ms. Phiri went on to add that the main objective for TPM is largely for maintenance and aiding one to understand how the machines can run at their optimum, effectively.

Again, it was stressed that companies must have their own structures, so that technical personnel can respond to these. There must also be a maintenance schedule in place to service the machines and track progress, preventing breakdown. TPM is a tool that helps one to use machines optimally. Ms. Phiri further added that all staff responsible, must be trained on basic maintenance principles for the purpose of capacity building. This can be achieved through the 'Productivity Champion' model that also acts as an accountability and transparency platform.

## **3. ISO 9000**

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### ***Presentation by Oyibo Wada-Samuel, National Productivity Centre, Nigeria***

Mr Wada-Samuel started off by introducing the ISO 9000 approach, accentuating that it is a family of standards for quality management systems (QMS) developed by the International Organization for Standardization (ISO). It provides a standardized model for QMS created through international consensus. ISO 9000 is primarily concerned with quality management. This means anything that affects a product or service required by a customer and what that organization does to ensure that a certain standard of quality is achieved and maintained.

ISO is the international standard - every country has its own standards. In Tanzania it is 'TBS.' A participant noted that sometimes countries still require companies to adhere to their national standards even if they pass the international standards.

## **4. SUSTAINING COMPETITIVE AND RESPONSIBLE ENTERPRISES (SCORE)**

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### ***Presentation by Tasiana Mzozo, ILO, Kenya***

Ms. Mzozo started off the presentation by highlighting the objectives of Score as a practical training and in-factory counselling programme that improves productivity and working conditions. The objective is to assist small and medium sized enterprises to become more productive and competitive, and provide better jobs. SCORE training drives this transformation through promoting the use of best international practices in manufacturing and service sector SMEs and facilitating entry into global supply chains.

SCORE is being implemented in number countries in manufacturing, textiles, agro processing, and furniture and in many other industries. Training usually begins with a two-day workshop facilitated by an expert. Four participants train Four to five enterprises together in the workshop and each enterprise is represented: two Managers and two Workers. After the workshop experts visit the enterprises to offer advice and support as the training is put into practice.

SCORE has 5 modules:

1. Workplace cooperation
2. Quality Management
3. Productivity and Cleaner Production
4. People and productivity
5. Organizing workplace

SCORE Training incorporates two types of measurement of change. The first is the gathering of pre- and post- implementation data. Use of **Yes-No** indicators to record whether the company has important policies or practices in place e.g. a health and safety policy or regular workplace meetings. Other indicators track changes relating to productivity, physical conditions and matters relating to employees, e.g. defect rates, accident rates and employee turnover.

## **5. GOING-FORWARD/FEEDBACK**

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- The 5S should be the road map to any success plan; this is a change of mindset;
- It's not only productivity; there is also need to address technology in order to be competitive;
- Questions raised: Are there some things expected from SIDO to help SMEs? Does SIDO need to integrate more? Is there a gap in what they have been doing? How can they help SMEs perform better and capacitate them? A participant stated that there are so many elements to address and these types of meetings allows for that. A Productivity Expert added that the relationship between SIDO and SMEs should always be bilateral; The growth of SMEs directly has an effect on SIDO's growth;
- A CEO requested for more industrial training from SIDO in order to learn from them other companies. Through SIDO they are able to gain expertise and technical knowledge. SIDO can easily help SMEs fulfil their targets;
- A SIDO Representative noted that SIDO have been trying to provide these services and one of the ways this is fulfilled is by linking SMEs through exhibitions and through relevant ministries;
- Question: Do SIDO initiate the trainings or do they wait for things to envelop first before they initiate? It was stated that having a needs assessment is vital. The CEOs are excited and feel they need more from SIDO that will ultimately give SIDO the space to cultivate these requirements;
- A question posed by a Productivity Expert as to whether this training has equipped the SIDO staff for SIDO staff and whether it has delivered on its objectives? A SIDO Representative commended the experts stipulating that everything went as expected and this will translate into their future engagements and efforts with SMEs;

- It was highlighted that it is important to link everyone together and identify model companies;
- There must be an improvement from SIDO – it would be ideal to see more unstructured trainings, on the shop floor, and consequently work on ways to ensure that things are being implemented, leaving behind assignments. It is important that SIDO think through how it is they demonstrate results and what are the impacts and changes being made that are visible?
- It is fundamental that a vision, mission and values in place drive any company;
- The Chair raised the question on how AUC, ILO and PAPA can better equip SMEs and SIDO? It is essential to understand this, as their mandate is to capacitate Member States.

## **5. PREPARATION FOR IN PLANT VISIT**

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The In Plant visit is proposed to take place all day on 23 July 2015. Participants were urged to be at the ILO, CO, Tanzania by 0800 in order to leave promptly at 0830. There will be two groups. The aim for the day will be for all to observe the recommendations made by the experts in order to see how one can improve. Way-forward and follow-up mechanism will also be illustrated in the exercise.

## DAY FOUR, 23 JULY 2015

### 1. FIELD VISIT

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Visits were made to Marvelous Flotea, Profate Co. Ltd and SIDO (Shoe-making, Dairy, Ice Cubes, Soap, Metal Works and Weaving). Comprehensive discussions were held with the owners of the businesses about the day-to-day duties and productivity levels of their companies. In general the following observations were made.

Review for the day:

- Most businesses visited were clean thus showing the gravity and seriousness of the work-efficacy;
- Safety should be considered in small business for easy evacuation in case of employees;
- Some small businesses should invest in safety clothing so workplace arrangement should be taken into consideration;
- Workplace equipment was not properly laid out for ease of access making tool accessibility difficult. Tool accessibility is important as it leads to maximum utilisation of time and not wasting time using for tool;
- Proper display of tools also leads to efficiency at the workplace as proper visibility of working tools help in time efficiency. It was recommended that SIDO should visit the entrepreneurs more often;
- Chairs should be made available for staff at the soap making enterprise noting that their productivity would increase if staffs sit comfortably to carry on their duties; Never put anything on the floor. Organisation and let your working place be orderly;
- Better packaging was also recommended for the soap making enterprise pointing out that a brighter packaging attract more eyes thus more customers wanting the product;
- The metal enterprise was advised to get safety booths and goggles for workers and to arrange electricity cables properly for safety reasons. Utilise your space efficiently;
- CEOs were advised to include their salaries in the payroll - it helps to reduce improper spending of the enterprises money and determines accurate revenue;
- Support business with global supply chain such as supplying textile and ice cubes to touristic attractions, this increases competition and accessibility to more customers. Networking and communication are very important for any small business as it opens up other mediums of opportunities. Marketing is very important. It contributes to brand recognition;
- Stratification Management – archive work if it is not needed or has been used in the long time;
- Ergonomics and effectiveness of works should be re-examined.

## WAY FORWARD

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- AUC, PAPA and ILO experts to review and finalize an MSMEs Productivity Capacity Building project proposal by mid-August 2015;
- Work on resource mobilization and funding of the project, targeting key partners such as JICA, China, EU, AfDB, IDB, etc. they will complement national funding and funding by RECs for effective implementation of the project, to mobilize and bring on board more key stakeholders such as ISO, UNCTAD, UNIDO, UNECA, etc.;
- Engage the RECs including through set up of regional productivity and competitiveness team including at least 2 NPO of Member States;
- Prepare for implementation of the project in first quarter of 2016;
- Tanzanian SIDO to follow-up on the implementation of productivity improvement tools trained for selected MSMEs as potential Model companies in Tanzania from 20-24 July 2015;
- SIDO to conduct on-site assessment of tools particularly 5S-Workplace Management Practices to ensure continuous performance improvement;
- Ensure sustainability, there should be a continuous feedback from SIDO to PAPA secretariat on the progress of the project on quarterly basis;
- SIDO to ensure a strategic implementation of the project for effective service delivery;
- Through various ILO programmes, facilitate the collaboration of the departments of trade and industry and labour, and the involvement of Non-state actors such as social partners, on improving the external environment factors to support productivity improvement in MSMEs; and
- Enhance capacity of these actors on advocacy for MSMEs growth and development.

## **DAY FIVE, 24 JULY 2015**

### **1. CLOSING CEREMONY**

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The closing started off with remarks from Mr. Oumar Diop who welcomed the Director General of SIDO and thereafter took us through the agenda for the event, He used this opportunity to commend the participants for the engagement and commitment shown in the past couple of days and reassured them that AUC, ILO and PAPA will be a big part of their productivity journey. Mr Diop highlighted the importance of thinking outside the box in order to drive change.

On behalf of the ten SMEs, Mr. Mlako, thanked the participants and highlighted the depth of the training, appreciating the knowledge gained and tools given to support them in their business endeavours. Again he emphasised the work that they aim to translate to their employees and partners. A commitment was made by the CEOs to create a technical group, to track commitments made, set up a social media work platform and as they go ahead they aim to report on their activities and efforts accordingly.

A SIDO representative took the floor, highlighting the key information gained from the training, which have equipped them as a team to tackle productivity challenges. SIDO acknowledged their efforts going forward to support their SMEs to understand methods and systems that drive yield and growth of businesses as well as increasing employment, using their SMEs effectively so that they can also gain ideas and become innovative.

ILO Representative, Ms. Tasiana Mzozo emphasised the need for workplace corporation. ILO has various tools in sustaining competitiveness and the area of critical importance. Ms. Tasiana pointed out that Tanzania should aim to compete globally.

Ms Mokgadi Mahlakgane, PAPA Representative took this opportunity to acknowledge how the productivity experts have gained their experience from some of the best practices across Asia. She went on to urge that Tanzania should be a part of PAPA and benefit from other interventions. She highlighted the importance for SIDO and SMEs to implement the recommendations from the experts and that PAPA and the AU will continue with efforts of duplicating these initiatives to other Member States.

Mr. Hussein Hassan took the opportunity to appreciate the participants. AUC will continue to support AU MS in the support of this Productivity Initiative. Agenda 2063 draws the way to developing our industry and the social economy in the next 50 years. Enhancement of social life and economic development are at the core of this agenda.

The Director General of SIDO noted that it is imperative to utilise the knowledge to upscale the ongoing work. He highlighted that Tanzania is promoting the utilisation of local products so as to gain international recognition. The marketing of these crafts are what will drive the economy.

The Training ended with certificates being issued to all participants and a group photo to commemorate the event.