



United Republic of Tanzania

Ministry of Industry, Trade and Investment

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KAIZEN Dissemination in Tanzania Towards Industrial Development

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PRESENTATION OUTLINE

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- 2. OVERVIEW ON MITI**
- 3. ADOPTION OF KAIZEN IN TANZANIA**
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- 6. KAIZEN IMPLEMENTATION STRUCTURE**
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1. INTRODUCTION

Tanzania is **articulating on industrialization** in line with the National Development Vision which aspires the Country to have a **Semi-industrialized Economy by 2025.**

Ministry of Industry, Trade and Investment (MITI) bears the leading role in steering the country to the aspired industrial development goal, but the plan is involve all key players.

2. OVERVIEW ON MITI

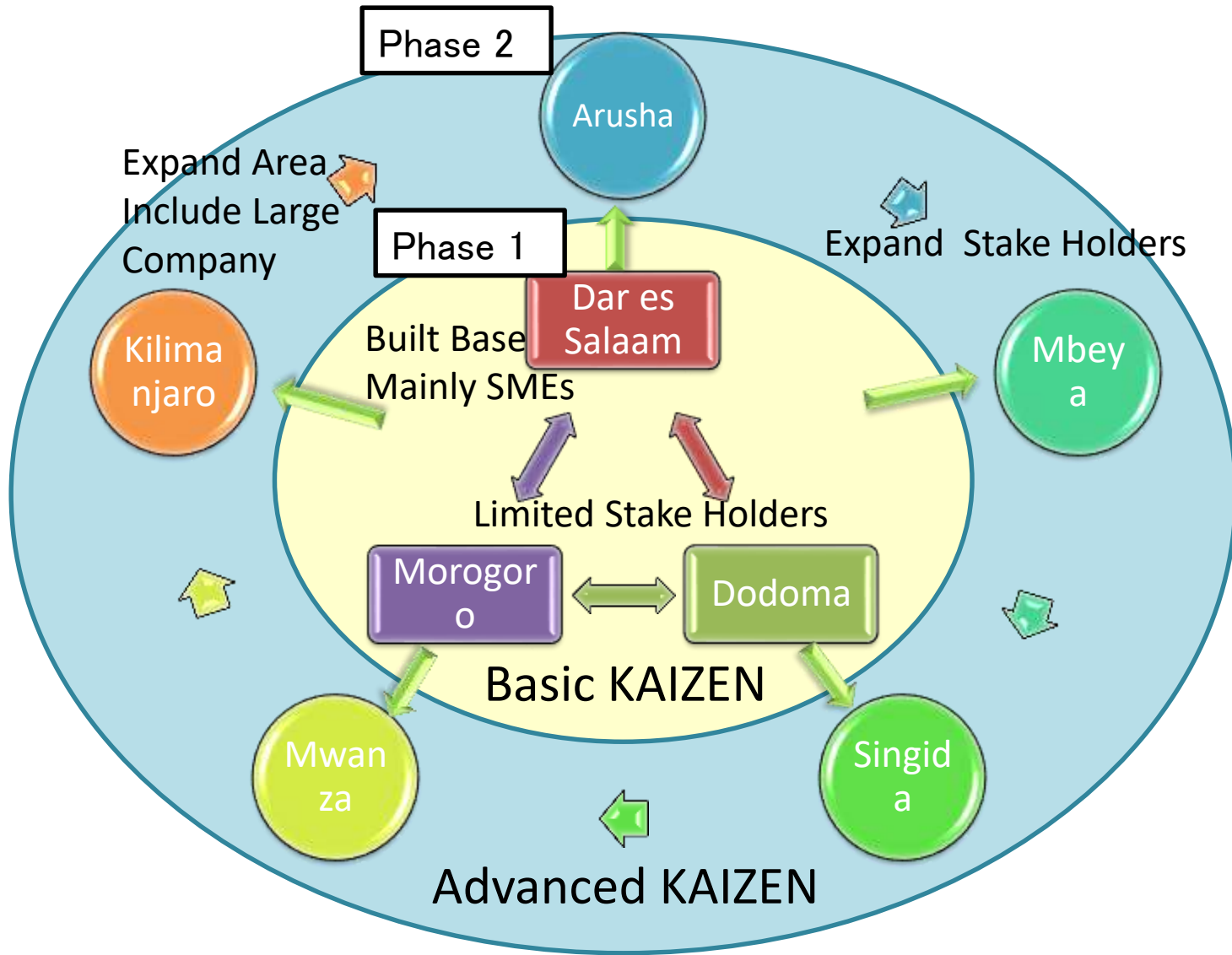
- ❖ MITI is **mandated** for formulating policies and strategies for:
 - **Promoting Investment;**
 - **Industrial Development;**
 - **Trade Integration;**
 - Marketing and Development of **SMEs**.
- ❖ Governing and coordinating the development of such sub-sectors in Tanzania.
- ❖ MITI activities involve participation of institutions affiliated to the Ministry and other stakeholders including private sector and Development Partners.

2. OVERVIEW ON MITI: Strategies

- ❖ Strengthening SME Sector Development;
- ❖ Strengthening Industrial Development
- ❖ Enhancing Trade Sector Competitiveness;
- ❖ Improving Market Access for Domestically Produced Goods and Services;
- ❖ Strengthening Institutional Capacity, Operations, Legal Framework and Management Information System.

3. ADOPTION OF KAIZEN IN TANZANIA

- MITI established Tanzania **KAIZEN** Unit (TKU) in July 2012 under the Department of Industry Development.
- KAIZEN Project **Phase 1** supported by JICA was conducted from April 2013 to December 2016. It **piloted three regions** (Dar es Salaam, Dodoma, and Morogoro) and built a base for KAIZEN Development.
- MITI established "KAIZEN Strategy and Policy Actions for Promoting KAIZEN Methodology in Tanzania: 2016-2025" in August 2016.
- KAIZEN Project Phase 2 started August 2017 for three Years. It **expanded area to other 5 regions** and involved more stakeholders.



Expansion from phase 1 to Phase 2

4. ACHIEVEMENTS

- Improvement of **Productivity and efficiency**.
- Improvement of **quality and profitability**.
- Proper arrangement of working area (Layout)
- Increase of customers and market.
- More space were created.
- More time spent on production.
- Workers safety has being improved.
- Team work has being realized.
- Peace and unity has being realized.
- Confidence has increased among workers.
- Default rate and risk has decreased.

4. ACHIEVEMENTS: Company Cost Reduction

Before
Kaizen



After Kaizen



- ▶ We have saved fuel amounting to TZS 990,990 (US\$435) per month running on single shift.

4. ACHIEVEMENTS: Production Improvement

S/ N	Advanced kaizen themes	KAIZEN Results		Target	Remarks
		Before	After		
1	Production Volume	30 MT/Day	40.71 MT/Day	40%	35.70% Increase
2	Reject/Defect Rate Reduction			50%	Reduction
	Quality defective goods from market	0.88%	0.00%	50%	Reduced at max.
	Detergent quality defective products	9.86%	5.61%	50%	Reduced by 43.1%
	Boxes Defect rate	1.05%	0.44%	50%	Reduced by 58%
	Pouches Defect rate	0.13%	0.00%	50%	Reduced at max.
	Rollers Defect rate	2.63%	1.62%	50%	Reduced by 38.4%
3	Machine Breakdown	15.73%	6.48%	81%	Reduced by 58.8%
	Man made Down time	5.59%	2.07%	64%	Reduced by 62.97%
4	Job shop Layout improvement	0%	32%	30%	Improved by 2% extra
5	Waste Minimization	9.1%	6.54%	45%	Reduced by 28.13%

4. ACHIEVEMENTS: Benefits in Monetary Terms

- The Company reduced Production Cost by increasing the production per day by **35.70% production increase**
(10.71MT/Day = T.Shs 22,848,000.00 (US\$10,000) /Day)
- The Company reduced rejection rate of our product from Market and production **(Savings T.Shs 3,282,982.40 (US\$1,400/Day)**
- The Company reduced waste of packing materials and waste product. **(Savings T.Shs 310,043.26(US\$136) /Day)**

4. ACHIEVEMENTS: Effort made to support KAIZEN dissemination

❖ Preparation of **local trainers**

- Advanced Kaizen Trainers -38
- Kaizen Trainers - 62
- Kaizen Coordinators - 95

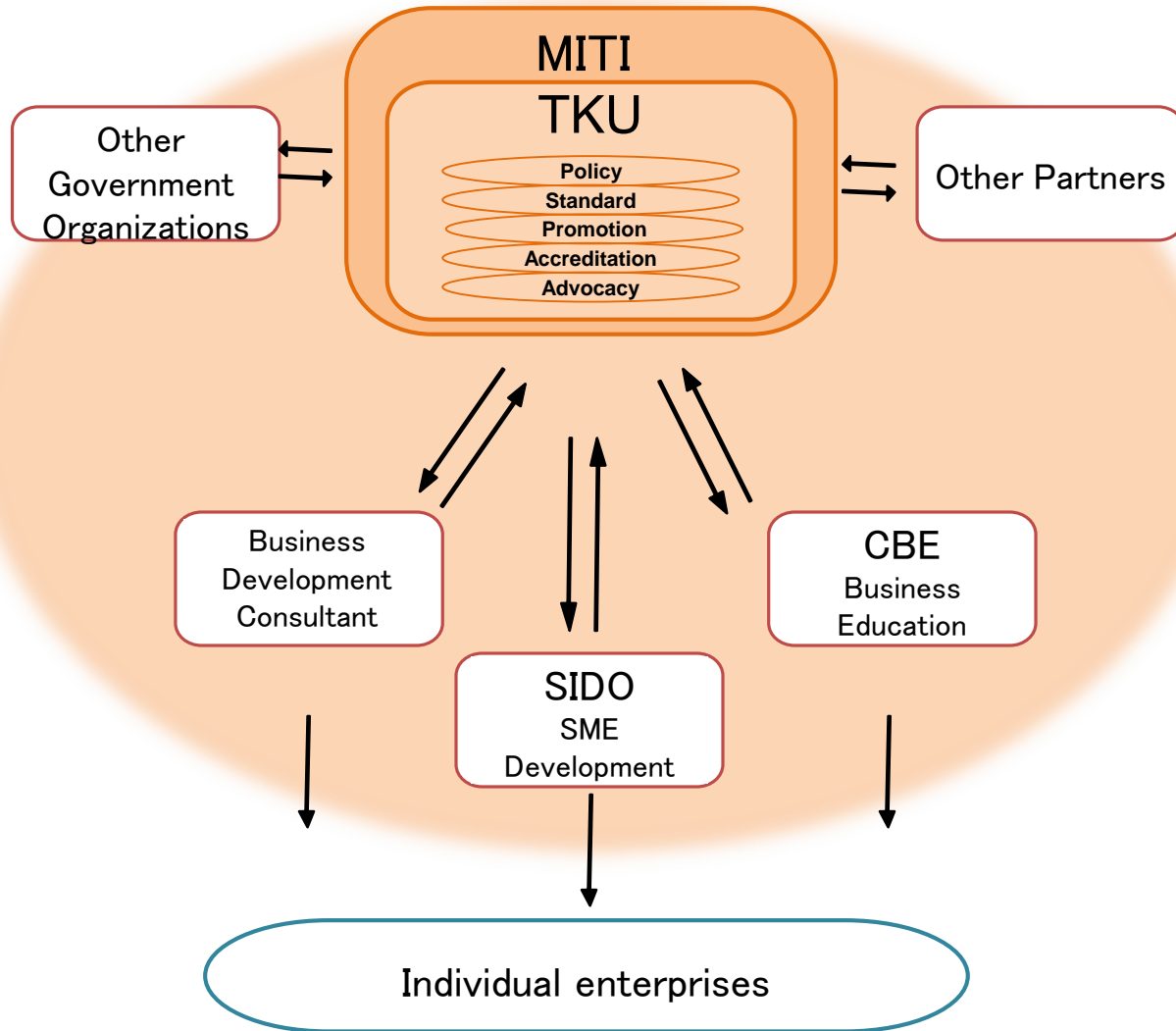
❖ Involvement of **leading company**

- Leading company – 17
- Small and Medium Enterprises - 74

5. CHALLENGES

- Resistance from the workers due to **wrong perception**
- Less **Management support and commitment**
- Poor Team work
- Poor Leadership
- Lack of Financial support
- Low Level of worker's education
- Negative Perception of Kaizen to leaders & workers
- Less Morale compared to target work (peace work)
- Too long to adopt Standardization

6. KAIZEN IMPLEMENTATION STRUCKTURE



Original Implementation Structure

Weakness of the Original Structure

- Lack of **Human Resources**
- Lack of Financial Resources
- Limited Access to Wide Area of the Nation
- Limited Access to Huge Number of Enterprises
- Limitation of the Role of Governmental Organizations
- Too much Dependence to Development Partners

Countermeasures to the Weakness

- **Expansion of Stake Holders**

Banks: KAIZEN Service to their Loan Customers

Local Government: Dissemination through their own channel

Accounting Firm: Additional Service to their Customers

NGOs: Assist Industrial Development

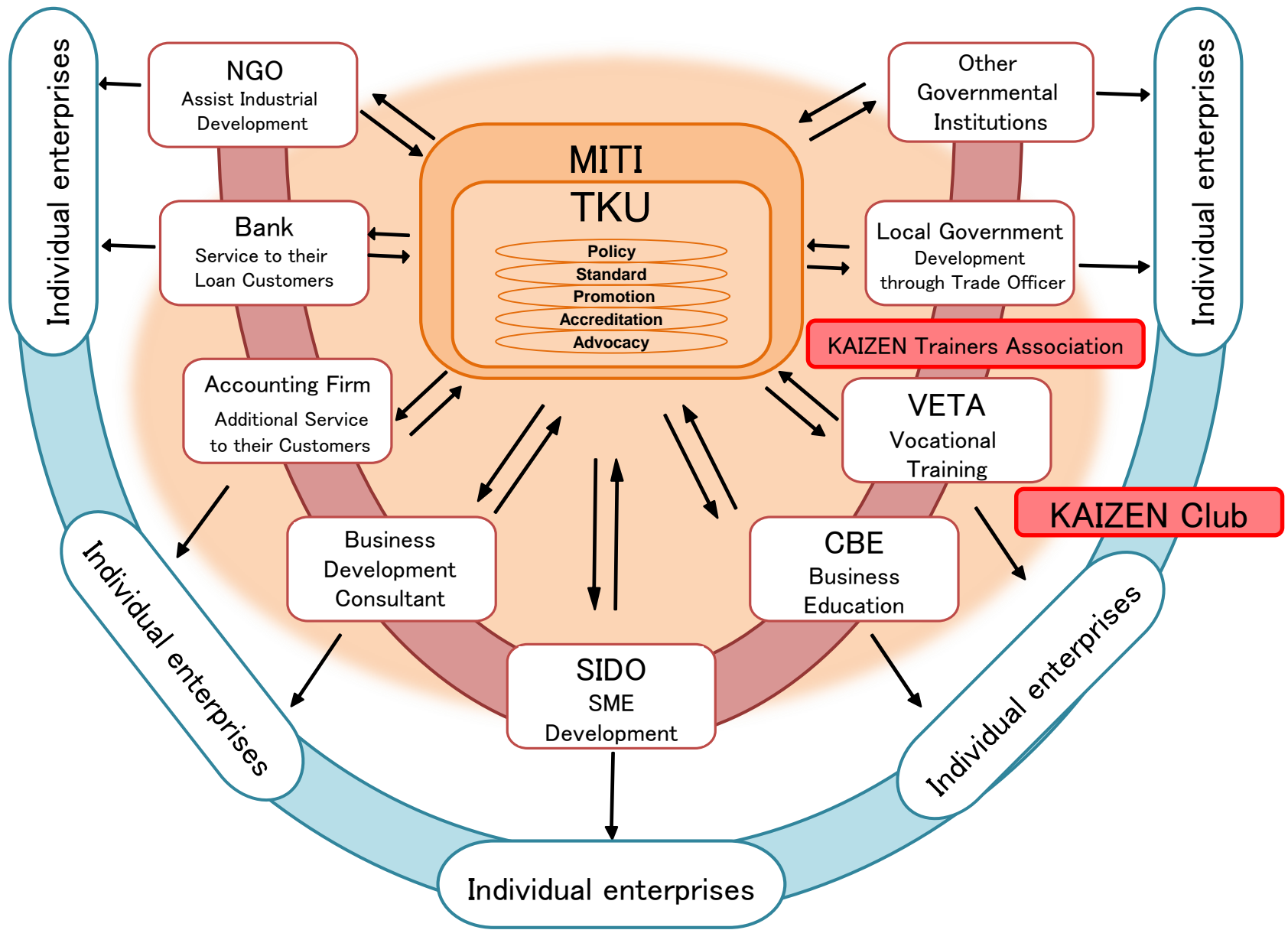
Vocational Training Institution: Introduction of KAIZEN through their training curriculum

Other Governmental Institutions: Collaboration through their own task

- **Establish Voluntary KAIZEN Organizations**

KAIZEN Club: Organization of CEOs of enterprises implementing KAIZEN

KAIZEN Trainers Association: Organization of KAIZEN Trainers



Ideal Implementation Structure

7. CONCLUSION AND RECOMMENDATION

- To **utilize** any resources which is beneficial to develop **KAIZEN** is necessary.
- To implement KAIZEN, **positive mindset** of all persons concerned is very important
- Continuous improvement based of PDCA cycle of promotion organization side is indispensable.
- The Organization **KAIZEN** need to be **promoted**.

THANK YOU

ASANTENI



Can assist you