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Kaizen – or ‘Continuous Improvement’

What Do We Mean By Continuous Improvement?

Kaizen is the Japanese term for “continuous improvement” (CI), it simple means keeping on getting better.

So why is kaizen such a major topic? Why do we use a Japanese word for something that, surely, companies all over the world have tried to do ever since the concept of business and trading organisations was established in the dim and distant past? After all, if we don’t keep on getting better then one day our competitors will have improved and we will no longer have a competitive position.

Surely the difference between what Western companies had always done and what emerged from Japan when we first heard of Just in Time in the late nineteen-seventies and eighties was the commitment to improvement that permeated every level of the organisation. In the West things had always got better through new technology, through the innovation of product designers and through star performers identifying opportunity and driving through change. In Japan things improved continuously because of a culture in which everybody recognised their role in bringing about ‘better’ ways of working with the attendant benefits in terms of cost, product quality, lead time to market, levels of inventory, factory capacity, and so on.

Is There An Alternative?

Well, in Lean-speak, there is. Lean is now recognised as the elimination of waste and many proponents argue that there are two ways of going about this:

- Kaizen – an incremental approach to improving one bit at a time.
- Kaikaku – the achievement of ‘step change’ improvement. (The US Association for Manufacturing Excellence uses the term ‘kaizen blitz’ for this.)

Kaikaku means ‘instant revolution’ and students of other areas of business improvement will recognise the parallel with Business Process Reengineering as espoused by Michael Hammer and James Champy. In their definitive book on the subject they explain that reengineering is not about refining current processes but rather about transformation. Are there then two apparently-different approaches to Lean – the ‘big bang’ of suddenly becoming waste-free overnight and the softly, softly, one change after another, way of getting better bit by bit all the time? This, of course, is nonsense. We can’t simply transform our business overnight – if we could then we’d have already done it. Should we launch our Lean project as the establishment of kaizen or should we seek kaikaku? As ever, the answer in most cases is a little of each. In some instances what we do today will have evolved down the years into a position that could be improved, piece by piece, but which really requires that we throw it all away and start again.

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A classic example of this may be the move to cellular manufacturing. Within a functional process layout we can reduce floor-to-floor times by reduction in batch sizes and reducing set-up times through SMED, a classic Lean technique. We can improve productivity through improved maintenance or better storage of tooling, and so on, but perhaps we should just bite the bullet and create several production units, each comprising a range of facilities and each dedicated to specific products or component types.

As with all major change programmes a few quick wins can be immensely valuable in generating the momentum for new ways of working, and thus kaikaku is immensely attractive. However, when we have made the fundamental changes toward a new vision for our operations we have to keep on improving. Our customers expect more and we cannot stand still. This is where kaizen takes over.

Introducing Kaizen

The establishment of genuine continuous improvement in the kaizen sense is a major task with several distinctive points which must be recognised from the outset:

Culture

Genuine kaizen is based on everybody in the organisation playing a part in seeking and implementing change for the better. We can't just say "with effect from tomorrow we are going to launch improvement exercises and as soon as one has achieved its goal we will launch another" and believe we are now a kaizen operation. Creating the mindset of continuous improvement at all levels requires dedication, lots of communication and, above all, careful treatment of the workforce. This isn't to say that we can no longer enforce discipline where it is needed, or resist excessive wage demands, but there must henceforth be a culture of respect and of value.

Many managers reading this for the first time may be a little apprehensive. There's no getting away from the fact that if we've been treating the workforce like dirt for years then changing the culture is going to take time. This doesn't mean that we can't, or shouldn't, make the change. It does, however, mean that we need to be realistic – as well as open and honest.

It also requires that our workforce reciprocate. I remember leading a change programme some years ago when an Operations Manager that I had just recruited brought his superintendents, foremen and chargehands together to ask them which pieces of plant they would move if they had the choice. The reaction stunned me. "There's no point us saying what we want," came the first response. When asked what he meant the supervisor in question explained that whatever he and his colleagues said their new boss would do what he wanted. "You always do."

I confess that at this point I exploded. How, I asked, could they tell a man in his third day with the company what he "always" did? They knew how previous regimes had operated and I could well believe that their assessment may well be accurate but surely they had to give the new man a chance. Happily, the majority did exactly that, and the business prospered. However, there is no point living in a false Utopia. Some people in that company remained negative and unresponsive and this will always be the case. Not everybody will join the new wave of kaizen.

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Ongoing Management Commitment

We all know that too many improvement initiatives fail through being seen as the latest fad. "Oh yes," people say, "this year it's productivity. Last year it was quality costs – we had designers on tap whenever we questioned a production method. Managers chased them out here to investigate every instance of non-conformance, until the novelty wore off and we went back to the way we had always been."

Truly continuous improvement requires that management's commitment is truly continuous. Management who launch CI because it's the flavour of the month and then look away will find that things don't continuously improve.

Rewards

Many of us were no doubt sceptical when we first heard of the Toyota suggestion scheme. "We've got one of those," we said. "There's nothing new in that." Well, in fact there was. Building on the culture of trust and respect the Toyota approach differed from that traditionally employed in the West. The rewards were not directly linked to the achievement of savings, and nor were the value of the rewards proportional to the amount of the saving.

A key aspect of Toyota's scheme was the award ceremony, at which the recipient was thanked for his contribution by a very senior executive in front of his peers. This obvious respect meant a lot to the employee and was reward in itself. The voucher for a local electrical goods store was not in itself of great financial value.

Another form of reward builds upon the theme of respect. One of the first Japanese-inspired improvement programmes in which I was involved included several opportunities for cost reduction and simplification in manufacturing if only the geometry of a shaft feeding torque to a ball screws within a piece of mechanical testing gear could be modified. The manufacturing manager suggested to the machine shop team that one of their number took the ideas that he and his colleagues had developed to the drawing office and led the project to modify drawings and methods.

This elevated a manager who was already respected and well-liked to the status of a minor deity. It also provided the best incentive that anybody could conceive for others within the organisation to play their part in seeking further improvements.

Training

Achievement of best practice requires that the people charged with this task are up to speed with the latest thinking. Continuous achievement of improvement at all levels requires that this position be maintained forever. A key aspect of ongoing improvement is thus ongoing training throughout the organisation.

As well as providing the practical benefits of people with the knowledge needed for bringing about change, the provision of training also shows people that they are valued. It contrasts sharply with the traditional Western approach where shop floor operators, storemen, production office staff and others at junior levels within the hierarchy may just as well have been told to "come into work, clock in over there, leave your coats and brains in the corners and just do the same thing, day in and day out."

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Communication

The progress of any ongoing improvement exercise must be communicated. We need our workforce with us in bringing about change and a key element in this is explaining what is being done, and how, and why. This can – and must – be done by notices on the wall and by regular, formal, briefing sessions but it is also mandatory that project teams and managers make time to talk to people.

In businesses where genuine improvement is being brought about people feel able to talk things through with their supervisors and with managers who make regular appearances in the workplace, whether this be the assembly shop or the buying department. We have to remember that as managers we are constantly in meetings reviewing business performance and progress against defined targets. We know all the 'whats, hows and whys' but people who have their heads down over a soldering iron or PC screen can easily lose track of projects in which they are not personally and directly involved.

(Yet again, of course, a Managing Director showing his face on the shop floor and explaining his vision to operators and linefeeders, perhaps debating some of the issues now and again, is the ultimate sign of respect.)

Techniques

Kaizen is an intrinsic element of any broad-based Lean strategy, but we must never forget that there are other forms of improvement available in the world. Taiichi Ohno's 7 wastes are always there to be attacked but not every initiative has to be built around the Deming cycle, '5 Whys', kanban, heijunka or 5S. A customer service issue may arise from misuse of a planning system such as MRP; quality problems may result from the use of two-dimensional CAD for an application that really needs three dimensional development.

We therefore face a choice. Do we have other projects running in parallel to those making up our kaizen activities or do all get managed within the kaizen portfolio? There is no standard answer, but we have to remember that there will always be issues outside the attacks on waste that define Lean. Further, everything we do in business has, in the final analysis, to be market-driven. We need to introduce new products, and sometimes re-focus our operations on a whole new range of customers. These changes will necessitate substantial projects, as will changes in business systems, and some mechanism is needed to ensure that all exercises aimed at business improvement sit comfortably together, working in tandem to achieve shared goals. In some cases, particularly in large, multi-site businesses, parallel activities can appear to be in conflict with each other.

Refreshers

Any long-term change programme needs the occasional re-launch. No matter how committed the management and how well the improvements are communicated, staleness does eventually set in. The Vice President of one of my own clients in the mid-nineties drove all improvements under the TQM banner but each year a new programme was introduced. TQM93 was aimed at re-structuring the manufacturing area, effectively creating focused factories by product family. TQM94 included revisions to the shop organisation but introduced the idea of simplifying and improving office services under the BPR banner. Later re-launches covered the selection and implementation of a new ERP system and the application of Six Sigma to a range of issues throughout the organisation.

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Summary

Do we need kaizen?

Well, of course we need to keep getting better. Whether a particular business does this by declaring itself a follower of kaizen is a decision that only the management team who know the company history and culture can make. Clearly, following an established path has great attractions, but if the response from the workforce is likely to be one of scepticism then perhaps such a claim is best left until the culture and relationships are re-defined.

The bottom line remains that all the Lean tools making up kaizen – and kaikaku – have much to offer. The important thing is that we get on with using whatever tools bring about improvement.

~ Ian Henderson ~

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