



THE KAIZEN COMPANY

Sector Transformation Program

Synopsis: The Kaizen Company's Sector Transformation Program (STP) is a cost-effective development tool that empowers employees to strengthen the institutions in which they work. STP's approach greatly leverages USAID resources by working with multiple organizations in the same sector simultaneously, and by causing support to flow to the organizations that use it most effectively. STP increases local demand for institutional reform support services and supports the private sector to meet this demand – sustaining and even increasing the overall development impact after donor support ends.

STP 'Quotables'

“Since starting STP our budget management has improved, customer satisfaction is up, and employees feel that their ideas are encouraged and their contributions are recognized and rewarded.”

-Mai Qaisi, Jordan Institute for Standards

“My favorite kind of donor activity.”

-Jamal Al Jabiri, USAID Jordan

“The most important World Bank lesson of the 1990s was that the quality of institutions is central to development.”

-Laurence Summers, Harvard University President
(Former World Bank Chief Economist)

Benefits: STP benefits four groups:

Local organizations: STP benefits participating organizations by causing a paradigm shift that transforms their operations and greatly improves their short and long-term institutional performance.

Local service industry: STP increases local demand for organizational reform consulting services, causing the market to expand.

USAID mission benefits: STP creates local implementation partners that are fundamentally stronger and better able to support USAID strategic objectives.

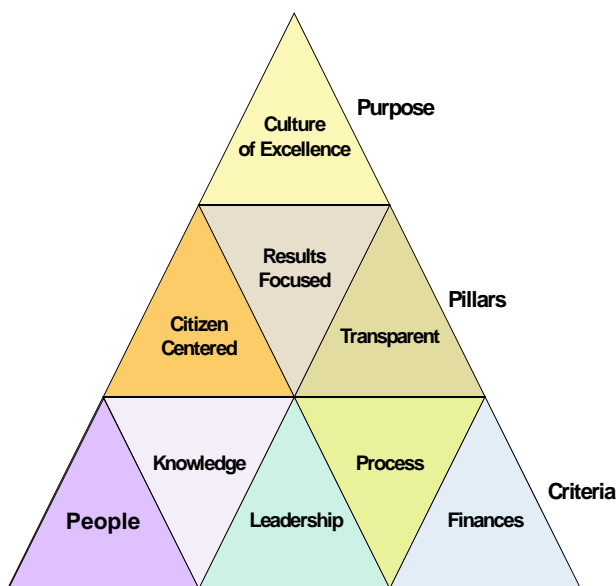
Prime contractor benefits: STP bolsters the effectiveness of traditional, targeted technical assistance projects. STP also serves as a powerful means to sustain program activities post donor support, and adds a competitive advantage to project re-bids or extensions.

STP Service Components

The STP methodology utilizes a bundled group of services to inspire reform initiatives at institutions. These services are the core of the STP methodology, and include:

- **Reform guidance:** Guiding organizations through the entire process of designing, implementing, and monitoring internal reform initiatives.
- **Strategic planning:** Assisting organizations with institutionalizing the process through which they plan and monitor progress.
- **Benchmark assessments:** Assessing partner organizations against international management best practices in five management criteria.
- **Inter-agency forums:** Bringing together team members responsible for like criteria from all relevant partner teams on a regular basis.
- **Shared constraint technical assistance:** Supplying technical assistance that is identified as a priority need of multiple client institutions.
- **Tool kit provision:** Providing a tool kit of STP best-practice strategies, case studies, training materials, and like tools supports partners in driving internal reforms.

Figure 1: STP Government Model¹



¹ Figure 1 illustrates the STP National Government Model, which supports MCA certification. Other models suit the specific needs of business associations, business clusters, individual service or industry sectors, regulatory agencies, local government, judicial institutions, etc. Each model is based on management best practices (criteria), sector-specific principles (pillars), and the need for ongoing improvement at all levels, at all times (purpose).