Our 30-year Journey

Kaizen Institute

Our 30-year Journey
Fellow KAIZENers,

We are celebrating our 30th anniversary this year. In 1985, Kaizen Institute was founded by Masaaki Imai, pioneering the original KAIZEN™ consulting firm, specialized in continuous improvement and achieving enterprise wide business excellence. Today, we are a global consultancy active in all sectors. Since our humble beginnings, we have come a long way in making great strides and significant contributions to our world through KAIZEN™.

We are so pleased with our rich history, serving our clients, while strengthening the KAIZEN™ community, through consultation, training and certification programs, seminars and networking events, benchmarking tours, award programs, and various publications, including books, training materials and online learning.

Please enjoy reading our 30th Anniversary publication about our amazing and never ending continuous improvement journey!

Risa I. Cox
Managing Director
Global Operations
Kaizen Institute Consulting Group, Ltd.

“KAIZEN™” means improvement. Moreover it means continuing improvement in personal life, home life, social life, and working life. KAIZEN™ means continuous improvement involving everyone, everyday, everywhere.”
“KAIZEN™” is a philosophy both for our personal and corporate life. A philosophy that guides our behavior in search of excellence. Every time we improve something we are doing KAIZEN™ changing for the better. This is done by practicing KAIZEN™ methods that will help us live the philosophy on a daily basis.”

Euclides Coimbra,
Managing Director,
Kaizen Institute Portugal
Our Firm History

The history of Kaizen Institute began over 30 years ago, and has the longest unbroken history of serving organizations in consulting and training in the field of KAIZEN™, lean management and continuous improvement worldwide.

1981
First KAIZEN™ (Gemba) Tour in Japan is organized by Masaaki Imai.

1985
Kaizen Institute, Ltd., a privately held corporation, is founded by Masaaki Imai and registered in Baar, Switzerland.

1986
“Kaizen: The Key to Japan’s Competitive Success” book is published by Random House Inc.

1987
Kaizen Institute is first registered within the Americas to do business as Kaizen Institute of America in California, USA.

1988
Kaizen Institute New Zealand is formed and registered in Auckland, New Zealand.

1990
Kaizen Institute America Inc. is incorporated in Delaware, USA.

1993
Kaizen Institute Germany is formed and registered in Frankfurt, Germany.

1994
Trademark, “GEMBAKAIZEN™”, is filed with US Intellectual Property Office.

1995
Kaizen Institute celebrates its 10th year anniversary

1991
Kaizen Institute UK is formed and registered in London, England.

1992
Kaizen Institute of Japan, Inc. is founded and registered in Japan as Kabushiki Kaisha Kaizen Kenkyusho.

1993
Kaizen Teaching AG is formed and registered in Zug, Switzerland.

1997
Kaizen Institute France is formed and registered in Paris, France.

1998
Kaizen Institute of Japan, Inc. is founded and registered in Japan as Kabushiki Kaisha Kaizen Kenkyusho.

1999
Kaizen Teaching AG is formed and registered in Zug, Switzerland.
1996
Kaizen Institute Spain is formed and registered in Barcelona, Spain.

1997
Kaizen Institute Sweden is formed and registered in Stockholm, Sweden.
“Gemba Kaizen” book is published by McGraw Hill; now publisher of the Kaizen book also.

1998
Kaizen Institute AG is restructured and moves office from Baar to Zug, Switzerland.

1999
Kaizen Institute Portugal is formed and registered in Porto, Portugal.

2000
Kaizen Institute celebrates its 15th year anniversary.
Kaizen Institute India is formed and registered in Chennai, India.

2003
Kaizen Institute Italy is formed and registered in Bologna, Italy.

2004
Kaizen Institute Romania is formed and registered in Bucharest, Romania.
Kaizen Institute Czech Republic is formed and registered in Prague, Czech Republic.
Kaizen Institute Hungary is formed and registered in Budapest, Hungary.
Kaizen Institute Mexico is formed and registered in Mexico City, Mexico.
Kaizen Institute Poland is formed and registered in Wroclaw, Poland.
New Business-unit Development strategy is implemented expanding the global network.
Kaizen Institute’s first Annual Awards Event (AAE) is held at Euro-Disney in Paris, France.
Kaizen Institute Australia is formed and registered in Sydney, Australia.

Kaizen Institute Brazil is formed and registered in Sao Paulo, Brazil.

Kaizen Institute AG and Kaizen Teaching AG combine both their offices and domiciles, and centralize operations in Zug, Switzerland.

Kaizen Institute’s 2nd Annual Awards Event is held in Zug, Switzerland.

Kaizen Institute establishes a legal presence and entity in Hong Kong and Kaizen Institute Asia-Pacific is launched.

Kaizen Institute’s Management System is conceived and jointly developed by a global list of Kaizen Institute consultants and support team.

Kaizen Institute’s 3rd Annual Awards Event is held in Scottsdale, AZ, USA.

Kaizen Teaching AG is renamed and the legal vision of Kaizen Institute Consulting Group is realized.

Kaizen Institute’s 4th Annual Awards Event is held in the island/country of Mauritius, Africa.

Kaizen Institute China is formed and registered in Shanghai, China.

Kaizen Institute Russia is formed and registered in Moscow, Russia.

Kaizen Institute Consulting Group establishes its first Regional Support Unit in Scottsdale, USA for support of operations within the Americas.

Kaizen Institute’s 5th Annual Awards Event is held in Sao Paulo, Brazil.
2009
Kaizen Institute Austria is formed and registered in Salzburg, Austria.

Kaizen Institute Malaysia is formed and registered in Subang Jaya, Selangor, Malaysia.

Kaizen Institute Canada is formed and registered in Ottawa, Canada.

Kaizen Institute’s 6th Annual Awards Event is held in Venice, Italy.

2010
Kaizen Institute celebrates its 25th anniversary.

Kaizen Institute’s 7th Annual Awards Event is held in Faro, Portugal.

2011
Kaizen Institute Netherlands is formed and registered in Hertogenbosch, Netherlands.

Gemba Research and their global group of companies join forces with Kaizen Institute’s global footprint.

Kaizen Institute’s 8th Annual Awards Event is held in Auckland, New Zealand.

2012
Kaizen Institute Chile is formed and registered in Santiago de Chile, Chile.

Kaizen Institute’s 9th Annual Awards Event is held in Porto, Portugal.

2013
Kaizen Institute’s 10th Annual Awards Event is held in Seattle, WA, USA.

2014
Kaizen Institute Colombia is formed and registered in Bogotá, Colombia.

Kaizen Institute Saudi Arabia is formed and registered in Riyadh, Saudi Arabia.

Kaizen Institute Vietnam is formed and registered in Ho Chi Minh City, Vietnam.

Kaizen Institute’s Global Support Unit structure is improved via four divisions; Business Development, Quality Assurance, Brand Management and Corporate Administration.

Kaizen Institute’s 11th Annual Awards Event is held in Jaipur, India.
2015

Kaizen Institute celebrates its 30th anniversary.

Kaizen Institute Lebanon is formed and registered in Beirut, Lebanon.

Kaizen Institute Turkey is formed and registered in Istanbul, Turkey.

Kaizen Institute UAE is formed and registered in Dubai, UAE.

Kaizen Institute’s Regional Support Unit operation is relaunched based on new legal and operational structures.

Deployment of a new ‘modernized’ corporate logo and other enhanced Brand standards.

Kaizen Institute’s 12th Annual Awards Event is held in Bad Homburg, Germany.
Some impressions of our 30-year Journey.

Early days of Kaizen Institute Consulting Group Global Operations, Global Leadership Council.

Founder, Masaaki Imai, in the 1980's as he established Kaizen Institute.

KAIZEN™ Benchmarking Tour to Japan.

Former Global Operations CEOs, Euclides Coimbra (right) and Jon Miller (left).

Masaaki Imai in Portugal where he was actively engaging with clients and consultants from Kaizen Institute Portugal.

Consultant Meeting of Kaizen Institute India in Pune, India. More than 20 consultants attended the successful meeting.

Founder, Masaaki Imai, in the 1980's as he established Kaizen Institute.
The 30-year Journey of Kaizen Institute

It has been 30 years since Masaaki Imai wrote “Kaizen: The Key to Japan’s Competitive Success (McGraw Hill 1986)”, and the founding of Kaizen Institute. Future historians will no doubt mark this date in 1986 as one of the turning points in the progression of quality, productivity, and labour-management relations. Indeed, we believe that KAIZEN™, along with information technology and the globalization of supply chains and services, are the top three economic innovations of the 20th century and these will have made a lasting positive effect on the world economy into succeeding centuries.

In 1985 almost nobody knew what KAIZEN™ was, personal computers were only just starting to open new horizons for productivity and Cell phones was a breaking technology. Back in 1985, there was a fear by many western industrialists and business commentators, of Japan taking over the US economy. Many suspected the Japanese of somehow cheating, or possessing a cultural secret that made their rapid post-war success possible. The answer was much simpler: slow and steady continuous improvement following the scientific method; this is what we call KAIZEN™ and it remains foreign and difficult for many to practice even until this day.

“Indeed, we believe that KAIZEN™, along with information technology and the globalization of supply chains and services, are the top three economic innovations of the 20th century and these will have made a lasting positive effect on the world economy into succeeding centuries.”

In the beginning the aims of Kaizen Institute were humble ones. As Masaaki Imai travelled the world sharing what he had learned about KAIZEN™ and business excellence from Toyota and other companies, he saw that people were hungry for more knowledge. He needed to develop more teachers to spread the knowledge about KAIZEN™ more quickly. The result was the formation of Kaizen Institute in Switzerland as a knowledge based education providing company in 1985.

As Kaizen Institute expanded rapidly across Europe and the United States, it naturally became a consulting and training company because of the practical and hands-on nature of KAIZEN™ teaching; KAIZEN™ cannot be understood without doing. In the decade that followed the publication of Masaaki Imai’s first book, a growing number of leaders read it and sent their executives to Japan to study from the best examples of KAIZEN™. They brought back commonsense ideas and KAIZEN™ management systems, which they put into practice, often with the assistance of Kaizen Institute.
Seeing how serious many of these companies were in learning about KAIZEN™, Masaaki Imai took some time out from his traveling and speaking to write his follow-up book "Gemba Kaizen (McGraw Hill 1997)", a Commonsense Low-cost Approach to Management. This book proved to be even more influential than the original. It featured over 20 case studies from companies worldwide who had adopted KAIZEN™. Readers were rewarded with a more comprehensive and in-depth explanation of how KAIZEN™ was to be made part of a company’s management system. “Gemba Kaizen” brought to light the importance of the role of the focus on the gemba, or the frontline, and how businesses could be transformed by focusing on the customer and by empowering the people closest to the front lines to make change, bottom up.

“... slow and steady continuous improvement following the scientific method; this is what we call KAIZEN™”

“Gemba Kaizen” also recovered Training Within Industry (TWI) from the dustbin of history, explaining the key role that TWI played in Japan’s post-war rebuilding, in Toyota’s frontline management development, and ultimately in the development of KAIZEN™. The book emphasized the gemba as the source of value within a company, and how the management team must reorient itself to support and enable continuous improvement by everyone.

In its second decade, Kaizen Institute became a truly global company, expanding to India, Africa, Latin America, opening locations in more than 20 countries. As the global community of Kaizen Institute consultants and teachers grew larger, this brought new languages, cultures, experiences and perspectives on how to teach KAIZEN™ worldwide. Clients also demanded a broader, more comprehensive and systematic way of applying KAIZEN™ to their business. This resulted in the development of the KAIZEN™ Management System (KMS) in 2006. Mature clients recognized the need to develop and certify larger numbers of in-house KAIZEN™ experts, a need Kaizen Institute answered by establishing the KAIZEN™ College approach to expert certification.

A decade later, more than 20,000 experts had been qualified worldwide and Kaizen Institute has expanded to more than 30+ business units, based in various cities within Europe, the Americas, Asia-Pacific, Middle East and Africa.

In 2015 Kaizen Institute celebrates 30 years of history.

Jon Miller
CEO, Kaizen Institute Consulting Group, 2011 — 2014
30 year of KAIZEN™, but a long way to a KAIZEN™ culture

Today KAIZEN™ is a popular management concept around the world. There are many books on the subject, and many serious students and practitioners of KAIZEN™. In 1985 almost nobody knew what KAIZEN™ was, and “Lean” would not be coined for another decade. KAIZEN™ came out of obscurity with the publication of Masaaki Imai’s “Kaizen, The Key to Japan’s Competitive Success (McGraw Hill 1986)” and the founding of Kaizen Institute. In some ways the world has come a long way towards understanding KAIZEN™, but as Taiichi Ohno once said, “Understanding means doing.” KAIZEN™ is not theory, but practice.

Today, less than 5% of the world is practicing KAIZEN™. Even among the companies who “know” KAIZEN™, perhaps only half of them understand its true meaning. A management system called Lean, built by the endless pursuit of KAIZEN™, is now understood to be a necessary strategy by most major corporations. Hospitals, governments and even small venture firms and startups are now adopting lean practices. Knowledge is only a start; we must put KAIZEN™ into daily practice in order to become Lean.

Repeated studies have shown that somewhere between 50% and 90% of all work is wasted. This is true regardless of the country, industry or product. From the point of view of the customer, very little of our effort adds value. This is partially because of the law of entropy, partially due to how we design our processes, and partially because we do not sincerely listen to our customers. When people and organizations choose to focus more on themselves and their internal needs than on their customers, this creates a cultural problem. It makes organizations less capable of change, less adaptive, and as a result less likely to succeed long-term.

Even if we can copy the practices of the people and organizations we admire for a short time, making lasting change is difficult. Every company that has tried to adopt KAIZEN™, or every person who has tried to break a bad habit, has experienced this. Human habits are hard to change, and organizations are in some ways nothing more than a collection of human habits. KAIZEN™ can help us develop positive habits of understanding problems with facts, seeking ideas from other people, experimenting with small changes, and trying again. These are habits that build change capability.

What about change in our daily lives? How much awareness do we have of the need to reduce wasted resources by applying KAIZEN™? Reflect for a moment on how you consume food. For most of us this is a daily activity that we can influence. Studies show that 30% or more of the food in the food supply chain, from farm to market to refrigerator to table, is wasted. We throw away food at the farm, at the supermarket, at home, at restaurants. This is not good for our personal finance. This is not ethical. This is not the KAIZEN™ way.

“Understanding means doing. KAIZEN™ is not theory, but practice.”

“Knowledge is only a start; we must put KAIZEN™ into daily practice in order to become Lean.”
There are many such examples of time, money and resources that are not being respected, and instead are wasted. When food is cheap, we are made to believe that throwing it away is not only OK, but also a more efficient way to live our lives. By believing this, we create a reality that makes it true. As customers, we allow the current wasteful food supply chain to exist. We accept it is part of our modern culture. In the same way, we allow and accept many wasteful practices within our organizations. Our mindsets create our habits and behaviours, and our habits and behaviours create the level of wastefulness in our reality. This is a cultural problem at the level of societies and organizations.

In the minds of some people KAIZEN™ has been relegated as just one of many tools of the Lean management system however KAIZEN™ has always been more than that. KAIZEN™ is the engine that gives life and energy to the organization by engaging the creativity of people who solve problems together. KAIZEN™ is change for good — change in a moral and virtuous direction. When we understand this, it requires that we look at the choices we make and ask, "Is this moral? Is it better for people?" When we as people ask these questions and take actions guided by the goodness of our hearts, we begin to create KAIZEN™ cultures.

In 2015 Kaizen Institute celebrates 30 years of history, and we are still a long way from a KAIZEN™ culture.

Jayanth Murthy, Director, Kaizen institute India, Founding Partner and Director, Kaizen Institute Africa

"KAIZEN™ is giving people the power to deal with their daily work related challenges. KAIZEN™ thinking and tools, empower people to find challenges, fix them and sustain the improved way. If everyone in an organisation has this ability, imagine the impact it can have on the people, customers, balance sheets and taken further on entire nations!"

Jon Miller
CEO, Kaizen Institute Consulting Group, 2011 — 2014
At the 12th Annual Awards Event in Bad Homburg, Germany, Kaizen Institute celebrated its most successful Business Units and consultants of the previous year during the gala evening.

Business unit leaders from more than 30 countries joined the Annual Awards Event in Bad Homburg, Germany.

Appreciating Mrs. Noriko Imai, the wife of Masaaki Imai for her lifetime efforts with the President’s Award during the 7th Annual Awards Event in Faro, Portugal.

Some impressions of our 30-year Journey.
As Sonae’s experience shows, KAIZEN™ is perfect for a constantly changing environment where there is no opportunity to sit back and say the work is complete. When Masaaki Imai said KAIZEN™ is “everyday improvement, everybody improvement, everywhere improvement”, he was describing exactly the kind of effort this environment requires.

Sonae’s KAIZEN™ journey began as an experiment. “KAIZEN” started in store operations, which represents approximately 85% of Sonae MC,” said Liliana Azevedo, Lean Project Manager. “We started in 2007 with some targeted areas in all stores. We had to see if it was what we were searching for.”

After 2007 we felt we should spread the methodology to all store areas, and since that moment we never stop improving. In 2012, a special team was created to bring KAIZEN™ to the entire organization. Today, the approach has reached almost 100% of team who have logged a total of 2 million training hours.

In a fast-paced retail environment, small details make a big difference. Shoppers take note immediately when items haven’t been placed properly in the shelves, a window hasn’t been cleaned, or an employee can’t explain when a requested item will be in stock. For a large retail operation to get these details right consistently in hundreds of stores, it takes enormous dedication and persistence on the part of all employees.

Sonae MC, Portugal’s largest retailer, has used KAIZEN™ to this end with great success. After 8 years of practice, the approach has become a natural part of the work day for every employee.

“Simplicity Triumphs in Sonae MC’s KAIZEN™ Journey”

Simplicity Triumphs in Sonae MC’s KAIZEN™ Journey

A Conversation with Liliana Azevedo, Lean Project Manager and Filipe Faria, Project Director, Sonae MC

“I think the success has to do with the fit the methodology has with our culture.”

“This is why KAIZEN™ culture fits for us. It was easier because it was not a 100% change.”
“I think the success has to do with the fit the methodology has with our culture,” says Mrs Azevedo. “At Sonae, we experience permanent dissatisfaction; we are never satisfied with what we accomplish. We set goals, and when we accomplish them we almost don’t celebrate. There are always more goals. This is why KAIZEN™ culture fits for us. It was easier because it was not a 100% change.”

The hands-on approach used by Kaizen Institute Portugal empowered store workers to immediately start solving problems. Instead of showing slide presentations, Kaizen Institute consultants went directly to where the work was being done.

“KAIZEN™ is about doing, not talking about doing,” says Filipe Faria, Project Director. “Kaizen Institute went into the stores first thing and helped workers get better results. So they were involved in the cleaning of the stores, replenishing stock, and things like that. This is unique to KAIZEN™, and very different from other approaches.”

Masaaki Imai also provided inspiration when he visited Portugal in 2010. “I learned from Masaaki Imai that companies can improve by doing simple things,” says Mr. Faria. “This is about making simple improvements every day.”

Over time, Sonae has developed a strong implementation team that oversees KAIZEN™ training and projects. According to Mr. Faria, the team has become very good at selling the benefits of the program to all employees. The team also has to exercise constant vigilance to avoid losing the gains that have already been made.

“We have some examples where we lost some of the persistence, and the results came down,” said Mr. Faria, “so we have to be always pushing and selling the program.” The team maintains the momentum by driving and reporting results, and maintaining a busy training schedule for everybody from workers to top management.

“We need to persist,” says Mrs Azevedo. “I think the right word is passion — a sense of mission. We really need to believe in the methodology. When we do that, and when everybody sees and feels the benefits, it gets so much easier, and there is no turning back. From the first day it was clear in our heads that this was a path to follow.”

Interviewed by Jacob Stoller, April 2015

“This is about making simple improvements every day.”
After championing KAIZEN™ in organizations for over 14 years, Pierluigi Tosato, CEO of Acqua Minerale San Benedetto, had plenty of reasons to believe he understood what KAIZEN™ was all about. His thinking, however, changed dramatically when he visited Toyota last summer on a Kaizen Institute tour.

“Our results with KAIZEN™ were exceptional,” he says, “but I came to a very difficult conclusion after my journey to Nagoya. I came to the conclusion that I did not understand anything about KAIZEN™. I had been using KAIZEN™ for so many years without understanding the fundamentals.”

Mr. Tosato had visited many factories that have adopted lean and KAIZEN™ principles, but was surprised to see how different Toyota was. “What I saw in Japan had nothing to do with what I’d seen in many factories in US and Europe so far,” he said.

The problem is that these companies are trying to imitate Japanese factories by adopting lean tools without understanding the spirit of KAIZEN™. “I think as Western people, we sometimes miss the point because we are looking for magic tools,” he said.

Expecting a fixed set of procedures to work in any situation is, he says, actually contrary to the spirit of KAIZEN™. “The worst thing you can do is use the same formula for each case. This has nothing to do with KAIZEN™. KAIZEN™ is to find out the specific solution, specific questions for specific issues you have both in factories or in sales or in other functions of the organization.”

KAIZEN™ requires enormous dedication to teamwork, and Mr. Tosato credits this dedication for the phenomenal flow and synchronization that are legendary at Toyota.

“KAIZEN™ is in Japan a philosophy, almost a religion,” he says. “In Europe, the mentality of the people is different, especially in countries like Italy. Here, you can find a lot of clever and educated people, but they are very individualistic. This is something you have to fight as a CEO to change.”

Mr. Tosato also spent an hour with Masaaki Imai, who is very critical of the self-serving behavior of many Western-style managers. “Imai told me one thing that I’ll remember all my life. He told me the financial reports are made by people who don’t know (the gemba), for people who don’t care (about the gemba).”
This is very clear. You can fabricate the reports just to please your boss. It has nothing to do with what you can see in the gemba.”

Mr. Tosato said the trip gave him a better appreciation of Kaizen Institute’s approach at San Benedetto. “I found out that thanks to the Kaizen Institute, we were really on the right path,” he said. “Have to thank Carlo Ratto (Managing Director Kaizen Institute Italy) and his team. They had it right all along.”

In the spirit of Toyota, problem solving and team building are at the core of Kaizen Institute’s method. “They don’t teach procedure or theory,” says Mr. Tosato. “They get together with the workers to solve the issues. And what they teach you is a methodology which can be spread in your organization. It’s like a tsunami that is going to envelop all of the company.”

The journey, however, will never be over. “With KAIZEN™, you never finish, and this is what we’re trying to get across at San Benedetto. You can’t use the word ‘done’ — nothing can be finished. It’s a journey that is taken step by step.”

Interviewed by Jacob Stoller, April 2015

“KAIZEN™ is about providing value to our clients and in turn they provide value to their customers. KAIZEN™ represents the philosophy that companies can create better products through better thinking. They have the ability to create customer value and eliminate waste through better problem solving, creating strong relationships with the workforce, and developing abilities within their teams. KAIZEN™ is not about tools or systems, it is about creating a KAIZEN™ mindset in every employee.”

“It’s a journey that is taken step by step.”

“It’s like a tsunami that is going to envelop all of the company.”