

Ministry of Industry, Commerce and MSMEs

**Advisor on Capacity Development
of Micro, Small and Medium Enterprise
in the Dominican Republic**

Final Report

February 2024

Japan International Cooperation Agency

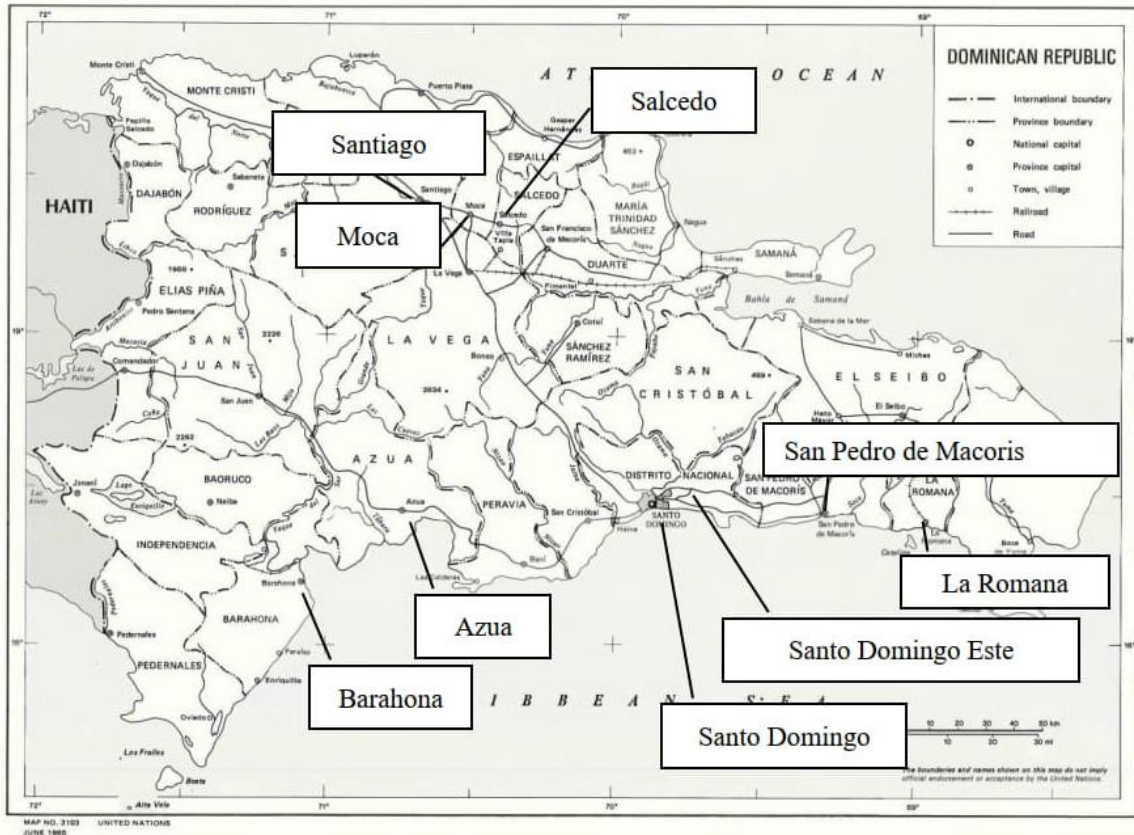
Kaihatsu Management Consulting, Inc.

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Abbreviation List

Abbreviation	Official Name
ADOPEM	Dominican Association for the Development of Women
CECAPRO	Quality and Productivity Center
CENPROMYPE	Regional Center for MSME Promotion
CTA	Antioquia Science and Technology Center
ERP	Enterprise resource planning
FEDA	Special Fund for Agricultural Development
IDECOOP	Institute for Development and Cooperative Credit
INFOTEP	National Institute for Professional Technical Training
ISA	Higher Institute of Agriculture
MICM	Ministry of Industry, Commerce and MIPYMEs
JICA	Japan International Cooperation Agency
GDP	Gross Domestic Product
MSMEs	Micro, small, and medium enterprises
PRODOMINICANA	Export and Investment Center of the Dominican Republic
PROINDUSTRIA	Center for Industrial Development and Competitiveness
PROMIPYME	National Council for MSME Promotion
PUCMM	Pontifical Catholic Mother and Teacher University
UCE	Central University of the East
UNPHU	Pedro Henriquez Ureña National University

Map of Dominican Republic



(Source of Map) <https://www.un.org/geospatial/content/dominican-republic>

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Chapter I. Summary of the Report

1.1 Outline of the advisor service

In the Dominican Republic, micro, small, and medium enterprises (MSMEs) constitute many domestic businesses and play a crucial role in job creation. However, there is a lack of technical support, and the impact of the COVID-19 pandemic has further exacerbated the situation, making the reconstruction of businesses and strengthening of their resilience an urgent priority.

To date, JICA has worked on developing facilitators to support MSMEs in improving quality and productivity. From 2009 to 2013, it implemented a regional project in Central America and the Caribbean, and from 2016 to 2020, similar projects were carried out in the Dominican Republic and El Salvador, resulting in the training of a total of 48 facilitators.

In response to requests from both countries, the current initiative aims to further strengthen and expand the facilitator training program while sharing knowledge with other countries in the region. It is expected that these efforts will contribute to enhancing the sustainability of quality and productivity improvement activities across the region.

1.2 Activities realized and results

The achievements of activities in the Dominican Republic are summarized as follows:

(1) Verification of the Sustainability of Previous Cooperation Achievements at INFOTEP

Through previous cooperation, 15 facilitators and 8 senior facilitators trained by Quality and Productivity Center (CECAPRO) were certified. Upon verification of their activity status after the start of this project, it was confirmed that 13 facilitators and 7 senior facilitators are currently active. Additionally, after the completion of CECAPRO's cooperation, National Institute for Professional Technical Training (INFOTEP) independently continued to train new facilitators, with 6 individuals engaged in technical assistance for SMEs under the guidance of senior facilitators.

(2) Confirmation of Facilitator Activities at INFOTEP

SME visits were conducted to companies supported by INFOTEP facilitators to verify their activities. It was confirmed that facilitators conducted an analysis of the company's current situation and implemented integrated Kaizen activities and marketing strategies.

Kaizen support was also extended to retail and service industries, resulting in improvements such as enhanced inventory management, better accounts receivable management, and improved hygiene through the thorough implementation of 5S.

(3) Confirmation of Future Facilitator Training Plans at INFOTEP

Initially, INFOTEP planned to train new facilitators in 2024. However, due to internal circumstances, the plan was rescheduled for implementation from 2025.

(4) Development of New Training Materials and Implementation of Training at INFOTEP

At the request of INFOTEP, new training materials were developed on topics such as finance and accounting, loan access, innovation, trade, and information systems. Training sessions were conducted for facilitators and their candidates, with a total of 29 participants, including 20 from INFOTEP and 9 from Ministry of Industry, Commerce and MIPYMEs (MICM).

(5) Proposal for Revising the INFOTEP Facilitator Training Program

A proposal was made to extend training hours, adjust training content based on company needs, add new topics, and promote digitalization, which was accepted by INFOTEP. Additionally, to address the delay in corporate digitalization, it was recommended to promote appropriate digitalization within quality and productivity improvement activities.

(6) Proposal for Revising the Indicators for INFOTEP Facilitator Support Activities

In addition to the conventional Kaizen activity evaluation indicators (number of 5S implementations, creation of surplus space, improvement in inventory management, etc.), new indicators related to quality improvement (defective product rate, reduction in customer complaints), productivity enhancement (cost reduction, lead time shortening), and employee satisfaction (improvement of working conditions, increase in remuneration) were proposed for introduction.

(7) Implementation of 5S and Kaizen Basic Training at All INFOTEP Regional Centers

In August 2024, 5S and Kaizen basic training was conducted at all INFOTEP regional centers, with 160 facilitator candidates participating. In November 2024, additional training was held at INFOTEP headquarters for approximately 50 participants, covering theoretical learning, desk-based exercises, and verification of implementation of 5S in office spaces. Additionally, the importance of organizing and managing files and folders on office PCs was highlighted, and supplementary materials were developed and shared.

(8) Verification of Activities at Centro Mipymes

Visits were conducted to five Centro Mipymes locations to assess their support activities. Cases of collaboration with INFOTEP to improve quality and productivity were also confirmed.

(9) Implementation of a Kaizen Practical Workshop at MICM

In September 2024, a workshop was held for 22 MICM employees, providing explanations on the correct understanding of Kaizen activities and practical implementation methods in businesses.

(10) Implementation of a Quality and Productivity Improvement Seminar

In April 2024, a quality and productivity improvement seminar was conducted in collaboration with MICM, targeting practitioners from organizations supporting MSMEs. The seminar covered the importance of Kaizen activities, case studies, and explanations of related support programs. A total of 49 participants from 11 organizations attended, confirming their interest in Kaizen activities, export promotion, and digitalization support.

(11) Preparation for the MSME Competitiveness Enhancement Seminar

In November 2024, a regional seminar on MSME competitiveness enhancement was held, inviting Central American countries and CENPROMYPE. Support was provided for participants from El Salvador, along with logistical arrangements such as document printing, venue setup, transportation, and facilitation of group work.

1.3 Results and achievement

(1) Human Resources Development for Supporting Quality and Productivity Improvement

At INFOTEP, the sustainability of previous cooperation by CECAPRO was confirmed. Based on this, proposals were made to extend training hours, introduce new themes, and promote digitalization in the current training program, all of which were accepted by INFOTEP. Additionally, new indicators focusing on quality and productivity improvement as well as employee satisfaction were introduced. These

initiatives strengthened both INFOTEP’s facilitator training programs and the support provided by facilitators.

Furthermore, in response to INFOTEP’s request, training materials on finance, accounting, access to financing, and innovation were developed, and training was conducted for 29 participants, including those from MICM. This enabled facilitators to expand their scope of support at business sites. INFOTEP’s new facilitator training plan was postponed from 2024 to 2025. To address this, training materials on 5S and Kaizen, which serve as the foundation for quality and productivity improvement support, were developed. Training sessions were conducted at INFOTEP’s headquarters and all six regional centers, reaching 210 participants. As a result, the number of personnel capable of providing 5S and Kaizen guidance to MSMEs was significantly increased.

Additionally, at MICM, a workshop was conducted for 22 participants on understanding and implementing Kaizen, strengthening their capacity to support the introduction of 5S and Kaizen in enterprises.

(2) Strengthening Collaboration Among MSME Support Organizations

Through the **Productivity Seminar** held in April 2024, which invited domestic organizations in the Dominican Republic, and the **Competitiveness Enhancement Seminar** held in November 2024 with participants from Central America and the Caribbean, mutual understanding among MSME support organizations was promoted. This strengthened the framework for coordinated support among relevant institutions to address various business needs effectively.

1.4 Recommendations

1.4.1. Recommendations for MICM

(1) Promoting Multi-Faceted Support through Collaboration with Specialized Institutions

To enhance the competitiveness of MSMEs in the Dominican Republic, comprehensive measures such as export promotion and e-commerce support, in addition to quality and productivity improvement efforts, are necessary. However, it is challenging for a single institution to implement these supports alone, making collaboration with multiple specialized institutions essential.

As a policymaking and implementation body, MICM should function as a hub that connects these institutions, facilitating information sharing and ensuring integrated support.

(2) Strengthening Collaboration with INFOTEP

INFOTEP, with the support of CECAPRO, has been training facilitators to promote quality and productivity improvement. This initiative has strengthened facilitator training and expanded 5S and Kaizen training programs.

MICM should further enhance its collaboration with INFOTEP to promote quality and productivity improvement across the country.

Moreover, it is effective to extend support not only to formal MSMEs but also to the informal sector by focusing on 5S activities and inventory management improvements.

(3) Standardizing Support at Centro Mipymes

MICM has established MSME centers (Centro Mipymes) within higher education institutions nationwide to provide business support. However, as the operation of these centers varies by institution, there is a lack of standardization in the content and quality of support related to quality and productivity improvement.

MICM should establish uniform standards for the support provided at Centro Mipymes to ensure high-quality assistance. Additionally, MICM should facilitate access to other support programs for businesses that have already received assistance from Centro Mipymes.

(4) Standardizing Support Indicators for Quality and Productivity Improvement Facilitators

INFOTEP's current facilitator training system is limited to INFOTEP personnel, making it difficult to establish a unified national qualification system. However, standardizing facilitator competencies would be beneficial.

For micro-enterprises, basic skills such as 5S, Kaizen fundamentals, and inventory management should be emphasized. For medium-sized enterprises, advanced skills such as the seven QC tools and industrial engineering should be reinforced.

1.4.2. Recommendations for INFOTEP

(1) Strengthening Facilitator Training Programs

Approximately 240,000 formal MSMEs are eligible for INFOTEP support. From 2025 onward, INFOTEP should expand its nationwide deployment of facilitators for quality and productivity improvement to accelerate support efforts.

Additionally, Kaizen methodologies should be applied to sectors beyond manufacturing to promote adoption across a wide range of industries.

(2) Training Senior Facilitators

To ensure sustainable business support, developing senior facilitators is essential. The following criteria should be established for selection and training:

- **Support Experience:** Extensive experience in providing Kaizen support to businesses with proven results.
- **Leadership Skills:** Ability to train new facilitators and provide on-site guidance.
- **Problem-Solving Ability:** Capability to address workplace issues and implement the PDCA cycle.
- **Communication Skills:** Ability to build trust with business owners and employees and report outcomes effectively.

(3) Developing a Centralized Database

INFOTEP should establish a database for centralized management of support information to enhance its effectiveness in assisting MSMEs.

- **Centralized Information Management**
 - Company name, location, industry, number of employees, year of establishment
 - Support content (5S, Kaizen, inventory management, digitalization, etc.)
 - Progress of improvement activities and quantitative data
- **Promoting Data Utilization**
 - Analyze industry- and size-specific challenges to offer more effective support strategies.
 - Visualize support progress and report the results of improvement activities to stakeholders.

(4) Introduction of a Kaizen Award and Facilitator Evaluation

In African countries, the Africa Kaizen Initiative has introduced Kaizen Awards to evaluate and recognize the achievements of businesses and facilitators. A similar initiative is recommended for the Dominican Republic to incentivize and acknowledge quality and productivity improvement efforts.

Chapter II. Background, Outline of the Service and Relevant Information

2.1 Background

In the Dominican Republic and El Salvador which are the targets of this Advisor Service, MSMEs represent the majority of national enterprises and are an important sector for the employment creation and local economic development. So far, the government has enhanced the quality and productivity of MSMEs, as well as strengthening their technological, competitive and management capacities.

In addition, due to the impact of the COVID-19, many enterprises were forced to stop their economic activities and suffered significant losses. This has had a major impact on the economic situation and employment stability in the country, and rebuilding MSMEs has become an urgent task. It is also important to strengthen the resilience of these enterprises, so that they can minimize the negative impact and enable sustainable management in the event of an unexpected crisis such as the current coronavirus outbreak.

As part of the technical cooperation of the Japan International Cooperation Agency (JICA), from April 2009 to February 2013, regional technical cooperation in Central America and the Caribbean, targeting El Salvador, the Dominican Republic, Guatemala, Honduras, Nicaragua, Panama and Belize to foster facilitators to provide technical assistance for quality and productivity improvement, dispatching Costa Rican experts of CECAPRO. In addition, as a second phase, between December 2016 and February 2020, “Project on Quality and Productivity Improvement Operations for Small and Medium-sized Enterprises” was implemented in the Dominican Republic.

The Dominican Republic and El Salvador requested this Advisor Service based on the results of the previous technical cooperation. This Advisor Service aims to improve quality and productivity in both countries while strengthening and expanding the facilitator training program, and to share the knowledge acquired with other countries in the region, in order to promote productivity improvement activities in other countries.

2.2 Outline of the Advisor Service

The outline of this advisor service is as follows.

(1) Implementation period

The implementation period of this Advisor service is from February 2022 to February 2025. Due to travel restrictions caused by the COVID-19, the work was initially carried out in Japan, and activities in the Dominican Republic began in May 2022.

(2) Target countries

Dominican Republic and El Salvador

(3) Overall goal

Strengthening the competitiveness of small and medium-sized enterprises by reinforcing their management capabilities and improving productivity and quality.

(4) Purpose of Advisor service

Strengthening the managerial, technical and productive capacities of MSMEs and promoting the use of productivity networks in Central America and the Caribbean

(5) Expected results in the Dominican Republic

Output 1: A comprehensive SME support system and network will be established through collaboration

with SME support organizations such as MICM and INFOTEP and donors from other countries.

Output 2: Support measures for improving quality and productivity will be strengthened by disseminating, promoting and strengthening the support methodologies established in the previous cooperation

Output 3: The Central American and Caribbean Regional Productivity Network will be used to create a forum for sharing knowledge within the Dominican Republic, El Salvador, Honduras, Guatemala and Nicaragua.

In the Dominican Republic, this Advisor service is carried out in collaboration with long-term expert dispatched to the Dominican Republic. The basic concept of division of activities is that the consultant (short-term expert) will be primarily responsible for training facilitators/senior facilitators and providing guidance to enterprises on improving quality and productivity.

2.3 Relevant Information

(1) Definition of MSME in the Dominican Republic

According to **Article No. 4 of Law No. 187-17**, as amended by **Resolution No. 05-2021**, enterprises are classified based on the number of employees and annual gross sales. Under this Resolution, a natural or legal person engaged in agricultural, industrial, commercial, or service activities, whether rural or urban, is classified as follows:

Table 1. Classification of MSMEs in the Dominican Republic

Category of enterprise	Criteria for classification
Microenterprise	<ul style="list-style-type: none"> ➤ Up to 10 employees ➤ Annual gross sales of up to RD\$9,118,990.74
Small Enterprise	<ul style="list-style-type: none"> ➤ Between 11 and 50 employees ➤ Annual gross sales of up to RD\$61,553,187.51
Medium Enterprise	<ul style="list-style-type: none"> ➤ Between 51 and 150 employees ➤ Annual gross sales of up to RD\$230,254,516.23

(2) Number of MSME in the Dominican Republic

In the Dominican Republic, there are nearly 1.5 million (MSMEs¹, which represent 98% of all enterprises. These enterprises generate over 2 million jobs in the economy, accounting for 54 of the employed population in the labor market and contributing a significant 38.6% to the Gross Domestic Product (GDP).

Additionally, more than 83% of MSMEs are concentrated in urban areas, while only 17% are located in rural areas. In terms of economic sectors, 47% of these enterprises belong to the commerce sector, followed by the services sector at 38% and the industrial sector at 15%. The traditional activities in which they are involved include grocery stores and convenience shops, beauty salons and barber shops, textiles and footwear, restaurants, bars and cantinas, and the repair of personal and household items².

(3) Institutions Supporting MSMEs in the Dominican Republic

The following are some of the main institutions supporting MSMEs in the Dominican Republic:

¹ According to data from the General Directorate of Internal Taxes (Dirección General de Impuestos Internos, DGII) in the "Boletín MIPYMEs 2022," the number of formal MSMEs is approximately 240 thousand. The breakdown is as follows: approximately 200 thousand microenterprises, 30 thousand small enterprises, and 10 thousand medium-sized enterprises.

² UNDP (2020) Situación económica y de mercado de las mipymes en República Dominicana por la crisis del COVID 19

- **MICM:** In 2012, a Vice Ministry for MSME Promotion was established by presidential decree. According to Law No. 37-17, the main role of this Vice Ministry is to oversee the design, formulation, and implementation of public policies that support MSMEs, with a focus on access to domestic and international markets as well as financial markets. Additionally, it promotes human capital development, access to the digital economy, environmental sustainability, and sustainable consumption and production.
- **INFOTEP:** This is the coordinating body for technical and vocational training in the Dominican Republic. It was established by Law No. 116 on January 16, 1980, and is regulated by Regulation No. 1894. INFOTEP is an independent, non-profit organization with its own legal status and assets, managed by a tripartite committee consisting of the government, business sector, and labor sector. It organizes and leads the national technical and vocational training system, aiming to develop human resources across all economic sectors, improve business productivity, promote the social development of workers, and cultivate moral and cultural values for national harmony.
- **MSME Centers:** A public-private initiative aimed at improving the productivity, management capabilities, and innovation of MSMEs. The government and private sector provide equal funding, and the centers offer a wide range of support, including training, advisory services, technical assistance, and business networking. Since its establishment in 2011, it has conducted over 3,000 consulting sessions, trained 23,000 individuals, and provided technical assistance to 100 companies, leading to an average 15% increase in profits for supported businesses. Key focus areas include services, industry, agribusiness, trade, and food, while also contributing to business formalization and the creation of new business opportunities.
- **Industrial Development and Competitiveness Center (PROINDUSTRIA):** Established under Law No. 392-07 to enhance the competitiveness of the industrial sector. Its main services include the provision of industrial spaces, training programs for the manufacturing sector, innovation support, and business incubation and acceleration.
- **Export and Investment Center of the Dominican Republic (PRODOMINICANA):** A government agency responsible for promoting exports and attracting foreign direct investment. It was established by Law No. 98-03, which took effect on June 17, 2003, through the merger of the Dominican Export Promotion Center and the Investment Promotion Office of the Dominican Republic. Its main services include export assistance, investment promotion, market information, training and capacity building, and business matching.
- **National Council for the Promotion and Support of MSMEs (PROMIPYME):** Established in 2008 under Law No. 488-08 to promote the competitiveness of MSMEs and encourage the creation of productive employment. It provides the following financial products and services to support the growth and competitiveness of MSMEs: microcredit, loans for small and medium enterprises, financing for women entrepreneurs, agricultural sector loans, and education and training programs.
- **ADOPEM Bank:** A financial institution established in 2004 by the Dominican Association for the Development of Women (ADOPEM), a non-governmental organization. It specializes in microfinance.
- **Agricultural Bank:** A public financial institution established under Law No. 908 on June 1, 1945.

It offers the following services:

- **Loan services:** Agricultural loans, livestock loans, financing for agricultural machinery and equipment, and loans for agricultural MSMEs.
- **Price stabilization support**
- **Technical assistance and advisory services**
- **Management of subsidy programs**
- **Savings and investment services**
- **Special Fund for Agricultural Development (FEDA):** A special fund established to promote agricultural development. It provides loans and grants to small-scale farmers and cooperatives, disseminates agricultural technologies and conducts training programs, supports market development and promotion of agricultural products, and advances projects to develop and improve agricultural infrastructure.

Chapter III. Input and Implementation method

3.1. Input from Japanese side

(1) Dispatch of short-term experts

The three (3) consultants in the following table were assigned to deliver this Advisor service as short-term experts, one of whom realized activities in the Dominican Republic:

Table 2. List of the Japanese short-term experts

Name of expert	Title	Country in charge	Affiliation
Ryuji Seno	Chief Advisor/Facilitator Training/Knowledge Sharing	El Salvador Dominican Republic	Kaihatsu Management Consulting, Inc.
Tamayo Ito	Quality/productivity improvement 1	El Salvador	
Akiko Yoneyama (Namiki)	Quality/productivity improvement 2	El Salvador	

The dispatch period of the expert in the Dominican Republic is shown in the following table.

Name of advisor	Month	1	2	3	4	5	6	7	8	9	10	11	12
Ryuji Seno	Year 2022					—			—		—		
	Year 2023	—				—				—			
	Year 2024			—	—				—			—	
	Year 2025	—											

Figure 1. Dispatch schedule of Japanese advisor to the Dominican Republic

(2) Equipment

The following equipment in the table below was procured for use for the activities in El Salvador.

Table 3. Equipment list (Dominican Republic)

	Equipment for the use in the Dominican Republic
Name of item	Laptop
Product serial	HP14 DQ2030LA
Quantity	1
Acquisition price	48,595.5 DOP
Date of inspection	3 rd August 2022
Location for use	MICM

(3) Local activity costs

Japanese side covered part of the local costs for carrying out activities in the Dominican Republic, mainly consisting of remuneration for local assistant, seminar venue rental costs.

3.2. Input from the Dominican Republic side

(1) Assignment of C/P personnel

The personnel of CONAMYPE worked as counterparts on the Dominican Republic side with the Japanese expert.

Table 4. List of C/P personnel in the Dominican Republic

Name	Institution	Title
Alberto Castillo	MICM	Manager, Productive Articulation Division, Directorate of Support Services for MSMEs
Sada Mendez	MICM	Manager, Productive Articulation Division, Directorate of Support Services for MSMEs
Rayza Pichardo	INFOTEP	Director of Business Competitiveness
Maura Corporan	INFOTEP	Director of Innovation and Development
Zoila Francis	INFOTEP	Head of Productivity Strategy Development Department
Lorelay Cabral	INFOTEP	Head of the Center for Business Innovation and Entrepreneurship
Massiel Peguero	INFOTEP	Project Development Coordinator

(2) Provision of office space for expert

Office space for Japanese expert was provided within MICM

(3) Provision of transportation

When training and company visits were conducted outside of Santo Domingo, INFOTEP was primarily responsible for providing vehicles, drivers, and accompanying personnel.

Chapter IV. Realized activities

The following activities were carried out to strengthen measures to support the improvement of quality and productivity in the Dominican Republic.

4.1. Confirmation of sustainability of previous cooperation results in INFOTEP

During the previous cooperation, 15 facilitators and 8 senior facilitators were trained through trainings conducted by CECAPRO experts. After confirming the activity status of these 23 people after the start of this work, it was confirmed that 2 facilitators and 1 senior facilitator had retired, and 13 facilitators and 7 senior facilitators were currently continuing their activities.

In addition, after cooperation with CECAPRO, INFOTEP has been independently training new facilitators, and six have been carrying out corporate support activities while receiving guidance from senior facilitators.

The following table shows a list of facilitators/main facilitators.

Table 5. List of facilitators/ senior facilitators in the Dominican Republic

full name
Senior Facilitator
Sara Ines Asenci Polanco
Olga Caridad Delgadillo Mendez
Yamell Ysaret Eusebio Cruz
Junior Aristides Garcia Peralta
Immaculate Lucidania Hilario Bernal
Genoveva Altagracia Lopez Almonte
Austria Virginia Ortiz Carrasco
Edys Mariannys Perez de Luis
Facilitator
Annelly Mabel Corporan Melo
Dilicia Clarissa Diaz Jimenez
Miguelina Mercedes Diaz Baez
Gleny Febles de Mota
Jonathan Alberto Gil Lopez
Aracelis Gonzalez Maldonado
Heidy Altagracia Hernandez
Maria del Pilar Hernandez de Herrera.
Angelina Altagracia Martinez
Katherine Angelica Mendoza from Guerrero
Yenice Montero Pimentel from Vineyards
Pearl Virtues Moreno Betances
Lidia Karina Peña Gonzalez
Felisa del Carmen Piña Baez
Nicole Alejandra Torres Ortiz
Facilitators trained once the project is completed.
Hector Julio Real.
Elvis Rafael Santos Veras
Maria Andrea Meson Reyes
Federico Beder Almonte
Roberto Antonio Cuevas Diaz
Welcome Elias Feliz Torres
Gloria Isabel del Carmen Avila

(Note) As of May 2022. Shaded people are retired

facilitators.

4.2. Confirmation of facilitator activity status in INFOTEP

Companies that INFOTEP facilitators had supported, were currently supporting, or were candidates for support were visited to confirm the status of the facilitators' activities.

Table 6. Companies visited

Company Name	Industry	location
Imberbrill Solutions	Manufacturing of consumables (individually wrapped sugar, etc.) for hotels and food service facilities.	Santo Domingo
RCA Paintings	paint manufacturing	Santo Domingo East
Shadday Distributor	Wholesale	Barahona
Southern Water	drinking water production	Barahona
Rivera Warehouses	retail store	Mocha
Sandy Chicken	Food manufacturing/restaurant industry.	San Pedro Macoris

The following points were confirmed as effects of the support provided by the facilitators.

- As for the facilitators' support methods, it was confirmed that they first analyze the current situation of the company together with management (using SWOT methods, etc.), and then carry out Kaizen and marketing activities in an integrated manner based on the results derived from there. As a specific example, Agua la Sureña conducted a 4P analysis, etc., and found that its existing product market (mineral water) was highly competitive and could not secure a sufficient profit margin. Therefore, facilitators suggested the following things:
 - Increase the competitiveness of our main products by strengthening hygiene through the application of 5S methods.
 - Implement Kaizen activities and review warehouses and production lines to find space for new product production lines.
 - Activities are carried out based on the policy of obtaining funds to acquire the necessary equipment to produce new products by reducing the cost of existing products through the implementation of Kaizen activities.
- Imberbrill Solution and RCA Pinturas have increased their sales even during the coronavirus pandemic. The company attributes this to an increase in customer confidence as a result of efforts to improve quality and productivity (in addition to stable delivery times and quality, an organizational culture that reflects customer needs has been fostered).
- Both companies are also working towards ISO9001:2015 certification. The foundation appears to have been laid thanks to the efforts to improve quality and productivity made with the support of the facilitators.
- As raw material prices and transportation costs skyrocket, the need for further productivity

improvement becomes evident.

- On the other hand, both companies have not been able to capture the quantitative effects of their efforts to improve quality and productivity, and they recognize the need to establish and evaluate numerical objectives that are directly related to important management indicators.
- INFOTEP improvement support activities are carried out not only in the manufacturing industry, but also in the retail and service industries. At Almacenes Rivera , a retail store, the company improved customer satisfaction by solving problems such as out-of-stock items through strengthened inventory management and improved cash flow by strengthening accounts receivable management. In addition, the food and beverage company Pollo Sandie has improved the sanitary conditions of its kitchen by thoroughly implementing 5S.

INSTRUCTIVO DE TRABAJO		INSTRUCTIVO DE TRABAJO	
PASOS DE TAREA	AYUDA VISUAL	PASOS DE TAREA	AYUDA VISUAL
1	Alfear el material con el primer color de la plancha de impresión.	1	Asegurarse que el Anillo y el rollo de goma estén bien limpios y colocar la bandeja de la tinta, asegurándose que la misma está limpia.
2	Ubicar los mandos de arriba en la primera estación procediendo a darle un pequeño de presión hasta que el cilindro de la plancha engrape con el punto del anillo.	2	Colocar los sujetadores para sostener las bandejas.
3	Procedemos a correr la máquina en una velocidad media, haciendo presión equitativa entre las manivelas de arriba, aplicando la presión adecuada para que imprima.	3	Se procede a colocar los anillos según la orden de producción y se ajusta la presión del aire de los rodillos al botón POINT 525, PLATE ROLL.
4	Abrir los mandos de arriba en contacto con las manivelas inferiores para ajustar una impresión.	4	Colocar el Dr. filado que controla la cantidad de tinta que llega a los cilindros y a los anillos.
5	Ya después de haber conseguido la impresión misma en la estación no.1, procedemos a registrar el primer color, haciendo en cuenta las guías de registro.	5	Colocar los cilindros con la plancha de impresión. (Ver Instructivo de colocación de cilindros)
6	Después de registrado el color, procedemos hacer los pasos 2,3,4,5 para cada uno de los colores que vamos a imprimir.	6	Se coloca la tinta con el color correspondiente a esta estación.
7	Tomar en cuenta mantener registro vertical y horizontal, para que la impresión no quede fuera de registro.	7	Procedemos a echar la tinta correspondiente en cada estación según la orden de producción.
8	Procedemos a poner la laminación sobre el papel.	8	Proceder a revisar el botón (ANILLO ROLLO MOTOR) bajo arriba. Los rulos y cilindros siempre deben estar en movimiento para que no se seque la tinta.
9	Se procede a montar el troquel, tomando en cuenta las guías de registro.	9	Este proceso debe realizarse en cada estación de la prensa, con cada uno de los colores o planchas que componen la impresión de esta etiqueta.
10	Comparamos la impresión con la muestra suministrada en cuanto a colores. Si el color no es el mismo anterior al no sea repetición o igual al que está en el troquel.	10	Pasamos al proceso de impresión. Ver el instructivo de impresión.

Work instructions created by Imberbrill Solutions



Raw material warehouse after applying RCA Pinturas ' 5S



At Shadday Distributor Progress Confirmation Meeting



Meeting to confirm progress in Agua la Sureña



**Notice board that displays the progress
(Rivera Market)**



**Improving kitchen hygiene using 5S methods
Sandie, a restaurant)³**

4.3. Confirmation of plans for facilitator training course at INFOTEP

Discussions on the INFOTEP facilitator training plan were held intermittently. At the beginning of the cooperation, INFOTEP proposed that it planned to train new facilitators within 2024 in addition to the facilitators and senior facilitators trained by CECAPRO. However, the plan was changed to start in 2025.

4.4. Development of new thematic training materials and implementation of training for INFOTEP

During discussions with INFOTEP, the following feedback and requests were received regarding the future direction of facilitator training.

- The teaching materials used by CECAPRO, such as 5S, Kaizen methods, industrial engineering and TPM, will be managed by INFOTEP.
- When facilitators provide support to companies, in addition to traditional training content, they want them to acquire basic knowledge on topics that companies often request. For this reason, it is desirable for the government to create training materials that address new topics and provide training to facilitators and their candidates.

After discussion with the lead facilitator, a decision was made to add new topics and outline their teaching materials as shown in the table below.

³It is a city restaurant and also participates in a school lunch project for local public schools.

Table 7. New topics for facilitator training

<p>Finance/Accounting</p> <ul style="list-style-type: none"> ✓ Basic accounting concepts ✓ Financial statements ✓ Management accounting/cost accounting ✓ Financial analysis 	<p>Access to finance</p> <ul style="list-style-type: none"> ✓ Fundamentals of financing ✓ Importance of cash flow and cash flow plan ✓ Business plan for loan application.
<p>Innovation</p> <ul style="list-style-type: none"> ✓ What is innovation? ✓ Small businesses and innovation ✓ Innovation methods (theory of work, etc.) ✓ Business model for the practice of innovation. 	<p>Trade</p> <ul style="list-style-type: none"> ✓ Fundamentals of trade ✓ Differences between commercial considerations and national business practices ✓ Business practices and required skills ✓ Business practice procedures and roles of each stakeholder.
<p>Information system</p> <ul style="list-style-type: none"> ✓ Computer basics ✓ Types of systems and considerations for systems development. ✓ Using IT for small and medium-sized businesses. 	

Regarding this new topic, a capacity-building training for facilitators and senior facilitators was held at INFOTEP headquarters. This training aims to enable facilitators to respond to a broader range of business needs when carrying out support activities to improve quality and productivity, and covers content that CECAPRO did not implement in the previous cooperation.

A total of 29 people participated in this training, 20 from INFOTEP and 9 from MICM. Training materials are listed in Appendix 1.

In addition, a courtesy visit was made to the President of INFOTEP, and an inspection was carried out by his organization's research team.

To carry out this training, INFOTEP provided the following facilities:

- Provision of lunch and drinks for participants.
- Provide round-trip transportation and accommodation for participants outside Santo Domingo
- Issuance of training completion certificates to participants.



Pictures posted by INFOTEP on Instagram

The main findings obtained through this training are the following:

- **Diversity of challenges for each company**

This training session was conducted interactively and participants explained that there is a great variation in the scope and level of challenges faced by companies. In order to adapt the training content to the needs of companies, it is considered necessary to narrow down the target companies to a certain extent.

For example, while some companies have introduced and are operating enterprise resource planning (ERP) systems with the support of MICM, many companies still face problems such as lack of human resources that can operate the systems on an ongoing basis.

- **Sharing knowledge and information and deepening collaboration**

Facilitators actively exchanged solutions, knowledge and opinions on corporate support. MICM participants also inquired about related organizations such as PRODOMINICANA, PROMIPYME and so on. As a result, when facilitators provide support to improve quality and productivity, they have deepened their knowledge to collaborate with other organizations on topics that are outside the scope of INFOTEP and the facilitators.

4.5. Proposal for a review of the INFOTEP facilitator training programme

Regarding the current facilitator training program, discussions were held with INFOTEP, considering the opinions gathered from the facilitators. The current programs are as follows.

- Training time: Total 402 hours
 - Theoretical training: 72 hours in total
 - ◇ Modern Management: 8 hours
 - ◇ Improving Productivity through 5S and Productivity Management: 12 hours
 - ◇ Quality Improvement: 7 Quality Control Tools - 12 hours
 - ◇ Innovation: 8 hours
 - ◇ Industrial and Inventory Management: 16 hours
 - ◇ Total Productive Maintenance (TPM) and environmental management: 12 hours
 - ◇ Diagnostic Tools: 4 hours
 - OJT (practical training): 330 hours in total
 - ◇ Applicable to 2 companies (165 hours x 2 hours)

The recommendations made regarding the program are as follows.

- **Training hours** : Modules focusing on 5S and business strategy formulation, and modules focusing on Kaizen methods including seven quality control tools, are the basis of OJT and technical support to companies after training and are necessary to ensure their understanding and application. Therefore, the facilitator proposed that it would be desirable to increase the OJT time for both modules from 12 hours to 16 hours and so communicated this to the program director.
- **Training content** : When confirmed at the enterprise sites, enterprises also pointed out that it was

difficult to understand and use the advanced content of the seven quality control tools and industrial engineering. In response, it is considered that these methods can be used in the future to support medium-sized enterprises, so although they will remain as training content, when implementing OJT, we will consider the current situation and the situation of the enterprise, the director said. This may be considered unnecessary, depending on the capacity.

- **Handling new topics** : The inclusion of the new topic related to the training of facilitators mentioned above was proposed for the training program and was accepted by INFOTEP.
- **Promoting digitalization**: INFOTEP and other organizations are actively supporting small and medium-sized enterprises in promoting digital marketing using SNS and Google Maps. On the other hand, there is a lag in the digitalization of administrative departments such as procurement, production and inventory management, which are also closely related to improving quality and productivity. When views were exchanged with INFOTEP and the company on this matter, the following factors were pointed out.
 - Many employees are paid close to the minimum wage and lack knowledge of digital technology and the use of digital tools.
 - For this reason, many small and medium-sized businesses record procurement, production, inventory, etc. on paper, or often do not record them at all. As a result, they have to deal with excess inventory, stock-outs, and changes in demand. The result is a noticeable delay.
 - On the other hand, for medium-sized companies, it is desirable to introduce an ERP system that can collectively manage purchasing, production, sales, accounting, etc. The obstacles to introducing such a system are high, from the human resources point of view (need to secure employees who can use the system or strengthen the capabilities of internal human resources), etc.).

To improve this situation, INFOTEP's technical support also recommended promoting digitalization in line with the current situation of companies as part of quality and productivity improvement activities.

4.6. Proposals for the review of indicators for INFOTEP facilitator support activities

Currently, the following indicators introduced by CECAPRO are used as indicators to evaluate the results of corporate support provided by facilitators.

- Surplus space created by Kaizen activities
- Reduced time spent searching for/transporting inventory and tools.
- Weight of recycled waste
- Number of departments that practiced 5S
- Number of notices maintained and installed: (Example) Management announcements, Kaizen activity promotion documents, quality control circle activity sheets, work procedure manuals, office layout diagrams, supplier evaluation sheets, evacuation route maps, etc.

In addition to these indicators, the introduction of the following indicators related to improving quality and productivity was proposed.

- **Indicators related to quality improvement** : rate of defective products, reduction in the number of customer complaints, standardized procedures/number of processes, etc.

- **Indicators that contribute to improving productivity** : reduction in unit cost, reduction in inventory turnover rate, degree of shortening of delivery time, increase in production volume per standard time, etc.
- **Improving employee satisfaction** : As a result of the company visits conducted to date, it has been confirmed that improved employee satisfaction contributes to the sustainability of quality and productivity improvement campaigns and will therefore be added to the proposed index. Factors contributing to increased satisfaction include not only higher remuneration resulting from increased profits but also the rationalization of work, improvements in the working environment and hygiene conditions (not only through workplace enhancements but also by employees utilizing the space created through 5S activities). Additionally, the installation of changing rooms and break rooms, as well as efforts to prevent workplace accidents, were mentioned by employees at the company visited.

4.7. Implementation of basic 5S/Kaizen training in all INFOTEP regional centers

INFOTEP originally planned to train new facilitators and senior facilitators starting in 2024. However, after reconsidering the plan within INFOTEP following the presidential elections, it was decided that the training of facilitators/senior facilitators would begin from the second quarter of 2025.

Therefore, discussions were held with INFOTEP on the direction of technical support for INFOTEP during the implementation period of this advisor service. As a result, in August 2024, all INFOTEP regional centers conducted a 5S/Kaizen basic training for new facilitator candidates (and facilitators without sufficient on-site teaching experience). This training is an introductory training course for a new facilitator training program scheduled to start in 2025, and the purpose is to learn the theory and practical methods of 5S, which is the basis of quality productivity improvement (Kaizen movement).

As shown in the table below, 160 facilitator candidates participated in this training. The teaching materials used are listed in Appendix 2.

Table 8. Number of training participants per INFOTEP center

Implementation date	Name of the regional center	Number of participants
August 14th	Metropolitan	27 people
August 15th	South	24 people
August 16th	Cibao South	22 people
August 19	East	25 people
August 20th	Cibao North	17 people
August 21st	Orient	55 people



5S/Kaizen Basic Training

4.8. Implementation of basic 5S/Kaizen training at INFOTEP headquarters

In November 2024, the 5S/Kaizen basic training was held at the INFOTEP headquarters for approximately 50 people. After adding supplementary explanations to the video teaching material and learning theories through question and answer sessions and exchanging opinions, participants filled out check sheets on the implementation of the 3S (sort, sort, and clean) in their offices. After conducting a tabletop exercise using the 5S, the status of 5S implementation in the INFOTEP offices was confirmed with the participants. An evaluation report summarizing the results and areas for improvement was submitted. Another feedback training course was conducted at INFOTEP in January 2025 to confirm the progress of improvements. In addition, when participants pointed out the importance of organizing and sorting files and folders on office computers, a separate supplementary teaching material was created and shared.



Basic 5S/Kaizen training at INFOTEP



The status of the file during the confirmation of the implementation status of the 5S of INFOTEP

4.9. Reviewing the activities of the Mipymes Center

During the implementation period, visits were made to 5 MSME Centers (see table below). The MSME Centre operates under a contract between MICM and higher education institutions. These centers basically support small and medium-sized enterprises in general, but most of their support is micro-enterprises and they also target informal businesses . The center can hire external advisors to support the businesses, or university instructors to act as advisors. Support includes business planning, finance/accounting, production, marketing, digitalization, formalization, support for entry into public and government procurement, etc., and different advisors are usually assigned for each specialized field. Some of the support programmes are implemented by each center depending on the actual situation of the local industry and with the support of donors.

Table 9. Visited SME centers

Name of the center/name of the educational institution	location
Mipymes Productive Innovation Center PUCMM (Pontifical Catholic Mother and Teacher University)	Santo Domingo
Prototyping and Technology Transfer Center PUCMM	Santo Domingo
UNPHU (Pedro Henriquez Ureña National University)	Santo Domingo
ISA University (Higher Institute of Agriculture)	Santiago de los Caballeros
UCE (Central University of the East)	San Pedro Macoris



Advisor office of the ISA MSMEs Center



UCE Mipymes Center exterior

The operating budget of the Mipymes Centre is provided by the MICM, but the MICM contribution is decreasing and some centres have ceased their activities.

As regards support for improving the quality and productivity of small and medium-sized enterprises, some centres are carrying out activities in collaboration with INFOTEP, and are also being carried out using the resources of educational institutions.

4.10. Practical Kaizen workshop held at the MICM

At MICM, with the cooperation of Antioquia Science and Technology Center (CTA) of Colombia, MICM

staff received online training to strengthen their capacity to support productivity improvements in MSMEs (September-December 2023) .

In this regard, in response to a request from MICM, in September 2023, 22 MICM staff members will conduct a workshop to enable the above-mentioned training participants to accurately use the theories learned in the training to support small and medium-sized enterprises.

The outline of this workshop and the messages conveyed are as follows.

- When implementing Kaizen campaigns, there are some misconceptions such as the one shown in the following table, and it is necessary to convey this correct understanding to companies.

Table 10. Common misconceptions about the Kaizen activities

Common misconceptions	Message that facilitators should convey to companies
Kaizen is a project-like activity with a limited time limit.	Kaizen activities in companies are permanent. On the other hand, the support of the facilitator is related to the budget of the organization to which they belong, so it is necessary to set a deadline. It is important not to confuse the two.
Implementation of 5S has become a goal. There is recognition that Kaizen activities = 5S.	5S is a means of improvement, and the purpose is to improve quality and productivity by applying 5S, etc.
In small and medium-sized companies, some Kaizen tools (for example, the 7 quality control tools) cannot be used effectively due to problems with the capabilities of managers and employees, which makes it impossible to develop activities.	The use of tools is not absolute, and each company must proceed with what it can do.
A facilitator (external) leads the Kaizen activities.	The main actors in the activities are the company's managers and employees, and the external facilitators are the advisors.
Kaizen focuses on the small details of everyday work and has nothing to do with management.	Kaizen is strengthening management by improving on-site activities, and there are many companies that have managed to improve profitability and liquidity through cost reductions.
Kaizen aims to reduce the number of employees (reduce personnel costs) by improving productivity.	Funds and personnel freed up through Kaizen should be used to engage in value-added activities such as market development, product development, and IT promotion.

- It is important to select companies that support and carry out educational activities at the initial stage.
 - ✓ To avoid selecting companies that are at high risk of bankruptcy during support, companies should be selected that have a certain degree of understanding of their business conditions and the words and actions of their managers.
 - ✓ If managers and employees start Kaizen activities without understanding the essence, there is a high chance that the activities will fail midway. Efforts should be made to promote understanding

- by using language that companies can understand and accept, such as through educational videos.
- ✓ It is also helpful to clarify the TOR for both the company and the facilitator, and to create and exchange signed documents to demonstrate commitment.

4.11. Quality and productivity improvement seminar sponsored by MICM

In order to strengthen MSME management, it is important to involve the MICM, which is the policy planning and implementation organization for MSMEs as a whole. In addition to Kaizen activities that contribute to quality and productivity improvement, financial access for new capital investments, export promotion to expand the market, and efficiency promotion through digitalization and DX will become important. Therefore, in order to promote quality and productivity improvement in the Dominican Republic, the MICM plans to hold seminars involving related organizations. To support this, a seminar was planned and implemented together with MICM.

This seminar was originally scheduled to take place around September 2023, but it was postponed to be held in April 2024.

In consultation with MICM, this seminar is aimed at professionals from organizations supporting micro, small and medium-sized enterprises. It emphasizes the importance of improving the quality and productivity of micro, small and medium-sized enterprises, with a focus on Kaizen/5S, and introduces case studies. The purpose of the event was to present support programs related to quality and productivity improvement, and strengthen collaboration between organizations supporting small and medium-sized enterprises. The outline is as follows.

- Participants: Professionals who directly support small and medium-sized enterprises, or employees of organizations that manage support programs. There were 49 participants from the following 11 organizations in the Dominican Republic.
 - MICM
 - INFOTEP
 - Center for Industrial Development and Competitiveness (PROINDUSTRIA)
 - PRODOMINICANA
 - Prototype Center PUCMM
 - PROMIPYME
 - Adopem Bank
 - Agricultural Bank
 - Institute for Development and Cooperative Credit (IDECOOP)
 - FEDA
 - MSME Center UNPHU
- The seminar program is as follows
 - Greetings from MICM, Vice Minister for the Promotion of MSMEs
 - Lecture on the essence of the quality productivity improvement movement.
 - Experience in training facilitators to support the improvement of quality productivity and support companies through INFOTEP.
 - Digital tools for MSMEs
 - Financial inclusion in MSMEs

- Experience in supporting productivity improvement with PROINDUSTRIA
 - Panel discussion
 - Promotion of import and export of SMEs
 - Workshop
- After the seminar, participants were asked to complete a survey (using Google Forms). Responses have been received so far from 16 people. The results are as follows, confirming the high level of interest in supporting quality productivity improvement through Kaizen/5S activities etc. In addition, there was a lot of interest in promoting exports and supporting the digitalization of small and medium-sized enterprises.
 - Level of satisfaction with this seminar: Very satisfied: 81%, Satisfied: 19%, Dissatisfied: 0%
 - Topics that interested me: Kaizen/5S, digital tools, financial support, collaboration between related organizations, export support
 - Is there any relationship between this seminar and the original work of the participants? Related: 100%
 - Things learned in this seminar that can be used in future activities.
 - Provide technical and financial support and training to MSMEs and start-ups.
 - Training SME advisors/strengthening the skills of existing advisors
 - Support for export promotion for MSMEs
 - Supporting the use of digital tools to improve productivity
 - Networking and knowledge sharing with other institutions.
 - Are you interested in collaborating with other institutions/programs? Yes: 88%, No: 12%
 - Which institutions/programs would you like to collaborate with?
 - Organizations with Kaizen activity programs and Kaizen support staff
 - PRODOMINICANA
 - Dominican Association for the Development of Women (ADOPEM)
 - MICM
 - MSME Center
 - Agencies involved in projects related to the Ministry of Women's Affairs

4.12. Support for seminars on competitiveness of MSME

In connection with the Seminar on Strengthening the Competitiveness of MSMEs held in November 2024, inviting the countries of Central America (Guatemala, Belize, El Salvador, Honduras, Costa Rica, Panama) and Regional Center for MSME Promotion (CENPROMYPE), El Salvador. In addition to supporting participants from other countries, preparations for the seminar include printing and binding related materials, setting up back panels at the venue entrance, acquiring desk flags of the participating countries, and arranging accommodations at airports and hotels for participants from other countries, including those from El Salvador. Support also includes hiring round-trip vehicles. Furthermore, on the day of the seminar, facilitation assistance is provided for group work.

Chapter V. Results of activities

5.1 Achievement of the purpose of the advisor service

Through this Advisor service, the framework for supporting the quality and productivity improvement of MSMEs in El Salvador and the Dominican Republic has been strengthened.

In the Dominican Republic, although INFOTEP postponed the implementation of its training program to 2025, a total of 271 participants from INFOTEP and MICM received 5S and Kaizen training. This contributed to the development of human resources capable of supporting quality and productivity improvement in MSMEs. Furthermore, by strengthening relationships among institutions involved in MSME support, a foundation was established for integrating various support measures that address the diverse needs of enterprises.

5.2. Achievement of each Output 2

Through this Advisor service, a foundation was established for enhancing the competitiveness and sustainable development of MSMEs in the Dominican Republic.

- A total of 271 participants from INFOTEP and MICM received 5S/Kaizen training and workshops, strengthening human resource capacity for quality and productivity improvement.
- Strategic advice was provided on the enhancement of the facilitator training system at INFOTEP, ensuring the sustainability of human resource development.
- Seminars were organized to strengthen collaboration among relevant institutions, facilitating the integration of MSME support measures.

These activities significantly contributed to building a robust support system that enhances the quality, productivity, and competitiveness of MSMEs in the Dominican Republic.

Chapter VI. Recommendations

6.1. Lessons Learned from Operations in the Dominican Republic

(1) Support for Quality and Productivity Improvement in Two Institutions in the Dominican Republic

In this advisor service, the C/P institution in the Dominican Republic was designated as the MICM, while INFOTEP was positioned as a cooperating institution. However, prior to this service, the Facilitator Training Program conducted by CECAPRO had been implemented exclusively for INFOTEP, and no MICM personnel had participated in this training.

Considering this situation, in addition to strengthening the capacity of facilitators at INFOTEP, it was necessary to enhance the quality and productivity improvement support capabilities of MICM personnel, who were the designated C/P institution. Accordingly, the following measures were implemented:

- Conducting training sessions for MICM personnel
- Organizing a productivity improvement seminar inviting both institutions
- Enabling MICM personnel to participate in some of the training programs conducted at INFOTEP

(2) Changes in the Facilitator Training Program at INFOTEP

Initially, INFOTEP planned to launch a new facilitator training program in 2024. However, the schedule was revised, and the program was postponed to the second quarter of 2025, after the completion of this project.

Given this change, this project placed particular emphasis on 5S and Kaizen, which are crucial for MSMEs in quality and productivity improvement. Furthermore, considering that the number of facilitators who had been trained by CECAPRO was insufficient relative to the number of MSMEs, capacity-building training on 5S and Kaizen was provided to 210 participants at INFOTEP's headquarters and its six (6) regional centers nationwide.

Through these efforts, the project aimed to facilitate the smooth implementation of INFOTEP's future facilitator training programs and to establish a framework for securing a larger number of facilitators.

6.2. Recommendations for Strengthening Sustainability in the Dominican Republic

6.2.1. Recommendations for MICM

(1) Expansion of Multi-Faceted Support through Collaboration with Institutions to Enhance the Competitiveness of MSMEs

Support for MSMEs, including those in the informal sector, is crucial for job creation and regional industrial development. To enhance the competitiveness of MSMEs, an integrated and multi-faceted support approach is required rather than focusing on a single specialized area.

For example, in export promotion or e-commerce, the products and services offered by MSMEs must be competitive, with particular emphasis on quality, cost, and delivery (QCD), which are often key factors for customers. Thus, before pursuing export or e-commerce initiatives, it is essential to implement quality and productivity improvement activities based on Kaizen methodologies. Conversely, even if quality and productivity are improved, businesses cannot achieve sales growth unless their products are attractive to customers. Therefore, developing and improving products to meet customer needs is equally important.

It is difficult for a single institution to provide all necessary specialized support. In the Dominican Republic, various institutions offer support, and it is necessary to actively utilize them while ensuring close information sharing among institutions to provide MSMEs with integrated and multi-faceted support. MICM,

as a policy formulation and implementation agency, should leverage its experience in organizing multi-stakeholder seminars during this project and strengthen its role as a hub institution for collaboration.

(2) Promotion of Quality and Productivity Improvement through Stronger Collaboration with INFOTEP

As mentioned earlier, INFOTEP has trained facilitators to support quality and productivity improvement with assistance from CECAPRO. In this project, INFOTEP has further strengthened its facilitator training programs and provided 5S and Kaizen training to additional personnel.

Since quality and productivity improvement is essential for strengthening MSMEs' management, MICM should collaborate with INFOTEP and promote partnerships between INFOTEP and MSME centers. This will help raise the overall level of MSMEs in the country.

Currently, INFOTEP primarily supports formal MSMEs, excluding informal micro-businesses. However, even in informal businesses, quality and productivity improvement is crucial for business sustainability and growth. Given the relatively simple structure of these businesses, it is particularly recommended to focus on 5S implementation and strengthening inventory management, which is critical for improving cash flow.

(3) Standardization of Quality and Productivity Improvement Support at Centro Mipymes and Strengthening Business Support

MICM has established Centro Mipymes (MSME Centers) within higher education institutions across the Dominican Republic to provide MSME support in collaboration with these institutions. These centers are primarily operated by higher education institutions, with MSME support programs implemented by educational institutions or external experts.

As a result, MSMEs receive support tailored to regional characteristics. However, quality and productivity improvement support services are not standardized, leading to variations in content and quality across regions. Standardizing support services to a certain extent while maintaining high-quality assistance is recommended.

Additionally, MICM should serve as an intermediary, ensuring that businesses receiving support from Centro Mipymes can also access programs from other institutions. This will provide a broader and more integrated support framework for MSMEs.

(4) Standardization of Facilitator Support Areas and Indicators for Quality and Productivity Improvement

During the planning phase of this project, the establishment of a qualification certification system for facilitators was considered to ensure the quality of support. However, after the project's launch, the following points were identified:

- The previous project conducted by CECAPRO only targeted INFOTEP, without involving other institutions. Meanwhile, personnel from MICM and Proindustria had independently received training in quality and productivity improvement and were providing guidance to businesses.
- CECAPRO's collaboration with INFOTEP focused only on SMEs, excluding micro-businesses (including those in the informal sector). On the other hand, MICM also supports formalization of informal businesses and agricultural cooperatives, resulting in differences in their target groups.
- Advanced methodologies such as Industrial Engineering and TPM are challenging to apply to micro-

businesses. Instead, focusing on fundamental Kaizen activities like 5S and inventory management is more practical.

The following table outlines recommended training themes for micro-businesses and SMEs:

Table 11. Recommended training themes for MSEs and Medium Enterprises:

training themes	MSEs	Medium Enterprise
5S	○	○
Basic Kaizen (Inventory Management, Production Management, etc.)	○	○
Advanced Kaizen (QC 7 Tools, New QC Tools, etc.)		○
Industrial Engineering (Process & Motion Analysis, etc.)		○
TPM		○
Basic Managerial Accounting (Break-even Analysis, etc.)	○	○
Advanced Managerial Accounting (Cost Calculation, etc.)		○

Additionally, standardizing evaluation indicators for measuring Kaizen impact at supported enterprises is necessary. Since many MSMEs do not collect quantitative data due to staff shortages or delayed digitalization, facilitators should encourage companies to measure Kaizen results numerically. This will facilitate better business and financial assessments and contribute to policy and strategy formulation.

6.2.2. Recommendations for INFOTEP in the Dominican Republic

(1) Implementation of Facilitator Training and Expansion of Business Support Nationwide

There are approximately 240,000 formal MSMEs eligible for INFOTEP's support. To accelerate quality and productivity improvement across these businesses, INFOTEP should train new facilitators early and expand support programs nationwide.

A tentative target of training 300 facilitators within five years is proposed. The success of the 5S and Kaizen training provided to over 200 facilitators during this advisory service should be built upon and expanded to achieve this goal.

INFOTEP has also provided quality and productivity support beyond the manufacturing sector. Since Kaizen is applicable across industries, INFOTEP should continue applying these methods in various sectors.

(2) Strengthening Facilitator Training and Business Support Programs

To ensure the continuous development of facilitators and the provision of quality and productivity improvement support to enterprises, it is essential to establish a pathway for existing facilitators to be promoted to Senior Facilitators.

For this purpose, the following two recommendations are proposed:

- Establish criteria for selecting facilitators for promotion to Senior Facilitators.
- Provide supplementary training to strengthen the skills and knowledge required for Senior Facilitators.

The specific details of these recommendations are outlined below.

Table 12. Senior Facilitator Selection Criteria (draft)

<p>A track record of quality and productivity improvement activities</p>	<ul style="list-style-type: none"> • Do the candidates have ample experience in providing Kaizen support to SMEs and a track record of achieving concrete results? • Evaluation of the effectiveness of the support candidates have implemented.
<p>Leadership and instruction skills</p>	<ul style="list-style-type: none"> • Do the candidates have the ability to effectively guide and support new facilitators and staff of supported companies? • Do the candidates have experience managing teams and projects and leading them to goal achievement?
<p>Balance of understanding of theory and practice</p>	<ul style="list-style-type: none"> • Do the candidates not only have a deep understanding of Kaizen theory but also the ability to apply it in the field?
<p>Problem-solving skills</p>	<ul style="list-style-type: none"> • Do the candidates have the ability to quickly and accurately solve complex problems that arise in the field at SMEs? • Are the candidates able to effectively implement the PDCA cycle?
<p>Communication skills</p>	<ul style="list-style-type: none"> • Do the candidates have the ability to effectively communicate with field staff and management and build relationships of trust? • Do the candidates have the ability to monitor the progress of a company's Kaizen activities and provide appropriate support and advice if problems arise? • Do the candidates have the ability to extract both qualitative and quantitative results of Kaizen activities and accurately compile them into a report? • Do the candidates have the ability to extract good examples from companies they have supported and create materials that can serve as references for other companies?

(3) Supplementary Training Topics for Senior Facilitators

To strengthen the necessary knowledge and skills required as a Senior Facilitator, the following supplementary training topics are proposed.

Table 13. Supplementary Training Topics for Senior Facilitators (Proposal)

Leadership and coaching skills	<ul style="list-style-type: none"> • Strengthening skills to guide and develop others. • Learning how to increase motivation and support problem solving.
Progress management and evaluation methods for kaizen activities	<ul style="list-style-type: none"> • How to effectively manage the progress of activities. • Quantitative and qualitative evaluation methods and their applications.
Customized support methods for small and medium-sized enterprises	<ul style="list-style-type: none"> • How to design appropriate Kaizen support according to the size and industry of the company. • Flexible approaches to address specific challenges and resource limitations.
Introduction of the latest kaizen methods and tools	<ul style="list-style-type: none"> • Learning about new tools and digital technologies that can be used in Kaizen activities. • Points to note when introducing them to SMEs.
Strengthening management of small and medium-sized enterprises and strengthening collaboration with other organizations to address issues	<ul style="list-style-type: none"> • Learning basic items for supporting challenges faced by SMEs other than quality and productivity improvement (e.g. import/export, access to finance, management accounting, innovation, etc.) • Learning about information on specialized organizations (e.g. Prodominicana, Promipyme, Centro Mipymes, etc.) that have a menu of support that can address these challenges, and about INFOTEP's collaboration track record.

(4) Acquiring Knowledge on Support Programs from Other Institutions

Facilitators often receive questions or requests regarding support beyond quality and productivity improvement while providing technical assistance to companies. For example, export promotion, digital transformation support, and financial access are frequently mentioned areas. Since these are closely related to quality and productivity improvement, it is beneficial for facilitators to have basic knowledge in these areas.

However, specialized support such as assistance with export procedures for individual products or the development of digital applications should be handled by expert institutions for efficiency and effectiveness. Therefore, facilitator training should include information on relevant institutions and specific collaboration methods for MSME support. This will enable facilitators to provide more effective and integrated business support.

(5) Development of a Database for MSME Support

To enhance INFOTEP's quality and productivity improvement support for MSMEs, establishing a comprehensive database is highly recommended for the following reasons:

• **Centralized Information Management and Improved Accessibility**

By centralizing information on supported enterprises (e.g., industry, location, number of employees,

challenges, progress of improvement activities), stakeholders can quickly and easily access necessary data. This eliminates redundant data collection and prevents duplicated efforts, ensuring more efficient support activities.

- **Data-Driven Strategic Support**

Utilizing the database allows for analysis of challenges and trends based on enterprise size and industry. This facilitates evidence-based decision-making to provide more effective and efficient support strategies in the future.

- **Progress Monitoring and Visibility of Results**

Tracking and recording progress and outcomes of support activities in the database enables quantitative measurement of effectiveness. This makes it easier to monitor improvements, evaluate success, and report results to stakeholders.

- **Long-Term Support and Knowledge Accumulation**

The database will store past support activities, success cases, and lessons learned, ensuring institutional knowledge is preserved and easily accessible to new facilitators and stakeholders. This will establish a sustainable and effective support system for the long term.

Examples of database items are shown below. By inputting these items and updating them regularly, it is possible to quantitatively and qualitatively grasp the effects of aid activities and develop more effective strategies. It also makes it easier for related parties to share information, which contributes to improving the efficiency of aid activities.

Since it is important to ensure the sustainability of database management, it was proposed to create the database in Excel or Spreadsheet and share it in the cloud during the initial phase, when the number of support cases is still limited.

Table 14. Database items (draft)

Basic information	<ul style="list-style-type: none"> • Company name • Location (address and area) • Industry (e.g. manufacturing, retail, services, etc.) • Number of employees • Year established • Contact information (phone number, email address, etc.)
Related information about support activities	<ul style="list-style-type: none"> • Support start and end dates • Facilitator name • Overview of support content (e.g. quality improvement, 5S activities, Kaizen, digitalization support, etc.) • Improvement activities that have been implemented (past initiatives and success stories)
Issues/goals	<ul style="list-style-type: none"> • Current issues (e.g., declining productivity, increasing defect rate, declining work efficiency, etc.) • Goals (e.g., reducing defect rate by 5%, shortening work time by 20%, etc.)

Activity progress	<ul style="list-style-type: none"> • Progress record (details of activity stages and phases) • Quantitative data on progress (e.g., defect rates, lead times, productivity indicators, etc.) • Achieved results in improvement activities (e.g., cost reduction, delivery time reduction, etc.)
External support-related information	<ul style="list-style-type: none"> • Information on external support organizations (specialized organizations and partners used) • Support programs and grants used
Follow-up/Continued support	<ul style="list-style-type: none"> • Follow-up records (company status and progress after support) • Future support plan (details of items requiring continued support)
Quantitative data	<ul style="list-style-type: none"> • Productivity indicators (labor productivity, operating rate, OEE, etc.) • Quality indicators (defective rate, number of customer complaints, etc.) • Financial indicators (sales, profit margins, cost reductions, etc.)

(6) Collection and Dissemination of good practices

Disseminating the good practices derived from INFOTEP facilitators' business support activities, both internally and externally, is a crucial element in strengthening INFOTEP's business support efforts and communicating its value to society.

• Importance of Internal Information Sharing

Collecting and sharing best practices within INFOTEP is essential to improving the overall quality of its business support activities. These case studies provide concrete examples of effective methodologies and successful approaches, serving as valuable references for both existing and new facilitators.

Additionally, analyzing best practices presents an opportunity to enhance the collective skills of the organization. Moreover, by sharing these insights, collaboration among facilitators can be strengthened, leading to more consistent and best-practice-driven support activities.

• Importance of External Information Dissemination

Externally sharing success stories demonstrates INFOTEP's effectiveness in supporting MSMEs and encourages new businesses and stakeholders to participate in its programs.

Publishing best practices also facilitates collaboration with other support institutions and stakeholders, enabling the creation of a broader support network. This can lead to more comprehensive and impactful support initiatives across different sectors.

(7) Establishment of a Kaizen Award and Facilitator Evaluation System

In African countries, the Africa Kaizen Initiative, includes the Africa Kaizen Award, which recognizes companies and facilitators that have achieved outstanding results in Kaizen activities. Establishing a similar Kaizen Award system in the Dominican Republic would be highly beneficial for the following reasons:

• Increasing Motivation and Promoting Sustainable Improvement Activities

Recognition through Kaizen Awards acknowledges achievements and efforts, significantly enhancing the motivation of both supported businesses and facilitators. Additionally, by sharing and rewarding success stories, the initiative can inspire other businesses and facilitators, further promoting sustained improvement efforts.

- **Enhancing Visibility and Trust in Activities**

A well-structured award and evaluation system provides a foundation for both qualitative and quantitative assessment of Kaizen activities and facilitator contributions. This enhances transparency and credibility among stakeholders, including businesses, government agencies, and support institutions.

Publishing success cases as part of the awards program will also demonstrate the effectiveness of support programs, encouraging broader participation from businesses across various industries.

- **Human Resource Development and Organizational Capacity Building**

Implementing a facilitator evaluation system will allow INFOTEP to focus on individual skill development. By identifying skill gaps through evaluations, targeted training and capacity-building programs can be introduced.

Moreover, recognizing outstanding facilitators will provide role models, setting benchmarks for others and enhancing the overall competency of the organization.

By integrating these initiatives, INFOTEP can ensure the continuous improvement and expansion of its support activities, ultimately contributing to long-term economic development in the Dominican Republic.

(END)