Kaizen College (worldwide executive education & training arm of Kaizen Institute) now announces three learning opportunities in India.

Click here to know more

<table>
<thead>
<tr>
<th>TOPIC</th>
<th>CITY</th>
<th>DATE</th>
<th>DURATION</th>
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</thead>
<tbody>
<tr>
<td><strong>1. Lean Cell Design</strong></td>
<td>Bangalore</td>
<td>2nd &amp; 3rd December</td>
<td>2 days</td>
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<tr>
<td>U shaped cells—why &amp; how?</td>
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<tr>
<td><strong>2. World Class Offices-The Kaizen® Way</strong></td>
<td>Delhi</td>
<td>25th November</td>
<td>1 day</td>
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<tr>
<td>Collaborative, Efficient, Productive</td>
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<td></td>
<td>Vadodara</td>
<td>28th November</td>
<td>1 day</td>
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<td></td>
<td>Delhi</td>
<td>26th November</td>
<td>1 day</td>
</tr>
<tr>
<td><strong>3. Creating Obeya for Lean Performance Management</strong></td>
<td>Vadodara</td>
<td>29th November</td>
<td>1 day</td>
</tr>
<tr>
<td>Right measures, measured right</td>
<td></td>
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Mission Dantotsu
October 2014

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The Kaizen® Way to Operational Excellence

Does Kaizen qualify as a buzzword?
Is Operational Excellence yet another buzzword?

The half-life of a buzzword

If we look at the last 50 years in the history of management, it is interesting to find a number of words that gained currency and prominence for a time; and then faded away. Only to be replaced by some new ones. On the left is a list of some buzzwords & their origin. The list is by no means comprehensive!

Manufacturing Bias

The list seems to be biased towards manufacturing; and most words have TPS (Toyota Production System) as their inspiration. In later years TPS itself has given way to ‘The Toyota Way’, primarily because the way of thinking and application has extended way beyond manufacturing.

Survivors!

From the list above, Lean seems to have longevity, but has a strong linkage to ‘manufacturing’. The term Operational Excellence is organization neutral & universally applicable to all kinds of organizations, including not-for-profits. The road towards Operational Excellence will always go through Kaizen. Therefore, both Operational Excellence & Kaizen have a chance of escaping being buzzwords with a half-life!!

Why ‘Excellence’?

The rate of change & the rate of globalization has exponentially accelerated during the last few decades. Uncompetitive organizations are unable to survive. Survival demands becoming and remaining competitive. Survival demands excellence!

There are also several non-competitive challenges, listed on the right. Coping with them demands excellence.

- Energy and material shortages
- A precarious global biosphere balance
- Over-consumption in industrial economies
- Ageing population in ‘developed economies’
- Inability to create & sustain “self-learning cultures”
Understanding Operational Excellence

EFQM Business Excellence model

The white thick arrow at the bottom points out to us that one of the key enablers of excellence is ‘Process Excellence’.

Malcolm Baldrige Excellence System

The blue cluster reads ‘Operations Focus System’, and its’ satellites have to do with ‘Process Improvement’, Process Control, Process & System design etc.

A second Business Excellence model

Notice that the black arrow invites our attention to the need to Focus on ‘Process Excellence’.

Balanced Scorecard

The black arrow points us to ‘Internal Business Processes’, and asks us to select the business processes to excel at, for satisfying shareholders & customers.
Balanced Scorecard - Linkages

Employees' effectiveness & productivity is enhanced through improved internal processes. Better processes create satisfied customers. Satisfied customers are the source of better financial performance.

Operational Excellence for Manufacturing

Process Reliability is vital to Operational Excellence in manufacturing.

CONCLUSION

1. Operational Excellence is a sub-set to Business Excellence.
2. No business can be excellent without being operationally excellent.
3. Operational Excellence is necessary, but not sufficient, for a business to be excellent.
4. Operational Excellence is a journey to Process Excellence.

“We get brilliant results from average people managing brilliant processes.

We observe that our competitors often get average (or worse) results from brilliant people managing broken processes.”

A Toyota View
So, What is Operational Excellence?

**QUEST FOR A PERFECT PROCESS!!**

Doc Hall describes a characteristic of Operational Excellence - a moving, unattainable state!

What was excellent yesterday is no longer excellent today.

What is excellent today will no longer be excellent tomorrow!!

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“A operational Excellence is a state of readiness that is attained as the efforts throughout the organization reach a state of alignment for achieving its strategies; and where the corporate culture is committed to the continuous and deliberate improvement of company processes AND the circumstances of those who work there – to pursue Operational Excellence by design, and not by chance.”

– Joseph F Paris Jr; Chairman, XONITEK Group of Companies

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**Operational Excellence**

- **Unattainable target**: an ever-receding horizon on your “journey.”
- **Moving target**: A standard of process perfection that must evolve with changing conditions.

(Nature does not have fixed, linear goals; all goals are temporary...)

- Robert W. “Doc” Hall
  Professor Emeritus, Indiana University

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**A formal definition**

Joseph Paris's definition is reproduced on the left.

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**What is a ‘Process’?**

Process is a sequence of steps that must be performed properly, and in the correct sequence, to create value for a customer.

In manufacturing, we generally ‘see’ it in the form of a ‘Value Stream’.

Service processes are visualized through ‘Process Maps’ of different kinds.

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**Where are processes?**

Every business is composed of processes.

Every business shares many processes with other businesses.

Many businesses also share processes with their customers.

Consumption is itself a process.
Two Types of processes

Primary

Primary processes create value directly for the external customer. They provide revenue & achieve the purpose of an organization.

Typical primary processes are listed here:

<table>
<thead>
<tr>
<th>Primary Processes:</th>
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</thead>
<tbody>
<tr>
<td>✓ Consumption from intent to completion</td>
</tr>
<tr>
<td>✓ Product development from concept to launch</td>
</tr>
<tr>
<td>✓ Fulfilment from order to delivery</td>
</tr>
<tr>
<td>✓ Maintenance and service from delivery through the life cycle of a product</td>
</tr>
</tbody>
</table>

Secondary

Secondary processes only create value for internal customers, but are currently necessary to run the business.

They are sometimes described as ‘Type One’ muda!!

<table>
<thead>
<tr>
<th>Secondary Processes:</th>
</tr>
</thead>
<tbody>
<tr>
<td>✓ Hiring employees</td>
</tr>
<tr>
<td>✓ Checking customer credit</td>
</tr>
<tr>
<td>✓ Collecting receivables</td>
</tr>
<tr>
<td>✓ Closing the books</td>
</tr>
<tr>
<td>✓ Building prototypes</td>
</tr>
<tr>
<td>✓ Identifying new suppliers</td>
</tr>
<tr>
<td>✓ Policy deployment</td>
</tr>
</tbody>
</table>

What is a ‘Perfect Process’?

One in which every step is

✓ Valuable
✓ Capable
✓ Available
✓ Adequate
✓ Environment friendly

And, all the steps are linked and coordinated by

- Flow
- Pull
- Leveling
Perfect Steps

Valuable
A step is valuable
In manufacturing: If it transforms the shape or property of material in the direction of customer requirement.
In business processes: If the step causes a tangible transformation towards a customer need.

Capable
A step is capable if
- It can be performed the same way with the same result every time; and
- The result satisfies the customer
Six Sigma methods facilitate this requirement.

Available
A step is available if
- It can be performed every time it needs to be performed
- In the standard cycle time.
TPM® methods strive to meet this objective.

Adequate
A step is capable if
- There is no shortage of capacity to perform the step when it needs to be performed, without waiting.
- There is no surplus capacity due to the need to add capacity in large increments.
TOC, right-size tooling & 3P methods address this issue.

Environment Friendly
A step is environment friendly if
- It does not degrade the environment
- It does not use excessive energy
- It does not use or generate non-biodegradable material.
The ‘Green’ movement attempts to mitigate this concern.

Perfect Linkages

Flow
Flow is perfect when steps in the process are able to occur in continuous sequence, without waiting.

Pull
Pull will be perfect when each steps occurs ONLY at the command of the next downstream step, within the takt time.

Level
Perfect leveling will be achieved when
- Demand is leveled from the most downstream step, up the value stream, for each upstream step, so that all noise & ‘mura’ is removed from information flow.

TPS/ Lean Manufacturing seek to achieve all three – Flow, Pull & Leveling...
‘Perfect Process’ in Summary

There is no *muda* in any step or linkage!
Every step is:
- completely valuable
- perfectly capable
- perfectly available &
- exactly adequate
- carbon & water neutral

Every step is connected by:
- continuous flow
- noiseless pull &
- maximal leveling.

Kaizen® Way to Operational Excellence is the pursuit of perfect processes, using a structured approach of people development & culture building, depicted in the following model:

The Kaizen® model for Operational Excellence in Manufacturing

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[Diagram of the Kaizen® model for Operational Excellence in Manufacturing]

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Build up a solid basis with:
**KAIZEN® Foundations**

Eliminate: MUDA-Loses

Eliminate: MUDA-Waste

KAIZEN LEAN Management System
E-Newsletter from KAIZEN Institute – AIM (Africa/India/Middle East)

Mission Dantotsu | October 2014

DEHLI
CMIP2 - Foundation Module
- Kaizen® basics and global evolution of Kaizen®
- Kaizen® Philosophy (Principles, Concepts, Genbutsu, Mindu, etc)
- Added value and losses
- Structured problem solving
- Deming Cycle (SDCA/PDCA)
- 5S method and standardization benefits
- Visual Management
- Involving employees in Kaizen® Process

TRAINER
Mr. Gopinath Prabhu
Mr. Bishwamrun Mukherjee

Public Training
22nd & 23rd Sep 2014

MUMBAI
STANDARD WORK KEY TO SUSTENANCE
- Design WWW - Work without Waste
- Understanding units of motion
- The meaning of 'Standard' in Lean
- Workstation Design
- 3 elements of Standard Work
- Layout Design
- Standard Work format

TRAINER
Mr. Kamal Sharma

In-house Training
3rd & 4th Sep 2014

HOSHIKANRI
TRAINER
Mr. Jayanth Murthy

DEEPAK FERTILISERS AND PETROCHEMICALS CORPORATION LIMITED

INTRODUCTION TO KAIZEN®, 5S

TRAINER
Mr. Satyendra Pandey

15th to 17th Sep 2014
KAIZEN Story

Knowing where to make an effort

A giant ship engine failed. The ship’s owners tried one expert after another, but none of them could figure but how to fix the engine.

Then they brought in an old man who had been fixing ships since he was a young.

He carried a large bag of tools with him, and when he arrived, he immediately went to work.

He inspected the engine very carefully, top to bottom. Two of the ship’s owners were there, watching this man, hoping he would know what to do.

After looking things over, the old man reached into his bag and pulled out a small hammer. He gently tapped something. Instantly, the engine lurched into life. He carefully put his hammer away. The engine was fixed!
A week later, the owners received a bill from the old man for ten thousand dollars. “What?!” the owners exclaimed. “He hardly did anything!” So they wrote the old man a note saying, “Please send us an itemized bill.”

The man sent a bill that read:
Tapping with a hammer ....................... $ 2.00
Knowing where to tap.......................... $ 9998.00

MORAL

Effort is important, but knowing where to make an effort in your life makes all the difference.

Please share your feedback / suggestions for improvements to dsoneji@kaizen.com