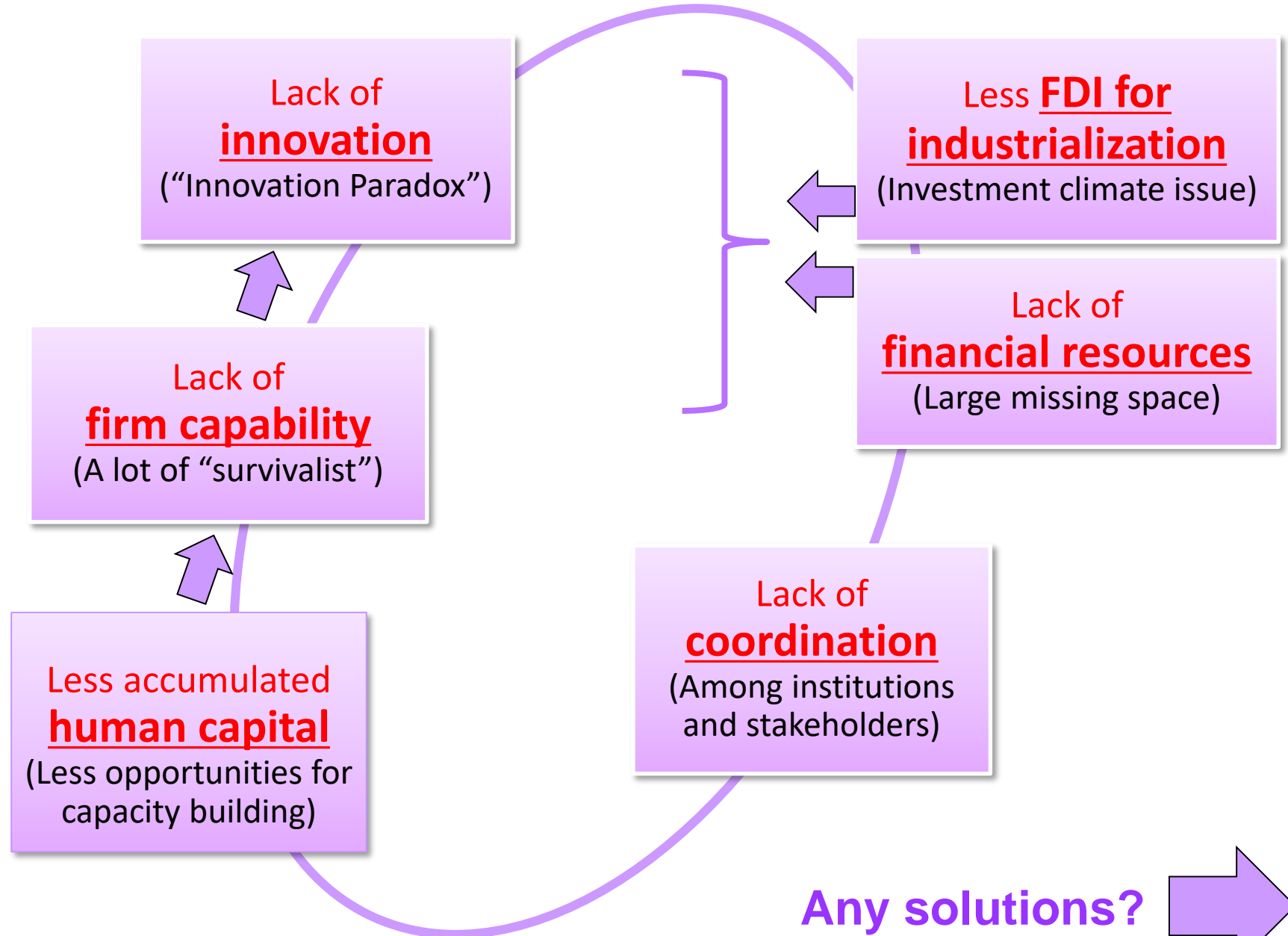




# Key Challenges for Africa industrialization



# Kaizen

as one of  
the solutions

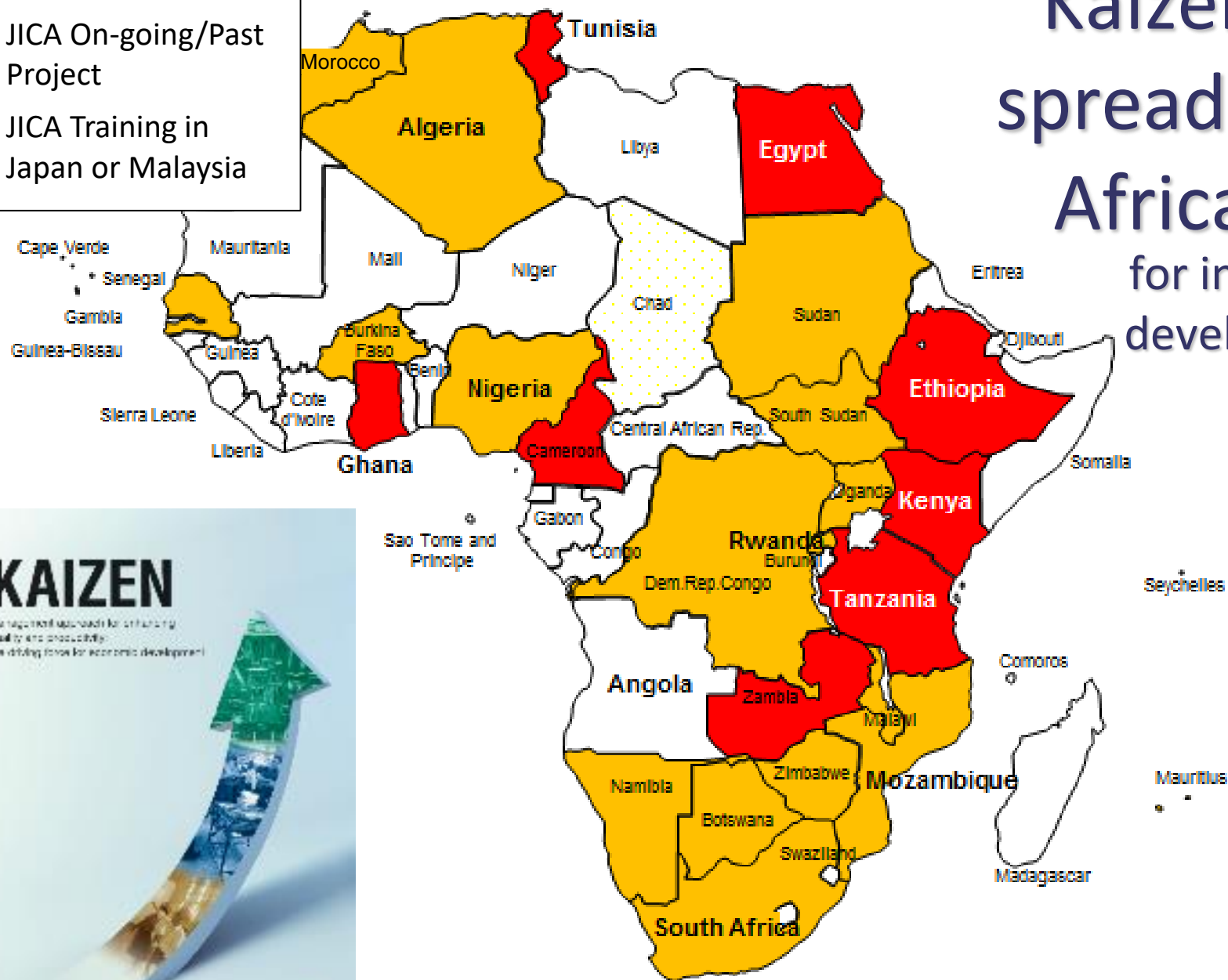


Source: JICA (2018)  
"Kaizen Handbook"

- |  |  |   |
|--|--|---|
| <b>Effect 1</b> Improves quality, productivity and service level; Reduces cost and delivery time | <b>Effect 2</b> Changes mindsets of managers and workers                         | <b>Effect 3</b> Fosters personnel who can think and act by themselves |
| <b>Effect 4</b> Builds teamwork and enhances communication                                       | <b>Effect 5</b> Creates a strong organization that keeps evolving and developing | <b>Effect 6</b> Creates a safe and comfortable work environment       |

**Human  
capital  
development**

**Firm Capabilities Building**





# Africa Kaizen Annual Conference 2018 in Durban

## “Discussion, Outputs and Way Forward”



Held on 2-4 July 2018 with 150 participants from  
20 countries in and out of Africa

# Kaizen: results and impact

- Introduction of KAIZEN to SMEs in 8 countries,  
Supported over 1,000 firms, Beneficiaries of 60,000 people
- Formed “Africa Kaizen Initiative” with NEPAD (April 2017)
- Productivity improvement by 30%

## Improvements in productivity and cost reduction in a KAIZEN workshop

### 【TANZANIA • Shoe Workshop】

#### The issues before KAIZEN

- Scattered waste material and dust was the cause of defective products.
- Errors in production or delivery delay frequently happened due to inadequate inventory control.



BEFORE

#### Implementation of KAIZEN



5S  
Visual  
Control

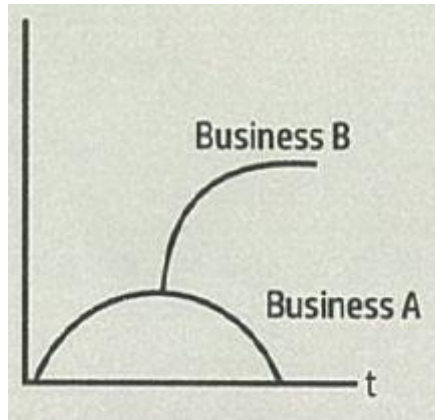


AFTER

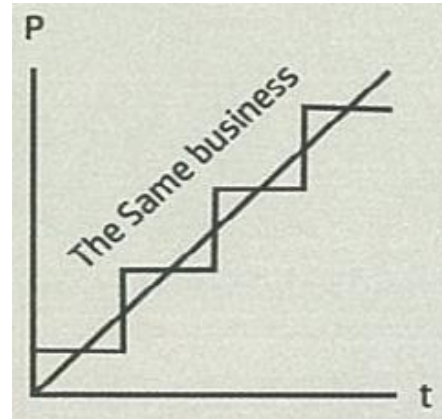
But not only these...

# Kaizen for innovative business

- Kaizen is also an innovation.
- Kaizen is Incremental Innovation to complement Radical Innovation (Breakthrough).
- Kaizen is Process Innovation and a most basic capability for enhancing firm capability.
- Invention capabilities and Technological adoption capabilities, essential for economic transformation

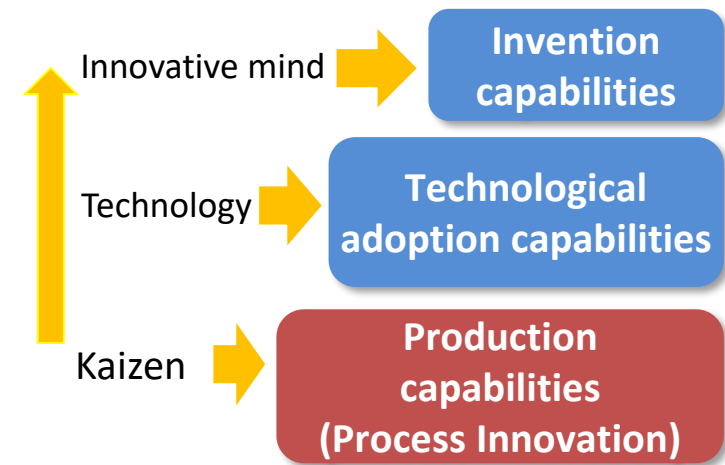


Radical  
Innovation  
<Breakthrough>



Incremental  
Innovation  
<Kaizen>

## Ladder of Firm Capabilities



Source: World Bank (2017) "The Innovation Paradox", modified by JICA

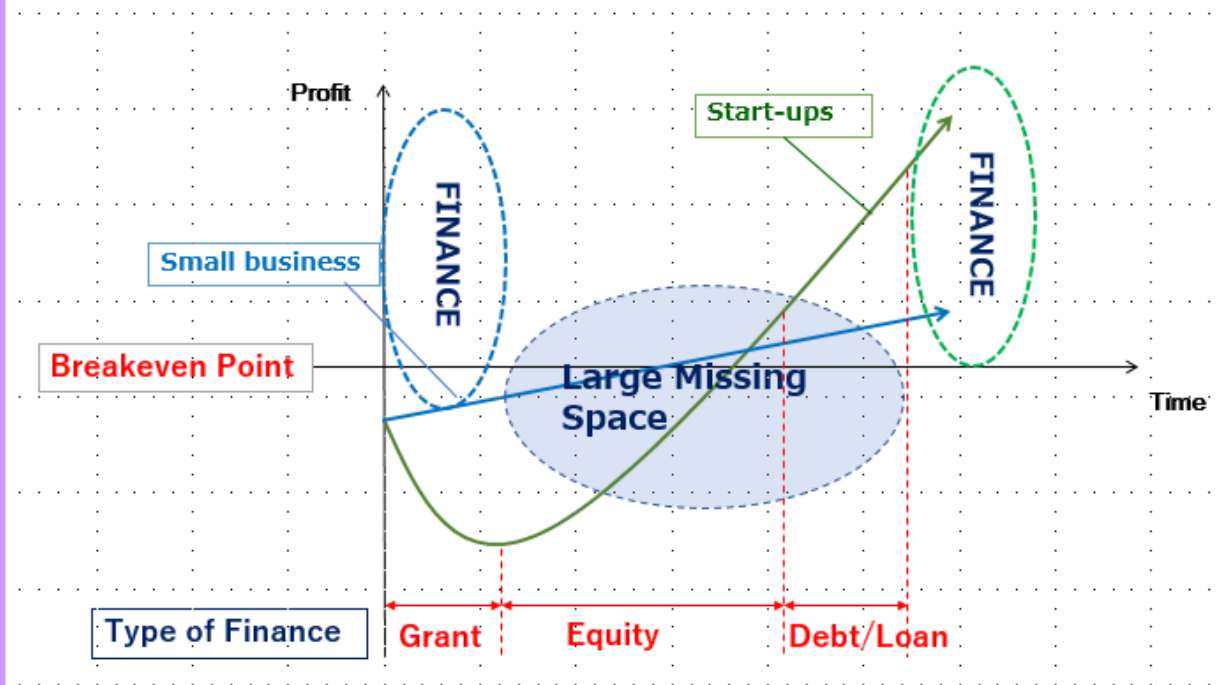


# Covering Large Missing Space for financing entrepreneurs/SMEs, critical for their growth

- SMEs with KAIZEN needs fund to expand production capacity.
- Start-ups faces severe shortage of money before making profit (at their early stage)
- MFIs provide only small fund, while Private funds (Commercial Bank, VCs) target later stage

→ Potential entrepreneurs/SMEs remain unattended financially.

= Large Missing Space

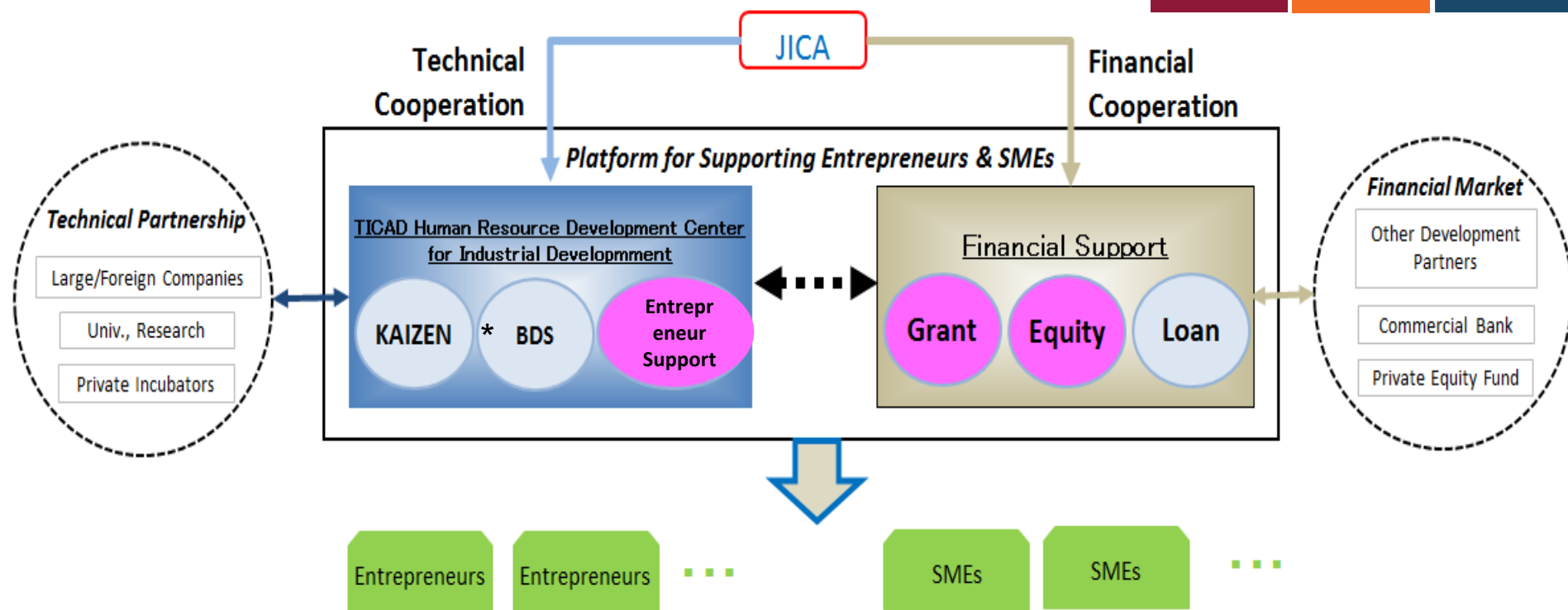


Source : JICA

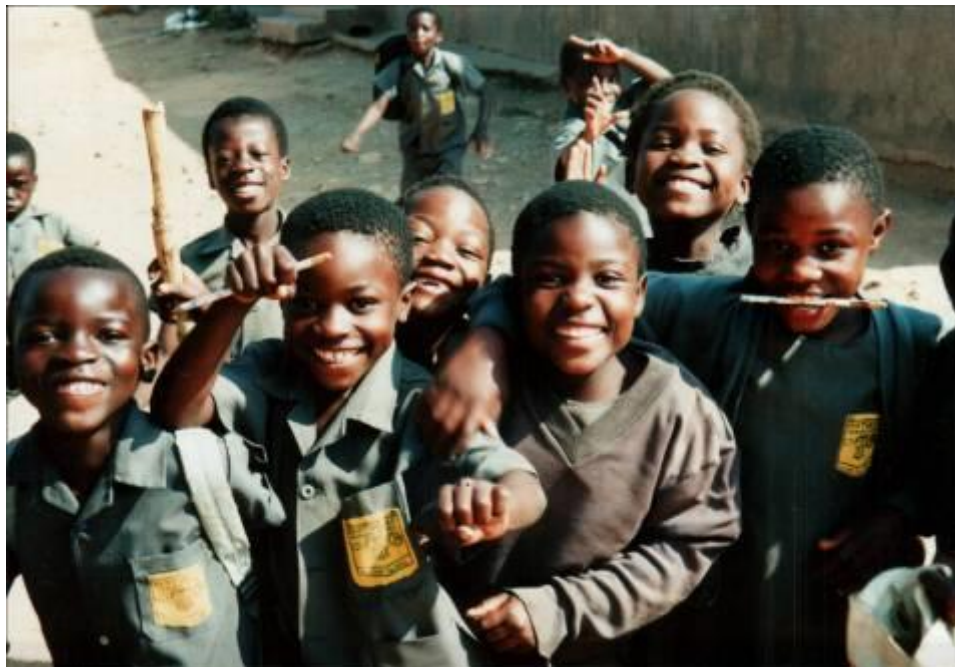


# New Platform for supporting entrepreneurs and SMEs in Africa

JICA is preparing to create and develop innovative “**Platform for supporting Entrepreneurs & SMEs**”, combining **Technical Cooperation** (such as Kaizen) and **Financial Support** in collaboration with partners/stakeholders: Starting from Ethiopia.



# ***Thank you!***



*Photo: Homma*



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