

KAIZEN

***The Japanese Philosophy
of constant improvement***

This booklet provided by:

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Introduction to the Kaizen Philosophy

Kaizen is defined as continuous improvement. It is a philosophy of continuing improvement involving small changes throughout all areas in an organization. When applied to the workplace Kaizen involves all employees - from executives to laborers, and everyone in between.

The Kaizen philosophy has been implemented in organizations around the world. It has been used as a way to **improve production efficiency** as well as **improve employee morale and safety**.

The simple nature of Kaizen means it may be applied to any procedure in the workplace. However, we are aware that every organization has different and sometimes very unique and specific needs. If you have questions about how **Graphic Products can assist you as you implement your Kaizen philosophy**, please feel free to contact us at any time using the information printed on the front of this booklet.



Kaizen - The Definition

Kaizen (Ky ' zen) is a Japanese term that means continuous improvement, taken from words 'Kai', which means continuous and 'zen' which means improvement. Some translate 'Kai' to mean change and 'zen' to mean good, or for the better.

If you are aware of the Kaizen philosophy and strive to implement it, not a day should go by without some kind of improvement being made somewhere in the company.

Kaizen Is Constant Improvement

In any business, management creates standards that employees must follow to perform the job. In a Kaizen environment, maintaining and improving standards is one of the main goals of management. When standards are improved, there should be an observable improvement in the output of a process or procedure. The objective is to maintain that improvement and then to improve upon it again. This is an unending cycle. If you do not maintain the standard, the desired output is bound to slip back, giving it the “two steps forward, one step back” effect. Lasting improvement is achieved only when people work to higher standards. For this reason, maintenance and improvement go hand-in-hand.

Generally speaking, the higher up the manager is, the more they should be concerned with improvement. At the bottom level, an unskilled laborer may spend the day simply following instructions. However as he becomes better at his job, he begins to think about ways to improve, or make his job easier. In doing this, he finds ways to make his work more efficient, thus adding to overall improvement within the company.



The value of improvement is obvious. In business, whenever improvements are made, they generally result in better **safety, quality, and productivity**.

Improvement is a process. The process starts with recognizing a need. The need becomes apparent when you recognize a problem. Kaizen puts an emphasis on problem-awareness and will lead to the identification of problems.

Kaizen Is Problem Solving

Where there are no problems, there is no potential for improvement. When a problem is identified, Kaizen is working. The real issue is that the people who create the problem are often not those who are directly inconvenienced by it. Another issue is that in day-to-day management, the first instinct is to hide or ignore the problem rather than to correct it.

This happens because a problem is well, a problem! By nature, nobody wants to be accused of having created a problem. However when you think Kaizen, each problem can be turned into a valuable opportunity for improvement.

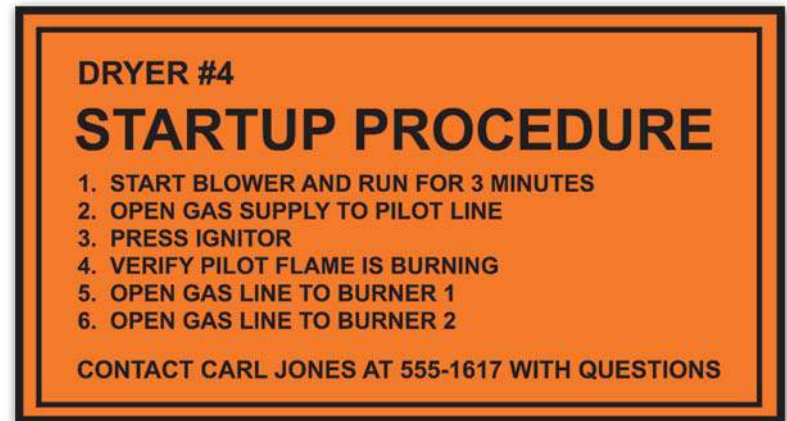
According to Kaizen philosophy, when a problem is identified, that problem must be solved. Once a problem is solved, that typically results in the need to change standards, which then replaces a previously set standard. A new, higher standard is created and is the basis for the continual improvement that results from Kaizen.

Kaizen Is Upgrading Standards

If standards are not initially set, there is no basis on which improvement can be made. There must be a precise standard of measurement for every worker, every machine, every process and even every manager. To follow the Kaizen strategy means to make constant efforts to improve upon standards. For Kaizen, standards exist only to be replaced by better standards. Kaizen is really based on **constant upgrading and revision**.

Not everything in a process or work environment is immediately measured and standardized. Sometimes factories use a one-point approach standardization. Each worker performs many tasks, but only one of those tasks has an established standard. This one-point standard is often **displayed** in the workplace so that the worker is always aware of it. After

the standard is followed for a while, it becomes second nature to perform the task to meet the standard. At that point, another standard can be added. Standardization is a way of spreading the benefits of improvement throughout the organization. In a disciplined environment, everyone, including management, is working to well defined standards.



The above label is an example of an easy to follow standard that is posted right on the equipment to which it applies.

The Kaizen Suggestion System

Kaizen involves every part of a business. From the tasks of laborers to the maintenance of machinery and facilities, Kaizen has a role to play. Kaizen is everybody's job! It is important for management to understand the worker's role in Kaizen, and to support it completely. One of the main vehicles for involving all employees in Kaizen is through the use of a **suggestion system**. Not all suggestions provide immediate economic payback, but by providing a simple means by which all employees are involved, problems at all levels will be identified and addressed.

In many companies, the number of suggestions made by each worker is looked at as a reflection of the supervisor's Kaizen efforts. One of the criteria managers and supervisors are evaluated on, is their ability to help generate suggestions from workers.

When using Kaizen management gives recognition to employees for making suggestions, and they try to make this recognition visible. The number of suggestions may be posted individually on the wall of the workplace in order to encourage competition among workers and among groups. A typical plant utilizing Kaizen has a space reserved in each work area for publicizing the Kaizen activities going on in the workplace. Some of the space might be used for signs indicating the number of suggestions made by workers or groups, or even to post actual suggestions. Another example would be to display a tool that has been improved as a result of a worker's suggestion. By giving recognition to workers who make suggestions, others are motivated to participate in making additional suggestions.



Displaying goals, recognition and suggestions helps to improve communication and boost morale.

Kaizen begins when the worker adopts a positive attitude toward changing and improving the way they work and puts the attitude into action by submitting suggestions. Each suggestion leads to a revised standard, and since the new standard has been set by a worker, they take pride in the new standard and are willing to follow it.

If, on the contrary, workers are told to follow a standard imposed by management, the worker may not be as willing to follow it. Thus, through suggestions, employees can participate in Kaizen in the workplace and play an important role in upgrading standards.

Suggestions should be targeted at achieving one of the following goals:

- ◆ Making the job easier*
- ◆ Making the job more productive*
- ◆ Removing drudgery from the job
- ◆ Improving product quality
- ◆ Removing nuisance from the job*
- ◆ Saving time and cost*
- ◆ Making the job safer*
- ◆ Eliminate waste

*Graphic Products can help reach these goals. Please call 1-800-788-5572 to find out how!



Make safety a top priority in the workplace by clearly marking all hazards.

Kaizen Means Process-Oriented Thinking

Kaizen puts the emphasis on process-oriented thinking. This is a natural result of Kaizen because processes must be improved in order to get improved results. In addition to being process-oriented, Kaizen is also people-oriented, since it is based on people's efforts.

The process is just as important as the intended result. Because processes are run by people, a process-oriented manager is a people-oriented manager. This means managers must have a focus on employee:

- ◆ Discipline
- ◆ Time management
- ◆ Skill development*
- ◆ Participation and involvement*
- ◆ Morale
- ◆ Communication*

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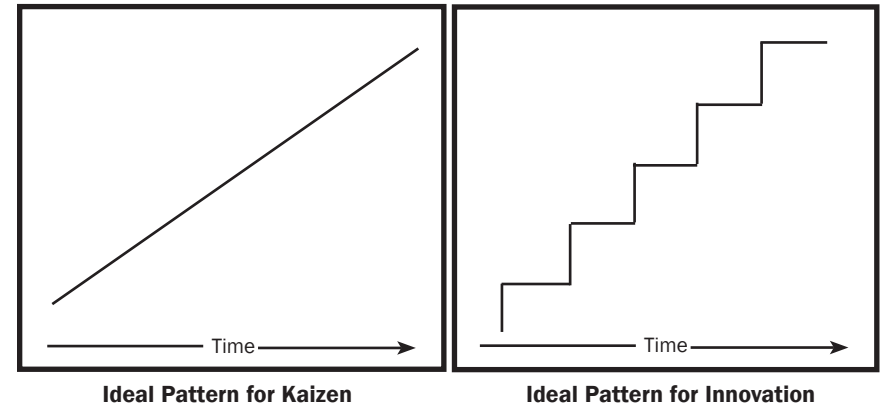
Kaizen vs. Innovation

Kaizen vs. innovation could be referred to as the gradualist-approach vs. the great-leap-forward approach.

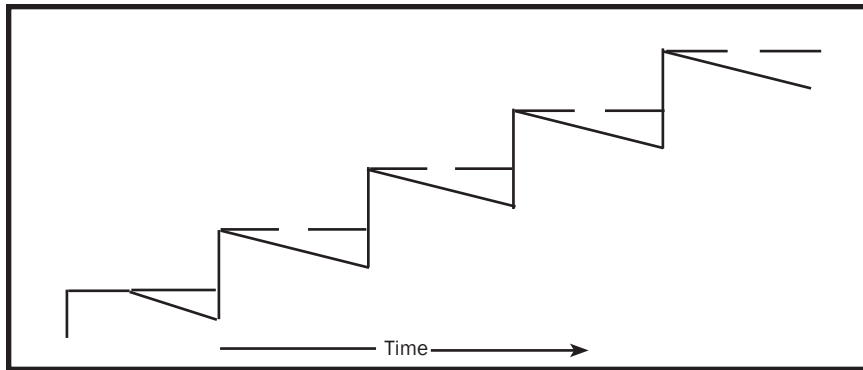
Innovation is characterized by major changes brought on by technological breakthroughs, or the introduction of the latest management concepts or production techniques. Kaizen, on the other hand is subtle, slow, and maybe even boring. The results of Kaizen are often not immediately visible. Kaizen is continuous, while innovation is a one-shot deal.

Innovation is typically technology and money-oriented where as Kaizen is people and process-oriented.

Kaizen does not call for a large investment to implement it, but it does call for a great deal of continuous effort and commitment. To implement Kaizen, only a few simple techniques are needed. Often, common sense is all that is necessary. On the other hand, innovation usually requires sophisticated technology, as well as a significant investment of capital and manpower.



If you look at a diagram of Kaizen vs. Innovation, Kaizen creates a constant slope, while innovation creates a staircase effect. Often, innovation does not continue the staircase effect because it does not incorporate Kaizen thinking. Once a new capital project has been completed, it may steadily deteriorate unless continuing efforts are made to maintain and improve it. In business there is no such thing as static or constant. All processes are subject to deterioration unless a continuing effort is made to maintain or improve. The diagram at the top of the next page illustrates this.



Actual Pattern for Innovation without maintenance

On the other hand, companies that do nothing but maintenance (no Kaizen or innovation) have the least chance of surviving. Competitors will reduce waste, improve productivity, cut costs, improve quality driving those who are just maintaining out of business.

When comparing Kaizen and innovation, in a slow-growth economy, Kaizen is often a better solution than innovation. The reasons are: Kaizen does not require large capital investments; and while it is difficult to increase sales by 10 percent, it's not as difficult to cut production costs by 10 percent using small improvements.

Management Support of Kaizen

Kaizen requires everyone's support. The driving force behind Kaizen is the knowledge that with effort and time, improvements will be made. Management has to make a conscious and continuous effort to support Kaizen, or it will not last. If management can make the commitment of time and effort, the Kaizen strategy will pay off.

One of the major hurdles to implementing Kaizen is the time frame needed to measure success. Kaizen works over an extended time. Unless top management is determined to introduce Kaizen as a top priority and realize that it will take time, any effort to introduce Kaizen to the company will fade before it can flourish.

Kaizen starts with the identification of problems. Changing the corporate culture is key to implementing Kaizen successfully. People need to be encouraged to admit problems and try to come up with solutions.

Kaizen's introduction and direction must start with management, but the suggestions for Kaizen should come from all levels, with a strong emphasis on worker suggestions. The best suggestions for improvement generally come from those working near the problem. Improvements will most likely require retraining and company-wide changes, so absolute dedication to Kaizen and continual improvement is necessary to make it work.

The benefits of Kaizen have been significant. Kaizen leads to improved quality, greater productivity, increased safety, and better morale. When Kaizen is first introduced, many companies see productivity increase



by 30 to 100 percent, all without major capital investments. Kaizen helps lower costs and lets management become more attentive to customer needs because it creates an environment that takes customer requirements into account.

The Kaizen strategy strives to improve the process while paying attention to results. Encouraging efforts is important when process improvement is the concern. A system should be developed that rewards the efforts of workers and managers, rather than simply giving recognition based on an end result. The desired result is to have an ongoing effort to improve. Continually making small improvements will, over time, result in major improvements.

Kaizen does not replace innovation. Kaizen and innovation compliment each other. In an ideal situation, innovation takes off after Kaizen efforts have been exhausted, and Kaizen begins again as soon as innovation is implemented. Kaizen and innovation, together, build a better, stronger, more profitable company.

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Kaizen Philosophy!

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Graphic Products, Inc. is not a Consulting Company. We cannot create your Kaizen program for you, however we do supply tools that may assist you in your efforts to achieve Kaizen in your workplace.

What did you think? If you have comments or suggestions regarding this booklet, please let us know at www.DuraLabel.com/kaizen



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