



International
Trade
Centre

TRADE IMPACT
FOR GOOD

Partnering with the Private Sector, for the Private Sector

Supporting SME Growth and Job Creation





Foreword

The private sector has been at the heart of the International Trade Centre's work since it was established over 50 years ago. Markets can and do drive development. But market pull can often use a helping hand, especially when it comes to small and medium-sized enterprises in developing countries. That is why ITC was set up. Our work with SMEs and trade and investment support institutions is governed by the understanding that fully exploiting new commercial opportunities requires some aid for trade to go to those who actually trade: the business community.

As trade has evolved, we have grown to meet the changing challenges facing would-be exporters in the world's more marginalized economies and communities. This is why we focus increasingly on connecting SMEs to regional markets and international value chains. SMEs account for the bulk of employment, especially for the women and young people for whom better jobs, in more productive firms, yield lasting social dividends.

The private sector has become an increasingly important partner in delivering this work. Companies that do business across borders have the expertise SMEs need. Who better to help smallholder farmers navigate complex sustainability standards than the companies who demand – or set –

them? Only the private sector, together with better domestic resource mobilization, can leverage development financing flows from the billions in traditional donor assistance to the trillions needed to meet the post-2015 development agenda.

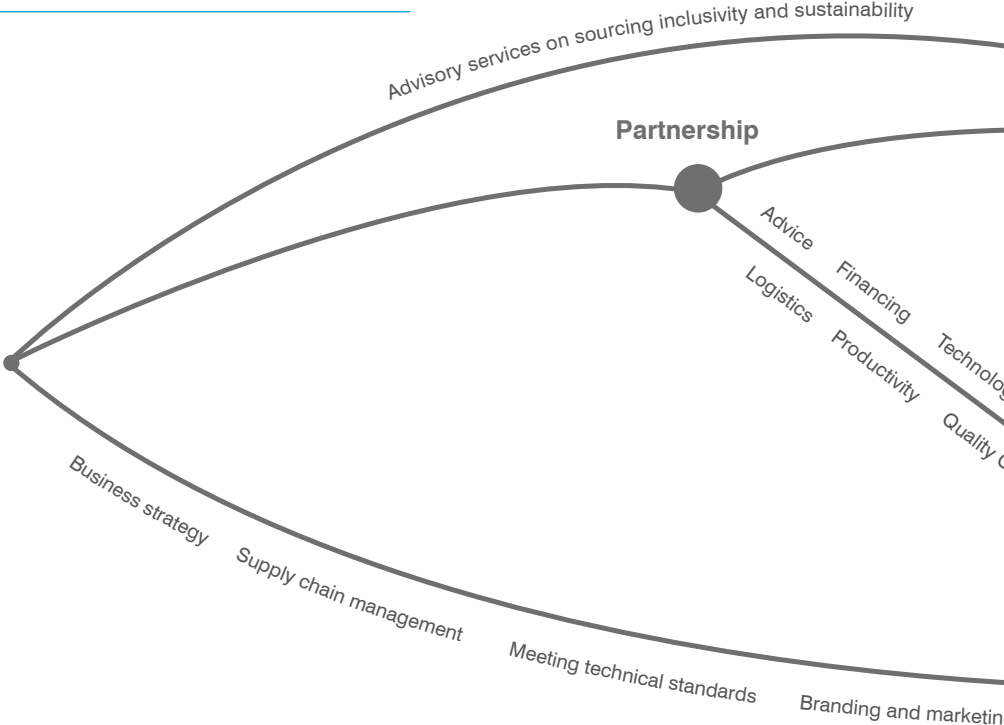
This booklet describes some examples of ITC's work with the private sector, for the private sector. The goal is to create virtuous circles. When a luxury leather goods maker works with ITC to improve the conservation of endangered animal species, it supports sustainable livelihoods in rural communities – and a more secure supply chain for its high-end shoes. When Bosch helps Kenyan SMEs boost their competitiveness, it may well be creating future customers for its household appliances.

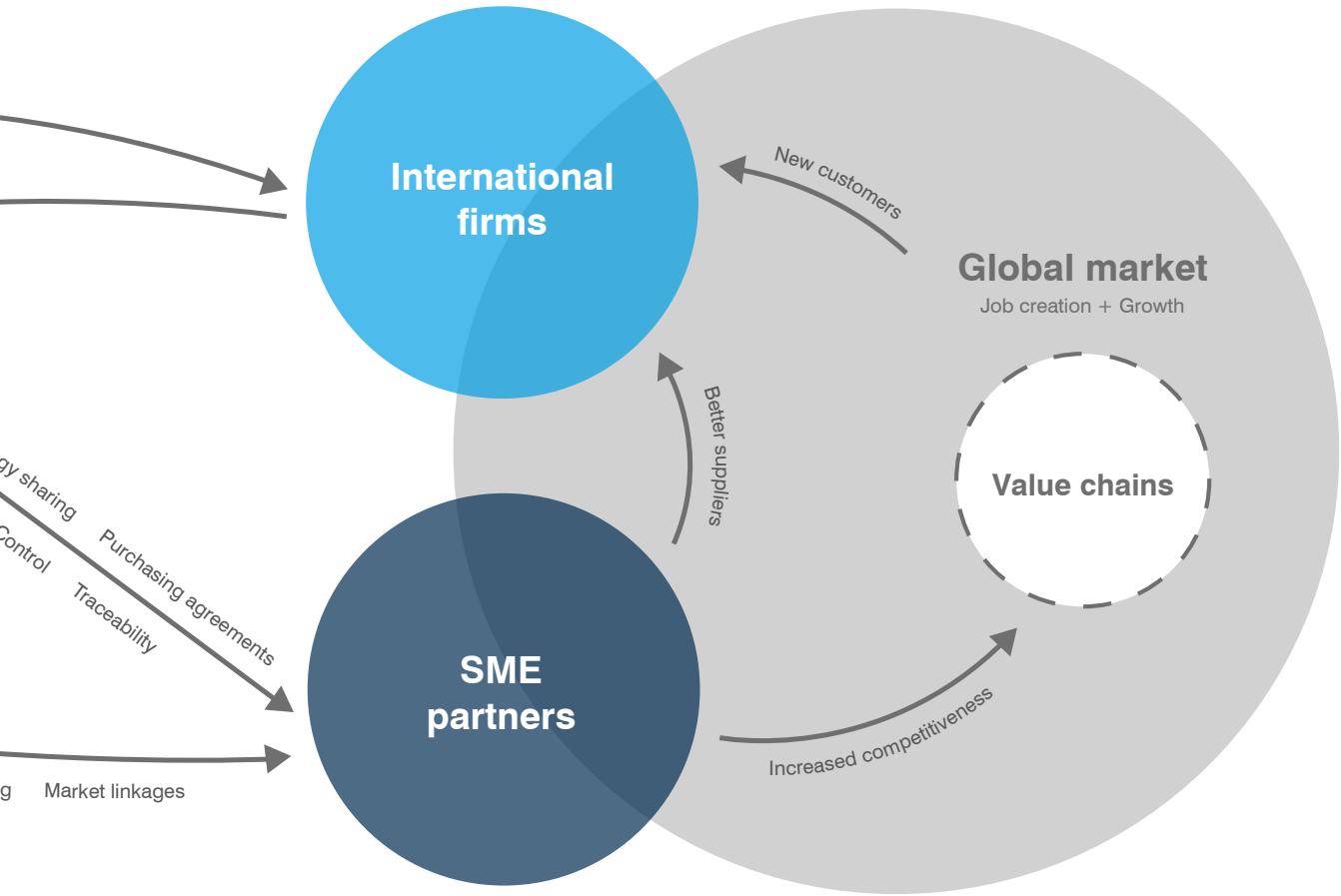
The stories inside provide a snapshot of how our projects seek to yield social and economic benefits that endure long after traditional funder support is withdrawn. Or, as we like to put it, to create trade impact for good.



Ms. Arancha González,
Executive Director

How ITC works with the private sector





Bosch

Boosting productivity at Kenyan SMEs through lean production

The challenge

In developing countries, far more than in developed ones, SMEs are characterised by lower productivity and higher operating costs than their larger competitors.

Boosting productivity can make SMEs more attractive as potential suppliers to international value chains, as well as more competitive exporters in their own right.

The response

ITC partnered with Robert Bosch GmbH, the German multinational engineering and electronics company, to train Kenyan SMEs in 'lean' production methodologies. The Karlsruhe Institute of Technology contributed teaching materials, tools and technical content.

Pioneered by Japanese auto maker Toyota, lean manufacturing refers to the systematic and continuous reform of a firm's manufacturing, internal logistics, and other supply chain processes to strip out wasteful inefficiencies such as unnecessary movements and waiting periods.



'Lean looks at how to improve your processes without investing in huge amounts of machinery or equipment to improve productivity. It's about looking at how to reduce bottlenecks, simplifying processes or even reducing duplication or unnecessary waiting time.'

Hong Siew Lim, programme manager,
ITC Modular Learning System in Supply Chain Management

Between June 2014 and January 2015, staff and management teams from three Kenyan agri-food SMEs—each supplied by hundreds of small-scale producers—attended workshops led by Bosch in partnership with ITC, where they learned to analyse processes, recognize areas for improvement and make appropriate adjustments. Notably, making these adjustments did not require investment in expensive new equipment, in keeping with the lean methodology's ethos of doing more with less.



The results

One of the SMEs, Mace Foods, a small company based in Kenya's western highlands, has nearly doubled the rate at which employees package dried chillies and vegetables for export to Europe.

In July 2014, each operator at Mace Foods was able to pack 24 sachets of produce every hour. Now they pack 46 per hour, a 92% increase. The number of defective products has effectively dropped to zero. Order lead time – measured from when an order is received until a product is dispatched – for dried chillies and vegetables dropped from more than four days to less than a day, while the

'It means we have systems in place. I know if an order comes, there is a checklist that is followed and the procedure is followed and I'm sure the order is delivered.'

Margaret Komen,

CEO, Mace Foods, on what lean methodology means for her company



ITC



Delivery partners

Robert Bosch GmbH
Karlsruhe Institute of Technology

Beneficiary partners

Mace Foods
Greenforest Foods
Stawi Foods and Fruits
Kenya Institute of Supplies Management (KISM)

Goal

Boosting SME productivity through training in lean production methodology

Impact

Sharp increases in production speed
Fewer defective products
Faster delivery times

Follow-up

Replicating the approach for SME mango processors in Kenya

Timeframe

June 2014 – December 2015

Location

Kenya

Funder

Finland

'The SMEs take complete ownership of the measures that we define in the workshops. We teach some methods, but then the participants take over and apply them to their own environment. We go together on the shop floor and actually practice these methods, so it helps them to identify potential to improve their processes and reduce waste, as well.'

Georg Nicola, Bosch project leader

number of orders and sales increased. For Greenforest Foods, which sells honey, packing production improved by 28%. Instead of laboriously scooping honey from buckets into individual jars and then weighing each one to get the quantity right, employees switched to buckets equipped with simple gauges that enabled them to fill jars as if from a tap, while simultaneously

Stawi Foods and Fruits, a food-processing company specializing in porridge flours, slashed lead time from seven days to one day after establishing controlled stock levels. The introduction of a standard one-kilo scoop slashed the time to fill a one-kilogram packet of flour from one minute to 30 seconds.

The future

Representatives of the Kenya Institute of Supplies Management (KISM), a national body dedicated to promoting best practices in supply chain management, also participated in the workshops.

They will now train and advise other businesses on improving production and order-fulfilment processes, serving as a multiplier for spreading lean methodology-based improvements among SMEs in Kenya.

In addition, ITC and Bosch will, in 2015, work with KISM to train more SMEs in lean methodology, this time in Kenya's mango processing sector.

预览已结束，完整报告链接和二维码如下：

https://www.yunbaogao.cn/report/index/report?reportId=5_22985

