Study Guide: Kaizen

This course provides a fundamental understanding of the philosophy and concept of Kaizen. Kaizen is loosely translated as "change for good", or Continuous Improvement. A more literal translation is "self-improvement for the greater good". This course will help you develop your Kaizen mindset.

What is Kaizen?

- Kaizen is an approach to Continuous Improvement based on the idea that small, consistent changes can result in significant improvement
- Kaizen derives from two Japanese words: Kai = Change and Zen = Good. To mean, change for the better or the most widely adopted meaning of Continuous Improvement
- The Kaizen philosophy, was introduced by the Toyota Motor Company in the 1980s
- Kaizen encourages a culture that gradually increases quality, efficiency, and productivity

Key Objectives of Kaizen:

- Quality Control
- Just in Time delivery
- Standardized work
- Use of efficient equipment
- Elimination of Waste

- The biggest objective of kaizen is to make small changes that overtime will result in the achievement of big goals for the company.

Improvements can come from any employee

Requirements of Kaizen

Japanese ideas of Kaizen follow 5 basic tenets:

- Teamwork
- Personal Discipline
- Improved Morale
- Quality
- Suggestions for improvement

These 5 tenets lead to 5 major outcomes:

- Elimination of waste
- Good Housekeeping
- Standardization

Another important point of Kaizen is that people that perform certain tasks and activities are most knowledgeable about that task, that is why you should encourage them and enable them to participate in making changes.

PDCA Cycle
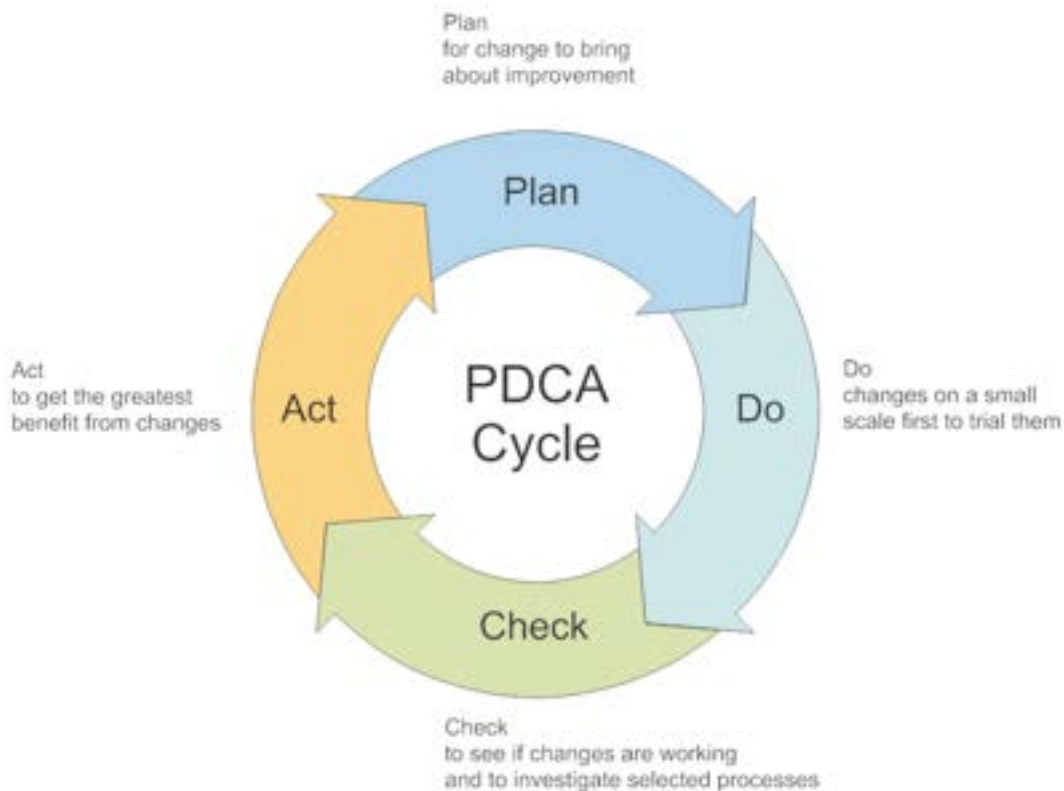
- **Plan:** Map out the changes so that everyone knows what to expect when the team tries to solve a problem.
- **Do:** Implementing the best solution to solve the problem
- **Check:** Evaluating the solution to the problem
- **Act:** Determine whether the solution will become a company standard or if it needs further changes

If more changes are needed, Kaizen goes back to the plan step and the process starts over.

Advantages of Kaizen

- The nature of gradual improvement results in less resistance to change
- Kaizen encourages scrutiny of processes so that mistakes and waste are reduced
- With fewer errors, oversight and inspection needs are minimized
- Employee morale improves because Kaizen promotes a sense of value and purpose
- Teamwork increases as employees think beyond the specific issues of their department
- Client focus expands as employees are more aware of customer requirements

Disadvantages of Kaizen

- Companies with cultures of territorialism and closed communication may first need to focus on cultural changes to create a receptive environment
- Short-term Kaizen events might create a burst of excitement that is short lived and not sustainable

Examples of Kaizen

Lockheed Martin
- Reduced manufacturing costs
- Reduced inventory
- Reduced delivery time

Ford Motor Company
Alan Mullaly used Kaizen to execute one of the biggest corporate turnarounds in history