

**The Republic of Kenya  
Ministry of Trade**

**The Republic of Kenya  
The Second Phase of Trade Training  
Programme for SME Exporters  
  
Project Completion Report**

**January 2013**

**Japan International Cooperation Agency (JICA)**

**Japan Development Institute (JDI)**

**International Development Associates, Ltd. (IDeA)**



## Table of Contents

<b>1. Executive Summary</b> .....	6
<b>1.1 Implementation (1st year)</b> .....	8
<b>1.2 Implementation (2nd year)</b> .....	10
<b>1.3 Implementation (3rd year)</b> .....	17
<b>1.4 Equipment/devices provided to C/Ps</b> .....	23
<b>2. Policies in Project Implementation</b> .....	24
<b>2.1 Operational Aspects</b> .....	24
<b>2.2 Technical Aspects</b> .....	25
<b>2. Methodologies</b> .....	27
<b>3.1 Project Background</b> .....	27
<b>3.2 Project Implementation</b> .....	28
<b>3.2.1 Project Purpose</b> .....	28
<b>3.2.2 Outputs and Indicators</b> .....	28
<b>3.2.3 Authorities in Charge and Regions of Activities</b> .....	29
<b>3.2.4 Counterparts and Concerned Parties</b> .....	29
<b>3.2.5 Scope of Work</b> .....	29
<b>3.2.6 Activities in the Project</b> .....	30
<b>3.2.6.1 Activities in 1<sup>st</sup> year</b> .....	30
<b>3.2.6.2 Activities in 2nd year</b> .....	42
<b>3.2.6.3 Activities in 3<sup>rd</sup> year</b> .....	54
<b>3.2.7 Other Remarks</b> .....	69
<b>4. Project Flow Chart</b> .....	73
<b>5. Members of the Team (JICA Consultants)</b> .....	74
Appendix 1: Project Design Matrix (PDM).....	77
Appendix 2: Project Operation Plan (3 years) .....	81
Appendix 3: Important Concepts in Japanese Management .....	91
Appendix 4: Basics of Value Management and Evaluation System .....	93
Appendix 5: Proposed training/consulting programme .....	97
Appendix 6: Recommendations to the Ministry of Trade.....	107
Appendix 7: List of potential MOUs (Memorandum of Understanding) .....	115
Appendix 8: Documents on the Project Summary .....	119
<b>PHASE II REPORT BY EPC (No. 6 JCC)</b> .....	121
<b>KIBT REPORT FOR JOINT COORDINATION COMMITTEE (No. 6 JCC)</b> .....	127
<b>Programme Guide of JICA Project Closure &amp; Review Workshop</b> .....	133

MEMO. OF THE PROJECT CLOSURE & REVIEW WORKSHOP .....	136
Appendix 9: Documents provided on CD.....	143
Appendix 10: Implementation of Overseas Training.....	145

#### List of Tables

Table 1 : Number of participants from SMEs in Trade Training.....	6
Table 2: Number of participants from SMEs in Cluster Training .....	7
Table 3: Number of SMEs participated in Onsite Consulting.....	7
Table 4: Number of SMEs assessed in Baseline Study .....	7
Table 5: Changes from the Original Plan in 1 <sup>st</sup> Year.....	10
Table 6: Changes from the Original Plan in 2 <sup>nd</sup> Year .....	16
Table 7: Implementation of SEW (Synergy Enhancement Workshop).....	18
Table 8: Implementation schedule of Export Coaching .....	20
Table 9: Changes from the original plan in the 3 <sup>rd</sup> year .....	22
Table 10: Equipment/devices provided to C/Ps .....	23
Table 11: Performance Indicators Collected by the Baseline Study .....	32
Table 12: Overview of Module-Based Onsite Consulting .....	33
Table 13: Overview of Cluster Training.....	35
Table 14: Trade Training Activities during 1 <sup>st</sup> year.....	37
Table 15: Improvements in Trade Training .....	37
Table 16: Training Schedule .....	38
Table 17: Implementation of Trade Training during 2 <sup>nd</sup> year.....	46
Table 18: Schedule of Networking Forum .....	50
Table 19: Three Modules of Onsite Consulting .....	55
Table 20: Implementation of Cluster Training.....	55
Table 21: Schedule of Trade Training in 3 <sup>rd</sup> Year.....	57
Table 22: Implementation schedule of Export Coaching .....	60
Table 23: Project Evaluation Statistics.....	66
Table 24: Export Initiatives of Trained SMEs.....	67
Table 25: Monitored results of SME database by the Baseline Study .....	68

## Acknowledgements

The JICA Consultants engaged in this Project (Joji Watanabe, Masaru Noguchi, Mitsuo Sato, Mitsuo Tamada, Chinpal Raunior, Sumiyuki Otsuki and Yuka Kato, together with Ong Song Howe, the latter for 1<sup>st</sup> year only) would like to express our sincere appreciation to all the parties who have contributed to the great success of all the training/consulting initiatives for SMEs during this Project implementation by the assistance of JICA. As time went by with improved coordination, both the Kenyan counterparts: EPC/KIBT, CEO, director, principal lecturers, managers and officers have shown remarkable performances in managing and delivering the training/consulting services: the Trade Training, Cluster Training, and Onsite Consulting in the scheme of PPP (Public Private Partnership) in cooperation with CERDS: the Kenyan consulting firm as the general management team with more than 10 Kenyan professionals in the private sector.

Special thanks should also go to Permanent Secretary of the Ministry of Trade (Mr. Eng. Abdulrazaq Adan Ali, CBS) who advised both EPC/KIBT and supported us the Project team from time to time by close coordination by Director of KIBT (Mr Stephen Kirui) during 2<sup>nd</sup> and 3<sup>rd</sup> year.

Together with the frequent support by JICA Kenya in the training implementations, and through the coordination/management of EPC/KIBT and CERDS, the Project team received numerous supports from the central and regional offices of the Ministry of Trade, the Ministry of Industrialization, and other organizations, and also from so many SMEs and their owners, managers and officers who provided invaluable information for the Baseline Study and appropriate supports to lead us to this great success.

As in the wording in Kaizen Song produced during 3<sup>rd</sup> year of the Project, we believe all the parties involved and trained in the Project will implement Kaizen to start their life-long journey so that we will see Kenya spearheading to become a miracle economy in Africa as Asians did in the past.

Thank you very much!

Joji Watanabe  
Project Manager, MBA

## Abbreviations

BOP	Bottom of Pyramid
CM	Cluster Training Module
COMESA	Common Market for Eastern and Southern Africa
C/P	Counterpart (EPC and KIBT in this Project)
EAC	East African Community
EBRD	European Bank for Reconstruction and Development
EC	Export Coaching
EPC	Export Promotion Council
EPZA	Export Processing Zone Authority
FASID	Foundation for Advanced Studies on International Development
JCC	Joint Coordination Committee
JICA	Japan International Cooperation Agency
KEBS	Kenya Bureau of Standards
KEPHIS	Kenya Plant Health Inspectorate Service
KIBT	Kenya Institute of Business Training
KIE	Kenya Industrial Estates
KIPI	Kenya Intellectual Property Institute
LSE	Large Scale Enterprise
MPC	Malaysian Productivity Centre
MIDA	Malaysian Industrial Development Authority
MATRADE	Malaysia External Trade Development Corporation
OSS	One Stop Service
PDM	Project Design Matrix
SEZ	Special Economic Zones
SME	Small and Medium Enterprise
SMIDEC	Small and Medium Industries Development Corporation
TOT	Training of Trainers

Map of Kenya



Map No. 4187 Rev. 1 UNITED NATIONS  
January 2004

Department of Peacekeeping Operations  
Geographic Section

(Source: United Nations)

## 1. Executive Summary

7-membered JICA Project team in cooperation with more than 10 Kenyan professionals provided technical cooperation through the Project “Second Phase of Trade Training for SME Exporters” to enhance capacities of two C/Ps (EPC and KIBT), with the following Project Purpose and Outputs:

Project Purpose: Small and Medium Enterprises (SME) export business skills are enhanced through systematic trade training.

Outputs: a. Systematic trade training programme for SMEs is designed and implemented.

- b. Supportive outreach programmes for SMEs and networking among ex-trainees are improved.
- c. Capacities to train SMEs by implementing institutions are strengthened.

The Project purpose and outputs have been accomplished through the systematic trainings of Trade Training, Cluster Training, Onsite Consulting, Baseline Study, Networking Forum and Overseas Training. The number of SMEs which participated in the training, one of the most important indicators to show the implementation of the Project, is shown in the following tables. The number of the training participants went down from 1<sup>st</sup> year to 3<sup>rd</sup> year, because the Project implemented more training courses in the small towns in the regions during 2<sup>nd</sup> year, and also the Project team with C/Ps established more and more stringent criteria in accepting the participants for effectiveness. For instance, they had to bring their products to class for coaching and class discussions to come up with practical solutions in the Intermediate and higher levels.

**Table 1 : Number of participants from SMEs in Trade Training**

Year	Type of Trade Training	Number of participants
Yr 1	<ul style="list-style-type: none"> <li>• TOT (for EPC and KIBT) x 2 in Nairobi</li> <li>• Beginners (Nairobi, Malindi, Nakuru and Kisii)</li> <li>• Intermediate (Eldoret, Nairobi, Mombasa, and Kisumu)</li> </ul>	299
Yr 2	<ul style="list-style-type: none"> <li>• TOT (for EPC and KIBT) x 3 in Nairobi</li> <li>• Beginners (Kakamega, Meru, Busia, Naivasha, Thika, Kericho)</li> <li>• Intermediate (Kisumu, Nairobi, Nakuru) and Advanced (Nairobi, Mombasa)</li> </ul>	189
Yr 3	<ul style="list-style-type: none"> <li>• Export Preparedness Training(EPTT): Beginners, Mombasa</li> <li>• Practical Export Trade Training (PETT): Intermediate, Eldoret and Nairobi</li> <li>• Export Coaching: (Advanced) Kisumu / Eldoret, Nairobi/Thika, Mombasa, Nakuru</li> </ul>	44  16SMEs
<b>TOTAL</b>		<b>532, 16SMEs</b>

**Table 2: Number of participants from SMEs in Cluster Training**

Year	Type of Cluster Training	Number of participants
Yr 1	· 3 weeks in Kariobangi (Once only)	31
Yr 2	· 2 weeks/1 week in Kariobangi and a week/a week in Thika (Total 4 times)	134
Yr 3	· A week in Kariobangi and a week course x twice in Thika (Total 3 times)	136
TOTAL		301

**Table 3: Number of SMEs participated in Onsite Consulting**

Fields Year	Module 1. Strategy and marketing (for top managers and sales) Module 2. Production & quality control (for production and technical staff) Module 3. Book keeping (for accounting and general affairs)	Number of SMEs
Yr 1-2	6 SMEs each pair of 2 SMEs in each of the above 3 modules. 1st & 2nd group, each of 6 SMEs received training by weekly and bi-weekly visits by the KIBT lecturers and Kenyan professionals.	6 SMEs (Yr 1) 6 SMEs (Yr 2)
Yr 3	4 SMEs in Kariobangi and 2 SMEs in Thika went through Onsite Consulting of 15 visits. 5 times each module above, bi-weekly in principle	6 SMEs
TOTAL		18 SMEs

**Table 4: Number of SMEs assessed in Baseline Study**

Year	Contents of Baseline Study	Number of SMEs
Yr 1	692 SMEs and 70 LSEs assessed in Nairobi, Mombasa, Kisumu, Eldoret, Thika and other major towns. 40% or more of the recipient SMEs increased revenue and expanded exports. Half of SMEs found willing to pay for training.	692 SMEs 70 LSEs
Yr 2	230 SMEs and 20 LSEs with exporting capacities in Nairobi, Thika, Mombasa, Kisii and Kisumu. Developed software to monitor SMEs.	230 SMEs 20 LSEs
Yr 3	JICA-trained 45 SMEs, 30 SMEs not trained, and 30 LSEs assessed. Software installed in PCs at EPC and KIBT central & 7 regional offices and training provided, for continuation.	45 SMEs 30 SMEs not trained 30 LSEs
TOTAL		997 SMEs 120 LSEs

Networking Forums were provided in Nakuru, Kisii, and Mombasa with the total 102 participants. In 3<sup>rd</sup> year, SEW (Synergy Enhancement Workshop) was held 4 times to create synergy among all the C/Ps, stakeholders and review/improve the training initiatives.

Overseas Training of EPC/KIBT through the delegation to India in 2011/2012 respectively for 2 weeks: 2 KIBT lecturers and 2 EPC sector champions visited India together with 4 SMEs and one LSE in 2011. Furthermore in 2012, one SME and a Kenyan professional joined the team at their cost making the total delegation team: 3 from KIBT including Director of KIBT, 2 from EPC and 6 SMEs and a Kenyan professional. The delegations had extensive exposure to the India's SME sector, HRD environment and its government policies.

## 1.1 Implementation (1st year)

### a. Administration

- i. All the trainings under EPC and KIBT were implemented quite smoothly as scheduled owing to sustained high motivation of C/Ps throughout 1st year of the Project, for which tribute should go to the management and coordinators of EPC/KIBT.
- ii. However, because of business practices in Kenya, such as bookings requiring deposit, and slow hotel administration, money transfer/postal service to receive invoices/receipts, the amount of work often increased to twice or more as much as in other country e.g. Japan. This often became an excessive burden on the JICA Consultants' administration of the Project<sup>1</sup>.

### b. Baseline Study

- i. Baseline Study was conducted by a Kenyan consulting firm (CERDS<sup>2</sup>) which had interviews with 692 SMEs and 70 LSEs in Nairobi, Mombasa, Kisumu, Eldoret, Thika and other major towns. They also produced a database in software with a manual so that EPC/KIBT would be able to update and monitor impacts of their training every year.
- ii. The Baseline Study indicated positive results by JICA/EPC Trade Training for more than 40% of the recipient SMEs in terms of improved revenue and expanded exports.
- iii. Half of SMEs were willing to pay for identified training needs, and expect continuation of the Trade Training, and consulting.
- iv. A majority of SMEs indicated their requirement for more focused and sector-based specialized training to meet their unique products and services.

### c. Onsite Consulting and Cluster Training

- i. TOT for 5 days was provided for KIBT lecturers. 2 EPC sector champions (in-house consultants with specializations, such as agriculture, crafts, and textile) participated in the TOT to create synergy between EPC and KIBT through mutual understandings.
- ii. The performance and learning capacity of KIBT lecturers should be highly regarded since 80% of the Cluster Training<sup>3</sup> in Kariobangi were provided by them.
- iii. Onsite Consulting<sup>4</sup> was provided to 6 selected SMEs in Kariobangi once every week from October

---

<sup>1</sup> The consulting team consisting of international experts hired by JICA is described as "Consultant(s)" beginning with a capital letter "C" in this report. Likewise, the "Project" with a capital letter "P".

<sup>2</sup>CERDS (Consortium for Economic Research and Development Studies): A sub-Saharan consultancy firm specialized in economic studies, development management, Project management, economic and market research, policy analysis, and capacity building. The firm was established and registered as a business organization by the register of companies (Registration of Business Names Act Number 414452).

<sup>3</sup> 3 areas; CM1 (Entrepreneurship and marketing), CM2 (Production control and QC), and CM3 (Bookkeeping and accounting) were provided respectively each week making 3-week evening course with Onsite Consulting for participating SMEs during working hours.

<sup>4</sup> "Onsite Consulting" indicates consulting at SME premises. But it was mostly not possible to use their premises, due to limited space available at their offices. Given this "Consulting" is also used instead of "Onsite Consulting" in this report.

2010 till 1st week of February 2011 by 3 teams, each of which consists of a Kenyan professional and 4 KIBT lecturers, under the JICA Consultants' supervision. As a result, all of the consulted SMEs showed good progress, e.g. in marketing, 5S, and costing, in addition to consulting mindsets enhanced through challenging experience by the KIBT lecturers.

- iv. Cluster Training was provided in Kariobangi for 2.5 hours every evening from Monday to Friday for 3 weeks and attended by more than 30 SME participants. Although the venue was poorly equipped and often too noisy for the participants to concentrate on lectures and group discussions, the participants showed enthusiasm on the opportunities, and at the closing ceremony they showed deep gratitude to the Kenyan professionals, KIBT and JICA, and even suggested a formation of SME association there to sustain learning opportunities.

d. Trade Training

- i. Instead of an originally proposed plan of one TOT (for EPC sector champions) and 6 Beginners courses, the Project conducted 2 TOTs (for EPC and the other for KIBT lecturers<sup>5</sup>) and 8 Trade Trainings, 4 of which were Beginners' courses (5-day) and the rest were Intermediate workshops(3-day). The latter courses were designed for participants with some experience in trading.
- ii. Development of trainings for these courses was quite cumbersome for the assigned Kenyan professionals, who combined 4 modules, originally for 7 days, into each one of 5-day (for Beginners) and 3-day (Intermediate) training courses. However, owing to excellent capacities of the Kenyan professionals, they developed good training materials and went through validations by the EPC sector champions and the JICA Consultants for finalization.
- iii. TOT (for EPC) had 21 participants, and 4 Beginners' courses had 129 in total, and 4 Intermediate workshops had 151. Except for the Beginners' course in Malindi with only 15 participants due to its tourism season and the Intermediate workshop in Eldoret in rural area with 25 participants, all had more than 30 participants, and even 40 and 50 for each. In this respect, it was considered that promotion by ads in newspaper, direct mails and telephone calls to respective organizations and individuals by EPC offices in Nairobi, Kisumu and Mombasa worked quite well.
- iv. However, since the ideal number of each class by student-centered interactive training was 20 or less, the average of 35 participants was away high for the effective training. Moreover, half of the participants did not pay advance payment for their reservation, but appeared at the venue first morning. EPC could not refuse their participation.
- v. The participant's fee: Ksh. 2,500 (Beginners course) – Ksh. 3,000 (Intermediate workshop) did not cover even the cost of venue, charged for each participant. To enhance the Project sustainability in the future, the JICA Consultants strongly suggested that there must be strategic consideration/measure to change the current situation.

---

<sup>5</sup> TOT was planned under EPC only, so even TOT for KIBT lecturers is included as one of trainings under EPC in this report.

< Changes from the original plan >

1<sup>st</sup> year (implemented)

**Table 5: Changes from the Original Plan in 1<sup>st</sup> Year**

Activities	Original plan	Reasons for change	Changes
1 <sup>st</sup> JCC	Planned in August	Needed rescheduling for a participant of MOT	Held on 17 <sup>th</sup> Nov. 2010
Places: (9 cities; Nairobi, Mombasa, Kisumu, Eldoret, Nyeri, Embu, Kisii, Nakuru and Malindi)	TOT (Nairobi) For Beginners (7 cities; Nyeri, Embu, Kisii, Malindi, Mombasa, Nakuru, and Nairobi)  TOT: Once Beginners: 7 times	More advanced requested also to have 4 times of Intermediate and 4 times of Beginners, in total 8 times.  Added another TOT especially for KIBT lecturers	TOT (Nairobi) was implemented for KIBT in addition to EPC. Beginners (Nairobi, Malindi, Kisii, Nakuru) and Intermediate (Nairobi, Mombasa, Eldoret, Kisumu) TOT: twice and 4 times each for Beginners and Intermediate course
On-site Consulting in Kariobangi	Consulting to be provided at the site of SMEs during their work hours.	No place for discussion/consulting at SME premises, and inconvenience for business during working hours.	Mostly consulting was provided at nearby coffee shop. Often Saturday was used while SMEs are not so busy.
Monthly meeting	Planned at Inception Report/Flow Chart	More frequent almost daily communication replaced monthly meetings	Monthly meetings were replaced by daily communications.
C/P Overseas Training	Malaysia was considered as the country to visit.	Kenya's export volume to India is 10 times as big as that to Malaysia.	Initiated contact with High Commission of India in Nairobi to schedule training in India for 2 <sup>nd</sup> year.

## 1.2 Implementation (2nd year)

### a. Administration

- i. The Project in 2nd year was implemented by closely established relations via meetings/communications between the JICA Consultants, EPC/KIBT and JICA as in 1st year.
- ii. For the Project administration, the Project selected/hired a Kenyan consultant as a general consultant (or training management consultant) in addition to 5 Kenyan professionals to implement Trade Training under EPC and Onsite Consulting/Cluster Training under KIBT. The selection was conducted based on interviews, their CVs and proven track records during 1st year of this Project.

b. Baseline Study

- i. To conduct the Baseline Study for monitoring training impacts on SMEs, the Project hired a Kenyan consulting firm: CERDS: the same one as in 1st year for continuation. CERDS collected data of 230 SMEs and 20 LSEs with exporting capacities in Nairobi, Thika, Mombasa, Kisii and Kisumu.
- ii. The SME respondents which received Cluster Training and Onsite Consulting in particular indicated positive effect of the JICA training in employment, increased revenue, productivity, etc.
- iii. Training on the use of database in the Baseline Study was conducted for EPC/KIBT in March 2012.
- iv. Through the discussion with EPC/KIBT, it was revealed that the existing monitoring system on SME performances was quite weak, which indicated needs for the organizational commitment and a manager in each C/P in charge, to encourage the staff to collect and keep in the newly created system for monitoring.
- v. CERDS trained the staff/lecturers of EPC/KIBT, and was recommended to continue assisting them to update the established database of SMEs and LSEs and monitor the impacts of their training/consulting on SME performance during the 3rd year of this Project.

c. Capacity building of EPC/KIBT

- i. Capacities of EPC sector champions (in-house consultants with specializations, such as agriculture, crafts, and textile.) and KIBT lecturers were strengthened by the JICA Consultants' interactions/coaching and their participations in training/consulting during Trade Training and Onsite Consulting. Moreover, TOT was conducted successfully by the facilitation of 2 Kenyan professionals. The first TOT was for 12 EPC sector champions (27th June to 1st July), and the second for 21 KIBT lecturers(4th to 8th July) together with 4 CERDS staff and 2 KIBT interns. TOT for KIBT was intended to train particularly 6 lecturers not experienced in Onsite Consulting during 1st year also using experienced KIBT lecturers, and that for EPC was to train EPC sector champions to make them effective trainers for Trade Training based on local business cases.
- ii. To train 14 KIBT lecturers who were stationed at KIBT regional offices and had not been trained so far, 3rd TOT (21st to 25th November) in 2nd year was provided by 3 Kenyan professionals. All TOTs provided good learning and training opportunities for them.
- iii. In each of the Trade Trainings during 2nd year, it was arranged so that 2-3 KIBT lecturers also participated as trainees to develop their training capacities in the Trade Training.
- iv. To develop KIBT lecturers as trainers in the Trade Training, EPC accepted them at EPC to give them learning opportunities on the job for 3 months from January 2012 (3 groups of 2 KIBT lecturers stationed at EPC for a month respectively). Moreover, a periodical staff rotation system between EPC and KIBT was suggested to strengthen capacities of EPC sector champions and KIBT lecturers.
- v. To improve training/consulting capacity of KIBT, it was suggested that KIBT should start accepting those with engineering/science/technology backgrounds<sup>6</sup>, so that at least 20-30% of the lecturers

---

<sup>6</sup> Up to the present, there has been no lecturer with engineering/science/technology background in KIBT. This fact is one of the biggest constraints to provide effective training and consulting to manufacturers in Kenya.

- will be those with engineering/science/technology background within the next 5 years or so
- vi. KIBT created a study group of several lecturers to digest Kaizen concepts<sup>7</sup> and started using them in their training and consulting. They also did some improvements by applying 5S concepts in the KIBT premises.
  - vii. It was also suggested that some of the sector champions/lecturers of EPC/KIBT should be exposed through domestic training at LSEs in Kenya with a view to establish vertical linkages from SMEs as supporting industries to LSEs in Kenya during 3rd year.
  - viii. The evaluation/remuneration system was suggested to be further reviewed to enhance enough incentives for the staff of EPC/KIBT to increase economic activities in the market<sup>8</sup>.
- d. Onsite Consulting and Cluster Training
- i. In July 2011, two Cluster Trainings were provided. Firstly for 2 weeks (from 11th to 22nd July for the total 10 weekdays at Ksh.1,000 fee/participant) in Kariobangi for about 29 SME participants<sup>9</sup>, and one week in Thika (from 25th to 30th July for 6 days including Saturday at Ksh.600 fee/participant) for about 31 SME participants. In spite of the fee charged for the first time in this Project, response rate to the number of fliers was very high; 10-20% which indicated extremely high demands for Kaizen management training. Moreover, owing to the training fee collected in advance, the participants showed better punctuality and diligence in the training than the previous Cluster Training during 1st year.
  - ii. In January 2012 two Cluster Trainings were provided in Kariobangi (16th to 21st January for 6 days including Saturday at Ksh.1,000 fee/participant) for 29 SME participants and Thika (23rd to 28th January for 6 days including Saturday at Ksh.1,000 fee/participant) for 33 SME participants respectively.
  - iii. For Onsite Consulting, 2nd group of 6 SMEs were selected by KIBT/CERDS and the JICA Consultants based on the understandings on the consulting benefits and their willingness to pay consulting fee of Ksh.500/session(2 hr.). Onsite Consulting was started for 2nd group together with the on-going Onsite Consulting and Integrated Training for 1st group of 6 SMEs continuing from 1st year, but with newly charged consulting fee Ksh.500/session(2hr.) from 2nd year<sup>10</sup>.
  - iv. It was revealed that continuation of Onsite Consulting particularly Module 3(Bookkeeping) required high levels of consulting and communication skills by the KIBT lecturers in view of the

---

<sup>7</sup> 9 reference books on Kaizen were provided to EPC/KIBT/local consultants, i.e. Idea Generator: Quick and Easy Kaizen (Workbook), Kaizen Desk Reference Standard, The Lean Manufacturing Pocket Handbook, The New Lean Pocket Guide XL, The Lean Pocket Handbook for Kaizen Events - Any Industry - Any Time, The Simply Lean Pocket Guide - Making Great Organizations Better Through PLAN-DO-CHECK-ACT (PDCA) Kaizen Activities, Toyota Kaizen Methods: Six Steps to Improvement, Kaizen Teian 1: Developing Systems for Continuous Improvement Through Employee Suggestions (No. 1), Kaizen and the Art of Creative Thinking - The Scientific Thinking Mechanism.

<sup>8</sup> A good incentive system, if established for their staff, will create training/consulting market on the long-term in Kenya and ensure the Project sustainability.

<sup>9</sup> The number shows the average attendance during the period.

<sup>10</sup> No fee was charged for Onsite Consulting during 1st year.

fact that a SME(Group 1) had to be replaced by a new one in October 2011.

- v. To strengthen movements on Kaizen and formation of SME association suggested by SMEs during Cluster Training in Kariobangi during 1st year, a private-sector-driven Business Center for consulting, training and meetings in Kariobangi was opened September 16th 2011. For this, the Project team was providing some advisory service on its management.
  
- e. Trade Training
  - i. During 2nd year, by close consultation with EPC, 6 Trade Trainings for Beginners had been scheduled and provided in Kakamega (1,2,3 and 8,9 August for 5 days), Meru (22,23,24 and 29, 30 August), Busia (29,30 August and 5,6,7 September), and Naivasha (12,13,14 and 19,20 September), followed by Thika (3,4,5 and 10,11 October) and Kericho (17,18,19 and 24,25 October). The Intermediate workshops, each for 5 days were provided three times during 2nd year, in Nakuru (planned originally on 7,8,9,10,11 November, but implemented on 20,21,22,23,24 February due to the inadequate number of interested participants), Nairobi (21,22,23,24,25 November) and Kisumu (30,31 January to 1,2,3 February), and Advanced courses in Nairobi(6,7,8,9,10 February) and Mombasa(13,14,15,16,17 February), each for 5 days also.
  - ii. Because of the increasing demands for product-specific individual approach with local cases, the Trade Training incorporated coaching in Intermediate and Advanced courses in the 2nd year. For this, 2 Kenyan professionals and 3 Kenyan professionals were assigned to Intermediate and Advanced workshops and their program development respectively.
  - iii. To differentiate participants more clearly in the Intermediate and Advanced workshops from Beginners courses, new conditions were added. The participants in the Intermediate and Advanced workshops were requested to bring the products, brochures or photos they are dealing with to the workshops in addition to their registration fee payment in advance.
  - iv. For courses for intermediate and advanced participants, cost-coverage scheme<sup>11</sup> was established where individual participant's cost charged by the venue should be covered by the training fee paid by the participants. The participation fee for Intermediate workshop was determined at Ksh.8,500 and that for Advanced at Ksh.10,000, by which the venue cost for individual participants was fully covered except Nairobi, where the daily cost can be more than Ksh.3,000/participant, much more expensive in comparison with those in the regions.).
  - v. Since through coaching, the JICA Consultants made good understandings on impediments, either physical or bureaucratic for C/Ps to serve SME exporters, the JICA Consultants provided a set of recommendations to the management of EPC/KIBT and the Ministry of Trade at the end of 2nd year.
  
- f. Overseas Training in India
  - i. Overseas training in 2nd year was conducted from September 18th to October 1st for 2 weeks for

---

<sup>11</sup> In the cost-coverage scheme, the cost charged by the venue for each participant will be covered, but not the training fees required by the trainers at this stage.

capacity building of EPC/KIBT through establishing a new linkage between industries in India, particularly those in the State of Gujarat of India and SMEs in Kenya. Towards the end of August 2011, announcement of the mission to India was conducted via newspaper advert to the public, and emails to ex-participants in trainings under EPC/KIBT and those surveyed by the Baseline Study, and the members of KAM<sup>12</sup>, etc. As a result, 7 SMEs and 1 LSE submitted their applications to become delegation members, and on September 2nd 2011, 4 SMEs and 1 LSE were selected by the selection committee consisting of EPC/KIBT/JICA/JICA Consultants and a Kenyan Consultant. The participants in the training consisted of 2 sector champions at EPC, 2 lecturers at KIBT, together with 4 SMEs and 1 LSE. The training will be conducted in 3rd year in the similar mission structure engaging SMEs and LSEs, with a view to establish vertical integration/linkages from SMEs to LSEs in Kenya, so that SMEs will form strong supporting industries in the Kenyan economy in the future.

- ii. The JICA Consultants' follow-up mission to SMEs in Eldoret and Mombasa revealed that the owners of SMEs who participated in the mission gained a clear vision on their future business, and either started new relations with identified Indian business partners or invested a new state-of-the-art machine as 1st of this kind for industrial needs in Kenya. The participants' reports also suggested all the participants more than met the objectives, e.g. studying technologies and identifying the Indian counterparts, which eventually led to conclusions of new contracts to do business with the Indian partners.
- iii. There were various findings in this mission by EPC/KIBT delegation members. In India, the financial sector supports human resource development or training institutes so that SMEs' demand market for loans will grow for the financial sector. The training institutes have income-generating function to support their operations for growth and keep their innovative, and entrepreneurial business nature. There were not only vertical integration between SMEs and LSEs, but also strong SMS clusters within which SMEs are collaborating to manufacture sophisticated products. These findings were recommended to further discussed to improve the services of the public sector including KIBT and EPC.
- iv. EPC/KIBT members were also donated management and training-related books from some institutes in India and purchased some books and DVDs for training. There were commitments for future collaboration of the Kenyan institutes and their counterparts in India through prospective MoUs to be signed next year.
- g. Networking Forums
  - i. Networking forums were held in Nakuru (23rd September 2011), Kisii (1st November 2011) and Mombasa (20th February 2012) to strengthen networks among SMEs and other service providers such as insurance, banking, etc. under EPC's coordination. Cases were also presented for discussion for the participants by successful exporting SMEs. In Mombasa, the Project Manager provided a

---

<sup>12</sup>KAM: Kenya Association of Manufacturers with about 680 members in 2011.

seminar on Kaizen and Value Management<sup>13</sup> to initiate a national campaign<sup>14</sup> to enhance competitiveness of the Kenyan industries.

h. Newsletters and homepages

i. Information were disseminated, through webpage and videos<sup>15</sup> of the Trade Training, together with newsletters via webpages at EPC. KIBT set up a study group to prepare training materials by slides and videos on Kaizen.

ii. Contents of the Trade Training were further developed as a preparatory stage of the teaching materials to enable long distance learning through ICT in the near future or 3rd year for the KIBT regional lecturers and EPC regional coordinators, so that SMEs in the regions would be able to acquire knowledge and skills for management and trading.

i. Awards to 3 KIBT lecturers

i. Cluster Training and Onsite Consulting for one year or more in the industrial clusters like Kariobangi were new experience for the KIBT lecturers who went through various troubles with SME clients and schedule conflicts with their existing training responsibilities. To recognize and commend their efforts, the Project team provided Awards of Excellence to three outstanding lecturers of KIBT on their quality of their consulting/training service and the participation rate in Onsite Consulting on February 15th 2012.

---

<sup>13</sup>Both Kaizen and Value Management are based on strengths of Japanese management philosophy. Kaizen is applied widely in numerous companies in advanced countries now. Value (for customers) Management infuses strong customer-orientation by overcoming egoistic perspectives of service suppliers.

<sup>14</sup>Stark contrast between developing countries in Africa such as Kenya and Asian dragons such as Singapore is that Kenya only has “Don’t” campaigns i.e. anti-corruption and HIV, whereas Singapore had strong “Do” campaigns all the time to change the mindsets of the people from family life, QCC, education to culture.

<sup>15</sup>An article at EPC website was uploaded: “One on one with Mr. Watanabe” at EPC website.

< Changes from the original plan >

2<sup>nd</sup> year (implemented)

**Table 6: Changes from the Original Plan in 2<sup>nd</sup> Year**

Activities	Original plan	Reasons for change	Changes
Training places : (Nairobi, Mombasa, Kisumu, Eldoret, Nyeri, Embu, Kisii, Nakuru and Malindi, i.e. nine (9) cities in total.	TOT (Nairobi) for EPC and KIBT	All KIBT lecturers should be trained through TOT, so that their potentiality will be fully exploited to become trainers for Trade Training and Kaizen.	TOT(Nairobi) was provided 3 times for KIBT (twice; for Nairobi office and for regional offices) and EPC (once).
	Beginner (Nyeri, Embu, Kisii, Malindi, Eldoret, Kisumu, Nairobi) Intermediate (Mombasa, Nakuru) Advanced (Mombasa)  TOT; for EPC/KIBT Beginners; 7 times, Intermediate; twice and Advanced; once.  (The total number of training was 12 times.)	Because of EPC's strategy to do regional outreach training at 15 cities, Thika, Kakamega and Naivasha are also included for the Trade training besides 9 cities in the original TOR.	Beginners (Kakamega, Meru, Busia, Naivasha, Thika, Kericho); 6 times  Intermediate (Kisumu, Nairobi, Nakuru); 3 times Advanced workshops provided at Nairobi and Mombasa; twice  (The total number of training was 14 times.)
	Sector approach selecting 2 sectors at Advanced level.	To meet specific individual needs by respective participants.	Applied individual coaching to cope with more specific needs.
Networking forum	Scheduled to be held at Nyeri, Mombasa, Kisii, Nakuru, Embu, and Malindi, i.e. 6 cities in total.	Some budget was diverted to have more Trade Training courses, because EPC had networking forums recently in the planned cities.	The networking forums were held at Nakuru, Kisii, Mombasa, i.e. 3 cities in total.
Training methods	Lectures and case studies; Japanese methodology (Interactive method)	High request for coaching to meet the participants' needs.	Coaching was incorporated in both Intermediate and Advanced workshops. For instance, with the allocated time for coaching 40% of the total program for Intermediate and not less than 60% for Advanced one.
Capacity building of EPC/KIBT	C/P overseas training and TOT(EPC and KIBT respectively)	To enhance consciousness of value creation in the market for the Project sustainability.	In addition to C/P overseas training and TOT(3 times in total), and attachment of KIBT lecturers at EPC was provided for 6 lecturers from January to March 2012.
C/P overseas training	Planned to be held in Malaysia	Kenya's export volume to India is 10 times as big as	Held in India. In addition to staff of EPC/ KIBT,

		that to Malaysia.	participation of SMEs and LSEs was realized at participation fee of Ksh.110,000 and 170,000 respectively.
--	--	-------------------	---

### 1.3 Implementation (3rd year)

#### a. Administration

- i. The Project kept the same management/coordination structure as in 2nd year with CERDS as the general consultant to supervise all the training/consulting by the Kenyan professionals with EPC/KIBT, being managed by JICA Consultants who report to JICA.
- ii. The Project selected/hired a Kenyan consultant as a general consultant (or training management consultant) in addition to 10 Kenyan professionals to implement Trade Training under EPC and Onsite Consulting<sup>16</sup>/Cluster Training under KIBT. The selection was conducted in fair manners based on interviews<sup>17</sup>, their CVs and proven track records during 1st and 2nd year of this Project.

#### b. Baseline Study

- i. To conduct the Baseline Study for monitoring training impacts on SMEs, the Project hired a Kenyan consulting firm: CERDS: the same one as in 1st/2nd year for continuation. By having interviews, CERDS collected data of 75 SMEs (JICA-trained 45, and untrained 30 SMEs), and 30 LSEs for comparison to check the impacts of the trade training conducted in the past with detailed case studies during 3rd year.
- ii. Training by CERDS/KIBT on the use of database software developed during 2nd year by CERDS were provided for EPC/KIBT including their regional offices to continue the Baseline Study.
- iii. Being assisted by CERDS, the staff/lecturers of EPC/KIBT updated the established database of SMEs and LSEs so that they can monitor the impacts of their training on SME performances.

#### c. Capacity building of EPC/KIBT

- i. Capacities of EPC sector champions and KIBT lecturers were further strengthened by the JICA Consultants' interventions/coaching during Trade Training and Onsite Consulting, etc. Moreover, TOT was conducted 4 times in the form of SEW (Synergy Enhancement Workshop) to create synergy among EPC, KIBT and the Kenyan professionals as in the following table.

<sup>16</sup> Onsite Consulting is called Integrated Consulting in 3rd year, since all three modules were provided to 6 client SMEs.

<sup>17</sup> The interview objectives were to identify their availability and discuss Kaizen suggestions to improve the Project performance further.

**Table 7: Implementation of SEW (Synergy Enhancement Workshop)**

SEW	Date	Objective	Participants
1 <sup>st</sup>	June 7 <sup>th</sup> -8 <sup>th</sup>	To review and discuss the training methods/consulting contents, such as Kaizen and Value Management, and the results of the Baseline Study during 1 <sup>st</sup> /2 <sup>nd</sup> year.	8 KIBT lecturers 3 Kenyan professionals CERDS staff, JICA Consultants and JICA representative.
2 <sup>nd</sup>	Aug. 2-3 <sup>rd</sup>	To enhance synergy among the Kenyan professionals and EPC/KIBT for “Export Coaching”, and discuss suggestions for the effective use of the new KIBT premise to be in service mid. 2013	11 EPC and 10 KIBT lecturers facilitated by 2 Kenyan professionals in cooperation with CERDS staff, JICA Consultants and JICA representative.
3 <sup>rd</sup>	Oct. 4 <sup>th</sup>	To have discussions on the reporting by the total 15 mission members to India.	Director of KIBT: SMEs, the Kenyan professionals There were nearly 30 participants in total including the participants from SMEs, EPC/KIBT, CERDS, JICA Consultants and JICA representative.
4 <sup>th</sup>	Dec. 5 <sup>th</sup>	To review the Project and recognize individual performances and provide Awards of Excellence and Participation. KIBT received Award of Institutional Excellence for their outstanding performance.	About 90 participants from C/Ps, including KIBT Director, GM of EPC, Ministry of Trade (Nairobi/Thika representatives), Ministry of Industrialization, Kenya Industrial Estate, JICA Consultants, CERDS, Kenyan professionals, Viken 30 Industrial Park <sup>18</sup> Ltd. Nairobi representing a group of 300 SMEs from Kariobangi, etc.

- ii. An ideal management system with sound motivational effect for C/Ps was suggested to the Permanent Secretary of the Ministry of Trade again on December 11th 2012 to strengthen capacities of EPC sector champions and KIBT lecturers. Moreover, all the KIBT lecturers in Nairobi and the regional offices arranged to become recipient members of the newsletter: “Trade Alert” from ICT section of EPC, so that they could learn news on exhibitions, events, regulations, etc. related to exporting from Kenya.
- iii. With sound leadership of Director of KIBT, KIBT lecturers continued learning Kaizen and Value Management concepts, initiated during 2nd year, and used them in their training, consulting and

<sup>18</sup> Viken 30 Industrial Park was incorporated by SME participants in JICA Cluster Training/Onsite Consulting in 2012 in Kariobangi assisted by the Kenyan professionals and CERDS, after a big fire killed nearly 20 workers at one of the factories in Kariobangi in 2011. The fire killed many due to poor conditions with residential and industrial mixed areas. One of the clients of Onsite Consulting: Alpha Paints Ltd. called on many SMEs and finally formed a group of 300 interested SMEs to relocate themselves to an industrial estate of 47 acres in Ruai along the Eastern By-Pass; approximately 15 km from Jomo Kenyatta International Airport. They have purchased the land there by some finance from banks, and are now looking for further funding for infrastructure development.

counseling.

- iv. A vision and needs to establish vertical linkages from SMEs as supporting industries to LSEs in Kenya were taken up in the training, consulting and counseling to SMEs by C/Ps.
  - v. A meeting was held on December 14th by Project Manager and a Kenyan consultant of CERDS with the EPC Chairman: Mr Hudson Aluvanze to discuss the measures to revitalize EPC up to the level of KIBT which frequently exceeded the JICA Consultants' expectations in terms of its performance during the Project implementation. One of the discussed items was a measure to improve the current evaluation/remuneration system to enhance sound incentives for the staff of EPC to increase economic activities in the market<sup>19</sup>.
- d. Onsite Consulting and Cluster Training
- i. Cluster Training was provided three times for a week at Ksh.1,000 fee/participant respectively. 18th to 23rd June in Kariobangi for 63 SME participants<sup>20</sup>, and twice in Thika (21st-27th August for 42 SME participants, and 8th-13th October for 31 SME participants). In spite of the increased fee; 6 times the originally suggested level<sup>21</sup> of the first Cluster Training per week in 2010 in Kariobangi, the response rate to the number of fliers drastically increased due to the improved sales/marketing activities and established sales channels, leaving more than 500 participants in the waiting list at the end of the Project. The fact indicated extremely high demands for Kaizen management training in the industrial areas. Having paid the training fee in advance, the participants showed much better punctuality and diligence than the previous Cluster Trainings in 1st and 2nd years of the Project implementation.
  - ii. To implement Integrated (Onsite) Consulting, 3rd group of 6 SMEs in total were selected by KIBT/CERDS and the JICA Consultants, based on the recipients' understandings on the future benefits and the willingness to pay consulting fee of Ksh.500/session for 2 hours. The Integrated Onsite Consulting was provided for 4 SMEs in Kariobangi and 2 SMEs in Thika during 3rd year.
  - iii. To strengthen movements on Kaizen and formation of SME association suggested by SMEs at the closing ceremony of 1st Cluster Training in Kariobangi during 1st year, a private-sector-driven Business Center of a small room for consulting, training and meetings in Kariobangi was opened in September 16th 2011. This center called Consulting House was expanded and re-opened with 3 rooms in the same building in Kariobangi on Friday 10th August to meet the training/consulting needs<sup>22</sup>.

---

<sup>19</sup>A good incentive system, if established for their staff, will create training/consulting market on the long-term in Kenya and ensure the Project sustainability.

<sup>20</sup>The number of attendants recognized by certificates by their participation.

<sup>21</sup> After extensive discussions with KIBT, the Project did not charge any fee for the Cluster Training for 3 weeks during 1st year.

<sup>22</sup>After the re-opening of the Consulting House with 3 rooms in 2012, the number of SME visitors increased drastically to nearly 10/day to hold meetings for SMEs and also with CERDS. This Consulting House was effectively used by KIBT lecturers to conduct Onsite Consulting and do sales to SMEs for the Cluster Training. The Consulting House is supposed to provide various supports to SMEs such as IT service, documentation, training, and consulting in cooperation with KIBT with many lecturers after the Project.

e. Trade Training

- i. At the beginning stage of the 3rd year of the Project, by close consultation with EPC, one Trade Training for Beginners and two for Intermediate levels were scheduled. During the 3rd year, one training for beginners called “Export Preparedness Training” in Mombasa (September 19-21, 25-26 for 5 days for 24 participants), and the Intermediate workshop called “Practical Export Trade Training” were provided twice, one in Eldoret (September 4-6, 11-12 planned but adjusted for professionals availability to September 17-19 and 24/25th for 6 participants for 5 days) and the other in Nairobi (October 2-4, 9-10 for 5 days for 14 participants).
- ii. Because of increasing demands for sector-based individual approach in the training/consulting, the Project conducted the advanced level of training as “Export Coaching (EC)” to cover Kisumu/Eldoret, Nairobi/Thika, Mombasa and Nakuru with the schedule shown below. In Export Coaching, promotion (ECPR) was conducted at each city by the Kenyan professionals with KIBT lecturers and EPC sector champions in July and August, and all the selected 2-4 SMEs at each city received Export Coaching twice in August/September and October/November towards the end of this programme. During a few months between the two visits of EC1 and EC2, the recipient SMEs were supposed to take actions to improve their operations suggested by the professional teams.

**Table 8: Implementation schedule of Export Coaching**

	ECPR	EC1	CE2
Kisumu / Eldoret	Jul 9-10/ 12-13	Aug 6-10	Oct 15-19
Nairobi / Thika	Jul 11-12 / 17-18	Aug 13-16	Oct 23-26
Mombasa	Aug 1-2	Aug 20-23	Nov 19-22
Nakuru	Jul 24-25	Sep 11-14	Nov 13-16

Export Coaching was delivered by the following promotional approach.

- The promotion of the Export Coaching was done for 2 days in the respective cities.
- The promotion included holding a joint meeting for all the shortlisted companies to sell the benefits of the coaching and get commitment for participation.
- Posters to disseminate the Kaizen philosophy was developed and used during the promotion and visits.
- A Kenyan professional as the lead consultant developed coaching manual guide.

The interventions to 6 SMEs by the Export Coaching were highly appreciated for various items of consulting, in the fields of strategy development, sales promotion, human resource management, quality control/production control and accounting.

f. Overseas Training in India

- i. Overseas training in 3rd year was provided in India from September 2nd to 15th for 2 weeks and exposed the participants to the Indian SMEs and the public institutes in charge of SME development, and to follow up the established linkages between Kenya and India last year, particularly with those in the State of Gujarat. In July, PR of the mission to India was conducted via newspaper ads, emails to past participants in trainings under EPC/KIBT and those surveyed by the Baseline Study, and the members of KAM, etc. As a result, 16 SMEs submitted their applications for the delegation, and 5 SMEs were selected at the selection committee consisting of EPC/KIBT/JICA/JICA Consultants and a Kenyan consultant early August.

The participants in the mission to India were Director of KIBT as Mission Leader, 2 KIBT lecturers, 2 EPC sector champions, 5 SMEs and other 3 volunteers. The volunteer participants who paid themselves, were another manager from the same SME which sent an owner in the mission in 2nd year of the Project, a Kenyan professional in the Onsite Consulting and Cluster Training, and a Project Formation Adviser of JICA at Kenya office. The delegation members took the similar itinerary to the one last year, but with a view to follow up Kenya-India relations by initiating discussions to conclude 5 MOUs between the two public sectors of Kenya and India.

- g. Synergy Enhancement Workshop replaced Networking Forum
- i. Rather than conducting networking forums during 3rd year, the JICA Consultants agreed with EPC/KIBT to hold Synergy Enhancement Workshop (1-2 days each) for them in Nairobi 3 times in 3rd year, not only to strengthen synergy effect between EPC/KIBT under the new constitution requiring effective administration of the government offices, but also to enhance good understandings by the participants on Kaizen and Value Management<sup>23</sup>, thereby strengthening regional training capacities through Export Coaching by KIBT regional offices, and conduct a national campaign<sup>24</sup> suggested by JICA Consultants. 4th SEW was held on December 5th during the last stay for the JICA Consultants, to review the Project and provide awards to the excellent performers before the Project closure.
- h. Newsletters and homepages
- i. Information on the Project was disseminated for promotion through newspaper ads., DVDs, , and counseling service, together with newsletters via emails, webpages at EPC as in 2nd year.
- ii. Contents of the training were recorded as a preparatory stage to enable long distance learning through ICT in the near future, so that SMEs in the regions will be able to acquire knowledge and skills for trading.

---

<sup>23</sup>Both Kaizen and Value Management are based on strengths of Japanese management philosophy. Kaizen is applied widely in numerous companies in advanced countries now. Value (for customers) Management infuses strong customer-orientation by overcoming egoistic perspectives of service suppliers.

<sup>24</sup>Stark contrast between developing countries in Africa e.g. Kenya and Asian dragons e.g. Singapore is that Kenya only has "Don't" campaigns i.e. anti-corruption and HIV, whereas Singapore had strong "Do" campaigns all the time to change the mindsets of the people from family life, QCC, education to culture.

< Changes from the original plan >

**Table 9: Changes from the original plan in the 3<sup>rd</sup> year**

Activities	Original plan	Reasons for change	Changes
Training places : (Nairobi, Mombasa, Kisumu, Eldoret, Nyeri, Embu, Kisii, Nakuru and Malindi, i.e. nine (9) cities in total.	TOT (Nairobi)  Beginner (Eldoret and Kisumu)  Intermediate (Nairobi)  Advanced (Nairobi, Mombasa, Kisumu, Eldoret, Thika and Nakuru)	Synergy enhancement between EPC/KIBT regional offices with newly installed laptop computers and LCD projectors, together with SME- monitoring software developed by this Project.  Capacity building of EPC sector champions and regional officers/lecturers of KIBT.  Needs for individual approach through coaching to SMEs particularly in the regions using KIBT regional offices at 7 cities.	TOT(Nairobi) was provided 3 times as SEW for KIBT and EPC. Additionally the Project Closure & Review Workshop as the final SEW in Nairobi.  Beginners (Mombasa) Intermediate (Eldoret and Nairobi)  Advanced course as Export Coaching was provided at Kisumu/Eldoret, Nairobi/Thika, Mombasa and Nakuru for individual SMEs.
Networking forum	Scheduled to be held at Nairobi, Eldoret and Kisumu.	SEW 4 times requires more preparation time and budget from the Project.	Thus, the networking forum was not held, but SEWs.
Training methods	Lectures and case studies; Japanese methodology (Interactive method)	High request for coaching to meet the participants' individual needs.	Coaching was incorporated in all courses. For instance, 40% of the total program for Intermediate and almost 100% for Advanced course of Export Coaching.
Capacity building of EPC/KIBT	C/P overseas training and TOT as SEW	To enhance consciousness of value creation in the market for the Project sustainability.	In addition to C/P overseas training, the Project enhanced information exchange via Trade Alert (EPC's email newsletter), held SEW for EPC/KIBT to present their outputs from consulting, etc. Moreover, sound evaluation was suggested to keep high motivation /optimize remuneration at EPC/ KIBT to enhance the Project sustainability.

C/P overseas training	Planned to be held in Malaysia	India is 10 times as big as Malaysia in the exports volume from Kenya.	Held in India as a continued programme from 2 <sup>nd</sup> year. In addition to Director of KIBT and other staff of EPC/ KIBT, 5 SMEs and 3 volunteers paying themselves participated.
-----------------------	--------------------------------	--	---

#### 1.4 Equipment/devices provided to C/Ps

The following equipment/devices were provided to C/Ps during the Project implementation for the purpose of improving efficiency in the C/Ps operations and developing their capacities.

**Table 10: Equipment/devices provided to C/Ps**

Item	Delivery Date	Location	Status
2 Digital Video Cameras	23 Sep 2010 (1 <sup>st</sup> year)	EPC/KIBT Head Office	The equipment have been utilized for recording trainings to improve training skills of EPC sector champions and KIBT lecturers
5 Skype Handsets, 3 Internet Modems, 4 Top-up Cards, 2 HDDs	30 Nov 2011 (2 <sup>nd</sup> year)	KIBT Head Office	The equipment have been used for daily communication and operation at KIBT head office.
7 sets of LCD Projector and Laptop PC.	26 Jun 2012 (3 <sup>rd</sup> year)	KIBT 7 Regional Offices	LCD Projectors and laptops have been used to conduct trainings and communication at KIBT regional offices.

## **2. Policies in Project Implementation**

### **2.1 Operational Aspects**

#### 1) Efficiency backed up by Knowledge on African Business

All experts participating in the Project of the second phase of trade training for SME Exporter have research experience in Africa or business experience with private companies there, thus possessed useful knowledge of the African business. In addition, the JICA team had experts who participated in Phase 1 of this Project or those who participated in subsequent trainings. Therefore, this team implemented the Project efficiently which covers vast subject areas in business. For example “Trade Training” covers those from Training of Trainers (TOT) to product development, marketing, logistics, and finance, and “Cluster Training” covers enterprise strategy to production management, quality management, and accounting.

The team consisted of seven (7) experts out of which three (3) have participated either in Phase 1 or subsequent trainings (*Mr. Watanabe, Mr. Noguchi, and Mr. Sato*). *Mr. Tamada* responsible for the Cluster Training, used to be a factory manager at a textile factory in Uganda which received 2-Step-Loans from JBIC, and *Mr. Otsuki*, responsible for the Cluster Training, participated in the development of a Special Economic Zone (SEZ) in Tanzania, and contributed to getting a Japanese private investment (Second-hand Car Business), and arranged a study tour for Tanzanian governmental officials to visit Indonesia and Malaysia to learn the system of SEZ.

#### 2) Rich Experience in Private Sector Capacity Development

In order to yield a good result, the team assigned experts with rich experience in private firm consulting and training, especially those who have leadership to conduct onsite and cluster trainings to Small and Medium Enterprises (SME). *Mr. Watanabe and Mr. Tamada* have conducted consulting/trainings on factory management, product development, quality management, and productivity improvement for projects by Japan International Cooperation Agency (JICA) and European Bank of Reconstruction and Development (EBRD).

#### 3) Continuity from Phase 1

One of the important aspects of conducting Phase 2 was to keep the continuity from Phase 1. This continuity does not only apply to the training subjects, but also to the policy to process South-South Cooperation between Asia and Africa. Due to the fact that Kenya has closer economic relationship with India than Malaysia, the overseas training for the counterparts in India during 2<sup>nd</sup> and 3<sup>rd</sup> year was agreed among stakeholders at the 1st JCC, instead of the original plan in Malaysia.

#### 4) Long-term Assignment of Local Professionals and a General Consultant for Close Communication with the Kenyan Community

Phase 2 was conducted over a long-term, for three (3) years, from August 2010 to December 2012 in cooperation with two C/Ps, as well as covering extensive subjects in trade and business areas, for which good communication was essential for effective Project implementation and technical transfer to C/Ps. Thus, the team assigned Kenyan professionals as well as a general consultant<sup>25</sup> for the entire Project. They were responsible in bridging the gap between experts and C/Ps for enabling smooth communication.

## 2.2 Technical Aspects

### 1) Correspondence between Training Contents and Kenya Vision 2030

In Kenya Vision 2030, the Kenyan government envisions to “Become a middle-income country which can provide high quality living standards and a clean and safe environment for the people”. Being aware of this goal, the team planned to contribute to the manufacturing industry in Kenya to achieve high GDP growth by putting an emphasis on the comparative advantages of Kenya relative to the neighboring countries, and its position as the gateway of the East African region. In trainings, the issue of how to improve productivity, add value and enhance the competitiveness of the products in both the domestic and export markets were addressed. Through trainings, the team aimed to change the SME management practices and improved the capacities of SME workers to contribute to the Kenyan economy.

### 2) Answering to the Real Demands of Kenyan SMEs

In Africa, Kenya is certainly one of the leading countries both politically and economically. As a member of the East African Community (EAC), Kenya is a signatory to the protocol establishing a customs union in effect from January 2010 and a common market in effect from July 2010 as well as possessing a comparatively good business, educational environment, and infrastructure among Sub-Saharan African countries. However, in Phase 1 in 2007, about 80-90% of SME participants in trainings did not have trade experience. In addition, the management level of SMEs was recognized still quite inadequate in Kariobangi according to an interview with FASID. Since the amount of foreign investment is also extremely limited, technology and skill levels at SMEs have been limited. Thus, it is important to provide trainings that truly fit in the current SME capacities, rather than setting an unrealistically high goal.

The team planned to share common challenges faced by Kenyan SMEs so as to make case studies, and offer joint solutions. We also planned to present Japanese successful cases or Bottom of Pyramid (BOP) business cases that could be applied to the Kenyan market. In addition, the access to the financial market was also addressed understanding the benefits of strengthening partnerships with the financial community (corporate finance, trade finance, and local finance) in the trainings.

---

<sup>25</sup>A general consultant are hired from the 2<sup>nd</sup> year

### 3) Encouraging Sense of Ownership of the Kenyan C/Ps (C/P)

The overall goal of this Project is to increase the productivity of Kenyan SMEs through improvement of the capacities of EPC and KIBT, and their staff engaged in SME trainings and guidance. Although in the Trade Training of Phase 1 in 2007, the JICA Consultants themselves provided trainings, in Phase 2 Kenyan C/Ps played the main role while JICA Consultants remained in an advisory position to achieve sustainability by only Kenyans in the future. For example, while in Phase 1, professionals used Japanese cases experienced in African countries, in Phase 2, the team encouraged to use experience of the Kenyan professionals or SMEs (both successes and failures) in the training materials.

### 4) Promoting Trainings through Advertisements

The sustainability of the training was also ensured by advertising the activities conducted by EPC and KIBT to stimulate interests among SMEs. For promotion, the team put the contents of counseling services and the video of trainings in webpage, and published flyers with the latest training information or activities<sup>26</sup>. Publishing the materials or videos of trainings also helped SMEs in rural areas with limited opportunities to take trainings to build capacities<sup>27</sup>. The Project also produced poster calendars to promote 5S and Kaizen. During the Project term, the team trained C/P's staff on promotion to keep sustainability in advertisement as well.

### 5) Strengthening the SME Network

One of the planned outcomes of this Project is to strengthen the networks among SMEs. However, considering rivalries among companies in the same industry, this might not be always easy. Thus, the team promoted the understandings on conducting business based on “customers’ benefits” rather than on “attributes of entities”.

### 6) Proposing Local One Stop Service (OSS) Function

In connection with Kariobangi Light Industries where the Project provides Onsite Consulting and cluster trainings, the team encouraged the study of the introduction of OSS function often used in SEZ<sup>28</sup>. OSS enables companies to improve service levels for customs clearance, quarantine, and finance to simplify procedures for the import/export activities. In this sense, OSS function should be proposed not only from the private sector, but as a joint trade promotion effort between the public sector and the private, which includes the ministries concerned, local municipalities, and financial institutions, related to Customs, KEBS, EPC, EPZA, KIPI, KIBT, KenInvest, KEPHIS, Immigration, etc. The team had

---

<sup>26</sup> EPC's webpages and newsletters issued mostly bi-weekly started showing training schedules from 1st year of the Project. During 2nd year, EPC's webpage showed an article on KIBT's activities.

<sup>27</sup> DVDs will be provided to the regional offices of C/Ps during 3rd year.

<sup>28</sup> Some dialogue between Kenya Investment Authority and the Consultants was initiated during 2nd year, but was discontinued in 3rd year since the CEO was replaced. However, a 10-year PPP strategy of KIBT in cooperation with the Kenyan professionals in this Project was started in December 2012 to make use of the new premise of KIBT in Parklands and Consulting House with OSS function in Kariobangi managed by CERDS.

discussions with C/Ps so that the Consulting House in Kariobangi and also the new KIBT premise in Parklands will seek out the various possibilities that are open to them.

## **2. Methodologies**

### **3.1 Project Background**

In accordance to the Kenya Vision 2030, the Kenyan government is expected to “Become a middle-income country which can provide high quality living standards and clean and safe environment for the people”. The process of achieving this goal is divided into three (3) main pillars: namely, Economic, Social, and Political. Under the economic pillar, the government intends to achieve an annual GDP growth of 10% on a sustainable basis mainly through the manufacturing industry, tourism, agriculture, wholesale and retail trade, ICT and business process outsourcing. However, the manufacturing industry alone recorded a growth of only 6.3% in 2008 and 3.5% in 2009<sup>29</sup>. In the past 20 years, the GDP growth rate has remained below 10%.

In order to solve this situation, the Kenyan government has been applying economic policies to improve the partnerships among the East Africa. In January 2005, the Customs Tariff Union among EAC countries (Kenya, Uganda, and Tanzania) became effective (In July 2009, Rwanda and Burundi also joined). Furthermore, in 2010 the formation of the East African Common Market took effective. Through these efforts, it is expected that more active trading among the joined community will be realized.

Kenya has great potential. From the latest “Doing Business 2013 report” conducted by the World Bank, covering June 2011 to May 2012, Kenya went down to 121st from the previous 117th place in the global ranking. Though this position is lower than Rwanda’s 52<sup>nd</sup>, it is still comparatively high among EAC and Sub-Saharan African countries. In addition, with high education and infrastructure points, the industrial areas in/around Nairobi have on average overtaken other industrial areas outputs within EAC. (though it is limited to light industries).

In terms of leading export products, the majority consists of tea, coffee and horticulture crops to European or Asian countries, thanks to efforts to integrate the economies among EAC, approximately 50% of Kenya’s export volume goes to African countries. In addition, though the overall trade balance shows deficits, the balance against African communities are showing positive balance, among which approximately 50% of the exports in Africa goes to EAC countries.

---

<sup>29</sup>Economic Survey 2010 (Table 2.4)

Kenya exports industrial commodities to neighboring countries, and imports mostly food<sup>30</sup> from Tanzania and Uganda. Considering this trade structure, to achieve an annual 10% economic growth stated in Vision 2030, Kenya needs to take account of the comparative advantages against neighboring countries based on its position as the gateway for EAC. In light of this, the pressing issue for Kenya is to improve the current industrial structure and seek a way to produce and trade value-added and competitive commodities.

In August 2009, an evaluation study on the trade training Project phase 1 was conducted, and reinforcement of SME assistance system, and networking among SMEs were proposed. Later on, it was further proposed to combine together with cluster trainings which had been conducted as a pilot project in February 2010 by JICA in association with KIBT. By promoting cooperation between trade trainings and cluster trainings, it will become possible to assist SMEs as a whole.

In light of this, the implementation of Phase 2 Project was requested by the government of Kenya, and the agreement was signed in June, 2010 between JICA and the government of Kenya. In Phase 2, it was decided to implement SME training and strengthen consultation capacity of KIBT along with the original C/P EPC within a single technical cooperation Project.

## **3.2 Project Implementation**

In response to the request of the Government of the Republic of Kenya, JICA provided technical cooperation through the Project “Second Phase of Trade Training for SME Exporters”(hereinafter referred to as “the Project”). This Project was to enhance capacities of two C/Ps (EPC and KIBT), and also SMEs as follows.

### **3.2.1 Project Purpose**

Small and Medium Enterprises (SME) export business skills are enhanced through systematic trade training.

### **3.2.2 Outputs and Indicators**

- i. Outputs
  - a. Systematic trade training programme for SMEs is designed and implemented.
  - b. Supportive outreach programmes for SMEs and networking among ex-trainees are improved.
  - c. Capacities to train SMEs by implementing institutions are strengthened.

- ii. Indicators

**【Output (a) Systematic trade training programme for SMEs is designed and implemented.】**

---

<sup>30</sup> Maize, beans, fish, rice, root crops, sugar, fruits and vegetables

- ① Training programme (plan, curriculum and manuals) is prepared and published.
- ② Annual Trade Training Schedule is in place.
- ③ SMEs selection criteria for various training is utilized.
- ④ Timing and number of courses implemented.

**【Output (b) Supportive outreach programmes for SMEs and networking among ex-trainees are improved.】**

- ① Number of networking forums organized increases
- ② Diversity and membership of established networks increase
- ③ Supportive outreach checklist is utilized
- ④ Satisfaction rating of supportive outreach activities improve

**【Output (c) Capacities to train SMEs by implementing institutions are strengthened.】**

- ① Number of participants attending various trainings
- ② Trainees satisfaction ratings of training courses and delivery of courses
- ③ Staff involvement and capacities identifiable

### **3.2.3 Authorities in Charge and Regions of Activities**

- i. The Project is managed at the C/Ps' offices: EPC and KIBT, and the overall supervision and directions will be provided by the Joint Coordination Committee (JCC) under the jurisdiction of the Ministry of Trade.
- ii. Activities will be provided mainly in Nairobi, and the training will be held in principle at the following cities, i.e. Nairobi, Mombasa, Kisumu, Eldoret, Nyeri, Embu, Kisii, Nakuru, and Malindi.

### **3.2.4 Counterparts and Concerned Parties**

- i. Authorities: the Ministry of Trade, which signed R/D and in charge of overall Project management and trade policies
- ii. C/Ps: EPC and KIBT
- iii. Beneficiaries  
(Direct) Staff (incl. trainers) of C/Ps and SMEs which will participate in trainings.  
(Indirect) Employees of participating SMEs in the Project

### **3.2.5 Scope of Work**

- i. The Project will cover all and only activities in accordance with R/D signed in June 2010. The JICA Consultants will implement the Project described in 3.2.6 Activities in the Project, to achieve Project Purpose in 3.2.1 and Outputs and Indicators in 3.2.2.
- ii. The JICA Consultants will conduct technical transfer to the C/Ps and training participants through the Project so that the C/Ps' staff can obtain information and experience in order to

conduct and maintain training by updating the training contents by themselves after the Project.

- iii. The JICA Consultants will prepare the reports described in 3.2.6 ix. during the Project implementation, and submit them in consultation with the Ministry of Trade.

### **3.2.6 Activities in the Project**

The JICA Consultants conducted activities to achieve the outputs described in 3.2.2 Outputs and Indicators in accordance with PDM and Plan of Operation (PO) agreed with the C/Ps. (Note: Those numbers in () show the activity numbers in the flow chart.)

#### **3.2.6.1 Activities in 1<sup>st</sup> year**

##### **<Implementation policies during 1<sup>st</sup> year>**

- The JICA Consultants ensured that good and effective communication lines would be established among the Project team members, C/Ps, JICA Kenya office and all the relevant Kenyan professionals.
- The JICA Consultants learned and applied some local knowledge and experience of FASID to implement Kaizen training in Kariobangi, and those from one of the JICA team members: Mr Ong Song Howe who was hired by JICA in 2009 to implement the latter part of the Trade Training Programme (Phase 1).
- The JICA Consultants selected the Kenyan professionals and/or Kenyan companies in fair and open manners by a selection committee with C/Ps in accordance with the procurement guidelines of JICA and in close communication with JICA Kenya office.

##### **<Tasks during 1<sup>st</sup> year>**

###### **【Preparation in Japan】**

###### **i. Preparation in Japan**

(Tasks: 001,002,003,004<sup>31</sup>)

By collecting relevant information in Japan, the JICA Consultants checked and confirmed the Project directions, detailed scheduling and methodologies for the C/Ps' capacity development, and produced Draft Inception Report. The JICA Consultants initiated communication with EPC and KIBT to identify issues and barriers for the smooth implementation of the Project including training/consulting and a baseline study.

Since the Joint Terminal Evaluation Report<sup>32</sup> emphasized the use of ICT<sup>33</sup> and e-learning, together with the application of Japanese training methodology<sup>34</sup> in the Project, the JICA

---

<sup>31</sup> Activity numbers in the Project Flow Chart (Page 75)

<sup>32</sup> Joint Terminal Evaluation Report, JICA/EPC Trade Training Programme for SMEs Exporters, dated August, 2009.

<sup>33</sup> Information and Communication Technology

<sup>34</sup> The method is applied to the Trade Training (Phase I) as student-centered interactive approach with group discussion by the participants so that the trainers can identify the knowledge/experience level of participants and

Consultants visited TDLC (Tokyo Development Learning Center) at the World Bank, Tokyo to study their operation and exchanged views with the staff in charge.

The Draft Inception Report was updated taking account of discussion with C/Ps and JICA, and submitted as a material for discussion at 1<sup>st</sup> JCC (Joint Coordination Committee) on November 17<sup>th</sup> 2010, and the Inception Report was submitted to C/Ps and JICA afterwards in November.

#### 【The First Field Work in Kenya】

##### ii. Data collection by the baseline study on the C/Ps and SMEs

(Tasks: 110, 111)

To conduct this study, the JICA Consultants selected CERDS for its strong points described in the proposal and shown in the interviews, out of 3 prospective firms experienced in market research and IT applications in Kenya. These 3 firms had been screened through interviews and relevant documents out of 10 local Kenyan consulting/research firms suggested by EPC, etc. as shown below. CERDS had strengths because of its strong networks with the Kenyan industries and SMEs, and its policy studies in Kenya and East Africa with experience in working with JICA.

- ① CERDS (Consortium for Economic Research and Development Studies) (Research<sup>35</sup>)
- ② Technology Development Solutions (Technologies)
- ③ Professional Training Consultants (HRD: Human resource development)
- ④ Capacity Development Africa (HRD)
- ⑤ SnowMount Center for Business and Development/Quiver Solutions (Market research)
- ⑥ Advantech Consulting Ltd. (IT)
- ⑦ Brains Consultancy Limited (Unclear)
- ⑧ Consumer Options Limited (Market research)
- ⑨ Centre for International Training and Executive Development (HRD)
- ⑩ Partnership In Management & Training Consultancy (HRD)

CERDS had discussions with EPC, KIBT for Project performance indicators and surveyed 692 SMEs owner-managers and 70 LSEs<sup>36</sup> in Nairobi, Mombasa, Kisumu, Eldoret, Thika and other major towns. All the collected data by CERDS were provided in the form of input data in widely used statistical software for future use. EPC and KIBT could renew and maintain data,

---

adjust the training contents.

<sup>35</sup> Those words, e.g. technologies, HRD, IT, market research in brackets indicate strengths of the firms.

<sup>36</sup> Although TOR does not require collecting data on LSEs, it was decided that their data should be collected since they are considered useful in assessing the growth of sales / exports by SMEs in comparison with the performance of the LSEs. Moreover, data on LSEs will enable EPC/KIBT to approach and monitor their performance, thereby creating stronger linkages between SMEs and the LSEs in Kenya.

to monitor and assist SMEs for developing their management and export capacity. CERDS was to discuss the current conditions of studied SMEs with C/Ps and also make a presentation at JCC in 2<sup>nd</sup> year of 2011. Based on the collected data in 2010, the impact of the Project would be monitored.

The relevant performance indicators collected by the baseline study are as follows.

**Table 11: Performance Indicators Collected by the Baseline Study**

Organizations	Data
EPC	Number of SMEs which start exports(*) <sup>37</sup> Number of individual clients who receive information service(*) Number of SME clients/yr and their sizes (*) Satisfaction levels for beneficiaries (*) Number of accumulated cases of success with export volume by EPC services
KIBT	Number of trainees/yr Number of SMEs in data (size in sales) Levels of satisfaction for the beneficiaries
SMEs	Training hours for training employees/month/employee Availability of training system Appropriate evaluation system on skills and good jobs Availability of trainer(s) in SMEs Others, e.g. increased sales, profit, exports, employment, and debt conditions. (In the future BS/PL with several major items, e.g. long- & short-term debt, cash and total assets, equity, retained earnings)
Reference in PDM	Exports by SMEs, foreign currency earnings, export products diversification, and diversification (number) of importers/market destination.

Database for SMEs had names of SMEs, their addresses, telephone numbers, main line of business, annual sales, major products handled, etc. as the backup data to monitor the Project impacts, and strengthen SMEs and their networks.

From October to February 2011, CERDS had interviews with 692 SME owners-managers and 70 LSEs. Major findings by this baseline study presented on February 25<sup>th</sup> 2011 were as follows;

- The average number of employees in surveyed SMEs increased to 7 in 2010 from 4 workers five years ago. Among the workers, only 36% are full-time while others part-time.
- The average SME turnover increased to 3.6 million in 2010 from 3.3 million in 2009.
- The marketed products vary from commercial crafts, fruits and vegetables, leather products, machinery and textiles and apparels.
- While 70% of the SME's produced products for the local market, 30% exported their products in 2010.

<sup>37</sup> (\*) are those items in PDM

- The major constraints identified in order of importance included inadequate capital (29%), lack of access to markets (27%) and stiff competition (16%) .
- 64% of the respondents answered they had never received training on business administration.
- Over half of all respondents are willing to pay for the identified training needs, and suggest JICA should continue its assistance for the next phase of training on trade training (4 modules), business counseling and Onsite Consulting.
- Trade training by JICA/EPC for SMEs has achieved significant positive results in terms of improved revenue, and expanded exports of products by SMEs.
- A majority of the SMEs indicated that they required more focused and sector-based specialized training that meets their unique products and service demands.

iii. Onsite Consulting<sup>38</sup> for model SMEs and Cluster Training

(Tasks: 120, 121, 122)

- The evaluation study on Trade Training (Phase 1) suggested the needs for training for capacity building of SMEs to realize more value added manufacturing and competitiveness. These needs were confirmed also at the preliminary study for Trade Training (Phase 2). In the above background, Module-based Onsite Consulting and Cluster Training were provided in 1<sup>st</sup> year.

**Table 12: Overview of Module-Based Onsite Consulting**

Consulting was provided for two groups of 6 SMEs during the working hours. 1 <sup>st</sup> group was selected and provided consulting from 1 <sup>st</sup> year and 2 <sup>nd</sup> group from 2 <sup>nd</sup> year. (1 <sup>st</sup> group was selected by visiting SMEs by the Kenyan professionals, KIBT <sup>39</sup> lecturers and the JICA Consultants. In 2 <sup>nd</sup> year, SMEs (2 <sup>nd</sup> group) was selected from the participating SMEs in Cluster Training conducted in February 2011.)	
For each of the three modules from CM1 to CM3, 2 SMEs were selected. (Functions of expected trainees are in brackets.) CM1 <sup>40</sup> Entrepreneurship, Business Strategy and Marketing (SME owners, management, planning and sales) CM2 Production Management, and Quality Control (Kaizen) (Production and technologies) CM3 Record Keeping and Accounting (Accounting, finance, and controllers)	
Frequency and duration	Module-based Onsite Consulting; Once every week for three months, thereafter, once every month for 9 months making the total 12 months.

- Steps for implementing module-based Onsite Consulting in 1<sup>st</sup> year were as follows.

- Selection of Kenyan professionals
- ✧ The JICA Consultants selected three Kenyan professionals by studying CVs and

<sup>38</sup> “Consulting” includes consulting for SMEs provided either at the premises of SMEs or other places, since there is often no room/place appropriate for Onsite Consulting at SMEs in Kariobangi.

<sup>39</sup> KIBT has about 50 lecturers in total in Kenya, in which 38 lecturers are working at the office in Nairobi.

<sup>40</sup> CM1 means Cluster Training Module 1, and CM2: Cluster Training Module 2.

interviews among about 20 candidates suggested by EPC and JICA. KIBT selected 12 lecturers out of 38 in Nairobi by written examinations and allocated 4 lecturers to each of the 3 Kenyan professionals respectively in September 2010.

- Selection of SMEs in Kariobangi

- ✧ The selection process was started in September by studying a questionnaire survey and business profiles of the SME participants in the training courses conducted either by FASID/WB or KIBT/JICA in the past. From 23 shortlisted SMEs out of about 300 SMEs in total in Kariobangi, 6 were selected based on the JICA Consultants' assessment on their willingness, readiness, and potential capacity early October.

c. TOT(KIBT) to strengthen KIBT lecturers

- After consulting for 6 SMEs started in October, the JICA Consultants and KIBT coordinator arranged TOT for 5 days (22<sup>nd</sup> to 26<sup>th</sup> November 2010) particularly for KIBT lecturers to strengthen their capacities. In this TOT, in addition to 11 KIBT lecturers, 2 EPC sector champions also participated to understand capacity building of SMEs and module-based consulting in Kariobangi, thereby creating synergy between KIBT and EPC. Since none of the KIBT lecturers had engineering and technology background, this 5-day TOT strengthened their capacities particularly in the field of production control and quality control by CM2, needless to say the other two areas of CM1 and CM3.
- Because the Kenyan professionals and KIBT lecturers had no consulting experience for SMEs over a long-term such as one year although all of them have substantial training experience in classroom, the JICA Consultants provided a seminar on consulting techniques with value management<sup>41</sup> concept at the beginning of TOT.
- Overall this TOT seemed to have contributed to strengthen the knowledge and confidence for KIBT lecturers in view of the fact that 80% of the trainings were provided by KIBT lecturers during the Cluster Training in February 2011.

d. Onsite Consulting by 3 teams (CM1, CM2, and CM3) and identified issues

During 1<sup>st</sup> year, module-based Onsite Consulting was provided from October to January followed by Cluster Training in February 2011. These services were provided so as not only to strengthen capacities of SMEs, but also to enhance capacities of C/P: KIBT and local Kenyan professionals through their participation as consultants/trainers under the supervision and assistance by the JICA Consultants. During the consulting period, each of the Kenyan professionals formed a consulting group with 4 KIBT lecturers respectively

---

<sup>41</sup> Through the concept of value management to keep value-orientation in organization, the Kenyan professionals would be able to discuss value creation for customers and evaluation/remunerations system from the customer's viewpoint, so that they can motivate managers and workers of SMEs.

and visited their assigned SMEs in Kariobangi together with the JICA Consultants while the JICA Consultants were in Kenya.

- e. The following problems were identified and coped with by the teams.
- Most SMEs were too busy for receiving consulting from Monday to Friday, so they received consulting on Saturday 20-30% of the times.
  - Although each SME was planned to be consulted in one of the 3 fields, the consulting often needed to cover other areas, such as 5S in CM2 in view of the fact that fundamental conditions should be first established to improve the management related to other fields.
  - Consulting was planned to be provided at SME premises, but 5 out of 6 selected SMEs do not have a place or a room for consulting. Therefore, consulting needed to be provided at a hotel in Kariobangi, which gave some financial burden to the Kenyan professionals<sup>42</sup>.
  - Out of 6 SMEs, 4 did not have even a PC for record keeping and accounting. Since it did not seem practical to teach accounting skills used 30 years ago in advanced countries, consulting was provided based on modern PC software<sup>43</sup> by showing SMEs analyzed results on input data by the Kenyan professional.
- f. Cluster Training (Tasks: 130)

**Table 13: Overview of Cluster Training**

Each Cluster Training had a target of 50 participants, but it turned out to be around 30.	
After consulting by visiting SME participants during working hours, Cluster Training (CM1, CM2, and CM3) was provided in the evening after working hours.	
Each module for 5 days, making the total 15 days for 3 weeks. Only one time during 1 <sup>st</sup> year.	Cluster Training is supposed to be conducted five times or more until the end of the Project.

- g. Cluster Training in Kariobangi
- The Cluster Training was planned by the Kenyan professionals, KIBT and the JICA Consultants, and its venue was selected at 2<sup>nd</sup> floor at Marphic Ark Hotel in Kariobangi. Although the venue was noisy even in the evenings during the training time due to its industrial surroundings, and lighting was not good enough, there was no alternative in Kariobangi.
  - The JICA Consultants discussed the participation fee for SME participants with KIBT, and agreed that the Project would not charge any fee for the 1<sup>st</sup> Cluster Training in view of the fact that the previously provided Kaizen Cluster Training for 3 weeks by FASID also in Kariobangi was provided by offering Ksh.500 to the SME participants.
  - An opening ceremony was held from 15:00 to 17:00 Friday 4<sup>th</sup> of February 2011 just

<sup>42</sup> In Kenya, those who proposed a visit to a restaurant are supposed to pay for others.

<sup>43</sup> Many SMEs do not have record-keeping practice due to lack of skills and manpower. To avoid taxation, they even try to keep the number of employees less than 50 to keep low profile because policemen visit SMEs every two weeks or so and often give harassment and demand money.

before the first week of Cluster Training from Monday 7th to explain the schedule, training contents, and to introduce the Kenyan professionals and KIBT lecturers in charge to the prospective SME participants mainly from Kariobangi. The ceremony was attended by Principal of KIBT, lecturers, the JICA Consultants, and representatives of JICA Kenya.

- The number of SME participants was about 30 in Kariobangi for 3 weeks. During the first week CM1 was provided, 2<sup>nd</sup> week for CM2 and 3<sup>rd</sup> week for CM3 respectively.
- After each day of the training from 17:00 – 19:30 hours Monday to Friday, the professionals, KIBT lecturers together with the JICA Consultants had a review meeting for about 30 minutes to discuss issues and areas for improvement.
- Each week, Monday training was provided by one of the Kenyan professionals followed by the assigned KIBT lecturers from Tuesday to Friday with some assistance by the Kenyan professionals. This means 80% of the trainings were provided by the KIBT lecturers. Since most of the Kenyans have no consulting experience before this Project, the Q & A session was not as deep and comprehensive as it should be.
- Towards the end of the training, some SME participants showed eagerness to get more training even at a higher price, because they were able to gain a lot of knowledge and knowhow for the SME management.
- Overall, training capacities of KIBT lecturers and the Kenyan professionals seemed much higher than the JICA Consultants expected judging from the surrounding conditions in Kariobangi. Moreover, the knowledge and management levels of some SME participants were also quite high, and so was their development potential<sup>44</sup>.
- The closing ceremony on Friday 25<sup>th</sup> February was attended by Permanent Secretary of the Ministry of Trade, Principal of KIBT, JICA and the JICA Consultants. Great thanks were expressed by all the SME participants among which a few suggested that there should be an association of SMEs in Kariobangi in order to improve the business conditions.

#### iv. Monthly meetings

(Tasks: 140)

The JICA Consultants requested adequate collaboration among the Kenyan professionals to keep good quality services when their contracts are concluded in September/October 2010. Moreover, owing to frequent communication with highly motivated coordinators at C/Ps through telephone and internet almost every day for coordination among the Kenyan professionals, and the JICA Consultants, monthly meetings did not have to be held during 1<sup>st</sup> year, and all the arrangements to reserve training venues, transports, accommodation, and other administration were closely monitored by the JICA Consultants.

#### v. Improvement of Trade Training curricula and production of trainers' manuals

(Tasks: 150, 151, 152, 153)

---

<sup>44</sup> By visiting many SME participants, the JICA Consultants realized that they had misconception on Kariobangi Light Industries due to its dirty appearance and dusty surroundings. In reality some SMEs have good housekeeping (5S) managed by well-educated owners and managers with some exporting activities. In conclusion, the potentials for the future development is considered quite high if they are given appropriate consulting in a long-term continual basis.

There were four modules developed and implemented during Trade Training (Phase 1), TM1: Training of Trainers (TOT), TM2: Export Products Development and Adaptation for Exports, TM3: Export Marketing and TM4: Export Logistics and Finance. For preparing the training programs during 1<sup>st</sup> year in the Trade Training (Phase II), the contents were further updated and combined into two levels of courses, incorporating use of ICT.

Through discussions with EPC, it was concluded that in 1<sup>st</sup> year, Beginners course should be 2 days + 3 days in two consecutive weeks for the participants' convenience. The nature of training at the Intermediate level should be "Workshop" of more practical nature in which counseling should be incorporated for respective participants to obtain clues to solve their problems.

The Beginners' course was designed as i) a training course for 5 days from the past 7 days with 4 modules during the Trade Training (Phase 1). The Intermediate workshop was made as ii) a training course for 3 days. The Beginners course was targeted for those without trading experience, and Intermediate workshop for those with some trading experience.

**Table 14: Trade Training Activities during 1<sup>st</sup> year**

Year	Activities
1 <sup>st</sup> year	Development of trainer's manuals and teaching materials Preparation of training programs for Beginners and intermediate participants.  Study on needs for the advanced one, and its feasibility.

While developing and implementing Beginners course and Intermediate workshop, a Baseline Study was conducted including sector needs assessment, to make sector-based approach for SME participants from 2<sup>nd</sup> year.

**Table 15: Improvements in Trade Training**

Targets (period)	Improvements in Trade Training
Beginners course (5 days)	Developed with more practical cases using experience combining all the four modules.
Intermediate workshop (3 days)	Developed by reducing some basic contents for beginners, and incorporating practical cases. The nature of this course is more of workshop with counseling and Q & A.
Advanced course (5 days)	Because of strong request for coaching from SME participants, an advanced program called "Coaching for the advanced" should be developed targeting two industrial areas to be selected by the baseline study.  The potential targets are light industry e.g. textile, apparel and

	handicrafts, and the other: metal processing, electronics and parts manufacturing with <u>processing technologies</u> .
--	---

Steps for improving curricula and training manuals were as follows.

- a. From a pool of Kenyan professionals for Trade Training suggested by EPC, the JICA Consultants studied their CVs and had interviews.
- b. Based on the interviews, the JICA Consultants selected 6 Kenyan professionals as trainers, and selected 3 as training contents developers, one for TOT (EPC), one for Beginners course and the last for the Intermediate workshop.
- c. After extensive discussions between the JICA Consultants and EPC, TORs for beginners course and intermediate workshop were developed by the JICA Consultants.
- d. To conduct training (TM1,2,3,4) combined into one course, it was planned that two Kenyan professionals would be arranged to cover the whole areas in each course. One chief Kenyan professional and the other practical Kenyan professional in the field of finance and logistics for each of the Beginners or Intermediate workshop.
- e. Towards the end of the contents development, validation days were allocated for Beginners' course on October 19<sup>th</sup> 2010 and Intermediate workshop on November 26<sup>th</sup> 2010 in which the Kenyan professionals, EPC sector champions and the JICA Consultants participated.
- f. For effective training, the Kenyan professionals were encouraged to arrange other businessmen to present their cases in finance, logistics and packaging.

vi. Implementation of Trade Training

(Tasks: 154, 155, 156, 157)

Trade Training courses for Beginners and Intermediate levels were provided in the following schedule. Each training class was designed to have up to 35 SME participants.

**Table 16: Training Schedule**

Year	Training modules at cities
1 <sup>st</sup> year <sup>45</sup> (implemented)	TOT for EPC sector champions. Beginners courses were conducted at Nairobi, Malindi, Nakuru, and Kisii. The Intermediate workshop was conducted at Nairobi, Mombasa, Eldoret and Kisumu.

Beginners course

Location (City)	Dates (5 days)	No. of participants
TOT for EPC (Nairobi)	25-29 /Oct.	19

<sup>45</sup> Original plan was to provide one TOT and 7 beginners courses. The revised plan was to provide 2 TOT and 4 Beginners and 4 Intermediate courses.

Nairobi	3,4,5, and 11,12 /Nov.2010	43
Malindi	10,11,12, and 18,19 /Nov.2010	15
Nakuru	22,23,24, and 29,30/Nov.2010	40
Kisii	26,27,28/Jan. and 3,4 /Feb.2011	31
Total		129

#### Intermediate workshops

Location (City)	Dates (3 days)	No. of participants
Nairobi	1,2,3/Feb.2011	51
Mombasa	7,8,9/Feb.2011	43
Eldoret	14,15,16/Feb.2011	25
Kisumu	21,22,23/Feb.2011	32
Total		151

Since finance and logistics should take account of business risks based on experience, two Kenyan professionals were assigned to each course. One is a chief Kenyan professional to be stationed for all training days, and the other to deliver training on finance and logistics only.

For all the training courses, at least two Kenyan professionals and staff of EPC were dispatched, and half of the training courses were attended also by one or two members of the JICA Consultants. To provide practical cases, the Kenyan professionals often arranged other experts in the fields of finance, logistics and packaging in the training. Moreover, ICT specialist at EPC provided a session “e-commerce”. All training was well received by the participants. Promotion was provided by advertisement in a newspaper in October and January in 1<sup>st</sup> year.

- vii. JCC (Joint Coordination Committee)  
(Tasks: 100, 101, 201)

Joint Coordination Committee was held twice, with the following participants to exchange views and discuss issues for the successful Project implementation<sup>46</sup>.

#### From the Kenyan side

- a. The permanent secretary - Ministry of Trade
- b. Chief executive officer of EPC
- c. Principal - KIBT
- d. Director – External resources department – Ministry of Finance
- e. Relevant business associations
- f. Any other co-opted members

<sup>46</sup> The R/D describes the functions of JCC as follows

1. Provide overall supervision, coordination and policy functions.
2. Review progress of projects as well as the training plan.
3. Evaluate attainment of the purpose of the Project.
4. Exchange views on issues arising from/in connection with the Project.

From the Japanese side

- a. Chief representative of JICA office
- b. Japanese Consultant

1<sup>st</sup> JCC was postponed from its original date in September to November 17<sup>th</sup> 2010. The JCC was attended by EPC/KIBT, the Ministry of Trade, JICA representatives and the JICA Consultants. The participants shared the purpose, the schedule, the contents of the Project based on the Inception Report<sup>47</sup>, and agreed on the following items.

- Project management structure (by the JICA Consultants in cooperation with respective coordinators of EPC/KIBT to manage trainings by 7 Kenyan professionals, in which 2 were engaged in both training under EPC and consulting under KIBT)
- Overall schedule, contents and progress of training (TOT, 4 beginners courses, and 4 intermediate workshops) under EPC
- Overall schedule, contents and progress of training/consulting (TOT for KIBT lecturers, Onsite Consulting for 6 SMEs in Kariobangi and Cluster Training) under KIBT
- Direction of the Baseline Study by CERDS
- Overseas training for EPC/KIBT agreed to be held in India in 2<sup>nd</sup> and 3<sup>rd</sup> year (Original proposal was in Malaysia) because of trade volume and varieties of export products from Kenya to India

2<sup>nd</sup> JCC was held on February 23<sup>rd</sup> to report and discuss the progress of the Project and directions for 2<sup>nd</sup> year, by exchanging views for the Project implementation. At 2<sup>nd</sup> JCC, the participants discussed the following items.

- Progress of training (Beginners course attended by 129 participants, and Intermediate workshops by 151) under EPC and Onsite Consulting for 6 SMEs and on-going Cluster Training (attended by 30 SMEs) under KIBT
- Successful training/consulting results owing to capabilities of the Kenyan professionals and EPC/KIBT staff being much higher than the JICA Consultants had expected.
- More engagement of EPC sector champions and KIBT lecturers in 2<sup>nd</sup> year
- Nature of training under EPC should be more of “coaching” to meet individual needs of the participants in 2<sup>nd</sup> year
- The objective of networking forums in 2<sup>nd</sup> year should be clearly addressed.

---

<sup>47</sup> The contents had been updated to November 17th 2010.

- Necessity of national/regional campaign to create training/consulting culture through Kaizen concept in Kenya
- Presentation on Baseline Study results (by CERDS) to be on February 25<sup>th</sup>
- Overseas training in India for EPC/KIBT should engage also SMEs and LSEs in Kenya to strengthen vertical integration in Kenya.

viii. Preparation of reports and submission

Project Progress Report (English) and Project Completion Report(Japanese) were prepared and submitted to the C/Ps and JICA in March 2011.

**【Outputs and performance indicators for 1<sup>st</sup> year】**

i. Outputs

a. Systematic Trade Training programme for SMEs was designed and implemented.

2 training courses: Beginners course and Intermediate workshop were designed as an consecutive 5 days and 3 days course respectively by hiring experienced Kenyan professionals, who worked with the EPC sector champions to meet the training needs of SMEs. The contents in the Onsite Consulting and the Cluster Training were also developed by the Kenyan professionals in cooperation with the KIBT lecturers. Kaizen philosophy was introduced in implementing all the training/consulting programmes.

b. Supportive outreach programmes for SMEs.

The Trade Training was provided not only in Nairobi, but also in the regions, e.g. Malindi, Nakuru, Kisii, Mombasa, Eldoret and Kisumu. Onsite Consulting was provided in Kariobangi only during 1<sup>st</sup> year, but a brief feasibility study was made by the JICA Consultants to conduct it at other place such as Thika from 2<sup>nd</sup> year.

c. Capacities to train SMEs by implementing institutions are strengthened.

The capacities of the KIBT lecturers were much strengthened by having training/consulting opportunities in the Cluster Training and Onsite Consulting. Although the level of direct involvement of the EPC sector champions was much limited in comparison with KIBT lecturers, their capacities were also strengthened by participating in the Trade Training as experts to assist the training delivery of the Kenyan professionals. Moreover, most of the KIBT lecturers who participated in the TOT by the Kenyan professionals made great efforts to deliver the training by themselves 80% of the time in the Cluster Training. Many of the KIBT lecturers needed to change their mindset to conduct the Onsite Consulting in Kariobangi with its poor image.

ii. Indicators (Results in 1<sup>st</sup> year)

- a. Number of participants in the training  
129 participants in 4 Beginners courses and 151 in 4 Intermediate workshops
- b. Number of improvements in the training (Improved points)  
4 modules were combined into respectively one Beginners course, and an Intermediate workshop for improved convenience/easier understandings for participants. E-commerce was added by EPC's initiative. Engagement of some businessmen as trainers in finance, logistics and packaging other than the Kenyan professionals. Engagement of more EPC sector champions as trainers, and video recording of training courses enabled to review the training.
- c. Score improvements evaluated by the participants  
The Beginners courses indicated good scores from 4.2 to 5.0 with its mean 4.6 except those regarding venue, lunch and tea, whereas Intermediate workshops had comparatively lower scores from 3.9 to 4.7 with its mean 4.2 due to inadequate time allocated for training for both trainers and participants.
- d. Prepared Trade Training manuals for trainers  
Two levels, Beginners and Intermediate levels were prepared.
- e. Number of SMEs which received consulting services, and their improvements in performance  
6 SMEs received Onsite Consulting, and about 30 SME participants received Cluster Training. All SMEs showed good progress in 5S, costing, etc. and the participants in the Cluster Training highly valued the learning opportunities.
- f. Conditions of SME data base by the baseline study  
Data on 692 SMEs and 70 LSEs collected in data base and its software to be utilized by EPC and KIBT.

### **3.2.6.2 Activities in 2nd year**

#### **<Implementation policies during 2<sup>nd</sup> year>**

- The JICA Consultants ensured that the momentum created during 1st year should be further utilized in terms of SME market development, and accumulated experience among the Kenyan professionals and a research company CERDS for the Baseline Study.
- To cope with the increased amount of training courses/consulting services in 2nd year, the JICA Consultants hired the Head of CERDS as a General consultant to assist management and sales promotion of trainings under EPC/KIBT.
- In the Trade Training courses requiring more focused training contents to meet the individual needs

of the SME participants, the coaching time was incorporated into the Intermediate and Advanced courses.

- To establish sustainability, the Project started to gradually increase the participation fee to the SME participants in the Cluster Training.
- To implement the mission to India, the JICA Consultants encouraged Kenyan private businesses: SME/LSE to join the team of the C/P officials of EPC/KIBT to go with them, so that all the mission members would learn from one another and share understandings on the government policies and business situations in India.

### <Tasks during 2<sup>nd</sup> year>

#### 【The Second Field Work in Kenya】

The Project was managed under the established close relationship between JICA Consultants, EPC/KIBT, and JICA. During 2nd year, in response to the increasing administrative tasks, in addition to 8 Kenyan professionals, a General Consultant was hired specialized in training management.

#### i. Creation of Advanced course of trade training module and its implementation (Tasks: 254, 255)

The original plan was to select 2 sectors and develop specific Advanced training programmes. However, further discussion with the Kenyan professionals and EPC suggested that the planned training workshops with substantial time (40-60%/total) for coaching could meet the individual needs of the participants rather than just 2 sectors. Also a newly added prerequisite of bringing export products to the training venue by the participants proved to have effective training results through individual coaching at the training venue. In further reviewing the Advanced course contents from December 2011 to January 2012 by the Kenyan professionals, the point of focus was summed up as a workshop for entrepreneurs to offer “real solutions” so that the participants could be more motivated. 3 Kenyan professionals were engaged in upgrading the training contents. The course (Advanced workshop) also had “Cost Coverage Scheme” to cover the entire cost of training venues<sup>48</sup>.

#### ii. Implementation of Onsite Consulting for model SMEs and Cluster Training

(Tasks: 220, 221, 222, 223, 224)

The Module-Based Onsite Consulting and Cluster Training were executed also during 2<sup>nd</sup> year. How much of the model SMEs adapted the knowledge and the skills learnt through training was assessed by the Baseline Study.

#### <Implementation of Cluster Training 4 times>

- Cluster Training was organized four times in total, twice in July and twice in February in 2<sup>nd</sup> year. The first one was provided for 2 weeks (10 days from July 11<sup>th</sup> to 22<sup>nd</sup>, 17:00-19:00

---

<sup>48</sup>For creating a sustainable market, formulating training suppliers’ market as well as demand market is necessary. In 1st year trainings, participants’ fee did not even cover the cost of hotel venues.

every weekday only) at Ksh.1,000/participant in Kariobangi. The second Cluster Training for only one week (6 days from July 25<sup>th</sup> to 30<sup>th</sup>: 14:00-16:00 every afternoon, plus Saturday from 9:30-12:30) at Ksh.600/participant<sup>49</sup> in Thika, in view of the fact that participation in the Cluster Training every evening for 3 weeks in Kariobangi during 1<sup>st</sup> year seemed to have given too much burden for the SME participants. The number of SME participants in Cluster Training was 29 in Kariobangi and 31 in Thika.

- The third Cluster Training was conducted for 6 days in Kariobangi (16th to 21st January, 2012) and the fourth one for 6 days (23<sup>rd</sup> to 28th January) in Thika both at Ksh.1,000/participant. Both Cluster Training used Saturday morning time as the final day. By getting cooperation with KIBT lecturers, a trade officer in Thika and the Kenyan professionals, the JICA Consultants managed to successfully recruit 29 participants in Kariobangi and 33 in Thika respectively.
- It is also noteworthy that during all the Cluster Training the engagement of the Kenyan professionals and the JICA Consultants was quite limited in the training because they acted mainly as facilitators to assist the KIBT lecturers as main trainers in the Cluster Training with developed knowledge and experience through TOT, etc.

#### <Implementation of Onsite Consulting in Kariobangi>

- Onsite Consulting was continually targeting SMEs in Kariobangi so that the management concept of “Kaizen” would be firmly embedded<sup>50</sup>.
- During 2<sup>nd</sup> year, together with the continual consulting to Group 1 (6 SMEs), an additional Group 2 (6 SMEs) were selected for them to receive Onsite Consulting. All SMEs in Group 1 and 2 were requested to pay KIBT Ksh.500/visit by Kenyan professionals/KIBT lecturers.
- Regarding the grouping of KIBT lecturers, 12 KIBT lecturers experienced in Onsite Consulting during 1<sup>st</sup> year were mixed with 6 newly assigned KIBT lecturers to form 3 additional lecturer groups for Onsite Consulting so that technical transfer took place from the experienced to the non-experienced lecturers.
- The selection of 6 new SMEs for Group 2 was conducted in consultation with KIBT, the Kenyan professionals and JICA Consultants. The priorities were given to SME participants in Cluster Training conducted in February 2011, and also their willingness to pay for the value of the Onsite Consulting.

---

<sup>49</sup>This means Ksh.100/every evening or afternoon due to the strong request by KIBT as a government agency. However, this fee is extremely low in comparison with the training fee levels from Ksh.5,000 to 30,000/day in the private sector in Kenya.

<sup>50</sup>The success is ensured by repetitions. Kariobangi is a region where about 300 SMEs of various kinds are located e.g. metalworking, furniture manufacturing, food processing, and printing. During 1st year, sense of community was nurtured through Onsite Consulting and Cluster Training, and continual assistance is regarded as extremely important for the sustainability of the Project. There is much room for improvement not only in individual enterprises but also in the entire region.

<Planning of Integrated Onsite Consulting>

- Integrated Consulting combining 3 modules was planned to be provided to 2 SMEs to be nominated from each group. However, our thorough discussion with the Kenyan professionals engaged in Onsite Consulting suggested that after a month of their Onsite Consulting, they started consulting of 3 modules in an integrated manner, because consulting should meet the clients' needs covering all module areas. (Logically even Module 1 of marketing requires costing/pricing, and so does Module 2 on production.) Moreover, weekly visits during the beginning 3 months was often too frequent for the client SMEs to receive the visits because it often took a lot of time for the owners to take actions by convincing their managers and workers of the benefits from new practice applications. Also once a month was regarded as too long a waiting time. Accordingly, it was suggested that the scheme would be improved with more flexibility for 3<sup>rd</sup> year. For instance, 2 visits every month in principle with some flexibility e.g. what week and which date of the week could be decided in consultation with the clients.

<Consulting House and SMEs in Kariobangi>

- Establishment of a business association, proposed by the participants during the Cluster Training in 2010, was supported by the Consulting House by the management of CERDS in Kariobangi to have functions for consulting, and business meeting within Kariobangi<sup>51</sup>. Up to February 2012, nearly 20 SMEs indicated their intention to support and become members of such an association in Kariobangi when established.

iii. Data collection by the Baseline Study for EPC/KIBT and SMEs

(Tasks: 210)

CERDS was again assigned as a local survey/consulting company (CERDS was selected for 1<sup>st</sup> year out of three candidates) and the Baseline Study was continued for 2<sup>nd</sup> year by collecting data of 150 SMEs in Kariobangi, and 230 SMEs and 20 LSEs with exporting capacities in Nairobi, Thika, Mombasa, Kisii and Kisumu. The relevant performance indicators collected by the Baseline Study are as follows.

To secure continuity and sustainability of the study, training was provided for EPC/KIBT on findings by the Baseline Survey and how to utilize database obtained by the Survey in March 2012 at the end of 2<sup>nd</sup> year.

Findings in the Baseline Survey from the previous year are as follows.

---

<sup>51</sup>This activity is mainly managed by CERDS, which is also expected to conduct continual monitoring of Baseline Study as well as coordination of training and counseling (marketing, presentation, book keeping, accounting, quality control, entrepreneurship, market study etc.) in collaboration with EPC/KIBT.

- The average SME had a turnover of Ksh. 3.6 million in 2010 as compared to Ksh.3.3 million in 2009. This turnover was generated by an asset base of Ksh. 2.4 million in 2010 as compared to an asset base of Ksh.2.2 million in 2009.
- The key products marketed by the SME's included commercial crafts, fruits and vegetables, leather products, machinery and textiles and apparels as reported by 32% 20%, 12%, 11% and 5 % respectively of the respondents.
- On the average, the SME export was valued at about Ksh. 0.9 million/firm. The East African Community (EAC) was by far the largest export destination for Kenyan SMEs, and its market accounted for 21 % of all SME exports.
- The major constraints for growth included inadequate capital, limited access to markets and stiff competition as reported by 29%, 27% and 16 % of the respondents respectively.
- When asked whether they had ever received any training on how to operate a business, 64 % of the respondent answered negative. Only 36 % of the SME owner-managers have ever received any management training. Only 35 % of the SME had a training system in place.
- Among the trained SMEs, 52% reported to have experienced a positive impact on their revenues. On the export side, 46% reported to have experienced a positive impact.

iv. Implementation of Trade Training

(Tasks: 250, 251, 252, 253)

TOT, Beginners, Intermediate and Advanced Trade Training courses were provided as follows:

**Table 17: Implementation of Trade Training during 2<sup>nd</sup> year**

Year	Activities
2 <sup>nd</sup> year	TOT was provided three times respectively in Nairobi <ul style="list-style-type: none"> <li>● For EPC: 27 June to 1st July (for 12 EPC sector champions mainly to be trainers based on their experienced cases to be developed during TOT.)</li> <li>● For KIBT: 4th to 8th July (for 21 lecturers, 4 CERDS staff and 2 KIBT interns to be professional trainers in Trade Training and Kaizen management training.)</li> <li>● For KIBT: 21<sup>st</sup> to 25<sup>th</sup> November (for 14 lecturers at 7 regional offices.)</li> </ul>
	Beginners all for 5 days in 2 weeks: <ul style="list-style-type: none"> <li>Kakamega (1,2,3 and 8,9 August, 22 participants)</li> <li>Meru(22,23,24 and 29, 30 August, 19 participants)</li> <li>Busia(29,30 August and 5,6,7 September, 20 participants)</li> <li>Naivasha(12,13,14 and 19,20 September, 14 participants)</li> <li>Thika(3,4,5 and 10,11 October, 18 participants)</li> <li>Kericho (17,18,19 and 24,25 October, 26 participants)</li> </ul>
	Intermediate for 5 consecutive days including coaching days. <ul style="list-style-type: none"> <li>Nairobi (21,22,23,24,25 November, 6 participants)</li> <li>Kisumu (30,31 January to 1,2,3 February, 11 participants)</li> <li>Nakuru (20,21,22,23,24 February, 16 participants)</li> </ul>

	Advanced for 5 consecutive days including coaching days Nairobi(6,7,8,9,10 February, 10 participants) Mombasa(13,14,15,16,17 February, 14 participants)
--	---

To differentiate the Intermediate and Advanced courses from the Beginners one for inexperienced participants, new application criteria were applied. The participants for the Intermediate and Advanced courses, were required to submit their product samples or the photograph of the products they are dealing with in class, and obtain an approval for participation from EPC, in addition to the advanced fee payment.

- Beginners course mainly adopted classroom teaching, and Intermediate and Advanced courses included coaching session 40-60% of the time allotted for the training. It was considered that the substantial time for individual coaching with the products in class could more than meet the objectives of the sector-based approach.
  - Although the Beginners course always had one Kenyan professional each day, the Intermediate course had 2 professionals all the time, and the Advanced one 3 professionals throughout 5 days.
  - For the new courses; Intermediate and Advanced courses, cost-coverage scheme was established in case it would be implemented outside of Nairobi where individual participant’s cost charged by the venue was covered by the participation fee. However, in case of a venue in Nairobi, which usually requires an expensive venue often more than Ksh.3,000/day, cost of the venue was covered only partially. For the Intermediate course and Advanced one, the participation fee was set at Ksh.8,500 and Ksh.10,000/participant respectively.
  - The JICA Consultants made a set of recommendations as follows to the PS of the Ministry of Trade.
    - ✧ To support counseling service for SMEs by the regional offices of KIBT, 7 regional offices of KIBT with 2 lecturers at each should be able to get export-related information and newsletters from EPC head office and its regional offices.
    - ✧ To enable KIBT lecturers to participate as trainers in the Trade Training and export-related counseling for SMEs.
    - ✧ To assist dissemination of public education message to induce the spirits of entrepreneurship, and “Will to survive” in the public and SME management.
    - ✧ To sustain the newly developed training contents with coaching, thereby enabling KIBT lecturers to improve their training service delivery.
- v. Development of C/Ps’ capacities for information and counseling service  
(Tasks: 260, 270)
- Publicity and information service were provided by means of posters to introduce management concepts of Kaizen and 5S to SMEs, newsletters, website and video, to add to their current

information and counseling by the sector champions of EPC and trainings by the KIBT lecturers. Moreover, the contents of trade training were shown by web pages of EPC as a preparatory step of distance education so that people in the regions could acquire knowledge and skills in the future. Furthermore, the JICA Consultants performed or arranged the followings for capacity building of C/Ps:

- Although KIBT lecturers and EPC sector champions had accumulated on-the-job experience during 1<sup>st</sup> year by Onsite Consulting and also Trade Training from 2007, coaching was provided to them by JICA Consultants and Kenyan professionals.
- To develop KIBT lecturers as trainers also for trade training, EPC accepted 6 of them as counseling assistants for a month respectively from January to March 2012, and the JICA consultants proposed that staff rotation should be periodically made between EPC and KIBT.
- In order to strengthen training / consulting capacity of KIBT, the Consultants proposed that 20-30% of KIBT lecturers should be those with technology/engineering/science background in about five years.
- A study group was formed at KIBT to digest the concepts of Kaizen, 5S, etc., so that they could utilize the concepts for their training, consulting, and counseling.
- The Consultants proposed that LSEs in Kenya would provide opportunities of training for sector champion and lecturers of EPC/KIBT so that vertical integrations could be established between SMEs and LSEs in Kenya in the future.
- The Consultants suggested that the evaluation/remuneration system should be reviewed further to enhance enough incentives enough for the staff of EPC/KIBT to increase economic activities in the market<sup>52</sup>.
- Awards to 3 KIBT lecturers

In view of the fact that Cluster Training for more than a week, and particularly Onsite Consulting for one year or more in the industrial clusters like Kariobangi were new experience for the KIBT lecturers who went through all the troubles with SME clients and schedule conflicts with their existing training responsibilities, the Project team provided Awards of Excellence to three outstanding lecturers of KIBT on their quality of their consulting/training service and the participation rate in Onsite Consulting.

vi. JCC (3rd and 4th) (Tasks: 200, 201)

JCC was held twice a year in mid-term and before the end of 2<sup>nd</sup> year. At the 3<sup>rd</sup> JCC on September 16<sup>th</sup>, both the C/Ps and the JICA Consultants presented the Project progress and a mid-term review on the Project. The 4<sup>th</sup> JCC was opened on March 7<sup>th</sup> to share among all the stakeholders the discussion on various issues in the Project implementation in 3<sup>rd</sup> year. The major

---

<sup>52</sup>A good incentive system, if established properly for the C/Ps, will create training/consulting market in the long-term in Kenya and ensure the sustainability of this training Project.

topics at the JCC were as follows.

- a. Excellent performance was seen by KIBT lecturers and EPC sector champions in the TOT, as well as good results in the Cluster Training and Trade Trainings. However, the level of involvement of the KIBT lecturers was much higher than EPC, mainly because KIBT lecturers could work comfortably as trainers and consultants because of their mandate for training SMEs whereas the roles of EPC sector champions varied and not just training SMEs.
  - b. The delegation members (4 SMEs, 1 LSE and 2/2 from EPC/KIBT) to India in 2<sup>nd</sup> year were selected and recruited in an open and fair manner by running an advertisement in a daily newspaper. The results of the mission to India were encouraging. All SMEs/LSE were able to meet the expected needs for e.g. identifying Indian partners, machines, materials as their business solutions. On November 16<sup>th</sup>, the Project held a dissemination seminar by all the mission members with KIBT Principal and EPC CEO to provide presentations on their experience/findings in India.
  - c. Minimum consulting/training fee for consulting/participation in training was charged to SMEs to cover the costs so that the Project can develop consulting/training market in Kenya in the future.
  - d. In implementing Trade Training either at only major cities described in the original TOR of the Project or including also small towns, justification to choose locations was discussed from the strategic/operational viewpoint.
  - e. Recruitment of SMEs in the trade training was one of the big issues. Raised participation fee for Intermediate and Advanced trade training courses to cover the venue cost required EPC/Kenyan professionals to take a more proactive role to promote the training in each region by networking with trade officers, SME associations, KIE Ltd., etc.
  - f. The use of websites should have been further studied and exploited by KIBT/EPC to disseminate management concepts such as Kaizen.
  - g. Consulting House in Kariobangi which was opened by CERDS on September 16<sup>th</sup> 2011 would take an important role to create a learning community for SMEs there.
  - h. 6 KIBT lecturers were selected and attached at EPC so that they would be exposed to counseling service for SME exporters.
  - i. LSEs should have been invited to provide learning opportunities for the staff of EPC/KIBT to create vertical integration between SMEs and LSEs in the long term.
- vii. Organizing the networking forum (Tasks: 280)
- Networking forum was organized by inviting SMEs and LSEs in 3 cities as follows to strengthen the networks among former trade training participants, and to develop vertical integrations between SMEs and LSEs. The purpose was to find business opportunities and to assess Trade Training impacts. At the forum in Mombasa, the project manager provided a seminar on Kaizen

and Value Management for strengthening SMES' competitiveness.

**Table 18: Schedule of Networking Forum**

2 <sup>nd</sup> Year	Nakuru(September 23 <sup>rd</sup> ), Kisii(November 1 <sup>st</sup> ), Mombasa(February 20 <sup>th</sup> )
----------------------	--

viii. Implementation of overseas C/P training (Tasks: 290)

At the first JCC in the 1<sup>st</sup> year of this Project, it was agreed that the country to be visited in the overseas training program would be India. The reasons for organizing the overseas training program in India were described as follows:

- India is one of the fast growing markets in Asia and the biggest export target after Pakistan in Asia for the Kenyan economy in 2007 and 2008<sup>53</sup>.
- SMEs in Kenya may have great opportunities because of the long-term trading relations between the businesses in Kenya and those in India in view of the rapidly growing Indian economy, which will require increasing resources from East Africa, where Kenya can be a strategic logistics hub.
- Kenya is located in a strategic position for trading with India through the growing Mombasa port in its East African coast.

In 2<sup>nd</sup> year of this Project, the overseas training was implemented for 2 weeks (September 18<sup>th</sup> to October 2<sup>nd</sup> 2011) for the participants to learn good examples from India. 4 SMEs and 1 LSE and 2 from EPC and 2 KIBT supported by 2 JICA Consultants participated<sup>54</sup> in the mission to exploit business-related opportunities in the future. During the two weeks of the overseas training program, there were the following activities:

- Visited management training organizations and financial institutes in the public sector and those with private sector-driven mechanism e.g. Gujarat Institute of Development Research (GIDR), Entrepreneurship Development Institute of India (EDI), and Gujarat Chamber of Commerce and Industry.
- Visited SME factories and model SMEs
- Organized conferences to exchange business opportunities.
- Visited industrial clusters
- Others

<sup>53</sup>According to International Trade Center UNCTAD/WTO, India's imports from Kenya was USD98 million, 10 times the imports of Malaysia: USD8 million in 2008.

<sup>54</sup>The budget for the overseas training program covered the cost of 4 SMEs (60% subsidies) and 1 LSE (30% subsidies). LSEs were selected with certain criteria where the LSEs have a certain business relation with Indian enterprises, and were willing to support the development of SMEs in Kenya. The number of personnel from C/Ps was set 2 persons for EPC and KIBT respectively. One JICA Consultant accompanied the overseas mission together with a locally assigned Consultant in India. The total number of the mission was 11.

On November 16th 2011, the Project held a dissemination seminar by all the mission members with KIBT Principal and EPC CEO to provide presentations on their experience in India in front of JICA Kenya, other Kenyan professionals engaged in this Project, and JICA Consultants.

The results of the training as of the end of 2<sup>nd</sup> year can be summarized as follows.

- All participants of SMEs and LSE met the expected needs from their visits in India, in terms of identifying Indian partners, materials to import, machines and tools they need in their operations.
- SMEs who participated in the mission gained a clear vision on their future business, and either started new relations with identified Indian business partners or invested in a new state-of-the-art machine as the 1st of this kind for industrial needs in Kenya.
- EPC/KIBT delegation members found that in India, the financial sector supports training institutes so that SMEs' demand market for loans will grow for the financial sector. The training institutes have income-generating capability to support their own operation and keep their innovative and entrepreneurial culture. There was not only vertical integration between SMEs and LSEs, but also strong SMS clusters within which SMEs are collaborating to manufacture sophisticated products. These findings should be further discussed to improve the services of the public sector including KIBT and EPC.

ix. Preparation of reports and submission

The Progress report (second report in September 2011, third one in March 2012 in English) and the 2<sup>nd</sup> Project completion report (March 2012 in Japanese) were prepared and submitted to C/Ps and JICA.

**【Outputs and performance indicators for 2nd year】**

i. Outputs

- a. Systematic trade training programme for SMEs is designed and implemented.

Further improvements were implemented in the training contents with coaching sessions with new local cases by Kaizen concept.

- b. Supportive outreach programmes for SMEs and networking among ex-trainees are improved.

Particularly Trade Training was provided in rural small towns, such as Kakamega, Meru, Busia, Naivasha, Thika, and Kericho during 2<sup>nd</sup> year, and also a networking forum for ex-trainees at 3 cities. Cluster Training under KIBT was provided not only in Kariobangi, but also in Thika twice respectively, totaling 4 times during 2<sup>nd</sup> year.

- c. Capacity building of C/Ps to support SMEs business development.  
2 TOT were provided respectively for a week with upgraded contents from 1<sup>st</sup> year with substantial engagement by the C/Ps officers. Overseas training to India for 4 C/P officials, 4 SMEs and 1 LSE was implemented to enhance solid discussions with potential business partners in India, etc. All business participants from Kenya met their expected needs in India and established new relations with Indian partners.

ii. Indicators

- a. Number of participants in the trade training  
33 C/P officers in 2 TOT, 122 SMEs in 4 Cluster Trainings in Kariobangi and Thika, and 119 SMEs in 6 Trade Training sessions: Beginners courses, 33 in 3 Intermediate, and 24 in 2 Advanced courses.
- b. Number of improvements in the training (Improved points)  
Officers of C/Ps were more actively engaged in training as trainers than 1<sup>st</sup> year. This was particularly so with more than 80% of the training time by KIBT lecturers in the Cluster Training. More local cases were incorporated in Trade Training and Cluster Training by the Kenyan professionals and KIBT lecturers. Trade Training at Intermediate and Advanced levels had more coaching session: 40-60% of the duration using product samples, brought in class by the SME participants.
- c. Scores evaluated by the participants  
All the scores in program structure, content, relevance, materials, expectations met have high scores from 4.4 to 4.8 with the highest score for trainers qualifications: 4.8 in the range from 1 to 5.
- d. Prepared trade training manuals for trainers  
Two levels; Beginners and Intermediate were used with more local cases from 1<sup>st</sup> year. Advanced level was prepared with more local cases in December 2011 to January 2012.
- e. Number of SMEs which received Onsite Consulting, and their improvements  
2 Groups of totaling 12 SMEs have become recipient clients in Onsite Consulting. Substantial improvements by Kaizen and 5S initiatives have been seen in all the recipient SMEs with high commitment at the top level.
- f. Quality of SME support system (Information service by C/Ps)

Experiences were accumulated by EPC/KIBT and training in the TOT, and major improvement could be seen at KIBT through Onsite Consulting, and initiatives by a study group at KIBT to enhance the relevant knowledge further. All 14 KIBT lecturers at 7 regional offices trained through TOT became prepared to train SMEs in the regions.

g. Number of times the services of C/Ps are used by SMEs

No record was available to the JICA Consultants by C/Ps, since the Project assists limited part of the C/P services such as training delivery and methodologies, but not general management of C/Ps which have substantial manpower constraint to increase their services.

h. The number of SMEs which participated in the networking forums and their evaluations

3 forums held in Nakuru with 26 participants, Kisii 49 and Mombasa 35 with encouraging positive remarks on networking needs by many of the participants.

i. Collection of SME database by the Baseline Study

CERDS: a Kenyan consulting firm surveyed 230 SMEs and 20 LSEs and the data was input in the newly prepared software for future use.

j. Results of C/P overseas training and evaluations by the participants

All the participants met their expected needs in India, e.g. establishing business relations through contracts, identifying resources, starting imports from Indian companies and an investment of a high tech machine based on the vision obtained in India.

k. Improved counseling system

KIBT lecturers accumulated consulting experience by the Kenyan professionals and JICA Consultants, and EPC sector champions learned through TOT by case studies. Individual skill development under way, but EPC's organizational commitment looked inadequate<sup>55</sup> in comparison with KIBT.

l. OJT to C/Ps staff on counseling and its results

EPC provided one-month attachment to 6 KIBT lecturers at EPC, with further recommendations to MoT.

---

<sup>55</sup> CEO was replaced in the latter half of 1st year, and was not available at EPC.

### 3.2.6.3 Activities in 3<sup>rd</sup> year

#### < Implementation policies during 3rd year >

- To continue the proven management method during 2nd year, a Kenyan General Consultant (Head of CERDS) was again hired to assist the JICA Consultants, for coordination among EPC/KIBT and the Kenyan professionals, supervision over the arrangement of the training venues, and monitoring the training implementation.
- Both Cluster Training and Onsite Consulting were implemented in Kariobangi and Thika also during 3rd year.<sup>56</sup>
- As the advanced one in the Trade Training, Export Coaching was newly created and provided in six cities including Nairobi by combining good points of Onsite Consulting (under KIBT) and Trade Training (under EPC). Both of EPC/KIBT, worked together to conduct Export Coaching this year to ensure Project sustainability<sup>57</sup>
- To enhance export promotion in the regions of Kenya by KIBT lecturers by the using DVDs, other long distance education materials<sup>58</sup>, 7 sets of laptop computers and LCD projectors were provided to 7 regional offices of KIBT. It has been reported that they are using them well to deliver effective training in the regions with improved training contents, and communication.
- Using the Consulting House as their activity center in Kariobangi, the Kenyan professionals helped establish an SME association (Viken 30 Industrial Park with 300 SMEs) for relocating themselves to a modernized SME-driven Industrial Estate.
- In the overseas training in India, the delegation established material relations by discussing 5 MoUs with the Indian counterparts.
- Synergy Enhancement Workshops were provided for the C/Ps in the fields of organization management and leaderships in export promotion, and findings in the mission to India, synergy enhancement by collaboration, etc.

#### < Tasks during 3rd year: May 2012 to Nov. 2012 >

##### i. Implementation of Onsite Consulting for model SMEs and Cluster Training

(Tasks: 325, 326, 330, 331)

To continue activities from 2<sup>nd</sup> year, both Onsite Consulting and Cluster Training were provided.

Onsite Consulting (as Integrated Consulting combining 3 modules in 3<sup>rd</sup> year) was conducted

---

<sup>56</sup> Repeating the training/consulting programmes at the same places was necessary to create training/learning culture. It was revealed during 2nd year that there were larger SMEs with better potential in Thika than those in Kariobangi.

<sup>57</sup> EPC has strengths in information service and international experience, whereas KIBT has strengths in training capacity and high motivation to do so.

<sup>58</sup> From the Synergy Enhancement Workshop 1 on June 7-8th, 8 DVDs were produced: Opening Session, SME Training Module, Need for Integrated Consulting, Kaizen & Value Management, Challenges Facing SMEs in Kenya, Quality Assurance & Production Capabilities, Record Keeping, and Closing Session.

for 6 model SMEs by the KIBT lecturers and the Kenyan professionals under the supervision of JICA Consultants and Kenyan consultants (CERDS).

Among the SMEs in Group 2, which participated in the Onsite Consulting in Kariobangi in the previous year, 2 SMEs which received the visits of consulting less than 21 times were selected to receive Onsite Consulting again in 3<sup>rd</sup> year. The other 2 SMEs from the past recipients of Group 1 and 2 were also in Kariobangi. Additionally 2 SMEs in Thika were selected based on the assessment on their potentials and willingness to pay the consulting fee of Ksh.3,000. Altogether 6 SMEs received twice-a-month Integrated Onsite Consulting<sup>59</sup> for 5 months.

Throughout the Onsite Consulting in Kariobangi in 1<sup>st</sup>/2<sup>nd</sup> years, the JICA Consultants felt that the contents of bookkeeping in CM3 did not directly lead to revenue/profit increase for SMEs and the provision of CM3 only was not so easy. Therefore, the contents of the following 3 modules were combined and provided to meet the needs of the recipient SMEs.

**Table 19: Three Modules of Onsite Consulting**

Subjects in each module		Expected participants
CM1	Entrepreneurship, Business Strategy and Marketing	Management, planning and sales departments
CM2	Production management, and quality control	Production and technical sections
CM3	Record Keeping and Business Financial Documents or Business Accounting	Accounting, finance, and controllers

- Cluster Training was provided 3 times, once in Kariobangi and twice in Thika as in the table below.

**Table 20: Implementation of Cluster Training**

Cluster Training Venue	Time schedule	Business Plan Presentation on Day	Number of SME participants
Kariobangi, Marphic Ark Hotel	June 18 <sup>th</sup> -23 <sup>rd</sup> for 5 weekdays from 17:00 to 19:00 hrs, and from 9:30 to 13:30 on Saturday	July 3 <sup>rd</sup> 2012	63
Thika, Coconut Grill	August 21 <sup>st</sup> to 27 <sup>th</sup> except Sunday from 16:00 to 19:00 hrs and from 9:00 to 16:30 on Saturday for 6 days	September 14 <sup>th</sup> 2012	42
Thika, Coconut Grill	8 <sup>th</sup> to 12 <sup>th</sup> October from 11:00 to 16:00 for 5 weekdays	October 30 <sup>th</sup> 2012	31

<sup>59</sup> The frequency: twice a month for Onsite Consulting was considered as optimum for the recipient SMEs which require some time for implementing the consultants' suggestions.

Each Cluster Training was designed so that all the participants would be able to produce a business plan at the end of the training. Accordingly, the Consultants arranged one day for Business Plan Presentation by the participants after 2-weeks from the end of each Cluster Training. On this day, certificates were also provided to the participants.

After some changes and interviews with the training participants to improve the time schedule, one as in 3<sup>rd</sup> Cluster Training from 11:00 to 16:00 every weekday was considered appropriate because of the participants' schedule to come and work at their offices early in the morning and late in the evening at least every working day during the training period.

The 2<sup>nd</sup> and 3<sup>rd</sup> Cluster Training provided in Thika accepted a reduced number of SME participants of 42 and 31 to improve the quality of training through more interactive approach.

The success in the first Cluster Training in June 2012 in Kariobangi was considered a breakthrough in this Project, because there were 63 participants who participated in the training, plus 50 participants in the waiting list<sup>60</sup>. Promotion of the first Cluster Training in the 1<sup>st</sup> year in Kariobangi was such a difficult task for all the Project team members and KIBT lecturers engaged, but the Consultants attribute the success of the Cluster Training programme to the following factors.

- The excellent quality of the training delivery every time by the Kenyan professionals and KIBT lecturers, by applying Kaizen concept.
- Keeping the same venues in the same regions: Kariobangi and Thika.
- Reduced training period from 3 weeks to 5-6 days, which made it easy and accessible for SME managers.
- Synergy effect from the Onsite Consulting where the Kenyan professionals and KIBT lecturers have shown good performance for the recipient SMEs.
- Strengthened network by appropriate sales activities.
- Consulting House in Kariobangi since September 2011 provided good access to the SMEs in Kariobangi. Assigned KIBT lecturers and Kenyan professionals often visited the Consulting House as a starting point for sales/promotion and Onsite Consulting together with the Kenyan consultants.

ii. Data collection for the Baseline Study on the C/Ps and SMEs (Task: 310)

---

<sup>60</sup> To establish sustainability and training culture in the SME sector in Kenya, this Project started charging training fee in the Cluster Training from 2nd year in Kariobangi, and the Project team managed to get more than 30 SME participants in every Cluster Training by substantial sales efforts. Eventually the training fee was raised substantially to Ksh.1,000/week, yet having an overwhelming number of applicants in the Cluster Training in 3rd year. At the end of the Project, KIBT even had a list of nearly 500 SME participants waiting for the next Cluster Training in Kariobangi, Thika and surrounding regions.

CERDS: a Kenyan consulting firm was again hired and the SME data was collected by face-to-face or telephone interviews during 3rd year. Since the Baseline Study during 1<sup>st</sup> and 2<sup>nd</sup> year produced general macro-data by collecting more than 700 enterprises, the 3<sup>rd</sup> year Baseline Study focused on a limited number of SMEs with individual case studies, such as 45 SMEs which participated in the JICA Trade Training, 30 which have not participated and 30 LSEs for comparison.

At the beginning of 3<sup>rd</sup> year, 7 sets of a laptop computer and an LCD projector were provided to all the 7 KIBT regional offices. Including the C/P offices in Nairobi, the developed software for the Baseline Study in 2<sup>nd</sup> year of the Project was installed with the assistance of an IT specialist of CERDS, so that all the offices in Nairobi and the regions of both EPC/KIBT could use the software to monitor the operations of SMEs.

Moreover, following actions were taken, to secure continuity and sustainability of this study:

- Training was given to EPC/KIBT including those lecturers at KIBT regional offices on how to utilize database obtained by the baseline survey. KIBT lecturers from Nairobi visited all the KIBT regional offices to provide training.
- C/Ps including all the regional offices established capacities to utilize the database for market study, counseling and training.
- The Kenyan consultants of CERDS assisted EPC/KIBT to update the database, and measured the effect of the training by combining their activities in the Baseline Study.
- The other Kenyan professionals cooperated in data collection from SMEs.

iii. Implementation of Trade Trainings (Tasks: 350, 351, 352, 353)

TOT in the form of Synergy Enhancement Workshop (SEW), Basic (Export Preparedness Trade Training), Intermediate (Practical Export Trade Training) and Advanced levels of training (Export Coaching) were conducted.

**Table 21: Schedule of Trade Training in 3<sup>rd</sup> Year**

Year	Trade Trainings by City
3 <sup>rd</sup> Year	TOT(SEW): Nairobi (June 7-8 <sup>th</sup> , Aug. 2-3 <sup>rd</sup> , October 4 <sup>th</sup> and December 5 <sup>th</sup> in which the final one was the Project Closure & Review Workshop at LAICO Regency Hotel, Nairobi) Beginners: Mombasa (Sep.19-21/25-26) Intermediate: Eldoret (Sep.17-19/24-25) and Nairobi(Oct.2-4/9-10) Advanced (Export Coaching): Kisumu/Eldoret, Nairobi/Thika, Mombasa, and Nakuru

<SEW>

The first SEW was conducted on 7<sup>th</sup>-8<sup>th</sup> June 2012 for mainly principal lecturers of KIBT to develop their capacities by reviewing the training/consulting contents, such as Kaizen training

and Value Management, followed by a presentation/discussion on the Baseline Study. 8 KIBT lecturers reviewed the 2nd year activities with 3 Kenyan professionals. The number of participants was 19 including KIBT Director, the Kenyan consultants CERDS, JICA representative and 2 from the JICA Consultants.

The second SEW on August 2-3<sup>rd</sup> 2012 was conducted with the attendance of 11 EPC sector champions and 10 KIBT lecturers in cooperation with 5 CERDS staff. The primary purpose was to enhance synergy among the C/Ps, Kenyan professionals and JICA Consultants particularly for the successful implementation of Export Coaching starting in 3<sup>rd</sup> year. They discussed ideas in light of the new KIBT 7 story premise to be in service mid. 2013. The ideas discussed included training rooms for SMEs in Kenya and EAC, incubation facility for SMEs, exhibitions of export products for SMEs in cooperation with EPC, international conference for ODA organizations and EAC, tool rooms with machines/equipment for SME manufacturers, management council concept for a training institute involving three sectors (Government agencies, educational institutes and private enterprises e.g. training firms, and Kenyan professionals), etc. There were 28 participants including the KIBT Director, a JICA representative and a JICA Consultant.

The third SEW was held on October 4<sup>th</sup> 2012 to have discussions on the reporting by the total 12 mission members to India. The participants were from both C/Ps including Director of KIBT and SMEs, and also the Kenyan professionals since one of the Kenyan professionals and another SME participant also participated in the mission at their cost. Including the participants from CERDS, JICA representative and 2 JICA Consultants, there were total 29 participants.

The last (fourth) SEW was conducted on December 5<sup>th</sup> 2012 as the Project Closure & Review Workshop with about 90 participants from both C/Ps, Ministry of Trade (Nairobi representative/Thika representative), Ministry of Industrialization, Kenya Industrial Estate, Viken 30 Industrial Park Ltd, Nairobi representing a group of 300 SMEs from Kariobangi formed during the program period, etc. At the workshop, 12 staff of C/Ps, 7 SMEs, 15 Kenyan professionals were provided Awards of Excellence, and 6 SMEs and 26 staff of C/Ps were provided Awards of Participation. This means the total staff of 38 from the C/Ps, and 13 participants from SMEs and 15 Kenyan professionals were awarded for their enthusiastic participation in the 2.5 year Project.

#### <Trade Training>

Three levels of the Trade Training were provided as follows.

- a) Beginners level in Mombasa: Export Preparedness Training (EPT) (Export items to be brought to class)
  - i. Duration was 5 days in 2 weeks (September 19-21, 25-26)

- ii. Participation fee was Ksh.3,500-
- iii. The number of SME participants: 24

In this Trade Training, only one Kenyan professional was hired to deliver the training for 5 days. Since this professional was good at logistics and finance at the Intermediate and Advanced level, he had at first some difficulties in adjusting his training contents to the Beginners level, but managed to deliver the whole course for 5 days by getting some advice from a JICA Consultant. However, the JICA Consultant suggested that arrangement of 2 Kenyan professionals would have been better to meet the needs of individual SME participants.

- b) Intermediate level in Eldoret and Nairobi: Practical Export Trade Training (PETT) (Export items to be brought to class)
  - i. Duration was 5 days in 2 weeks (Sept. 17-19, 24-25 at Eldoret / Oct. 2-4, 9-10 at Nairobi)
  - ii. Participation fee was Ksh.6,500 (Eldoret) and Ksh.8,500 (Nairobi)
  - iii. The number of SME participants:6 in Eldoret, and 14 in Nairobi
  - iv. One Kenyan professional for each of training for 5 days

In view of the fact that the number of the SME participants in the above trainings for 5 days was comparatively small; only 6 in Eldoret and 14 in Nairobi, all the SME participants received good amount of coaching in front of their products. They highly appreciated the training contents with many thanks. 2 Kenyan professionals respectively hired and assigned to each of the Intermediate level of training were also excellent in their training delivery.

Noteworthy was the fact that some of the SME participants in the training in Nairobi decided to form an informal association so that they could continue this networking to share their experience in the future. This initiative was encouraged by the Kenyan professional delivering the training, who has recognized that one of the weaknesses in the Kenyan business circles is inadequate collaboration among them.

In the above two levels, the contents had been further adjusted using the used training materials in 1<sup>st</sup>/2<sup>nd</sup> years based on Kaizen philosophy by the 3 Kenyan professionals .

- c) Advanced level: Export Coaching (EC)

The Project implemented a new training program called Export Coaching at the advanced level by engaging KIBT lecturers experienced in the Project with inexperienced ones at the KIBT regional offices, as well as some EPC sector champions so that knowledge and skills are transferred. (Refer to Appendix 5)

This programme was a combination of Onsite Consulting and Trade Training. Moreover, seminars/meetings on the achievements of the Project during 1<sup>st</sup>/2<sup>nd</sup> years were provided at 6 cities (Kisumu/Eldoret, Nairobi/Thika, Mombasa and Nakuru) to promote Export Coaching to enhance understandings on the benefits of training/consulting in the SME sector, thereby creating Training/Consulting Culture in the respective regions. Each of the selected SMEs was supposed to receive 5-6 visits at their operation sites from July to November 2012.

Recruitments of SMEs were conducted by adverts in newspapers, approaching past participants in the Trade Training to identify SMEs experienced in trading also through the professional team to conduct the Baseline Study. The sectors were identified based on the collected data by the Baseline Study by CERDS.

The participation fee was set at Ksh.3,000-. The coaching team consisted of one of the Kenyan professionals, 2 KIBT lecturers (one from the regional office, and the other from Nairobi central office experienced in Onsite Consulting and Cluster Training), one or two EPC sector champions and JICA Consultants when available. At each of the total 6 cities (Kisumu/Eldoret, Nairobi/Thika, Mombasa, Nakuru), 2-4 SMEs at each city were selected and received coaching according to the following schedule.

- First stay by the team<sup>61</sup> (July-August); for promotion, and to exchange views with SMEs for screening from candidate SMEs.
- Second stay by the team (August); To identify issues first day and provide suggestions on the second day.
- Period for 2 months for SMEs to implement suggestions individually.
- Third stay by the team(Oct.-Nov.); To identify the situation after actions by the SMEs, and provide suggestions on the second day.

**Table 22: Implementation schedule of Export Coaching**

	ECPR	EC1	CE2
Kisumu / Eldoret	Jul 9-10/ 12-13	Aug 6-10	Oct 15-19
Nairobi / Thika	Jul 11-12 / 17-18	Aug 13-16	Oct 23-26
Mombasa	Aug 1-2	Aug 20-23	Nov 19-22
Nakuru	Jul 24-25	Sep 11-14	Nov 13-16

In conducting ECPR(Promotion for Export Coaching), 16 SMEs(2-4 at each city) were selected in total out of 74 potential SMEs which showed interests in the Export Coaching.

<sup>61</sup> In each stay of the team at each city, the team met the SMEs twice. During 1st stay, once at a seminar venue for recruitment, and at the sites of SMEs to understand the businesses further. During the following 2nd and 3rd stays respectively, first meeting with the SMEs to understand the business conditions, followed by 2nd visit to provide coaching with the team's recommendations.

Export Coaching was delivered in the following manners under the supervision of the JICA Consultants.

- A meeting on the development of the coaching manual was held on 28th June 2012
- CERDS conducted a baseline study to identify potential SME participants.
- The baseline study included collection of information on the challenges faced by the SMEs to assist the Kenyan professionals for preparation.
- The outline of the coaching manual was developed after submission of the baseline study.
- A Kenyan professional developed the coaching manual and tools as a lead consultant.
- CERDS scheduled the preliminary visits to companies and arranged for the initial meeting of the shortlisted companies. (CERDS also monitored the programme and updated the implementation schedule.)
- The promotion of the Export Coaching was done for 2 days. The promotion included holding a joint meeting for all the shortlisted SMEs to sell the benefits of the coaching and get their commitment for participation. Sector balance was considered during selection.
- Poster calendars to disseminate the Kaizen philosophy were developed and used during the promotion and visits.

iv. JCCs (5<sup>th</sup> and 6<sup>th</sup>) (Tasks: 300, 301)

JCC was held at the mid-term (August 8<sup>th</sup>) and the last/final JCC of this Project was held in December 10<sup>th</sup> at the end of 3<sup>rd</sup> Year.

At the 5<sup>th</sup> JCC on August 8<sup>th</sup> attended by EPC/KIBT, JICA representatives and the JICA Consultants, chaired by the Ministry of Trade, the participants discussed the preparation of the mission to India in September, particularly the selection of 5 SMEs out of 16 applicants, in addition to the Project progress, e.g. SEW, the Cluster Training and Export Coaching by KIBT and EPC, and a presentation by KIBT on the new KIBT premise and its functions at Parklands. At the JCC, JICA also requested cooperation from EPC/KIBT and the JICA Consultants for the terminal evaluation study from October to December 2012.

At the 6<sup>th</sup> JCC on December 10<sup>th</sup> with participants from EPC/KIBT, Project Manager of JICA Consultants and JICA representatives, both C/Ps presented the successful results of the Project implementation. (Refer to Appendix 8)

EPC reported that the total number of trainees in this Project was 548 from 299 during 1<sup>st</sup> year, 189 in 2<sup>nd</sup> year, followed by 60 in 3<sup>rd</sup> year<sup>62</sup>, enabling the training programme to deploy a more

---

<sup>62</sup> The decline in the number of participants is attributed to the size of the cities also where the training was conducted. Much smaller towns in 2<sup>nd</sup> year than 1<sup>st</sup> year. The JICA Consultants suggested that repeating the same

individual approach incorporating more time in coaching as time went by towards the end of the Project. The total 102 SMEs participated in the 3 networking forums in Nakuru, Kisii, and Mombasa during 2<sup>nd</sup> year of the Project, to create a platform for the past training participants to share experience in enhancing their export capacities.

KIBT also reported successful implementation of both Cluster Training and Onsite Consulting for SMEs in Kariobangi and Thika in cooperation with 3 Kenyan professionals. They also reported that all the recipient SMEs highly appreciated the Project, although the Project at first faced a big challenge to create an SME market interested in the Cluster Training for recruitment. However, the Project eventually overcame this challenge, and currently with a waiting list of about 500 SMEs for the next training opportunities.

Regarding the result of the Integrated Onsite Consulting, KIBT reported that all 6 SMEs indicated high appreciation to their learning opportunities, and expected that KIBT would continue the programme by themselves in cooperation with CERDS and other Kenyan professionals. KIBT also reported that all the 7 sets of laptop computers and LCD projectors had been used by the lecturers effectively at KIBT regional offices, enabling improved training for SMES, and more punctual reporting to the KIBT office in Nairobi, on their activities.

Both C/Ps also reported that they were following up their gained momentum by the mission to India in 2<sup>nd</sup>/3<sup>rd</sup> year of the Project, by discussing MoUs (Refer to Appendix 7) with Indian counterparts, based on their expectation to use the new KIBT premise in Parklands to be in service mid. 2013. They also showed appreciation to the assistance by JICA and the JICA Consultants for their consulting & management of the Project.

JICA reported on the final stage of the Terminal Evaluation Study to be completed in January 2013 to evaluate accomplishment of the Project, to note lessons and to make recommendations for the future technical cooperation. In the study, in addition to the above reporting by EPC/KIBT, the evaluation team recognized the created synergy between the two organizations: EPC and KIBT, a deliberate approach to meet the individual needs of the participants through coaching, application of Kaizen philosophy in preparing and implementing trainings, etc. The team requests comments from the JCC members, once the draft report is submitted shortly.

v. Development of C/Ps' capacities for information and counseling service  
(Tasks: 370)

As continual activities from 2<sup>nd</sup> year, C/Ps' capacities were further developed as follows, in

---

training at the same place is necessary for Kaizen, market creation and eventually for Project sustainability, and Cluster Training was repeated 4 times at the same places during the Project.

addition to the opportunities by SEW as TOT described under the above iii. Implementation of Trade Trainings.

In consultation with JCC members and SME networks identified by CERDS, drastic improvement was made in promotions of trainings, by means of establishing relations with SME associations, distribution of flyers, newsletters and updates of EPC website, in addition to their information/counseling service by EPC sector champions, and training by KIBT lecturers in Nairobi and the regions in Kenya, particularly through collaborations between the 2 C/Ps in Export Coaching.

The Consulting House managed by CERDS in Kariobangi opened in September 2011, and renovated to a large one with 3 rooms in August 2012 started playing an important role to engage KIBT lecturers, to provide services to SMEs in Kariobangi and its surrounding areas. At the Consulting House by the application of PPP (Public Private Partnership initiatives) concept, not only KIBT/EPC, but also the Kenyan professionals would be able to provide various training/consulting service even after the Project completion in December 2012.

Following some teaching materials development during 2<sup>nd</sup> year, 8 DVDs were developed and a clip in you-tube showing Kaizen song, to enhance interests from SMEs and create opportunities of implementing distance education for those in the regions of Kenya in the long term.

To enhance training capacity of both C/Ps, the Project took the following measures.

- EPC and KIBT worked together in the Export Coaching.
- Both C/Ps participated to make presentations on their findings in the mission to India and their experience in the Project activities at SEWs which were held 4 times.
- Appropriate evaluation and remunerations designed to provide sound incentives to P/Cs human resources was discussed between the JICA team and EPC Chairman(December 14<sup>th</sup> 2012), Director KIBT and Permanent Secretary of the Ministry of Trade (December 11<sup>th</sup> 2012).

vi. Organizing the networking forum (Tasks: 380)

Contrary to the original plan, it was agreed with EPC that networking forum would not be held in 3<sup>rd</sup> year due to the tight schedule to conduct Export Coaching, and others in the overall schedule with activities almost every week up to the mid. of November.

Instead, SEW was provided 4 times to strengthen the capacities of KIBT/EPC and their synergy effect in developing capacities of SMEs in Kenya under the new constitution, which required

more rationalized operations among government agencies/parastatal such as EPC.

It is considered, however, that networks among SMEs, and the Kenyan professionals together with C/Ps were strengthened by conducting promotion of Export Coaching in the respective cities, Nairobi/Thika, Kisumu/Eldoret, Nakuru and Mombasa. It should be also noted that the Consulting House in Kariobangi has greatly strengthened SME networks there in 2011 and 2012, thanks to continued Onsite Consulting/Cluster Training from 1<sup>st</sup> year through 3<sup>rd</sup> year in the same Kariobangi region. Viken 30 Industrial Park Ltd, Nairobi with a group of 300 SMEs in Kariobangi is an evidence of effective facilitation using the Consulting House by the Kenyan professionals and CERDS, since many of the member SMEs in Viken 30 are former participants in the Cluster Training and Onsite Consulting in this Project

vii. Implementation of C/P overseas training (Tasks: 390)

To emulate and reinforce the successful training results in India during 2<sup>nd</sup> year, the overseas training was conducted from Sep. 2<sup>nd</sup> to 15<sup>th</sup> in India again in 3<sup>rd</sup> year for the participants to learn good examples and follow up business opportunities identified by the C/P officers last year.

As discussed at the first JCC in 2010, the reasons for organizing the overseas training program in India are described as follows:

- India is one of the fast growing markets and the biggest export target after Pakistan in Asia for the Kenyan economy in 2007 and 2008<sup>63</sup>.
- KIBT and EPC will seek long-term relations by initiating discussions with the counterpart organizations in India.
- Kenya is in a logistically strategic location for trading with India through the growing Mombasa port on the coast of East Africa.

In the overseas training program, the participation of SMEs and LSEs was also encouraged<sup>64</sup> as in 2<sup>nd</sup> year training. However, since the Project team received 16 applications all from SMEs, the selection committee consisting of EPC/KIBT, JICA Representative and the JICA Consultants and a Kenyan consultant: CERDS selected 5 SMEs early August in 2012.

Two weeks of C/P overseas training program had following activities:

---

<sup>63</sup>The export volume to India is ten times larger than the one to Malaysia in the recent years.

<sup>64</sup>The budget plan for the overseas training program was to cover the cost of SMEs (60% subsidies) and LSEs (30% subsidies). The number of personnel from C/Ps was set 2 persons respectively (total 4). One JICA Consultants accompanied the overseas mission together with a locally assigned JICA Consultant in India. The total number of the mission was 15 people (5 from C/Ps, 1 from JICA, 2 from JICA team, 6 from SME sector and 1 of the Kenyan professionals including 3 volunteers with no financial burden on the Project.).

(Refer to Appendix 10)

- To visit the Kenyan Embassy and explore possibilities of securing the support of the Embassy in linking Kenyan SMEs to the market in India
- To visit organizations in the public sector and those with private sector-driven mechanism e.g. Gujarat Institute of Development Research (GIDR), Entrepreneurship Development Institute of India (EDI), Gujarat Chamber of Commerce and Industry.
- To visit SME factories and model SMEs
- To attend a business conference to exchange business opportunities.
- To visit industrial clusters
- To initiate discussions with Indian counterparts to conclude MoUs. (Refer to Appendix 7)

The results of the Indian mission were reported and discussed twice at the 3<sup>rd</sup> and 4<sup>th</sup> SEW. Not only the participants of C/Ps, SMEs learned a lot from exposures to the businesses and its environment in India. EPC and KIBT are currently preparing 5 MoUs with respective counterparts in India.

viii. Preparation of reports and submission

4<sup>th</sup> Project Progress report (August 2012) and Project Completion Report (January 2012) were prepared and submitted to C/Ps and JICA in January 2013. The Project completion report was reflecting the discussion at JCC in November 2012.

**【Outputs and performance indicators for 3rd year】**

i. Outputs

- a. Systematic trade training programme for SMEs was designed and implemented.

Trade training programme was systematically designed and implemented also in 3<sup>rd</sup> year. In addition to Kaizen efforts in the training contents/delivery with more coaching time in 2<sup>nd</sup> year than 1<sup>st</sup> year, the Project further introduced “Export Coaching” in 3<sup>rd</sup> year so that the SMEs can have individual coaching 100% by both the EPC/KIBT lecturers with the help of the Kenyan professionals.

- b. Supportive outreach programmes for SMEs and networking among ex-trainees were improved.

Supportive outreach programme was implemented through Export Coaching to SMEs including ex-trainees in 6 cities in Kenya. Moreover, Cluster Trainings in Kariobangi and Thika 3 times in 3<sup>rd</sup> year, and further networking among the SMEs in Kariobangi which led to the formation of Viken 30 with 300 SMEs strengthened the network of ex-trainees. Stronger ties were established by the Kenyan professionals/CERDS consultants and KIBT

by the PPP concept to utilize KIBT's new premise in Parklands<sup>65</sup>.

c. Capacities to train SMEs by implementing institutions are strengthened.

Further to the mission to India by 5 C/Ps personnel with 6 SMEs, SEWs to discuss findings from the mission to India provided future vision to support the SME sector in Kenya with participations from both C/Ps. "Export Coaching" also participated by both C/Ps gave opportunities of "learning by doing" from one another in each team, and stimuli to them in the direction of capacity development.

ii. Indicators

a. Number of participants in the training

24 participants from SME sector in Beginners, and 20 in Intermediate, and 16 SMEs in Export Coaching under EPC with KIBT. 136 participants in 3 Cluster Trainings and 6 SMEs in Integrated Onsite Consulting under KIBT.

b. Number of improvements in the training (Improved points)

Based on one day discussion by the Kenyan professionals together with JICA Consultants on February 26<sup>th</sup> 2012, training contents were further developed for the Beginners and Intermediate courses for 3<sup>rd</sup> year. Implementation of the Export Coaching enhanced awareness on the benefits of the consulting service among SMEs in 6 cities. More improvements were seen in the presentations with local cases, delivered by the KIBT lecturers during the Cluster Training. Integrated Onsite Consulting with combined 3 modules was implemented as the final scheme of the Onsite Consulting. This required closer coordination among the Kenyan professionals/consultants and KIBT lecturers, and created synergy among the different 3 modules.

c. Scores evaluated by the participants

The participants highly appreciated all the JICA training in 3<sup>rd</sup> year also. In the Project evaluation statistic by CERDS, the participants' evaluation was quite high as follows.

**Table 23: Project Evaluation Statistics**

Appropriateness of JICA training	Very appropriate 38%	Appropriate 56%	Relatively/less 6%
Applicability of knowledge, skills and exposure on daily operations	Very useful 54%	Fairly useful 41%	Not useful 5%

<sup>65</sup> In December 2012, the Kenyan professionals and CERDS consultants started developing a 10-year PPP strategy based on the new premise of KIBT in Parklands, and KIBT has a plan to triple the number of lecturers to 6 at each regional office to strengthen their regional training activities.

Expectations met	Fully met 54%	Partially met 42%	Not met 4%
------------------	------------------	----------------------	---------------

Source: Statistics by CERDS

d. Number of SMEs which received consulting, and their improvements

6 SMEs in 3<sup>rd</sup> group received Integrated Onsite Consulting, 136 SMEs participated in 3 one-week Cluster Trainings, once in Kariobangi and twice in Thika, and also 16 SMEs in Export Coaching. The impressive improvements were seen in most recipient SMEs, in terms of Kaizen, sales, and operations. (Refer to Appendix 9 CD with the Baseline Study Report, November 30, 2012, documents on Export Coaching and the Overview of Integrated Onsite Consulting.)

e. Number of participants/SMEs which initiated trading

Baseline Study in 3<sup>rd</sup> year suggested those trained SMEs with export business increased from 22% in 2011 to 53% in 2012 in proportion in the total 45 SMEs. The fact indicates there is a significant impact on the export initiatives taken by the trained SMEs as shown in the table below.

**Table 24: Export Initiatives of Trained SMEs**

Export Status for Trained SMEs		2011	2012
a.	Don't export, only sell in Kenya	78%	47%
b.	Only exporting	17%	18%
c.	Both sell in Kenya and export	5%	35%
b.+ c.	Total SME % which export	22%	53%
Total (a. + b. + c.)		100%	100%

Source: Calculated from Table 4.1 Baseline Study Report, November 2012

f. Quality of SME support system (Follow-ups for participants and information service by C/Ps)

Experiences accumulated further at EPC/KIBT through training initiatives and SEWs, and especially among KIBT lecturers through Onsite Consulting and Cluster Training, by a Kaizen leadership of KIBT Director. All 14 KIBT lecturers at 7 regional offices trained on monitoring database software with laptop computers/LCD projectors are now prepared to monitor and provide effective trainings to SMEs in the regions.

g. Number of times C/Ps' services are used by SMEs

No data/records were available at C/Ps with extremely limited resources to record/monitor the number of times of their services for SMEs.

h. The number of SMEs which participated in the networking forum and their evaluations  
At the beginning of 3<sup>rd</sup> year, it was agreed with EPC that network forums would not be provided, instead 4 SEWs were conducted to share understandings among C/Ps, some participating SMEs and the Ministry of Trade.

i. Monitored results of SME database by the Baseline Study

The results of the collected data on the trained SMEs were impressive in comparison with untrained SMEs as in the following tables. (However, please note that the data of trained SMEs in 2012 have good accuracy but not in 2010 because most SMEs did not have proper record-keeping before participating in JICA Project, and 80% of SMEs started book-keeping after training. It should be also noted that the improvements in the following factors cannot be attributed to training only, because those SMEs who participate in JICA training have better business mindsets than those not receiving training.)

**Table 25: Monitored results of SME database by the Baseline Study**

% Change from 2010 to 2012	Trained SMEs	Untrained SMEs	LSEs
Full time employment/firm (from base average/firm)	54% (from 5.9)	29% (from 2.1)	15% (from 582)
Contract casuals/firm (from base average/firm)	19% (from 4.8 )	-31% (from 3.5)	6% (from 757)
Sales turnover/firm (Ksh. million) (from base average/entity)	169% (from 3.03 )	18% (from 2.1)	18% (from 1,190)

(Source: Calculated from Baseline Study Report<sup>66</sup> Nov. 30. 2012)

j. Results of overseas C/P Training and evaluation by the participants

All the participants had fruitful discussions with prospective counterparts and learned the practices of PPP, Ministry of MSMEs, etc. in India, and established business relations by business-to-business match making meetings. (Refer to Appendix 9. TRADE MISSION TO INDIA, END OF MISSION REPORT. October, 2012.)

k. Improved counseling system

KIBT lecturers improved their training skills further through Integrated Onsite Consulting and Cluster Training. KIBT/EPC learned the synergy effect through PPP by working together with the Kenyan professionals and CERDS. KIBT lecturers and EPC sector champions accumulated good amount of consulting/training experience through Export Coaching taking SME-specific approach in various sectors, e.g. agro-processing,

<sup>66</sup> Table 5.2, Table 5.3, Table 7.3, Table 9.1 and Table 9.2

manufacturing textile and industrial products.

1. OJT to C/Ps staff on counseling and its results

Through Integrated Onsite Consulting and Export Coaching, the Kenyan professionals in cooperation with JICA Consultants provided counseling opportunities to KIBT/EPC. All the client SMEs appreciated the individual approach in counseling/consulting.

### **3.2.7 Other Remarks**

i. Joint management with the C/Ps based on the PDM

In managing the Project, the team collaborated with the C/Ps based on the PDM. The JICA Consultants worked with JICA in case of any changes. JCC twice every year also played an important role to confirm the progress and determine the directions in the Project implementation. The JICA Consultants suggest that Kaizen philosophy engaging all the levels of workers in the C/Ps to continuously improve their operations with sound mindsets could be further applied to make a big impact even after the Project.

ii. Collaboration with C/Ps

During the Project implementation, the JICA Consultants coordinated with the Ministry of Trade in cooperation with EPC for the Trade Training and KIBT for the Onsite Consulting and Cluster Training. Moreover, the Export Coaching in 3<sup>rd</sup> year required extensive coordination among C/Ps, the Kenyan professionals and CERDS, because all of them participated in this programme in 6 cities in Kenya. The JICA Consultants actively shared information with the Ministry of Trade on the Project experience for assisting SMEs through JCC, and meetings with top management/managers/ lecturers of C/Ps, and PS of the Ministry of Trade.

However, the level of collaboration depended on the strategy and availability of the top management to make use of the opportunities given to the C/Ps. On the EPC side, the availability of CEO and the engagement of the EPC sector champions had to be limited due to other assignments given to them and its mandate not including training of SMEs, whereas KIBT with the mandate of training SMEs took advantage of this Project, and KIBT Director provided appropriate directions at every important step during the Project implementation, e.g. TOT, Cluster Training, and Onsite Consulting, etc. The JICA team was flexible enough to cope with the situation within the limited man-months during the Project implementation.

iii. Steps taken for sustainable operations

Kenya has some constraints in establishing sustainability in SME development/training by the government organizations. One of them is legacies of the old style of British management in which

people just work according to the internal regulations and rigid manuals or practices<sup>67</sup>, and little Kaizen to meet the changing needs could take place. The SME sector could miss opportunities to improve the operations and compete in the global market.

Typically the SME participants in the trainings in this Project, for instance, revealed that they used to want to avoid contacts with the government officials. At the beginning of the Project, the JICA Consultants found it difficult to take the KIBT lecturers to Kariobangi with dirty, dangerous and poor image, where SMEs did not have even a place for meeting. Therefore, the JICA Consultants encouraged CERDS to establish Consulting House in Kariobangi under a financially self-sustainable scheme for providing various administration services to SMEs there. Other than the set-up of the Consulting House, the Project took the following steps to create the Project sustainability.

- Designed and produced T-shirts, mug cups and poster calendars with Kaizen mark/concepts for KIBT lecturers to use and often to provide as token of friendship during Onsite Consulting and Cluster Training so that SMEs would feel comfortable and close to the officials with high academic degrees.
- Provided training certificates at the Consulting House for introducing the place to the SME participants, where KIBT lecturers together with CERDS often stay for meetings.
- Developed a web-based SME monitoring software in line with the Baseline Study by an ICT specialist hired by CERDS and installed it in the PCs at Nairobi and regional offices of the C/Ps. The software can be a good marketing tool to enhance good image for taking care of the management of SMEs by the C/Ps.
- Kaizen song was developed, introduced and sung at the Cluster Trainings, etc. in 3<sup>rd</sup> year. The song was sung by KIBT lecturers, the Kenyan professionals, CERDS and the SME participants together, to change the image of management training, and to infuse the Kaizen concepts in the participants' minds.

#### iv. Improvement of training curriculum

With the concept of Kaizen philosophy introduced in this Project, the JICA Consultants ensured that a management system with PDCA cycle should be established so that the training curriculum would be improved constantly to achieve the Project objectives and meet the needs of SMEs. Encouraging is the fact that the Kenyan professionals started to exchange ideas and their own developed materials with one another from 2<sup>nd</sup> year of the Project to ensure the best quality/biggest impact in the training delivery because of the Kaizen philosophy, under which the training contents should not be rigidly kept even once developed. They highly appreciated and enjoyed the practices

---

<sup>67</sup> For instance, officials tend to agree to have a meeting only after they receive a request letter typically a few days before.

and work manners they have learned from the JICA Consultants based on the Kaizen philosophy.<sup>68</sup>

v. Linkage with Asia

With Vision 2030, the Government of Kenya is highly interested in strengthening relationships with Asian countries and diversifying the trading partners. The Project contributed to enhancing regional cooperation with India. Conducting the Counterpart Training in India, agreed at the first JCC in 2010 was useful in strengthening the trade relations between Asia and Kenya in East African Community, as well as building sustainable business/Gov.-to-Gov. relationships with India. Moreover, it should be noted that all the SME participants in the mission to India saw a new horizon for their business development in either technologies, machines, materials, or export/import opportunities, and more importantly their long-held stereotype on the Indian businessmen changed completely. The Indian officials and SMEs are open-minded, kind and generous enough to share their business practices and technologies in doing business with the Kenyan SME participants in the delegation.

vi. Collaboration with FASID (Foundation for Advanced Studies on International Development)

FASID, the World Bank and JICA jointly conducted “African Enterprise Study” since 2007 in Ghana, Kenya, Ethiopia, and Tanzania. The study included the management training for the SME owner-managers of manufacturing clusters in Kenya. They targeted the metal processing cluster in Kariobangi in Nairobi<sup>69</sup>. In implementing this Project, the JICA Consultants were able to utilize their information and experience in Kariobangi, by contacting FASID (Professor Tetsushi Sonobe and Professor Keijiro Otsuka) from the beginning.

vii. Management of Project cost

During the phase I and other previous cluster trainings, JICA Kenya Office signed MOU with C/Ps to share the operating costs. During the Project implementation of this phase II, the C/Ps managed their operating costs according to the government standards. They were responsible in providing the costs of office, office equipment (including cars and equipment provided by JICA) for the Project, except fuel for domestic transports, and stationery for printing training materials, and other items which the Project covered.

viii. Meetings in Japan and in Kenya

The JICA Consultants organized and attended meetings in Japan and in Kenya, and prepared and submitted meeting reports in coordination with C/Ps and JICA. Audio-visual equipment was

---

<sup>68</sup> A few Kenyan professionals revealed to the JICA Consultants that it is the first time for them to share training materials in their business life as professionals engaged in training programme.

<sup>69</sup> From 2011, the World Bank project is conducting training for SMEs in Ethiopia, Tanzania and Viet Nam.

utilized to facilitate meetings.

ix. Administration of overseas C/P training

For strengthening C/P capacities, overseas C/P training was conducted in 2<sup>nd</sup> and 3<sup>rd</sup> year in India. Training dates and contents with the following tasks were coordinated to ensure the consistency with programmes in Kenya. (Refer to Appendix 10.)

**【Tasks】**

- 1) Contents of the training
- 2) Coordination with organizations to be contacted in India
- 3) Selection of participants in cooperation with C/Ps
- 4) Coordination to confirm the detailed schedule
- 5) Arrangement of flight tickets, accommodations and transports in the country
- 6) Implementation and supervision of the training
- 7) Applications of the training results to operations in Kenya

x. Export for equipment

Since no equipment that requires special permits was exported in this Project, the JICA Consultants did not have to arrange such export permits.



## 5. Members of the Team (JICA Consultants)

Name	In Charge	Activities
Joji Watanabe	Project Manager / Trade Training Management I (TOT)	Manage & supervise overall Project implementation, TOT management
Masaru Noguchi	Trade Training Management III (Market Development)	Monitor & supervise trade training (Market Development)
Mitsuo Sato	Trade Training Management IV (Logistics Management), Trade Policies	Monitor & supervise trade training (Logistics Management)
Mitsuo Tamada	Trade Training Management II (Product Development), Cluster Training I (Entrepreneur Strategy & Product Management)	Monitor & supervise trade training & Cluster Training
Chinpal Rauniar	Counterpart Training	Arrange & supervise C/P overseas training
Sumiyuki Otsuki	Cluster Training II (Finance & Bookkeeping)	Monitor & supervise Cluster Training
Yuka Kato (2 <sup>nd</sup> & 3 <sup>rd</sup> year for administration)	Administrative Assistant	Assist Project administration

Ong Song Howe (1 <sup>st</sup> year only for continuation from 2009)	Deputy Project Manager / Training Expert	Support to Project Manager, Monitor & supervise Trade Training & Cluster Training
---	--	---

## **APPENDIX**

- Appendix 1: Project Design Matrix (PDM)
- Appendix 2: Project Operation Plan (3 years)
- Appendix 3: Important Concepts in Japanese Management
- Appendix 4: Basics of Value Management and Evaluation System
- Appendix 5: Proposed training/consulting programme
- Appendix 6: Recommendations to the Ministry of Trade
- Appendix 7: List of potential MOUs (Memorandum of Understanding)
- Appendix 8: Documents on the Project Summary
- Appendix 9: Documents provided on CD
- Appendix 10: Implementation of Overseas Training



## **Appendix 1: Project Design Matrix (PDM)**

### Project Design Matrix (PDM)

Project Name: The Second Phase of Trade Training for SME Exporters Version 0.1 (final)  
Target Area: Whole Country Target Group: Small and Medium Enterprise (SME) Exporters

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumptions
<p><b>Overall Goal</b> Productivity of Kenyan Small and Medium Enterprises (SME) Exporters is increased</p>	<ol style="list-style-type: none"> <li>1. Volume of exports originating from SMEs is increased</li> <li>2. Foreign exchange earnings are increased</li> <li>3. Diversity of exports from Kenya are increased</li> <li>4. Number and diversity of export market destinations is increased</li> </ol>	<ul style="list-style-type: none"> <li>- Government records eg. KNBS, KRA, Economic Survey</li> <li>- Industry reports</li> <li>- Other records on export trade</li> </ul>	<p>GoK policy on SME trade does not change</p> <p>International trade agreements remain favourable to SMEs exporters</p>
<p><b>Project Purpose</b> Small and Medium Enterprises (SME) export business skills are enhanced through systematic trade training</p>	<ol style="list-style-type: none"> <li>1. Number and type of SMEs entering export trade increases</li> <li>2. Number of SMEs transforming into the next stage (Micro-Small-Medium-Large Enterprises) increases</li> <li>3. Number of SMEs using EPC's services increases</li> <li>4. Ex-trainees appreciation (good rating) of services offered by implementing institutions</li> </ol>	<ul style="list-style-type: none"> <li>- Questionnaire for the SMEs trainees</li> <li>- Project documents (training records, reports, end of project report etc.)</li> </ul>	<p>- Related organisations (SMEs firms and implementing organisations) remain positive</p>
<p><b>Outputs</b></p> <ol style="list-style-type: none"> <li>1. Systematic trade training programme for SMEs is designed and implemented</li> <li>2. Supportive outreach programmes for SMEs and networking among ex-trainees are improved</li> <li>3. Capacities to train SMEs by implementing institutions are strengthened</li> </ol>	<p><b>Following indicators evaluated by self and externally</b></p> <ol style="list-style-type: none"> <li>1.1 Training program (plan, curriculum and manuals) is prepared and published</li> <li>1.2 Annual Trade Training Schedule is in place</li> <li>1.3 SMEs selection criteria for various trainings is utilised</li> <li>1.4 Timing and number of courses implemented</li> <li>2.1 Number of networking forums organized increases</li> <li>2.2 Diversity and membership of established networks increase</li> <li>2.3 Supportive outreach checklist is utilised</li> <li>2.4 Satisfaction rating of supportive outreach activities improve</li> <li>3.1 Number of participants attending various trainings</li> <li>3.2 Trainees satisfaction ratings of training courses and delivery of courses</li> <li>3.3 Staff involvement and capacities identifiable</li> </ol>	<ul style="list-style-type: none"> <li>- EPC and JICA records</li> <li>- Pertinent Surveys</li> <li>- EPC and JICA records</li> <li>- Checklist, supervision &amp; workshop reports</li> <li>- Products of dissemination material</li> <li>- Project evaluation report</li> <li>- Questionnaires for ex-participants</li> <li>- EPC and JICA records</li> <li>- Questionnaires for trainees</li> </ul>	<ul style="list-style-type: none"> <li>- Trained staff of implementing institutions will be retained</li> <li>- SME's interest in trade training remains high</li> <li>- Proper information/records supportive of the SME training is secured</li> </ul>

<b>Activities</b>	<b>Inputs (Japan)</b>	<b>Input (Kenya)</b>	<b>Preconditions</b>
<p>1.1 To prepare a trade training plan</p> <p>1.2 To prepare trade training curriculum, training schedule and implement trainer's manuals</p> <p>1.3 To conduct a sector based needs assessment for a focussed training</p> <p>1.4 To develop parameters for basic, intermediate and advanced modules training</p> <p>1.5 To establish trade training outcome indicators and monitoring frame</p> <p>2.1 To maintain a database of training for the ex-participants</p> <p>2.2 To develop a supportive checklist to monitor outreach activities</p> <p>2.3 To conduct and support follow-ups for ex-participants</p> <p>2.4 To organise for the networking forums</p> <p>3.1 To provide Training of Trainers workshops</p> <p>3.2 To coordinate and manage the SMEs training by counterparts</p> <p>3.3 Involvement in development and revision of manuals by counterparts</p> <p>3.4 Involvement in designing of the training programme</p> <p>3.5 Counterpart training in Japan or other suitable country</p> <p>3.6 To provide consultancy services to model enterprises on business management</p> <p>3.7 To implement cluster business management trainings</p>	<p>Dispatch of Expert</p> <p>1 Assignment of Japanese or Third Country experts</p> <p>1.1 Long term expert Chief advisor to provide technical assistance for the training plan, operational activities and trade promotion</p> <p>1.2 Short term experts Review the private sector requirements and assist in the preparation of the trade training manuals</p> <p>2. Equipment - Necessary for implementing trade training</p> <p>3. Training in Japan</p>	<p>1. Assignment of counterpart personnel</p> <p>2. Project Coordinator and the supporting staff including a secretary</p> <p>3. Provision of relevant data and facilitation of the engagement with the relevant organs</p> <p>4. Counterpart funds for meeting daily project expenses, such as travel allowances and consumables</p> <p>1. Facilities Japanese or Third country experts office Telephone line, Internet facility Fax facility etc</p>	<p>-Appropriate budget of Kenyan side will be secured</p> <p>-Sufficient numbers of SME operators with appropriate knowledge and competences are enrolled in the programme from all the potential export sectors</p>



## **Appendix 2: Project Operation Plan (3 years)**











Y2012	FEBRUARY																													MARCH																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat														
CT	Module-based Consulting (Group 1)																																																											
	Module-based Consulting (Group 2)																																																											
	Integrated Consulting (Group 1)																																																											
	(Venue)																																																											
	Cluster training (50ppl)																																																											
	(Consultant)																																																											
TT	Trade Training /Network forum																																																											
	(Venue)																																																											
	(Consultant)																																																											
Working days for general consultants																																																												
Project Team	Watanabe																																																											
	Noguchi																																																											
	Sato																																																											
	Tamada																																																											
	Otsuki																																																											
	Chinpai																																																											
Kato																																																												



Y2012	SEPTEMBER																														OCTOBER																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
CT	Onsite Consulting (Group 1) Kario																														Onsite Consulting (Group 1) Kario																														
	Onsite Consulting (Group 2) Kario																														Onsite Consulting (Group 2) Kario																														
	Onsite Consulting (Group 3) Thika																														Onsite Consulting (Group 3) Thika																														
	Cluster training (50 ppl)																														Cluster training (50 ppl)																														
	Others																														Others																														
	Export Coaching PR & Delivery 1 & 2																														Export Coaching PR & Delivery 1 & 2																														
TT	Trade Training/Level 1 & 2																														Trade Training/Level 1 & 2																														
	General Consultant																														General Consultant																														
	Anthony Kiogora																														Anthony Kiogora																														
	Hilary Onyango																														Hilary Onyango																														
ject Te	Watanabe																														Watanabe																														
	Noguchi																														Noguchi																														
	Sato																														Sato																														
	Tamada																														Tamada																														
	Otsuki																														Otsuki																														
	Chinpal																														Chinpal																														
	Kato																														Kato																														

Y2012	NOVEMBER																														DECEMBER																														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
CT	Onsite Consulting (Group 1) Kario																														Onsite Consulting (Group 1) Kario																														
	Onsite Consulting (Group 2) Kario																														Onsite Consulting (Group 2) Kario																														
	Onsite Consulting (Group 3) Thika																														Onsite Consulting (Group 3) Thika																														
	Cluster training (50 ppl)																														Cluster training (50 ppl)																														
	Others																														Others																														
	Export Coaching PR & Delivery 1 & 2																														Export Coaching PR & Delivery 1 & 2																														
TT	Trade Training/Export Coaching																														Trade Training/Export Coaching																														
	General Consultant																														General Consultant																														
	Anthony Kiogora																														Anthony Kiogora																														
	Hilary Onyango																														Hilary Onyango																														
ject Te	Watanabe																														Watanabe																														
	Noguchi																														Noguchi																														
	Sato																														Sato																														
	Tamada																														Tamada																														
	Otsuki																														Otsuki																														
	Chinpal																														Chinpal																														
	Kato																														Kato																														

Abbreviations: SEW Synergy Enhancement Workshop (TOT) EC Export Coaching (Advanced Trade Training) EC1=1st week, EC2=2nd week  
L1 Beginners Trade Training (Export Preparedness Training) ECPR Export Coaching Promotion  
L2 Intermediate Trade Training (Practical Export Trade Training) BPP Business Plan Presentation



## **Appendix 3: Important Concepts in Japanese Management**

(Message at the Cluster Trainings during 3<sup>rd</sup> year)

Message by the Project Manager; Mr. Joji WATANABE  
— Kenya: Towards the 1<sup>st</sup> Miracle Country in Africa —

Having worked for the Trade Training Programme for SME exporters, firstly as a trainer in TOT in 2007 and as the project manager for this Project since 2010 up to now, I have identified a few major concepts needed to make a breakthrough for Kenya's economy as follows.

1. “Kaizen”

“Kaizen” is a Japanese word often used in our daily life, which means Kai (change) and Zen (good) making the whole meaning of “Continuous Improvement”. Kaizen does not require money, because it is about mindsets of the people first. When we change our mindsets more productive and more positive in our private life, business and in the society, we will produce more value, from which we can invest in training, machine tools, etc.

2. “Value Management”

Both Kaizen and Value Management are based on strengths of Japanese management philosophy. Value (for customers) Management infuses strong customer-orientation by overcoming egoistic perspectives of service suppliers. In organization management, Value Management requires executives to be humble enough to listen to the low levels close to the customers, and act not only as directors but also as facilitators to support the whole operations and the environment so that the whole workforce can work effectively and efficiently.

3. “All engaged”

Contrary to most concepts in management training, Kaizen has nothing to do with elitism. Kaizen is not for elite only, but it is for everyone. Anyone of the society can apply Kaizen and improve oneself. It is different from higher education. Higher education is good, but only for those with some wealth and/or rare opportunities in Africa. But to make Kenya the 1<sup>st</sup> Miracle Country in Africa, we need all the people in Kenya working together to create a strong economy, which can be realized by “Sound & Strong Kaizen Mindsets” among the people. (Most African leaders use higher education to divide and rule the people, in stark contrast to Kaizen.)

4. “Koh”

The concept of “Koh” which literally means the public in Japanese can also play an important role to improve the behavior of the people. With the concept of “Koh”, everybody should feel responsible for the state of the public, the economy and the environment in which all can contribute to the better livings as the elements of the society, because one is part of all. Based on Koh“, people give more than they receive. People even work for the public free of charge. Individually a little, but collectively a lot making the whole society a great place to live.

I want to encourage all the Kenyans to consider these issues, because I believe you all together can double or even triple the development pace of the economy by tackling them to make Kenya the 1<sup>st</sup> Miracle Country in Africa.

Joji WATANABE

## **Appendix 4: Basics of Value Management and Evaluation System**

This concept was discussed at the meetings with PS of the Ministry of Trade (Eng. Abdulrazaq Adan Ali, CBS) and Director of KIBT (Mr Stephen Kirui) on March 8th / December 11th 2012 and EPC Chairman (Mr Hudson Aluvanze) on December 14th.

For customers in the market who receive and enjoy goods or services, the amount of value does not depend on who is a service supplier. Ethnicity in Kenya does not matter for the foreign buyers and customers. If all the people in Kenya start behaving and conceiving based on Value Management, the economy will develop much faster in Kenya like Asian dragons.

## **Basics of Value Management**

Seminar on February 20th, 2012

Joji WATANABE, MBA  
PM for Trade Training (Phase 2)

Due to globalization, export and domestic market is becoming more competitive and needs of produced goods and services are becoming more sophisticated every year. Under such circumstances, companies have to become more value-oriented to stay competitive in the market, by applying the concept of Value Management.

Not only in the private sector, Value Management (value-based management) can be a Strategic Tool for any organizations to improve their operational performances.

The fundamental concept of Value Management originally came from the US in which remunerations should be assessed in fair manners by objective evaluations on “job values”(not based on personal attributes). This evaluation system went to North Europe where Ericsson and ABB cooperated to create an easy-to-handle evaluation system in the 80's. In the 90's, some major Japanese companies e.g. Canon, Isetan, Kao introduced this remuneration/ evaluation system.

In the 2000s small scale companies began to apply the system in Japan, and their experience proved that the system can work even under extremely difficult economic conditions such as rapidly shrinking rural economy.

Also in the public sector, individual human desires should be utilized as a strategic tool by creating a fair linkage between the values managers and workers create in the market and the remunerations they receive.

Basic concepts of Value Management are;

- Values exist in the market, but not within organizations.
- Rationales for organizations' existence can be found in the market, not inside the organizations.
- Organizations should serve the market (customers) by overcoming “EGO”s either individual or organizational, because values exist opposite to “EGO”s.
- To ensure the above, salaries are paid for jobs (created value by job), not for persons. (concept)
- All organizations consist of jobs but not persons. (concept)
- Jobs (not necessarily persons) ensure supply of all human needs and therefore the economy.
- Clear and sound evaluation axis should be developed for job evaluation.
- Evaluation axis is based on values from the customers' viewpoint. (concept)
- Creation of jobs in the competitive market should be a final objective in any decision-makings to develop the economy.

Once the value management is applied, within the organizations;

- Faces, eyes of managers and workers look different due to empowerment.
- They feel that jobs become worth more doing, and lives worth more living.
- Kaizen (step-by-step improvement) takes place continually all the time.
- Challenges are encouraged by allowing managed failures.(If no challenge, no failure. If no failure, no challenge. If no challenge, neither Kaizen nor innovation.)
- All communications will be more effective in terms of value creation.
- All organization activities will be oriented towards value creation.
- Sound management philosophy for long-term performance is ensured.

In the past applications, the Value Management brought the following changes to companies:

- Sales doubled within a year;
- Manufacturing productivity doubled;
- Workers' private life became more constructive (no alcoholics);
- Salaries of managers and skilled workers increased as much as 4 times;
- Met Project deadlines all the time which led to high profitability and competitiveness;
- Change of the management style of top managers who became closer to work sites and engineering team;
- The staff turnover decreased drastically from 60% to 30%/year, enhancing higher profitability and growth due to accumulated management knowhow and skills.
- Solid synergy effect took place among the directors and managers;
- Overall, organizations became full of "Winning Spirits".
- Management seldom makes mistakes in decision-makings.

As an organization to enhance industry competitiveness, exports and investments in Kenya, managers and staff of KIBT/EPC can utilize the concepts of Value Management to assist companies in the private and the public sectors to better contribute to the national economy.

The most important message in value management is "Who does not matter", but "What matters".

## **Appendix 5: Proposed training/consulting programme**

## Proposed training/consulting programme for 3<sup>rd</sup> year

The following contents should be further discussed March 26<sup>th</sup> at Masai Lodge, Nairobi among C/Ps and the JICA Consultant and JICA to develop 3<sup>rd</sup> year of the project.

### 0. PROGRAM OBJECTIVES-JICA

Developing SME capabilities to enable them contribute towards National development towards vision 2030 by enhancing SME export business skills.

- Product development
  - Building Marketing capability in export trade
  - Develop basic effective export skills
- 

#### Output indicators

- a) Systematic trade training program for SMEs designed and implemented
  - b) Supportive outreach programs for SMEs and networking among ex-trainees are improved
  - c) Capacities to train SMEs by implementing institutions (EPC/KIBT) are strengthened
- 

### A. Programme under EPC

#### 1. PROGRAM STRUCTURE

It is recommended that the current 3 module structure be renamed as follows

- a) Level 1: Beginners - Export Preparedness Training (EPT)
  - i. Duration 5days
  - ii. Fee Kshs.5,000/-
- b) Level 2: Intermediate -Practical Export Trade Training (PETT)-5days
  - i. Duration 5 days
  - ii. Fee
    - Small Cities Kshs. 7,500
    - Mombasa and Nairobi Metropolis Ksh.10,000
- c) Level 3: Advanced -Export Coaching (ETC)
  - i. Duration 6 days
  - ii. 2 companies per day
  - iii. 3months after PETT
  - iv. Fee Kshs.10,000/-
  - v. Two visits
    - 1<sup>st</sup> visit to establish gaps and recommend
    - 2<sup>nd</sup> visit to follow up on recommendations after 3 to 4 weeks.

## 2. PARTICIPANTS ENTRY REQUIREMENT

- Level 1: Potentials and start up exporters
- Level 2: Exporting business owners
- Level 3: Previous trainees of EPC/JICA training and others already in export trade.

## 3. Methodology

- It was recommended that the Policy level of EPC and KIBT, structure a program that flows from KIBT target participants to EPC export target level.

## 4. TRAINING TARGET CENTERS

Training target centers in relation to Export target points:

Nairobi, Mombasa, Eldoret, Kisumu, Nakuru, Thika, Kisii, Meru, Naivasha, Embu, Nyeri, Kakamega, Busia, Kericho, Bondo, Migori/Homabay (Regional export centre)

### B. Program under KIBT ('Kaizen' Cluster Training and Onsite Consulting)

Cluster Training and Onsite Consulting under KIBT will be repeated and continued in 3<sup>rd</sup> year.

Training	Venue and duration
Cluster training Ksh.1,000/participant (2 <sup>nd</sup> year)	<ul style="list-style-type: none"> <li>● Kariobangi (6 days in one week)</li> <li>● Thika (6 days in one week)</li> </ul> As continuation of 2 <sup>nd</sup> year.
Integrated on-site consultation Ksh.500/session (2 <sup>nd</sup> year)	<ul style="list-style-type: none"> <li>● Kariobangi (G1, G2. continuation) Twice a month</li> <li>● Thika (G3) (Twice a month) for 2-4 SMEs</li> </ul>

### C. Program under KIBT/EPC combined utilizing the regional offices of KIBT

On-site Export Coaching (Kaizen training + Trade training) (Teaming up by EPC/SC + KIBT/Lecturers + Kenyan consultants as supervisors)	<ul style="list-style-type: none"> <li>● Eldoret (6 days one week)</li> <li>● Kariobangi (6 days one week)</li> </ul> Other options are at Mombasa, Kisumu, Thika, and Nakuru (6 cities) using 7 regional offices of KIBT
--	---

#### D. Trade mission to India

Repeating a successful mission to India or to surrounding countries, e.g. Uganda, Rwanda. We need to work with KAM to engage comparatively big SMEs and LSEs to create much bigger impact from this Project. The relations between C/Ps and KAM should be strengthened.

#### E. Roles of C/Ps in Vision 2030

During 3<sup>rd</sup> year, Kaizen and Value Management training will be provided for management positions of C/Ps, in view of the fact that Kenya used to have higher GDP/capita than Singapore, once a British colony with a strategic position in Asia. However Singapore developed quickly, because they have developed and kept a clear vision, being enabled by focused and result-oriented administration by the government.

- i. The old style of British management has been slowing down business decisions in Kenya. Too much emphasis on procedures, rather than business solutions, inadequate customer-orientation and lack of collaboration<sup>70</sup> at various levels. The value creation can increase drastically by changing the proper evaluation system based on sound management philosophy.
- ii. National campaign should get started for Kenya's economic development to realize Vision 2030 in Kaizen and Value Management<sup>71</sup> using others e.g. KAM.
- iii. To ensure sustainability of the Trade Training, the project will continue producing DVDs on Kaizen management, Trade Training, etc. in the view that Kenya should be the training center of EAC.

---

<sup>70</sup> In 1980s, Japanese companies started investing in UK. In a TV business program, a female worker said "This company is like a heaven for us. Even shop floor workers can talk to anybody and take initiatives for Kaizen." Many suggestions by workforce are respected and constantly implemented in Japanese companies, because of bottom-up approach. The role of top management is different in Japanese style of management.

<sup>71</sup> Kenya should have a clear vision to exceed UK in GDP/capita by value creation with Kaizen concept as Singapore did since the independence in 1965.

Export Coaching took the following steps.

1. CERDS studied the market of Kisumu/Eldoret, Mombasa, Nairobi/Thika, and Nakuru and made a list of potential SME participants, as Baseline Study for this purpose.
2. The Kenyan professionals as Lead Consultant together with coordinators of EPC/KIBT lecturers including the regional ones held a seminar to promote the programme at each region. By visiting the SME sites, they selected 2-4 SMEs in each region.
3. The Kenyan professionals/KIBT/EPC provided Export Coaching (EC1) in each region in July, August till September.
4. The recipient SMEs are supposed to take actions based on the provided recommendations after EC1.
5. The Kenyan professionals/KIBT/EPC provided Export Coaching (EC2) in October to November.

18 January 2012

## **EXPORT COACHING UNDER TRADE TRAINING FOR SME EXPORTERS (2<sup>ND</sup> PHASE) FOR CAPACITY BUILDING OF EPC/KIBT**

### **1. Objective**

There are currently fourteen (14) Sector Champions and two (2) Regional Coordinators at EPC (Export Promotion Council under Ministry of Trade, Kenya) as per attached sheet.

Each Sector Champion is responsible for a specific industry and they have been providing valuable guidance and information on the subjects mentioned below to exporters and would-be exporters.

- ✓ Finding new export markets for their products
- ✓ Starting export business
- ✓ Increasing sales from export business
- ✓ Participating in the international and regional trade fairs such as in COMESA countries.

It is, however, observed that their professional services as mentioned above are mostly limited to the head office, Centre for Business Information in Kenya (CBIK) in the capital city Nairobi, Kenya. The Regional Coordinators are responsible for providing similar services in Mombasa and Eldoret.

In the meantime, under the same JICA funded on-going 'Trade Training for SME exporters (Phase 2) Project, both Kenya Institute of Business Training (KIBT) and JICA Project team have been implementing Cluster Business Management training courses in Kariobangi, Nairobi and Thika towns followed by on-site consultations to the selected companies among the participants.

This programme has been providing both recipient companies and also KIBT lecturers with ample opportunities to identify the problems or gaps and to find out the best applicable way forward through on-site consultations in the similar manner of Doctor-Patient relationship.

Taking the above into our consideration, it is strongly recommended that On-Site Export Coaching by EPC sector champions, in cooperation with KIBT lecturers (particularly 7 regional offices, of which each has 2 lecturers) be incorporated in the third year of on-going Trade Training for SME exporters (2<sup>nd</sup> Phase) Project, that is from April, 2012 till the end of the Project, December, 2012 in order to foster building stronger relationship between EPC and exporters though not only through theoretical but more practical guidance by EPC Sector Champions.

The objectives of this proposed Capacity Building Program for EPC Sector Champions and Regional Coordinators are, therefore, outlined as follows:

- ✓ To enhance coaching capacity
- ✓ To empower EPC Sector Champions and Regional Coordinators through on-site export coaching skills
- ✓ Develop export coaching manuals for on-site export coaching
- ✓ To improve the monitoring capacity aimed at regularly following the outcomes of SMEs engagement and evaluate the usefulness of on-site coaching
- ✓ To seriously engage SMEs with EPC through a contractual working agreement for effective supportive interventions and measurement of attributable results
- ✓ To produce case studies to be in the EPC website.

### **2. Methodology**

It is proposed that the following personnel will form a team to conduct on-site export coaching.

- ✓ Sector Champion(s) and Regional Coordinators selected in line with the industry of the companies
- ✓ Experienced Kenyan professional(s)
- ✓ JICA expert(s) (Mr. Masaru Noguchi, Mr. Mitsuo Sato, and Mr. Mitsuo Tamada etc.)

The team members will conduct on-site export coaching for two (2) consecutive days with one (1) day follow-up after one month.

Before the on-site export coaching, the problem or gap identification has to be done through conducting 'Pre-Coaching Export Audit (PCEA) '. The team should then agree on possible solutions to address the problems and gaps and present them to the company on day 1 and modify them on day 2 if necessary after the session of day 1.

Therefore, the program for the three days session might be:

Day 1: Session to be held based upon the possible solutions prepared by the team

Day 2: Modification of the solutions if necessary and recommendations and development action plan for implementation

Day 3: Follow up and monitoring on how well the recommendations are implemented and their export programmes are being progressed.

The candidate cities and number of companies for this programme are proposed as follows:

- |           |             |   |
|-----------|-------------|---|
| ✓ Nairobi | (2 or more) |   |
| ✓ Mombasa | (1 or more) |   |
| ✓ Kisumu  | (1 or more) |   |
| ✓ Eldoret | (1 or more) |   |
| ✓ Thika   | (1 or more) |   |
| ✓ Nakuru  | (1 or more) | <b><u>7 or more companies in 6 cities</u></b> |

Targeted companies for this programme will be:

- ✓ SME's who have participated in the trade training by JICA.
- ✓ SME's who are planning to grow export business more.
- ✓ SME's who are very keen on launching export business.
- ✓ SME's who are in very strategic sector in the region.

These cities are hereby recommended because of:

**Nairobi:**

- ✓ It has the largest concentration of SME's, LSE and enterprises that have export potential.
- ✓ The capacity of SMEs in Nairobi to pay for consulting services is high.
- ✓ It is the best location to train 'Case example of SMEs ' for export readiness.
- ✓ It has better backward and forward linkage between SMEs and ( a potential with LSE's)
- ✓ It has SME's in all sectors with export readiness.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

**Mombasa**

- ✓ It is the gateway city for most exports in Kenya and has SMEs in export readiness.
- ✓ Due to its location and potential with tourist attractions, many SMEs in Mombasa have established links through interactions with tourists along the coast.
- ✓ It has a vibrant SME's infrastructure but mainly dealing in 'Handicrafts' and 'Curio shop' with other sectors in agricultural, horticulture very vibrant.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

### **Kisumu**

- ✓ It has emerging SME's in agricultural processing and fishing industry.
- ✓ International airport is now under construction to have cargo handling facility for direct export of goods to foreign countries.
- ✓ SME's in the region has previously expressed keen interest in being trained.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

### **Eldoret**

- ✓ It has SME's in agricultural sector and handicraft business.
- ✓ It has good tourist potential and good interaction between SME's and tourists.
- ✓ It has international airport with cargo handling facility.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

### **Nakuru**

- ✓ It has SME's in most sectors.
- ✓ It has a large industrial base and potential for forward and backward linkage.
- ✓ It has good interaction of SMEs with those of Nairobi.
- ✓ It has SME's with export readiness potential.
- ✓ It has good infrastructure for SMEs growth and transformation.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

### **Thika**

- ✓ It has one of the most vibrant SME's communities in Kenya.
- ✓ It has one of the best perceptions about advantages of trade training.
- ✓ It has many SME's operating in all sectors.
- ✓ It has close interaction with Nairobi SME's and will put best practice.
- ✓ It has SME's with good export potential.
- ✓ It has a solid base for industrial development.
- ✓ It has excellent infrastructure for transporting of export goods to Nairobi.
- ✓ It has SMEs trained under the JICA/EPC Trade Training Programme

**Duration:** 3 days sessions from 10am to 4pm in each session

Fee paid by the recipient companies: to be determined.

## Selection Criteria for SMEs for Export Coaching

**“Eligibility”:** The company has been doing export business for more than three (3) years either **‘directly’** or **‘indirectly’**.

**‘Directly’** means exporting directly to buyers on the basis of export procedures and documentation being done by either exporters themselves or buyers.

**‘Indirectly’** means exporting to buyers through intermediaries such as trading companies who are responsible for export procedures and documentation.

Ref	Category for selection	Targeted industries and scale of the companies	Targeted cities
1	Export promotion fully exploiting availability of international airports in the vicinity.  (There is a big export business opportunity especially for cities such as Kisumu, Eldoret, Kisii known as soap stone, Kakamega and Busia )	Horticulture (LSE) Agricultural produce (LSE) Handicrafts (SME) Processed food (SME/LSE) Textile (SME/LSE) Other industry	Nairobi, Mombasa, Kisumu, Eldoret,
2	LSEs, of which employees are more than 500 may have more direct impact on SMEs through export coaching aiming export promotion through strategic alliance between LSE and SME seen in Japan in the past.)	Manufacturers for machinery, ceramic etc. Processed foods Other industry	Nairobi, Thika
3	SMEs, of which employees are more than 10, are recommended by KIBT/EPC regional offices.  (Export promotion of SMEs is one of the pillars of this programme.)	Handicrafts (SME) Processed foods (SME) Textile (SME) Other industry	Nakuru, Kisumu, Eldoret
4	Corporations or organizations which are willing to receive long distance training programme incorporating the concepts of 5S, Kaizen or disseminate such concepts to SMEs in the areas such as MoT/MoI regional offices, NGO etc.  (There is a group in Eldoret which is manufacturing accessories under USAID funding and implementing 5S and Kaizen. If this group is also planning to start export business, this group will be eligible for this programme. )	Furniture (SME) Handicrafts (SME) Food processing (SME) Other industry	Nakuru, Kisumu, Eldoret

**Remarks:**

- (1) Targeted industries are to conform to the industry category responsible by each S/C of EPC.

The point for defining industries is to get S/C of EPC involved in this programme from this stage.

S/C may have ideas on the companies in their own territory which are most suitable for this programme.

- (2) The companies targeted will be manufacturers or trading companies.

Banking institution should also be given the opportunity to attend the trade training programme, since they are playing major role for export finance, collection of the export proceeds by L/C or wire transfer and exchange rate.

Trade training will provide them with ample opportunities to understand challenges exporters are facing.

The issue of exchange rate risk was raised by the sweater manufacturer in Eldoret who recently imported knitting machine and raw materials from India. There is still no system of forward exchange contract introduced in Kenya and other African countries.

Exporters and importers are very vulnerable to exchange rate risk at the moment.

## **Appendix 6: Recommendations to the Ministry of Trade**

**The Project in relation to the Kenya's Trade Policy  
Recommendations to the Ministry of Trade**

The recommendations in this Appendix were referred to and discussed at the meetings with PS of the Ministry of Trade (Eng. Abdulrazaq Adan Ali, CBS) and Director of KIBT (Mr Stephen Kirui) on March 8th / December 11th 2012 and EPC Chairman (Mr Hudson Aluvanze) on December 14th 2012.

## **The Project in relation to the Kenya's Trade Policy**

EPC Strategic Plan 2008 – 2012 states the policy framework as stated in Vision 2030, PSDS and National Trade Policy in compact table (pp xiv-xv) with list of measures and programs for enhancing export trade of Kenya in subsequent pages (pp xix – xxiv).

EPC's activities are organized under six main pillars as follows:

- 1 Trade policy facilitation
- 2 Export market development
- 3 Product development and adaptation
- 4 Small and medium enterprise development
- 5 Trade information delivery and business counseling
- 6 Development of exporting skills

The present Project of EPC is directly connected with 2-Export market development as the course module of the Export Training and SME Training has Market Development and item3-Product Development.

Item 4-Small and medium enterprise development is the main objective of the KIBT training session at Kariobangi in the present Project, with on-site consulting, which is in effect related with item 5-Trade information delivery and business counseling. In PSDS (Private Sector Development Strategy), the strategy aims at supporting entrepreneurship and MSE development in this context.

Item 6-Development of exporting skills is the direct and starting objective of the Export Training of EPC which started with JICA in 2007. The training was successful and disseminated export skills to 280 trainees in 1<sup>st</sup> year of the Project. In addition to the exporting knowledge and skills, the establishment of mindsets for international competition among SMEs and awareness of the necessity for productivity improvement are the most important factors for the success of export business, which the present Project is vigorously promoting both in EPC training and KIBT training in Kariobangi.

As training sessions proceeded, it became obvious that the training to enhance the export skills (Export Marketing and Logistics etc.) by EPC requires in addition basic training for the productivity improvement such as 5S and KAIZEN, and establishment of good mindsets for the trainees of SME. On KIBT at Kariobangi SME sessions, there were requests by participants to include training for export skills. Eventually the training modules of the EPC and KIBT training sessions are expected to create synergy to a greater extent.

The overall goal of this Project is to increase the competitiveness of Kenyan SMEs by strengthening the capacities of EPC and KIBT, and their staff engaged in SME trainings and guidance. Although in the Trade Training of Phase 1 in 2007, the JICA Consultants themselves provided trainings, in Phase 2 Kenyan professionals and C/Ps play the main role while international Consultants remain in an advisory position to achieve sustainability by the Kenyans only in the future. For example, while in Phase 1 the trainers used Japanese cases experienced in African countries. In Phase 2, the team uses experience of the Kenyan trainers or SMEs (both successes and failures) in the training materials. In addition, although it seems preferable to hire the same Kenyan trainers who participated in on-site and cluster trainings, the selection should be done in consultation with EPC and KIBT to ensure their ownership of the Project.

The training of intermediate workshop suggested the necessity of Coaching from 2<sup>nd</sup> year in addition to classroom, interactive method of training. In view of the lack of experience of the export logistics and marketing on the part of EPC staff as pointed out by the EPC management, and lack of SME work and management experience for KIBT consultants, Coaching by Japanese members of the team who has long years of experience, and capable Kenyans cum Lecturers, will give chances for EPC/KIBT staff to acquire experience and confidence for performing Coaching for the SME participants. Like learning to swim, or riding a bicycle, trying is more important and practical than classroom teaching. Coaching method will be more effective when the level of learning is advanced; intermediate to advanced level of export or productivity improvement/KAIZEN.

Thus, the present Project may cover not only training of export skill enhancement, but also should encompass training of SME management and establishment of mindsets.

In Kenya Vision 2030, the Kenyan government declares to “Become a middle-income country which can provide high quality living standards and clean and safe environment for the people”. In training sessions, the issues how to increase productivity, add value and how to enhance the competitiveness of the products in both the domestic and export markets are being addressed. Through trainings, the team aims to change the SME management practices and improve the capacity of SME workers to contribute to the Kenyan economy.

In Phase 1 of Export Training in 2007, according to the observation by the Japanese Consultant, about 80-90% of SME participants in trainings did not have export trade experience. In addition, the management level of SMEs was recognized still quite inadequate at the Kariobangi Light Industries according to an interview with FASID in August 2010. Since the amount of foreign investments is also extremely limited, technology and skill levels at SMEs have been limited. Thus, it is important to provide trainings that truly fit in the current SME capacities, rather than setting an unrealistic high goal.

Since coaching, to be applied in advanced levels of training from 2<sup>nd</sup> year, will require sector-based and even individual consulting approach for each of the SME participants, the consultants/trainers in charge will be able to develop deeper understandings on impediments, either physical, bureaucratic, or political for SMEs’ export activities across borders in East Africa, etc., the Consultant will have a set of recommendations to the Ministry of Trade at the end of 2<sup>nd</sup> year of the Project.

-----  
The following document was explained to the Permanent Secretary of MOT together with KIBT Principal Mr Kirui.

8 March 2012  
Joji WATANABE  
PM for Trade Training (Phase 2)

Recommendations to the Ministry of Trade to improve performance of EPC/KIBT to assist SMEs for their growth and export promotion.

As Project Manager for the Trade Training (Phase 2) Project from September 2010 up to the present time in the recent past 1.5 years, I would like to kindly propose the following set of recommendations out of this Project under EPC and KIBT.

1. EPC head office should assume a new role to support KIBT regional offices

7(seven) KIBT regional offices with 2 lecturers at each are strategically important to strengthen outreach training programs for SMEs in the regions, and should be able to get export-related information and assistances including newsletters from EPC head office. For this, EPC head office should have a role to support counseling service at the regional offices not only of EPC (only 2 regional offices in Eldoret and Mombasa) but also KIBT.

EPC regional office, for example, of Eldoret is taking care of 2 to 3,000 SMEs. The office does not have enough resources to cover every question and information request, and has been in difficulty getting suitable assistance from the headquarters in Nairobi. Up to the present, even if those SME's are directed to the head office, they are often left unsatisfied thus affecting the public image of EPC.

It is suggested that a position be created at EPC, at manager level, for accepting answers/requests from

regional offices of EPC/KIBT to be taken care of by other experts at EPC. Also communication lines between EPC headquarters, and KIBT Nairobi head office + 7 regional offices should be established to promote exports by SMEs in the regions.

2. KIBT lecturers at Nairobi and 7 regional offices should be the agents of National Campaigns to make Kenya 1<sup>st</sup> African Miracle country!

We recall that just before 1970's, Kenya's GDP had been greater than that of Singapore. Since then, Singapore launched a fast track economic growth by EPZ and inviting direct investments. Singapore also launched a national movement for all the people with a lot of campaigns initiated by then Prime Minister: Lee Kuan Yeu to encourage the nationals to adopt 5S and KAIZEN through QCC (Quality Control Circle: Japanese way). They even had festivities, dances and QC songs to educate the public, together with Skill Development Program/Fund and National Qualifications Framework. These policies have made Singapore one of the most advanced countries after its independence from a mere province of Malaysia. Singapore's GDP/capita is now more than UK and Japan.

None of the countries in Africa has ever been regarded as an economic powerhouse in the world. But considering its strategic location in Africa close to India and other Asian countries and also European markets in the north, I believe Kenya can be and should be 1<sup>st</sup> Miracle Country in Africa.

Thus, KIBT lecturers should participate as trainers in the Trade Training and export-related counseling for SMEs, thereby initiating National Campaigns on "Kaizen for all".

3. National Campaigns should have core messages such as "Never say die!" or "Will to survive" and "Together, let's change the history of Africa!"

Educational messages should induce the spirits of entrepreneurship, and "Will to survive" in the public and SME management. This should be the initiative to conduct "National campaigns".

Trade Training (under EPC in our Project) and Cluster Training /Onsite Consulting (under KIBT in our Project) transfer important tools and knowledge to conduct business. These tools and knowledge are useful and powerful if SMEs learn and equip themselves with the sense of ownership/entrepreneurship and "Will to survive" in the global economy, because success in business needs strong will to survive and succeed, backed up by the sense of ownership and entrepreneurship.

5S and Kaizen will induce the sense of ownership from within, and it is recommended to give a small slot for 5S and Kaizen emphasizing the needs of "Will to survive" not only in Trade Training and Cluster Training, but also other training/educational projects.

4. "Coaching" as a powerful method in education and training

Coaching was introduced in Advanced courses in Nairobi and Mombasa, and Intermediate courses in Nairobi, Kisumu, and Nakuru during 2nd year of the Project. Coaching is a powerful tool in training, because coaching can implant knowledge and experience more deeply than any other methods, although it requires more time and man-power.

The second merit of coaching is to enable co-trainers to gain knowledge and confidence smoothly. Therefore, coaching can train SMEs but also develop other KIBT lecturers at the same time. KIBT lecturers are getting necessary knowledge and information, together with the manners of delivering educational messages by coaching. With those experience and self-confidence, they can easily start on their own Trade Training thus enhancing their training menu, and alleviating training burden of EPC from 3<sup>rd</sup> year.

5. Job rotation between KIBT and EPC

To develop KIBT lecturers as trainers for trade training, EPC has started training by accepting 6 of them as counseling assistants for a month respectively from January to March 2012, and it is also proposed that staff rotation should be periodically performed between EPC and KIBT. If EPC sector champions can accumulate experience as trainers and consultants at KIBT, it can be a great career development for EPC sector champions. For KIBT lecturers with limited international exposure, experience at EPC can also develop their insights on the global market. By exchanging even one or two staff between the two organizations every year, it will influence both organization culture enhancing more effective services by the two.

6. Synergy between technical background and non-technical human resources

In order to strengthen training / consulting capacity of KIBT, it is proposed that 20-30% of KIBT lecturers should be those with technology/engineering/science background in about five years. From my perspective as a Japanese management consultant with an engineering degree who started a career at Shell advised company (British, Dutch and Japanese equity company) in Japan, it is a simple but a frequently seen mistake in the developing countries. The combination of technical and non-technical human resources at training institute like KIBT is of vital importance because Kenya has many good manufacturing SMEs owing to the cultural background of agriculture. This Kenya's cultural/fundamental strength for manufacturing which requires lots of technical knowledge should not be overlooked or underestimated in the public policy making. (Manufacturing culture can be seen only in Uzbekistan in the central Asia, and nomad culture like Mongolia cannot, and Russians used to produce terrible cars even they do not want to drive. Japan, Germany and Singapore have manufacturing culture, not to mention USA.)

7. Seeking cooperation from LSEs to strengthen SMEs

I would like to also propose that LSEs in Kenya should be engaged to provide training opportunities for sector champions and lecturers of EPC/KIBT so that vertical integration can be established/strengthened between SMEs and LSEs in Kenya. SMEs which KIBT/EPC are targeting can/should be supporting industry for LSEs which can provide global opportunities and domestic markets for SMEs. SMEs will compete in cost, quality and delivery as parts/materials suppliers for LSEs which can manufacture competitive products as the final ones in the global market. In this way, Kenya can be one of the competitive players in the manufacturing sector of the global economy.

8. Appropriate evaluation/remuneration system should be applied

The evaluation/remuneration system should be reviewed further to enhance enough incentives for the staff of EPC/KIBT to increase economic activities in the market. If EPC/KIBT can improve and implement an appropriate evaluation/remuneration system to evaluate job values for each position in terms of the market impact, the amount of value creation can be more than twice as much as the current value creation judging from my consulting experience in other organizations. Tripling the job impact as a whole in Kenya's economy may be even possible.

A typical barrier for an old bureaucratic British style of evaluation/remuneration system to accelerate the economic development/revenue growth in Kenya is that the salaries are fixed based on age, gender, educational background, and other personal attributes irrespective of their created values in the market.

The major problem is that each staff cannot change their personal attributes, based on which their salaries are fixed. Accordingly under such a salary scheme most managers and workers tend to focus on bureaucratic nature of procedures rather than value creation in the market.

Too much time spent to discuss procedures leads to excessive work but with little impact on value creation in the market. However, if the evaluation system starts looking at and being based on created value in the market, the whole organization together with the focus in consideration of the managers/workers will change to be more of result-oriented value creation. All the work force will start realizing “Mission for Value Creation” for Kenya’s economy and not for their superintendents, just waiting for directions from the top, thereby establishing a really productive culture to achieve the mandate: to serve the SME market for the economic development of Kenya.

Although both C/Ps are under the Ministry of Trade, EPC is a Parastatal (government-owned company by guarantee) which keeps financial independence to some extent, but KIBT is a government agency where all the training fees should be revenue for the central government. Therefore, EPC is in a better position than KIBT to change its remuneration system to more value creation system.

This concept on evaluation/remuneration system will be incorporated in my training for the management of KIBT/EPC in 3rd year, so that they will contribute to the SME development in their training.



## **Appendix 7: List of potential MOUs (Memorandum of Understanding)**

between the Kenyan Counterparts (KIBT/EPC) and the Indian organizations

## MOUs WITH INDIAN INSTITUTIONS

### SCOPE OF COOPERATION SUMMARY

#### **MoU for ITPO (India Trade Promotion Organization): Under Ministry of Commerce of India (for EPC)**

Developing of export trade promotion capacities and providing support in organizing promotion activities in India and Kenya by the two parties through:

- ITPO providing information to EPC on the development of export trade promotion facilities especially international exhibition facilities in Kenya, establishment of product design and development centre and collaborating in organizing of international exhibitions in Kenya.
- EPC facilitating and assisting ITPO in holding Machinery & Equipment Expositions in Kenya to promote Indian technologies.
- Both parties exchanging and disseminating information on export goods, services and business partnership / joint venture possibilities for the private industries of both countries.
- Both parties facilitating business-to-business contacts between enterprises in India and Kenya.
- Both parties facilitating exchange business visits to help in technology transfer and sustainable business alliances between enterprises from India and Kenya.

The following 4 MoUs for KIBT.

#### **NATIONAL INSTITUTE FOR MICRO, SMALL AND MEDIUM ENTERPRISES (NI-MSME)**

- Developing a [Small Enterprise National Documentation Centre \(SENDOC\)](#)
- Developing policy and institutional frameworks for SME development in reflection of the SME bill 2012.
- Building capacity to provide high level advisory and support services for MSME development.
- Linking MSMEs with relevant financial and credit service providers.

#### **NATIONAL INSTITUTE FOR ENTREPRENEURSHIP AND SMALL BUSINESS DEVELOPMENT (NIESBUD)**

- Setting up efficient faculty exchange programmes and also identify and develop the thrust areas in [curriculum and material development](#).
- Providing consultancy to KIBT on course design and curriculum development including trainers' training programmes at NIESBUD.
- Cluster identification, development, management and technology transfer programmes in all sectors of the economy and develop training materials and programmes for relevant clusters.

#### **ENTREPRENEURSHIP DEVELOPMENT INSTITUTE OF INDIA (EDI)**

- [Course design and curriculum development](#) especially international programmes for a variety of target groups so as to develop managerial talent for the African region as a whole, including trainers' training programmes, assist KIBT in setting up an effective faculty and allow for faculty exchange on the developed programmes and identify the trust areas in curriculum and material development, on mutual agreed terms.
- Development of skills of entrepreneur trainer-motivators in small business promotion, micro enterprises and micro finance related activities, good governance practices in the NGO sector and sensitivity to gender centric issues.

## **NATIONAL SMALL INDUSTRIES CORPORATION (NSIC)**

- Setting up **Business Incubation Centers** for demonstration and training for start-up enterprises and in particular young and potential Kenyan entrepreneurs. This will include the supply of required machinery, equipment, raw materials, installation and commissioning at site and offer training to KIBT staff.
- Setting up a **Tool Room and Training Centre** in Kenya.



## **Appendix 8: Documents on the Project Summary**

The following documents at the Final (No.6) JCC Meeting (Dec.10th 2012)

and Project Closure & Review Workshop (December 5th 2012)

show the overall picture of the Trade Training Programme.

1. PHASE II OF JICA/EPC TRADE TRAINING PROGRAMME FOR SME EXPORTERS  
(by EPC)
2. PHASE II OF JICA/EPC TRADE TRAINING PROGRAM FOR SME EXPORTERS  
(KIBT REPORT FOR JCC)
3. Programme Guide  
JICA TRADE TRAINING PROJECT CLOSURE & REVIEW WORKSHOP  
Venue: LAICO Regency Hotel, 5th December 2012
4. MEMO. OF THE PROJECT CLOSURE & REVIEW WORKSHOP

## **PHASE II OF JICA/EPC TRADE TRAINING PROGRAMME FOR SME EXPORTERS**

### **PHASE II REPORT BY EPC (No. 6 JCC)**

#### **1. INTRODUCTION**

Phase II of the Programme, which commenced in 2010, is expected to end in March 2013. However, the training activities will end this month, December 2012. The Phase resulted from the recommendations of the terminal evaluation conducted at the end of Phase I. During Phase II, a number of activities were carried out, namely: training, export coaching, networking forums and trade mission to India. The effort to reach out to SMEs outside the main towns of Nairobi, Mombasa, Kisumu and Eldoret, which started in Phase I was intensified resulting in the training being held in the following nine additional towns: Malindi, Naivasha, Nakuru, Kisii, Thika, Meru, Kericho, Kakamega and Busia besides the 4 main towns.

Following the feedback received from participants during the Phase I terminal evaluation, the training modules were restructured into three levels, Beginners, Intermediate and Advanced to address the various levels of knowledge requirements of SMEs. Onsite export coaching was introduced in Year 3 to replace the Advanced Course for SMEs who had participated in the training. The goal of the coaching was to help the entrepreneurs address export challenges that they were experiencing. The restructuring also included the revision of the training manuals.

The main trainers continued to be the local consultants. However, EPC and KIBT officers participated in all the training activities to add value from their experience in dealing with SMEs and also for learning purposes.

The evaluations that were conducted at the end of each of the training workshops indicated great appreciation by the participants of the knowledge they acquired.

#### **2. PROJECT ACTIVITIES**

##### **2.1 Training**

In addition to the restructuring of the training modules into Beginners, Intermediate and Advanced, the coaching element was included in the Intermediate and Advanced modules which allowed the participants' export concerns to be addressed by the trainers. The following modules were implemented during the Phase:

*Summary: (October 2010 – November 2012)*

<b>Workshop</b>	<b>No of participants</b>
Training of Trainers	39
Beginners (Export Preparedness Trade Training)	262
Intermediate (Practical Export Trade Training)	207
Advanced	24

Export Coaching	16
<b>Total</b>	<b>548</b>

*Year 1: Training Workshops (October 2010 – February 2011)*

<b>Workshop</b>	<b>Town</b>	<b>No of participants</b>
Training of Trainers	Nairobi	19
Beginners (Export Preparedness Trade Training)	Nairobi	43
	Malindi	15
	Nakuru	40
	Kisii	31
	Total	129
Intermediate (Practical Export Trade Training)	Nairobi	51
	Mombasa	43
	Eldoret	25
	Kisumu	32
Total	151	
<b>Total</b>		<b>299</b>

*Year 2: Training Workshops (July 2011 – February 2012)*

<b>Workshop</b>	<b>Town</b>	<b>No of participants</b>
Training of Trainers	Nairobi	20
Beginners (Export Preparedness Trade Training)	Kakamega	22
	Meru	19
	Busia	20
	Naivasha	5
	Thika	18
	Kericho	25
	Total	109
Intermediate (Practical Export Trade Training)	Nairobi	6
	Kisumu	12
	Nakuru	18
	Total	36
Advanced	Nairobi	8
	Mombasa	16
	Total	24
<b>Total</b>		<b>189</b>

Year 3: Training Workshops (August 2012 – November 2012)

Workshop	Town	No of participants
Beginners (Export Preparedness Trade Training)	Mombasa	24
Intermediate (Practical Export Trade Training)	Eldoret	6
	Nairobi	14
Export Coaching	Nairobi, Thika, Mombasa, Nakuru, Kisumu, Eldoret	16
<b>Total</b>		<b>60</b>

The participation in Phase II was lower than in Phase I as a result of the following:

- The restructuring of the modules from eleven to four
- Targeting of fewer participants to improve on delivery
- Limiting participation to SME exporters for the Intermediate and Advanced modules as the modules were designed to address the needs of existing exporters
- Higher participation fee that was charged compared to Phase I with the aim of improving the sustainability of the programme in future

## 2.2 Networking Forums

Three networking forums were held in Nakuru, Kisii and Mombasa during Phase II. The objective of the forums was to provide a platform for previous training participants to share experience as part of enhancing their export capacity. Selected service providers were also invited to give information on their services that could benefit the participants. The participation was as follows:

Town	No of participants
Nakuru	24
Kisii	49
Mombasa	29
<b>Total</b>	<b>102</b>

## 2.3 Trade Mission to India

Two trade missions to India were also successfully undertaken. The main objective of the missions was to explore business opportunities in India; learn and enhance business management skills from India's best practices and also study the Indian business environment and explore how the Kenyan entrepreneurs can enter into business partnerships with their counterparts in India.

EPC and KIBT also attended the mission with the additional objectives to learning the structures, financing and organizational management of training institutes; exploring various curriculum offered by training institutions, stakeholder relationships and management; and exploring the areas of curriculum and faculty exchange programs.

Four MSMEs and one large scale company participated in the Trade Mission held from 18<sup>th</sup> September to 1<sup>st</sup> October 2011.

Six MSMEs participated in the mission held from 2<sup>nd</sup> to 15<sup>th</sup> September 2012. One of the local consultants working under the Cluster Training also participated in the mission.

#### **2.4 Capacity Building for EPC Sector Champions**

The capacity of the EPC Sector Champions to conduct training and provide support to SMEs was enhanced through the Training of Trainers workshops that were held during Phase II. The facilitation of the Sector Champions during the SME training also enriched the training. The Sector Champions were able to participate in all workshops including export coaching.

#### **2.5 Synergy Enhancement Workshops**

Two synergy enhancement workshops for EPC and KIBT were held in August and October 2012. Some of the objectives of the workshops were:

##### *August 2012*

- To enhance harmony and closer working relationship between EPC managers including sector champions, KIBT and the rest of the Project team members.
- To take stock of the progress of the Trade Training Project and discuss the way forward in relation to roles and responsibilities of EPC, KIBT and other Project team members.

##### *October 2012*

- To disseminate findings of the 2012 Trade Mission to India and exchange views with other stakeholders.
- To make reflections on the progressive benefits of the Trade Training Programme over the past three years to EPC, KIBT and Kenyan professionals including CERDS and discuss sustainability for future PPP in view of KIBT's new office complex at Parklands.

### **3. PROJECT FACILITIES AND EQUIPMENT**

JICA continued to facilitate the programme including the provision of a new vehicle for mainly supporting the programme in local transport in addition to the bigger one provided during the first Phase. A multifunctional printer/photocopier/scanner was also provided by JICA during the second Phase. EPC greatly appreciates this support.

EPC provided office facilities, Internet access, email, telephone to JICA and the Consortium for

Economic Research and Development Studies (CERDS) consultants over and above initial requirement of the Project agreement.

#### **4. SUSTAINABILITY**

There was more participation of EPC staff especially the EPC Sector Champions in the training workshops and export coaching than in Phase I. Their participation enabled them acquire training skills that will be useful in sustaining the training when the donor support ends.

KIBT lectures also participated in the training along with EPC staff further strengthening the ability to sustain the programme. The collaboration between EPC and KIBT has grown during the Phase and extended to other SME support activities conducted by EPC and attachment of KIBT staff to EPC to learn business counselling.

#### **5. JOINT COORDINATION COMMITTEE MEETINGS**

EPC coordinated the holding of the Joint Coordination Committee (JCC) meetings including providing meeting facilities. Two meetings were held each year according to the Programme requirements. A representative of the Permanent Secretary, Ministry of Trade (MOT), chaired all the JCC meetings.

#### **6. PROJECT ADMINISTRATION**

EPC provided logistical support to the JICA Consultants. This included support to CERDS who were contracted by the JICA Consultants to assist in managing the programme although not initially foreseen. The support provided covered office space and facilities, transport including to KIBT activities, among others, to ensure successful implementation of the programme.

#### **7. CHALLENGES EXPERIENCED**

The major challenge faced during the phase was the recruitment of participants mainly in the Intermediate and Advanced modules after the upward revision of the participation fee and limiting participants to only exporters for the 2 modules. This was in spite of advertising all the training workshops, sending invitations through email and follow up through telemarketing and company visits.

During the Beginners course, reaching potential participants in areas where EPC does not have offices was also a challenge, however EPC had to partner with other stakeholders including Ministry of Trade officers, and facilitate them accordingly.

#### **8. TERMINAL EVALUATION**

The terminal evaluation for Phase II started in November 2012 and is currently on-going. Evaluation questionnaires were sent to the ex-participants of this Phase of the programme. Forty seven of the completed ex-participants and fourteen of the nominating companies' questionnaires have been received.

## **9. ACKNOWLEDGMENTS**

The achievements attained in this Phase have been made possible by all the parties who have been involved in the implementation of the Project. EPC takes this opportunity to acknowledge the contribution of the MOT who guided the Project implementation through Mr Muriu, for chairing all the JCC meetings. Appreciation is also expressed to the JDI/CERDS consultants for management of the programme. Our gratitude goes to the local consultants for the wealth of knowledge that they imparted to the SMEs.

We sincerely thank the Japanese Government and JICA for their support. We recognise and appreciate KIBT for the cordial working relationship between KIBT and EPC and the on-going partnership.

**KIBT REPORT FOR JOINT COORDINATION COMMITTEE (No. 6 JCC)**

**PHASE II OF JICA/EPC TRADE TRAINING PROGRAM FOR SME EXPORTERS**

Kenya Institute of Business Training (KIBT) has been actively involved in the phase II Of Trade Training Programme which commenced in August 2010 and ending in December 2012. During that period, the activities carried out by the Institute were: Cluster business management training, onsite business consultancy, export coaching and trade missions to India

Here below is a brief on the Institutes involvement in the Project.

**1) Cluster Business Management (KAIZEN) Training**

Between February 2011 and October 2012, eight Cluster Business Management (KAIZEN) Training workshops were held in Kariobangi and Thika as appended here below:-

<b>DATE OF TRAINING</b>	<b>VENUE</b>	<b>NO. OF PARTICIPANTS</b>	<b>FEE PER PARTICIPANT</b>	<b>DATE OF BUSINESS PLAN PRESENTATION</b>
6th to 25th Feb. 2011	Marphic Arc Hotel, Kariobangi	31	-	-
11 <sup>th</sup> to 22 <sup>nd</sup> July 2011	Marphic Arc Hotel, Kariobangi	40	1,000/-	-
25 <sup>th</sup> to 30 <sup>th</sup> July 2012	Coconut Grill Hotel, Thika	32	1,000/-	-
16th to 21 <sup>st</sup> Jan. 2012	Marphic Arc Hotel, Kariobangi	29	1,000/-	-
23rd to 28th Jan. 2012	Coconut Grill Hotel, Thika	33	1,000/-	-
18 <sup>th</sup> to 23 <sup>rd</sup> June 2012	Marphic Arc Hotel, Kariobangi	63	1,000/-	3 <sup>rd</sup> July 2012
21 <sup>st</sup> to 27 <sup>th</sup> June 2012	Coconut Grill Hotel, Thika	42	1,000/-	4 <sup>th</sup> Sept. 2012
8 <sup>th</sup> to 12 <sup>th</sup> Oct. 2012	Coconut Grill Hotel, Thika	31	1,000/-	30 <sup>th</sup> Oct. 2012
<b>TOTAL NUMBER</b>				<b>301</b>

The Modules 1, 2 and 3 were all facilitated by the KIBT team of lectures with the support and guidance of the professional consultants who included.

- Henry Mugweru    Module 1            Consultant.
- Andrew Otsieno/Zachariah Waithaka    Module 2            Consultant
- Mercy Kiogora    Module 3            Consultant

KIBT lecturers were:

**Module 1**

1. Musa Okwemba
2. Ben Getange

3. Evans Oyaró
4. Sylvia Kaburu
5. Beatrice Pamela Onyango
6. Grace Fikirini

### **Module 2**

1. John Koross
2. Gideon Njogu
3. Caroline Choge
4. Solomon Kiawa
5. Patrick Nyakundi
6. David Owitti

### **Module 3**

1. Daniel Wechesa
2. Jonathan Njogu
3. Samuel Mulei
4. Job Ogola
5. Mark Maranga

### **Feedback from participants:**

The general feedback from participants was that the trainings were very relevant to their needs and their expectations were met. They were happy with the practical approach to the training and were positive that positive change can take place in their businesses once they implement what they learnt from the training.

### **General observations**

There was a marked improvement in the facilitation from the Phase I since KIBT lecturers were now fully involved in development of the training materials. The first training event took three weeks at two hours per day in the evenings while the second one took two weeks. However, after consultation with all stakeholders it was decided that six days were sufficient for the training. From January 2012, the duration of the training events therefore changed to 6 days while duration of the last event was 5 days. This was made possible by increasing the number of training hours per day. The participants were happy with this arrangement since 2 weeks was rather long for them. Training materials were reviewed regularly so as to meet the trainee's expectations.

A major change from the first two years of phase II was the presentation of business plans that was done two weeks after every training event. All the participants therefore actively participated in developing their own business plans with some getting the opportunity to making presentations during the Business Plan Presentation day. The business plane presentations were introduced in June 2012

There was such an overwhelming response from potential trainees that we were unable to train all those who expressed interest in the training in both Kariobangi and Thika. Those that we were unable to train and are on the waiting list number about 500. A way forward will have to be found on how to train them either through JICA or by KIBT on its own.

### **2) Onsite Consulting**

**i) Module-based Consulting:** Two groups of 6 target firms (2 firms per module) were selected based on their participation record in the pilot training which was organized in February 2010. Consulting services per group continued for 12 months and consisted of once-a-week consulting for the first 3 months, followed by 9 months of once-a-month consulting/monitoring visits.

### **THE FIRMS**

#### **(GROUP 1)**

<b>MODULE</b>	<b>FIRM NAME</b>	<b>CONTACT NAME</b>	<b>LOCATION</b>
CM 1	Dagaag Enterprises	Mr. Daniel Hagai	Kariobangi
CM 1	Faith Enterprises	James Raila	Kariobangi
CM 2	Usalama Enterprises	John Ochieng Otieno	Kariobangi
CM 2	Muharata Enterprises	Mr. John Mwangi	Kariobangi
CM 3	Goa Engineering,	Jerad Omond	Kariobangi
CM 3	Eco-Sandals,	George Odhiambo	Kariobangi

#### **(GROUP 2)**

<b>MODULE</b>	<b>FIRM NAME</b>	<b>CONTACT NAME</b>	<b>LOCATION</b>
CM 1	African Looms,	Roselyne Egosangwa	Kariobangi
CM 1	Deco Paints, Mr.	Victor Musyoka	Kariobangi
CM 2	Balm Industries	Joseph Nga'nga	Kariobangi
CM 2	Alfa Paints,	Joseph Maina	Kariobangi
CM 3	Melff,	Thomas Muriuki	Kariobangi
CM 3	Primavara Picnic Snacks	George Wambugu	Kariobangi

**ii) Integrated Onsite Consulting:** The integrated Onsite Consulting was an activity aimed at providing consultancy services in all the three modules to a selected number of clients who had earlier on received onsite consultancy services. Six firms were selected (four in Kariobangi and two in Thika) for this activity. The planned number of visits were 10 per firm between July and November 2012. The activity was completed in November 2012 as scheduled and the final reports are being prepared by the consultants in charge of each module. Each client paid a fee of Kshs. 500 per session.

The following firms benefited from the integrated onsite consultancy:-

<b>NO.</b>	<b>FIRM</b>	<b>LOCATION</b>	<b>PRODUCTS</b>
1.	Primavera Picnic Snacks	Kariobangi	The company has seven different products – Bambinos, Fried and roasted peanuts, popcorns, Fyams, Chevda and corn kurls.
2.	Deco Paints	Kariobangi	The company is engaged purely on manufacturing of water and oil base paints.
3.	Balm Industries	Kariobangi	The industry deals in manufacturing and packaging of cosmetics
4.	Alpha Paints	Kariobangi	The company is engaged purely on manufacturing of water and oil base paints.
5.	Match Electricals	Thika	The firm imports and manufactures electrical poles. The company specializes in highway and security lighting. It has been in operation for 15 years old.
6.	IAMTA Kenya	Thika	They are involved in production of accessories from rabbit by-products.

All the participating firms appreciated the interventions by KIBT in assisting them address some of their challenges. The interventions revolved round the following broad areas:-

- Module 1: Entrepreneurship, Business Strategy and Marketing
- Module 2: Production Management and Quality Assurance (KAIZEN)
- Module 3: Record Keeping and Business Financial Documents

Some of the challenges faced by the lecturers were unavailability of some of the clients. Re-scheduling of some of the activities was therefore necessary.

### **3) Export Coaching**

Although Export Coaching was an EPC activity under the Project, KIBT lecturers were involved for purposes of building their capacity in the provision of export trade consultancy services.

Between July and November 2012 KIBT lecturers were involved in both export coaching promotion and onsite export coaching in 6 town. The lecturers involved were:-

1. Musa Okwemba
2. James Donge
3. Job Ogolah
4. Patrick Nyakundi
5. Gideon Njogu
6. Caroline Choge
7. Grace Fikirini
8. Francis Munyua
9. Ben Getange
10. Amos Mulinge

### **4) Trade Mission to India**

Two successful trade missions to India were organized. The main objectives of the missions was for the Kenyan entrepreneurs to learn from India’s best practices, explore business opportunities in India, enter into partnerships with Indian counterparts and enhance business management skills.

KIBT and EPC’s participation was to explore areas of faculty and curriculum exchange programmes, study the kind of business curriculum offered by training institutions, study how business training institutions in India are structured and financed, and explore areas of collaboration with institutions in India.

### **Trade Mission Participants**

DATE	MISSION PARTICIPANTS
18 <sup>th</sup> Sept. to 1 <sup>st</sup> Oct. 2011	<ul style="list-style-type: none"> <li>• 4 SMEs</li> <li>• 1 LSE</li> <li>• 2 KIBT lecturers</li> <li>• 2 EPC sector champions</li> </ul>
2 <sup>nd</sup> to 15 <sup>th</sup> Sept. 2012	<ul style="list-style-type: none"> <li>• 6 SMEs</li> <li>• Director KIBT</li> <li>• 2 KIBT lecturers</li> <li>• 2 EPC sector champions</li> <li>• 1 Kenyan professional</li> </ul>

Following the September 2012 mission, KIBT is now in the process of finalizing draft collaborative MOU’s that will be signed with Institutions in India possibly in January 2013. Areas of collaboration include:-

- Business incubation
- Tool room
- Curriculum development
- Faculty exchange
- Small Enterprises National Documentation Centre (SENDOC)

### **5) Synergy Enhancing Workshops**

KIBT actively participated in three Synergy Enhancing Workshops that had the following objectives:-

1. To enhance understanding/consideration on SMEs trade training for long-term future development
2. To establish mutual understandings at EPC and KIBT on the potential synergy effect out of collaboration
3. To provide major topics in the SMEs trade training, Cluster Training, Onsite Consulting, and export coaching including concepts on “Kaizen” and Value Management
4. To enhance understandings on effective organization management

The workshops were held on the following dates:-

SEW 1: 7<sup>th</sup> & 8<sup>th</sup> June 2012

SEW 2: 1<sup>st</sup> & 2<sup>nd</sup> August 2012

SEW 3: 20<sup>th</sup> & 21<sup>st</sup> September 2012

The Synergy Enhancing Workshops provided an ideal forum for exchange of ideas on various issues concerning the Project. It was also an excellent opportunity for KIBT lecturers and EPC sector champions to bond for enhancing future cooperation between the two organizations and Project sustainability.

## **6) Project Equipment**

KIBT is grateful to JICA for providing the following equipment:-

- Vehicle
- Printer
- Photocopier
- Camcorders
- Laptops
- LCD projectors

Seven laptops and a same number of LCD projectors were distributed to the KIBT regional offices where they are safely kept in lockable steel cabinets. These offices are situated in the following towns:-

1. Nakuru
2. Kisumu
3. Kakamega
4. Nyeri
5. Embu
6. Garissa
7. Mombasa

### ***Impact of Using the Equipment***

- Improvement in training methodology – modern training methods
- Internet access at all times and place since the officers can use their modems on the laptops when on field work
- Using PowerPoint makes it easier for the participants to understand concepts
- Training is more interesting as one can use graphics
- The lecturers are motivated

## **7) Capacity Building for KIBT Lecturers**

The capacity of KIBT lecturers was enhanced through Training of Trainers (TOT) workshops that were held in Nairobi.

We wish to thank the Japanese Government and JICA for bringing the Trade Training Project for SME exporters to Kenya. We also thank the Permanent Secretary, Ministry of Trade for his guidance and support. Our appreciation goes to the project manager, CERDS, all the foreign and Kenyan professionals. We also appreciate EPC for the collaboration and finally all the SME, institutions and individuals who contributed in one way or another to the success of the Project.



Japan International Cooperation Agency  
Kenya Institute of

Business Training

Programme Guide of JICA Project Closure & Review Workshop

Venue: LAICO Regency HOTEL, 5<sup>th</sup> December 2012

---

### Background Information

The Trade Training Programme for SME exporters with two Kenyan counterparts (EPC/KIBT) assisted by JICA, started in June 2010 and will end in December 2012. In the course of its implementation, the Project has build the capacity of hundreds of SMEs, enhanced synergy amongst stakeholders, notably EPC and KIBT and with the private sector. The Project also successfully sent to India a Kenyan delegation consisting of EPC sector champions/KIBT lecturers and the owners/directors of several private entities engaged in manufacturing in Kenya in 2011 and 2012 respectively, to develop capacities of EPC/KIBT in assisting the development of Kenya's domestic industries. As this phase of the Project comes to a closure, it is vital that relevant primary and secondary stakeholders take stock of its achievements, opportunities created and success stories generated for sharing and with a chance to duplicate in future GoK/JICA collaborative engagements.

### Objectives of the Workshop

1. To take stock of, and make reflections on the progressive benefits of the Trade Training Programme over the past three years to SMEs, EPC, KIBT, Ministry of Trade and private and to discuss sustainability for future Public Private Partnerships towards achievement of Vision 2030.
2. To disseminate findings and exchange views with other stakeholders, by the Kenyan delegation headed by Mr. Stephen Kirui, Director of KIBT together with KIBT lecturers/EPC sector champions, SMEs.
3. To propose action plans to emulate some of the good practices in India in light of experience in the Trade Training Programme assisted by JICA in view of the new KIBT building at Parklands, Nairobi and the transforming EPC under the devolved government.
4. To make special recommendations to the Ministry of Trade in view of the JICA SMEs Trade Training Project implementation experience

### Participant Stakeholders invited

1. Minister for Trade
2. Permanent Secretary for Trade (Not present, Speech read)
3. Ministry of Labor representative (Not present)
4. Ministry of Industrialization representative
5. Ministry of Finance representative
6. PM Office representative
7. Kenya Investments Authority representative
8. Ministry of Higher Education Science and Technology representative
9. India High Commission to Kenya Trade Attaché (Not present)
10. SME participants in the mission to India [2011 and 2012]
11. Representatives from LSEs (Not present)

12. SME representatives from various Trainings i.e. cluster, EC, PETT(Trade Training), on-site consulting (Present)
13. KIBT JICA Project participants (Present)
14. JICA Kenya representatives (Not present, One expert present from Kaizen/Toyota Production System with PCK)
15. JICA International consultants for this Project
16. Kenyan JICA Project Consultants for this Project
17. Kenya Private Sector Alliance representative
18. Kenya Association of Manufacturers representative
19. Chambers of Commerce
20. Kenya Industrial Estates

Activity		Time	Presenters
1	Registration and Introduction	8:30 - 10:00	EPC/KIBT
2	Welcome and EPC's perspective of JICA Project	10:00 - 10:15	Madam Ruth Mwaniki Chief Executive EPC
3	KIBT's perspective of JICA Project	10:15 - 10:30	Mr Stephen Kirui Director KIBT
4	Remarks by JICA Chief Representative (Unavailable, but the speech read.)	10:30 - 10:45	Mr. Hideo Eguchi Chief Representative JICA Kenya Office
5	Remarks by Permanent Secretary (Speech read by Mr Muchogu from Ministry of Trade)	10:45 - 10:55	Eng Abdulrazaq Adan Ali, CBS Permanent Secretary MOT
6	Keynote address Hon. Minister of Trade (Not present)	10:55 - 11:05	Hon. Moses Wetang,ula Minister for Trade MOT
7	Remarks on JICA Project contribution to Kenya SMEs development	11:05 - 11:20	Mr Watanabe Project Manager
8	Awards for excellence in SMEs Trade Training Project	11:20 - 11:35	Hon. Moses Wetang,ula Minister for Trade MOT
<b>Tea Break</b>		<b>11:35-11:50</b>	
9	On-going development initiatives by PPP to follow up this EPC/KIBT Trade Training Programme	11:50 - 12:15	Dr. Felix M'mboyi CEO, CERDS
10	Report on Trade Mission to India by Team Leaders (EPC/KIBT)	12:15 - 12:30	Mr Austin Macheso (EPC) /Mr Solomon Kiawa(KIBT)
11	Report on Trade Mission to India by private sector representative (Kenyan trainer/consultant)	12:30 - 13:00	Ms Mercy Kiyogora (CEO, IMAC)
<b>Lunch Break End of Programme</b>		<b>1:00 - 2:00pm</b>	
14	Project perspective and experience sharing <ul style="list-style-type: none"> <li>• Cluster Training SME representative perspective of the Project [10 minutes]</li> <li>• Export Trade Training SME representative perspective of the Project [10 minutes]</li> <li>• EPC Sector Champion Project experience</li> </ul>	2.00-4:00pm	Goa Engineering  Africa by Hand  Ms Sara Mwandawiro

	sharing [10 minutes] <ul style="list-style-type: none"> <li>• KIBT lecturer Project experience sharing [10 minutes]</li> <li>• Kenyan professionals representative [10 minutes]</li> <li>• Other stakeholder representatives [20 minutes]</li> </ul>		Ms Grace Filirini  Mr. Henry Mugweru  IMAC, KAM, MoF, KIE, etc.
15	Awards for participation in SMEs Trade Training Project	4:00-4:15pm	EPC/KIBT
16	Kaizen Song and closing the afternoon session	4:15-4:30pm	All participants



Opening of the Workshop



Director KIBT: Mr Stephen Kirui who received an Award of Institutional Excellence giving his speech.



Award of Excellence to Ms Sara Mwandawiro (EPC Mombasa)



The same to Ms Mercy Kiogora (Kenyan professional)



Singing Kaizen Song with its composer: Mr Nicholas Kithembe (EPC) and its sound mixer Mr Simeon Ondigo (Rynet Service)



MEMO. OF THE PROJECT CLOSURE & REVIEW WORKSHOP

**Topic: EPC/KIBT/JICA Project Closure and Review Workshop**

Date 5th December 2012

Facilitator: Henry Mugweru

Venue: Laico Regency, Nairobi

#	Content	Details
1.	Summary:	<p>On 5<sup>th</sup> December, 2012, a Project closure and review workshop was held at the Laico Regency, Nairobi.</p> <p>The EPC, General Manager - Export Market Development Mr. Morris Abuom, gave the welcome remarks on behalf of the EPC CEO.</p> <p>Mr. Abuom set the pace for the other invited guests who included the chief guest Mr. Machogu from the Ministry of Trade, representing the Minister, in giving their remarks on the program.</p>
2.	Number of participants and their backgrounds:	The workshop was attended by 90 participants. The workshop had a good representation of all the stakeholders in the program.
3.	Key speakers	<p><b><u>Mr. Abuom, GM of EPC and Mr. Machogu, Senior Deputy Secretary, the Ministry of Trade</u></b></p> <p>Mr. Abuom highlighted the progress achieved and the general scope of the program. He emphasized the objective of the program was to add value to the SME's and build capacity for exports in line with Vision 2030. Mr. Machogu gave the audience an official opening of the workshop.</p> <p><b><u>Mr. Kirui, Director of KIBT</u></b></p> <p>Highlighted the role of KIBT in the training program. He appreciated</p> <ul style="list-style-type: none"> <li>▪ The Public Private Partnership initiative where Kenyan professionals synergized with the Government Lecturers from KIBT. This he said was very fruitful a pointer to partnership progress in future.</li> <li>▪ JICA facilitation for the training was of great benefit to SME's as well as capacity building for the KIBT lectures.</li> <li>▪ JICA initiative to equip KIBT head office and regional offices with modern technology and</li> </ul>

- JICA's logistical support with a vehicle that are being used to different projects to ease operations and improve capability.
- The Minister and his team in the Ministry of trade who have given the required leadership in the Program.

**Mr. Watanabe JICA Project team manager**

Mr. Watanabe who is the Project manager in the program represented the JICA Chief executive. He read the remarks of the Chief Executive and relayed the JICA team apology for not being able to attend the profiled meeting due to official engagement.

JICA, who supported the training program, were happy with the program achievements. The partnership between the government through KIBT and the Kenyan professionals was encouraged as it stood to benefit the SME's wholesomely.

JICA also organized the trip to India to ensure that the SMEs would learn from the experience of other SMEs abroad.

As the program comes to a close, it was JICA's belief that the success of the program will go into the future beyond.

In his personal contribution, Mr. Watanabe paid tribute to all participants who were involved in the development, implementation and participation in the program success.

He gave a presentation of the highlights of the program, emphasizing that the program process was not just about knowledge transfer but action oriented. This would develop the SME to greater heights.

Kaizen concept is in relation to behavior change through small attainable and simple steps.

He expressed his desire for Kenya to become the Economic Miracle in Africa through development.

**Mr. Ohga, Productivity Center of Kenya(PCK)**

He introduced a Project which is intended to run for 2 years up to Mach 2014. The focus is to assist PCK in the implementation of a productivity policy for Kenya. It will start by having TOT workshops for the KIBT staff to run the Kaizen message.

**Mr. Machogu, the Senior Deputy Secretary, the Ministry of Trade,**

He mentioned that this may be the end of the program but a start to a new dimension for improvement.

He read the message from the Permanent secretary, Eng. Abdulrazaq Adan Ali, which highlighted the significant role the program has played in building SME's business skills.

He appealed to JICA to continue supporting the programs that focus on improvement. This will enhance the growth of the economy considering the new dispensation the county is heading to in relation to County governance.

4.	Other speakers	<p><b>David Yamina, EPC</b></p> <p>David gave descriptive details of the Indian trip. He elaborated how lessons learnt in the Indian trip can be a turnaround point for the Kenyan SME if adopted by the Government in SME support interventions. He mentioned three things that are important to the SME; Skill, knowledge and finance. He further concluded that at the moment, the Kenyan SME has good skills but is challenged in knowledge and financial resources. He appreciated the Indian trip Project facilitation by JICA as it was an eye opener to the SMEs.</p> <p><b>Felix M'mboyi, CERDS</b></p> <p>Dr. M'mboyi gave an elaborate presentation on the general overview of the program since inception. He disclosed that the program, in reference to the feedback details and field report, had been growing positively and improving continuously. He put the finishing touch to his presentation by stating that the program was a success which had been greatly appreciated by SMEs.</p> <p><b>Mercy Kiogora, Private sector</b></p> <p>She appreciated the JICA sponsored trip and noted that the Kaizen philosophy picture was clearly brought out and understood by the SME's in the trip.</p> <p>The trip facilitation was an eye opener and a pace setter to the Kenyan SMEs with the objective of understanding and establishing partnerships that would enhance industrial growth in Kenya. In addition to this, there is need for SME support interventions in line with regulatory framework to establish an enabling business environment.</p> <p><b>Zack Waithaka</b></p> <p>Zack sighted some example of the challenges facing the SMEs. He mentioned that a lot has been learned in line with what the Kenyan SMEs requires for growth. The SMEs have the potential that requires relevant assistance to enable them compete in any market. He mentioned that the challenges need to be addressed to ensure progress in the SME sector.</p>
5.	Other presentations	<p>In the afternoon, all present stakeholders were given a chance to express their views on the program. The presenters included:</p> <ul style="list-style-type: none"> <li>• Ministry of Trade Nairobi representative</li> <li>• Ministry of Trade Thika representative</li> <li>• Ministry of Industrialization</li> <li>• Kenya Industrial Estate (KIE)</li> <li>• Match electrical Ltd, Thika SME</li> <li>• African Looms enterprises, Nairobi SME</li> <li>• Viken 30 industrial pack Ltd, Nairobi. A body representing a group of 300 SME from Kariobangi formed during the program period.</li> </ul>



10. Samuel Mwathi
11. Bernard Gachihi
12. Jane Ndungo
13. Salome Mwenda
14. Stella Wainaina
15. Julius Bett

### **EXCELLENCE CERTIFICATES**

#### **E. Award of Institutional Excellence**

KIBT - Mr. Stephen Kirui, Director of KIBT (for the outstanding motivational leadership)

#### **F. KIBT:**

##### **Award of Excellence**

1. Gideon Njogu (for the humorous attractive training)
2. Daniel Wechesa (for the consistent contribution)
3. Musa Okwemba (for the dynamic training)
4. Grace Fikirini (for the contribution in India mission)
5. Nelson Gaitho (as Project Coordinator)
6. Geoffrey Kihanya (for the excellent mobilization)

#### **G. Award of Excellence for SMEs**

##### **Participation in Kaizen Cluster Training and the Onsite Consulting**

1. Alpha Paints Ltd. (Joseph Maina)
2. Goa Engineering Ltd. (Gerald Omondi Andrew)
3. Match electricals Ltd. (Chris Maina)
4. Kaluworks Ltd. (Walter Oloo)

##### **Participation in the Trade Training**

1. Africa by Hand (Christine Akeyo)
2. Fantex Ltd. (Fanuel Ochieng')
3. Cesscolina Ltd. (Peter Mbela)

#### **H. Kenyan professionals**

1. Henry Mugweru (for the outstanding motivational facilitation capacity)
2. Beatrice Mwasi (for the heartfelt training with beautiful designing capacity)
3. Zack Waithaka (for the dynamic convincing Kaizen training)
4. Mercy Kiyogora (for IMAC performance and the mission to India)
5. Anthony Kiyogora (for the excellent management & system creation)
6. Odawa Odhiambo (for the excellent SMEs mobilization for the Cluster Training)
7. Nelson Mwita (for the excellent training capacity)
8. Phoebe Owuor (for her excellent training capacity)
9. Geoffrey Mulusa (for his excellent training capacity)

		<p>10. Irene Kalondu Mumo (for the participation and the India Mission)</p> <p><b>I. CERDS</b></p> <p><b>Awards of Excellence</b></p> <ol style="list-style-type: none"> <li>1. Felix M'mboyi Ph.D. (for the excellent networking and research capacity)</li> <li>2. Hilary Onyango (for the excellent analysis and SME coordination)</li> <li>3. Mary Lijoodi (for the excellent administration &amp; approach to SMEs)</li> <li>4. Celestine Wandera (for the excellent assistance in Project administration at consulting house)</li> <li>5. Dorothy Rotich (for the contribution with ICT skills)</li> </ol> <p><b>J. EPC:</b></p> <p><b>Award of excellence</b></p> <ol style="list-style-type: none"> <li>1. Sara Mwandawiro (for the excellent networking capacity)</li> <li>2. Charles Tumbo (for the excellent advisory service)</li> <li>3. Reuben Wanjala (for the excellent ICT assistance and training)</li> <li>4. Nicholas Kithembe (for the musical talent as a composer of Kaizen song)</li> <li>5. David Mwangi as Project Coordinator</li> </ol>
7.	Venue:	Good with appropriate customer care.

#### Remarks by the lead consultant

It is said, a thousand steps begin with a single step. In 2010, the journey that was to take us to where we are to today began. Little was known of the outcome but a lot of hope and determination was the driving force that guided the mentors and the sponsors of the program. In a nut shell, it is accurate to state that motivation and the desire for improvement is what got the program started, while focus and passion played a great role from the program start to completion. Challenges were part of the learning process and this added spice to the program making it more meaningful.

Today we can say the program has been greatly beneficial not only to the SMEs but also to the KIBT lecturers, EPC sector champions and the Kenyan professionals who were involved in the program. The program, in my view, is the very best example in ensuring attainment of the vision 2030. This claim is based on the fact that the program was focused on improving the SME competitive advantage for their Kenyan products and at the same time providing awareness about both local and international markets. The results are definitely positive as revealed by the following indicators in the baseline survey of the entire program;

- Improved production capability
- Improved organizational work process
- Improved team relationships
- Increase in sales turnover
- Increase in number of employment

These findings give indications that focus should be targeted to SMEs who play a major role in the economic growth of Kenya. Given the right attention the sector can give multiplying effects to the economy.

I must recognize the Japanese trainers who brought the Kaizen philosophy at the commencement of the program roll out. Kaizen has proved to be simple yet most effective way of improving one's life, mind and business.

As we look towards the future, and I must say that it is not very far, it calls for deliberate concerted intervention by the Government and development partners in ensuring SME progress and sustainability. Empowering different SME business clusters, through capacity building, will definitely develop and guide them to prosperity.

KAIZEN KAIZEN - Continuous improvement is the word of wisdom we must all embrace.

**Henry Mugweru:** Lead Consultant:

## **Appendix 9: Documents provided on CD**

1. Baseline Study Report (Impact Monitoring Study On Trade Training for Small and Medium Enterprises (SMEs) in Kenya) in the folder “BaselineStudy”.
2. REPORT ON KAIZEN PROMOTIONAL MATERIAL DEVELOPMENT in the folder “Designs”
3. TRADE MISSION TO INDIA, END OF MISSION REPORT. October, 2012 in the folder “Mission.India”
4. Documents related to Export Coaching in the folder “ExportCoaching”
5. Documents related to Integrated Onsite Consulting in the folder “OnsiteConsulting” in “OSC”.
6. Documents related to Cluster Training in the folder “ClusterTraining”.
7. Documents related to Trade Training in the folder “Trade Training”.

## **Appendix 10: Implementation of Overseas Training**

**Table 1: SMEs/LSE representatives and their company status in 2011**

No	Company(EPC/KIBT members in charge)	Officer to Attend	Town	Sector	Products	Export Status	Number of Employees	Mission Objective
1.	Trueways Enterprises Limited (SSE) (EPC: Mr Peterson N.)	Ms. Irene Kalondu Mumo (Director)	Nairobi	Manufacturing (Agro processing)	Honey Bees wax candles African themed gift items	None	4 (unskilled / permanent)	Identify counterparts, technologies
2.	Fantex Kenya Limited (SSE) (KIBT: Mr Evans Oyaró)	Mr. Fanuel Ochieng Ong'are (Director)	Eldoret	Textile	Sweaters Socks	Existing export markets Rwanda and Uganda	5 (skilled) 17 (unskilled) 14 (permanent) 8 (casual)	Seek market overseas, materials and technologies
3.	Cesscolina Agencies Limited (SSE) (EPC: Ms Sarah M.)	Mr. Peter Mdamu Mbela (Managing Director)	Mombasa	Manufacturing	Hydraulic seam Hydraulic cylinder Hose pipe	None	12 (skilled) 6 (unskilled) 10 (permanent) 8 (casual)	Learn management in India, seek technologies
4.	Match Electricals Ltd (MSE) (KIBT: Ms Pamella A.)	Mr. Christopher Maina Theuri (Director)	Nairobi	Electrical	Security lighting poles Street lighting poles High masts	None	30 (skilled) 50 (unskilled) 35 (permanent) 45 (casual)	Study modern machines and plastic paper for recycling
5.	Kaluworks Limited. (LSE) Mr. Rajendra R Tewary	Mr. Walter Oruko Oloo (General Manager)	Nairobi	Manufacturing	Pots, Pans and Roofing Sheets. With a turnover of USD 40Million+. I look after Cook 'N Lite Company where we make Enamelware, Kitchen Stoves and Lanterns and have developed the SME under this company called Gatasby Trust where we make few parts of the Lanterns through them. There is a good scope to develop them further provided we get the right support.	Many locations	450	Learn management for training colleagues in Kenya, expecting technology transfer to Kenya

**Table 2: Other Mission members in 2011**

S/No.	Name of Participant	Organization Representing	Role in Mission	Work of Organization
1	Peterson Nyachwaya	Export Promotion Council	Head of Mission	Export Promotion
2	Sarah Mwandawiro	Export Promotion Council		Export Promotion
3	Evans Oyaro	Kenya Institute of Business Training	Deputy Head of Mission	Business Training
4	Beatrice Pamela	Kenya Institute of Business Training		Business Training
8	Otsuki Sumiyuki	JICA Consultant: JDI	Member	
9	Rauniar Chinpai	JICA Consultant: JDI	Coordinator	

**Table 3: Financial Responsibilities & Budget in 2011**

No.	Description	Financier / Clearance
1	Transport (Return ticket to and fro India) of four (4) officers and JICA Consultants.	JICA
2	Stipend and accommodation for four (4) officers and JICA Consultants (Total cost)	JICA
3	Total cost of travel, per diem, accommodation and local transport of three (3) SME – Total Cost	60% JICA & 40% SME
4	Total cost of travel, per diem, accommodation and local transport of two (2) LSE – Total cost	30% JICA, 70% LSE
5	Travel clearance for four (4) officers	KIBT & EPC /Ministry of Trade

**Table 4 : Mission Itinerary in 2011**

9/18 Sun	9/19 Mon	9/20 Tue	9/21 Wed	9/22 Thu	9/23 Fri	9/24 Sat
<b>New Delhi</b>			<b>Hyderabad</b>			
(PM) 18:40 Nairobi to Doha (QR-533, Departure)  23:35 Arrival at Doha	(AM) 01:50 Doha to New Delhi (QR-234, Departure)  08:00 Arrival at New Delhi  (PM) 15:00 MSME (Ministry of Micro, Small and Medium Enterprises)	(AM) 10:30 Kenya High Commission, India  (PM) 15:00 ITPO (India Trade Promotion Organization)	(AM) 10:30 JICA  (PM) 17:00 Delhi to Hyderabad (6E309, Departure)  19:10 Arrival at Hyderabad	(AM) NI-MSME (National Institute for Micro, Small and Medium Enterprise)  Hyderabad Fibre Reinforced Plastics (FRP) Cluster and FRP Units  (PM) Electronic and Plastic Industries at Cherlapally Industrial area	(AM) Discussions on Micro Finance, Intellectual Property Rights and Cluster Strategy at NI-MSME  (PM) 15:30 CII (Confederation of Indian Industries)	(AM) • Visit to Rural Technology Park, Rajendranagar • Visit to Dr. Ambedkar Open University (or) IGNOU Regional centre • Interaction with faculty of management schools  (PM) • Interaction with Fan Industry entrepreneurs or visit to Solar equipment manufacturing units • Visit to Craft village (Shilparamam)
	The Grand New Delhi Hotel	The Grand New Delhi Hotel	The Park Hyderabad	The Park Hyderabad	The Park Hyderabad	The Park Hyderabad
9/25 Sun	9/26 Mon	9/27 Tue	9/28 Wed	9/29 Thu	9/30 Fri	10/1 Sat
<b>Ahmedabad</b>						
(AM) Hyderabad sightseeing  (PM) 17:50 Hyderabad to Ahmedabad (AI981, Departure)  19:30 Arrival at Ahmedabad	(AM) 10:00 EDI (Entrepreneurship Development Institute of India)  (PM) 16:00-17:00 GIDR (Gujarat Institute of Development Research)	(AM) 10:30-11:00 SIDBI (Small Industries Development Bank of India) 12:00-13:00 IndexTB, Gandhi Nagar  (PM) 15:30 GCCI (Gujarat Chamber of Commerce and Industries)	(AM) 11:00-13:00 CII (Confederation of Indian Industries)  (PM) 13:00 Lunch organized by CII 14:30 Sight Seeing - Step Well & Akshardham	(AM) 08:00 Start for visit to Vadodra Cluster  (PM) Visit Cluster-II	(AM) 10:30 - 11:30 GIDB (Gujarat Infrastructure Development Board), GIDC (Gujarat Industrial Development Corporation), Gandhinagar; Stepwell  (PM) Free	(AM) 05:40 Ahmedabad to Doha (QR-283, Departure) 06:25 Arrival at Doha  07:30 Doha to Nairobi (QR-532, Departure) 12:45 Arrival at Nairobi
Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	

**Table 5: SMEs representatives and their company status in 2012**

No	Company (Priorities)	Town	Officer to Attend	Who in charge	Sector	Products	Export Status	Number of Employees	Mission Objective
1.	Honest Industries (No.1)	Mombasa	Jediel Muriuki Geoffrey (Director)	Mr Austin Machesa	Manufacturing	- HO-P Neem soap - HOP coconut and Aloe vera soaps	Exporting East Africa and Southern Sudan	9 3 skilled, 6 unskilled	- Knowledge transfer – Technology, value addition chain in coconut and neem - Network for global markets - International exposure and Linkages
2.	Joneah Enterprises (No.2)	Nairobi	Jacqueline Achieng Ominde (Manager)	Ms Grace Fikirini	Textile/ Commercial Crafts	- Leso tops - T-shirts - Jewellery	Exporting - United States, Canada, Sudan	10 8 skilled, 2 unskilled	- Look for new markets to sell produced - Source for equipment for production - Source for other alternative materials, better ways of Production/ new technology
3.	Alpha Paints Ltd. (No.3)	Nairobi	Joseph Maina (Director)	Mr David Yamina	Manufacturing	Paints and service coating	Exporting - EAC	9 4 skilled, 5 unskilled	- Learn more from India's manufacturers and importation of raw materials - Make partners in industrial developments from SME to a large manufacturing plant - Acquire a more development approach on business management
4.	Balm Industries (No.4)	Nairobi	Joseph Njuguna Nganga (Director)	KIBT Mr Solomon Kiawa	Manufacturing	Petroleum jelly Body lotion/cream Hair treatments	Exporting - South Sudan	13 2 skilled, 11 unskilled	- Improve manufacturing practices in the firm - Look for opportunity for importing raw materials - Look for opportunity for supply of products - Create linkages with companies in India
5.	African Looms Enterprise (No.5)	Nairobi	Roselyne Egosagwa (Director)	KIBT Ms. Grace Fikirini	Commercial crafts	- Hand woven tablemats, rug - Vikoys - Bags, sandals, - African ornaments	Exporting - Tanzania, Uganda, Burundi, U.S.A	7 7 Skilled	-Familiarize and market our products to the rest of the world and also learn from those who venture in the same field.

No	Company (Priorities)	Town	Officer to Attend	Who in charge	Sector	Products	Export Status	Number of Employees	Mission Objective
6.	Fantex (K)Limited	Eldoret	Margaret Ochieng Ongolo (Director) A	EPC Mr David Yamina	Textile	- Sweaters - Socks - Gumboots Lining	Exporting - Rwanda, Uganda	30 25 skilled, 5 unskilled	To source for raw materials and machinery

**Table 6: Other Mission members in 2012**

S/No.	Name of Participant	Organization Representing	Role in Mission	Work of Organization
1	Stephen Kirui	Kenya Institute of Business Training	Head of Mission	Business Training
2	Solomon Kiawa	Kenya Institute of Business Training	Assistant mission leader	Business Training
3	Grace Fikirini	Kenya Institute of Business Training	Mentor - Marketing	Business Training
4	Austin Macheso	Export Promotion Council	Deputy Head of Mission	Export Promotion
5	David Yamina	Export Promotion Council	Mentor - Manufacturing	Export Promotion
6	Mercy Kiongora	CERDS	Member	Consultancy
7	Kazuyo Kaneko	JICA	Member	International Cooperation
8	Otsuki Sumiyuki	JDI	Member	
9	Rauniar Chinpal	JDI	Coordinator	

**Table 7: Financial Responsibilities & Budget in 2012**

No.	Description	Financier / Clearance
1	Transport (Return ticket to and fro India) of four (4) officers and JICA Consultants.	JICA
2	Stipend and accommodation for four (4) officers and JICA Consultants (Total cost)	JICA
3	Total cost of travel, per diem, accommodation and local transport of three (3) SME – Total Cost	60% JICA & 40% SME
4	Travel clearance for four (4) officers	KIBT & EPC /Ministry of Trade

**Table : Mission Itinerary in 2012**

9/2	9/3	9/4	9/5	9/6	9/7	9/8
Sun	Mon	Tue	Wed	Thu	Fri	Sat
New Delhi				Ludhiana		New Delhi
	(AM) 04:35 Doha to New Delhi (QR-234, Departure) 08:00 Arrival at New Delhi	(AM) MSME (Ministry of Micro, Small and Medium Enterprises)	(AM) NISBUD (National Institute for Entrepreneurship and Small Business Development)	(AM) Move to Ludhiana	(AM) Visit to respective SMEs in Ludhiana	(AM) Sight Seeing (Agra)
(PM) 18:40 Nairobi to Doha (QR-533, Departure) 23:35 Arrival at Doha	(PM) - Kenya High Commission, India - JICA	(PM) - NSIC (National Small Industries Corporation Limited) - ITPO (India Trade Promotion Organization)	(PM) - CII (Confederation of Indian Industries) - FICCI (Federation of Indian Chamber of Commerce and Industries)	(PM) - Visit to Central Tool Room (CTR) and visit to tool room. - Meeting of SMEs with counterparts	(PM) Travel to Delhi	(PM) Sight Seeing (Agra)
	Grand Hotel – New Delhi	Grand Hotel – New Delhi	Grand Hotel – New Delhi	Fortune Park hotel	Grand Hotel – New Delhi	Grand Hotel – New Delhi
9/9	9/10	9/11	9/12	9/13	9/14	9/15
Sun	Mon	Tue	Wed	Thu	Fri	Sat
Hyderabad			Ahmedabad			
(AM)	(AM) - Meeting with the faculty of national Institute for Micro, Small & medium Enterprises (Ni-msme) - Meeting at CIPET and visit to the tool room	(AM) Visit to Ni-msme for discussion on innovation, clusters & intellectual property	(AM) - Groups disburse and visit their respective counterparts, e.g. Conference of Indian Industries (CII) in Baroda	(AM) - Entrepreneurship Development Institute of India - Groups visit other companies of choice & interest	(AM) - Index TB, Gandhi Nagar	(AM) Ahmedabad to Doha Doha to Nairobi
(PM) Delhi to Hyderabad (departure) Arrival to Hyderabad	(PM) - Interaction with stakeholders of Hyderabad Fibre Reinforced Plastics (FRP) cluster & visit to FRP Units - Visit to plastic industries	(PM) - Visit to Rural Technology park (RTP) - Departure to Ahmedabad Arrival in Ahmedabad	(PM) - Groups visit to companies continued	(PM) Gujarat Institute of Development Research (GIDR)	(PM) - Gujarat Chamber of Commerce and Industry	(PM) Arrival in Nairobi  END OF MISSION
Park Hotel - Hyderabad	Park Hotel - Hyderabad	Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	Lemon Tree Hotel	