

Kaizen Award in Romania: the KAIZEN™ way in obtaining the continuous improvement success

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Abstract. *In the times when the economic performance and sustainable management are representing two of the most challenging characteristics of the business environment, there are some methods and techniques that passed the test of time. The great majority of companies are using in the present the KAIZEN™ Business System, a system of management which has been expanding in all over the world, by having and implying the power of continuous improvement and standardization. Having as “role-model” the well-known Toyota Production System, KAIZEN™ Business System has become the fundamental way of managing a business, which led to the creation of personalized management systems for companies. In Romania, it was also developed the Kaizen by Harmony concept, as an approach of KAIZEN™ Business System, its results being highly appreciated at the international level. In the daily challenging task of changing the paradigms and mentalities, several companies succeeded in understanding the importance of KAIZEN™ Business System and have been applying the Kaizen by Harmony concept ever since. Their results are impressive, few companies reaching to the international benchmark level in their fields of activity and becoming leaders of the Romanian or European markets. Therefore, the Kaizen Award in Romania has become the proper way of acknowledging their results and efforts to strive for excellence in the endless cycle of the continuous improvement. The aim of this paper is to describe the competitive advantage offered by KAIZEN™ Business System and Kaizen by Harmony, in strong correlation with the practical approach of the case-studies representing the amazing stories of the Kaizen Award in Romania winners until the present moment. The use of these best practices will underline once again some important business characteristics that must exist in every company, for it to become and remain competitive.*

Keywords: KBS, KbH, Kaizen Award in Romania, continuous improvement.

Introduction

KAIZEN™ Business System (KBS) represents a sustainable management system applied in almost every field by the companies who understood that the key focus of a reliable business activity is to offer the client quality products. KBS has been developing since 1985, when the famous professor Masaaki Imai founded Kaizen Institute Consulting Group, a world-wide management consulting company, present in over 40 countries, which applies the Japanese techniques of continuous improvement (*kaizen*).

In Romania, it was developed also the Kaizen by Harmony (KbH) (Bratu, 2010) concept, a holistic approach which presents the steps that should be followed in obtaining harmony as an individual and as a business entity, considering all the natural and logic flows.

All the elements being considered, the “champions” in perseverance and ambition, which have understood the importance of the continuous improvement methods offered by KBS and KbH are nominated every two years at a prestigious competition which acknowledges their performances. Started in 2013, the Kaizen Award in Romania is aiming

to stimulate the competitiveness and leadership development of the top management of the companies which are enrolling in evaluating their performances according to this prestigious award. The two editions that have been taking place so far brought into light some of the most performant companies that apply KBS in Romania.

This year, the 3rd edition of Kaizen Award in Romania is aiming to illustrate new top performances from the companies which apply the KAIZEN™ methods and techniques. They are proud representatives of the Romanian business environment and their activity and results have the purpose of inspiring and motivate also other companies which are striving for excellence and for continuous improvement. PICBE | 1059

Literature review

Being formed by two Japanese concepts, “Kai” (which means change) and “Zen” (for the better, for improvement), the term which stays at the foundation of KBS offers a wide range of methods and techniques that can be applied by companies in their strategic and daily (operational) activity. The benefits are multiple and they can be observed in every process, level of the company and probably the most important, in the attitude and mentalities of the employees.

KAIZEN™ results recognition does not represent a subject that has been hidden from the literature, several companies being acknowledged at the international level for their top performances in applying KBS. Pump Industry Analyst Publication tells the story of Kirloskar Brothers’ Coimbatore plant from India (2015) in a competition organized by Quality Circle Forum of India (QCFI). The company received a distinction in 2012 for their KAIZEN™ activities, regarding their quality initiative and their employees’ involvement. Their perseverance has not stopped here, the same publication describes a year later the KAIZEN™ award received by Kirloskar Ebara Pumps Ltd’s (KEPL), a joint venture composed by the previous company and Ebara Corp from Japan. This time the SMED (Single Minute Exchange of Die) reduction times were congratulated by Confederation of Indian Industry.

As Mr. Masaaki Imai relates to one of the frequently asked questions, there are three success factors that influence the well-development of KBS in a company: *“Top Management commitment, Top Management commitment and Top Management commitment”* (Imai, 1986).

Methodology: Kaizen Award in Romania - stages and procedure

Being the most prestigious award for the companies implementing the KAIZEN™ Business System (KBS), the prize envisions the applied learning process for the participants, using the best practice method. This approach is therefore very useful, creating the pre-requisites for the evaluators team, the latter being composed by the top management representatives of the companies involved in the award. Of course, the team of evaluators is completed by two members from Kaizen Institute. This method of evaluation brings a high degree of objectivity and it works as a facilitator of the *learning by doing* approach. Also, it is very important to affirm that the award itself is not perceived as a competition, but rather as a collaboration and opportunity for learning, improving and respect for each company. The best practice method and the applied learning process is extended also to another firm which is not the subject of the award. This “calibration company” has the role of training the evaluators’ team by means of a “Model Evaluation” and of a “Evaluation Handbook”, which

would become the standard material that the companies must complete, evaluate and present.

The evaluation itself is done in Gemba, by observing and monitoring each specific process and activity, according to the “Kaizen Business System” House (Figure 1). The conclusions meeting and feedback represents the end of an evaluation day, based on some specific algorithmic procedures. After performing the evaluation at each participating company, the final session and the award ceremony will certify the most impressive performances of the management systems applied by companies.



Figure 1. “KAIZEN™ Business System” House

Source: (Kaizen Institute Romania, 2013).

In the two editions developed so far, the candidates for the award had the honor to meet and be rewarded for their accomplishments by the founder of Kaizen Institute Consulting Group, Mr. Masaaki Imai.

Kaizen Award in Romania: case study of Supremia Grup

Founded in 2001, the company led by Levente Hugo Bara has evolved exponentially, becoming more competitive every day and improving its products and services for the customers. In 2011, when the company celebrated its 10 years’ anniversary, it became the leader of its field.

The company started applying the KAIZEN™ principles and methods since 2010, managing to achieve a high-level performance in the years that followed. The proofs are supported by the results and progress of the company, which were introduced as a case study of best practice in the "Gemba Kaizen - Second Edition" (Imai, 2012) written by the founder of Kaizen Institute Consulting Group, Mr. Masaaki Imai, and "The Lean CEO – Leading the way to World-Class Excellence" by Mr. Jacob Stoller (Stoller, 2015) books.

The perseverance, ambition and dedication of the general manager, for continuous improvement and the involvement of its employees led in 2015 for Supremia Grup to achieve a very high level of performance, both at a national and international level. The two awards in question were "Kaizen Award in Romania" and "EY Entrepreneur of the Year™". The last one offered Mr. Bara also the opportunity of representing Romania at the international stage of the award, and becoming one of the best 47 entrepreneurs in the world.

Best practices implemented in Supremia Grup

The implementation of the KBS in Supremia Grup started when the top management of Kaizen Institute Romania and Mr. Levente Hugo Bara defined the company vision for 2015 (defined "Supremia 2015") and a series of 11 strategic projects to be achieved within the same time frame, acting on two axes: strategic and operational. Today, the company is proudly presenting its customized management system, the Supremia Management System (S.M.S) and a new vision for 2020. PICBE | 1061

Strategic Management

From an *organizational* standpoint, the top strategic management applied in "Supremia Grup" consists in the definition of its mission, vision, values and strategy development on the short, medium and long term. Also, an important aspect represents the development and implementation of the 11 strategic projects, using an instrument called Kaizen Balance Score Card's (KBSC). By means of this KBSC, the strategic objectives can follow the logical flows, being decomposed in sub-objectives, directions and actions, starting from the general manager until the first line level.

Subject to the mission of being in harmony with the elements represented by the *individual* level, the strategic management also follows the mission, vision, personal values of the employees', the individual harmonic KBSCs (HKBSC) and the personal strategic projects.

Operational Management

This second element of analysis represents the daily activities that must be performed in order for the strategic objectives to be achieved. Among these items, Supremia Grup is providing best practices in several techniques and methods:

- The *Golden Rule O.F.A.C.E.M.* (Bratu, 2015) (O= defining an Objective; FA = Adequate Flow for obtaining one specific objective; CE= Concentrating Energy/Efforts for achieving the objective and M= Measurement and Motivation) for every day's agenda;
- The *Meeting Point* for different departments, as a way of performing a short activity information and harmonization of teams' activities for one specific day
- "*Process confirmation*", which consists in a structured method to confirm the well-development and use of processes and standards.
- *Mental 5S* as a transposition of the acknowledged KAIZEN™ technique at the individual level, this involving the systematization of thoughts and ideas, along with the objectives established for one day.
- "*Learn and change*" (Bratu, 2015) method (Figure 2), which is illustrating what has worked well, the factors that led to this, what functioned less than expected, the related causes, the recommendations implied by the positive points, the aspects that should be changed derived from the negative points, all being part of an action plan.

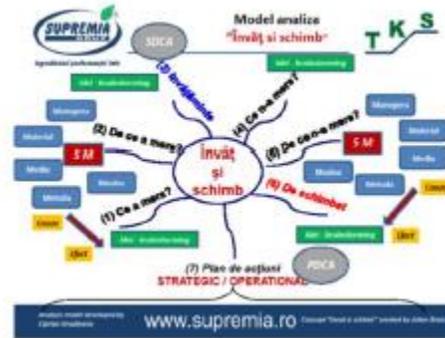


Figure 2. **Learn and Change” combined with a SWOT Analysis at Supremia Grup**

Source: Managing by Harmony Principles (Bratu, 2015).

KAIZEN™ Sustaining

For ensuring the well development and implementation of S.M.S., the company has defined a set of specific actions and measures. The first of these relates to the creation of the *Supremia Kaizen Trainers Team (TKS)*, founded from the second year of implementation of the Kaizen Project (2012). The team consisted of six people, while in 2015 there was a total of 27 active trainers. They are divided into 3 categories: seniors, juniors and beginners, all of them being under the coordination of the Kaizen Manager. Subsequently, according to the degree of involvement, the *skills matrix* corresponding to each member of the TKS teams was designed.

Other initiatives from this category are involving the *communication panels* for different departments, the *internal newspaper*, the *suggestion box* for the general manager or different *communication standards* elaboration.

KAIZEN™ Basic Culture

The elements from this category are representing the fundamentals for the sustainable application of KBS. As previously stated, for achieving a good fluency, coherence and wisdom, Supremia Grup successfully defined the *Kaizen Manager Profile*, which was a prerequisite of S.M.S. and translated later on in every leadership position from the entire organization.

Applying the 5S Method and the awareness regarding the *Added Value and Muda (Waste)* represented the grounds for every other KAIZEN™ method or technique. *The operating standards* designed for every post and position, and the implementation of *KAIZEN™ Teian (Suggestions system)* were also mandatory for this part.

Supremia Grup is also renowned for its *responsibility towards employees and nature, by KAIZEN™*. By implementing the KbH concept, the company is producing by means of the solar panels approx. 1000 MWh/year. The respect for people and nature is demonstrated every year by the involvement in the planting actions, such as *KAIZEN™ for People and Nature*, or by participation at ecologic and education actions like *Public 5S*. The preoccupation for society and education is also developed by the support offered to NGOs (e.g. “*Romanian Scouts*” or “*Romanian Red Cross*”) or educational projects (*Alba-Iulia German Professional School*) and initiatives (“*Outstanding in Management Project*”, in partnership with Kaizen Institute Romania and Kaizen Manager Club Association).

Kaizen Award in Romania: case study of Sunimprof Rottaprint

Sunimprof Rottaprint was founded in 1991, when a new concept was introduced to the Romanian market, respectively the flexographic printing. 23 years later, the company became the leader in Romania, having over 33% market share. The company started to walk on the KAIZEN™ path since 2013, when the first processes of developing a customized management system were started. One year later, Sunimprof Rottaprint became market leader.

Best practices implemented in Sunimprof Rottaprint

Starting from the analysis of "Sunimprof Rottaprint" team, the KBS provided an opportunity for sustainable development model and continuous improvement. The performance of the company is highly appreciated, being the first which successfully implemented the KbH concept.

Strategic Management

Starting from the natural question "*Who are we?*", the process of strategic management began by defining the mission, vision, values and strategic directions for the next period. The main ones involved:

- Efficient and effective processes;
- Increasing the organizational competences;
- Financial stability;
- Sustainable Development.

At their turn, the strategic directions are sustained by the strategic projects. Their objectives are defined by *QDCMTES* (Quality, Delivery Time, Costs, Motivation, Technology, Environment and Safety) indicators. Some examples are implying the achievement of "Zero Complaints", "Zero defects", "an On-Time Delivery (OTD) of 98%", a customer satisfaction of 95% and so on.

The strategic management pillar includes also the core element, respectively the design and implementation of the *Sunimprof Rottaprint Management System (SMSR)*, as a customized approach of KBS.

Operational Management

The Operational Management component is addressed by Sunimprof Rottaprint by means of three perspectives, respectively *the individual daily plan of the manager*, *the operational management standards* and *the KAIZEN™ workshops*. At their turn, for a better implementation and monitorization, these three can be deduced on three levels: at the *workplace, process and system*.

For obtaining the best results, the individual daily plan of the manager was defined as an activity which to follow the two main categories of activities: *maintaining* vs. *improvement*. They offer the opportunity to be managed by means of the *informatic system* (notifications), of the *Ideals-Waves Matrix* (Bratu, 2010) (an instrument which makes the

correlation between every day planned activities and unforeseen ones) and by the *Personal Agenda*.

Concerning the operational management standards, the O.F.A.C.E.M. rule which was previously described, as well as the existence of standards for the workplace, process and system, assure the well-functioning and planning of a working day.

The third perspective involves the well-organization of the KAIZEN™ workshops, for PICBE | 1064 every department or direction, in each week until the end of one year.

KAIZEN™ Sustaining

In Sunimprof Rottaprint, this process is very important and it is realized starting from the Top Management, continuing with the KAIZEN™ Department and with an innovative formula of a sustaining team for GEMBA, respectively the “Obeya Team”. By creating this team, the profile of such a member, in charge with supporting the continuous improvement activities, was designed. The next level was defined by the creation of competences matrix, which implies also the use of a color code: *green* for the qualified operators and *blue* for the instructors. The personnel knowledge status is updated once at 6 months.

KAIZEN™ Basic Culture

The most impressive initiatives for developing the basic culture were the “*Development of the “Obeya Team”*” and “*Theoretical and practical training – area responsible*” projects. Another important element was found in the defining process of the *KAIZEN™ Leader*, alongside with Kaizen Institute Romania (Figure 3).



Figure 3. KAIZEN Leader Profile – General features

Source: Managing by Harmony Principles (Bratu, 2015).

The KAIZEN™ Basic Culture was also underlined by the emphasis on Added Value and Muda awareness. The whole personnel apply the “5S Method” through *maintaining* activities (5 minutes at the end of every shift and 30 minutes at the end of every week) and *improvement* activities. The implementation of *KAIZEN™ Teian*, the *7 Rules of the Harmonic Code* (Bratu, 2014) or the participation at the “Public 5S” events are representing proofs of a performant level of application of KBS.

Kaizen Award in Romania: case study of Stabilus Romania

If the previous cases illustrated the performance of Romanian companies, the next nominalization for Kaizen Award in Romania from 2015 is a multi-national company

(MNC). The German producer of gas struts, dampers and electromechanical drives started its activity in Romania in the fall of 2005. The company managed to expand its plant surface twice, from 7.200 sqm in 2005 to 15.000 sqm (and this trend is still increasing). The KAIZEN™ story of Stabilus Romania starts in 2009, when a unique milestone was reached: it was Cristian Popescu's initiative, general manager, who put the basis of implementation of KBS at a local level. After the first months, the results were promising, so Stabilus Romania received the confirmation of its continuous improvement activities. In 2016, the management system implemented by Stabilus Romania, as a customized version of KBS, was recognized as a framework model of activity for the entire group. PICBE | 1065

Best practices implemented in Stabilus Romania

Starting initially with 2-3 days' length of workshops, the implementation of KBS in Stabilus Romania started with enthusiasm and perseverance. The results are starting to appear after a while, its consistency reaching a peak in 2014, when the mentality changed and the continuous improvement activities became normal processes.

Strategic Management

The first and most important item in this section was the definition of a *sustainable management system*, as a personalized version of KBS, which applies also the KbH concept. Next in line, a *strategic annual plan* was defined, which was strongly correlated with the *top management KBSCs*. In addition, there were established several *strategic management standards* (e.g. reporting schedule, roadmap, annual audit), structured on the QDCMTES premises (e.g. Decreasing the internal scrap level (Q); decreasing the staff turnover at less than 15% (M), no incidents (S) and so on).

Operational Management

The top initiatives for efficient and effective performances regarded the *individual manager plan*. Its purpose is translated in ensuring the communication flows for planning the meetings with the teams for every level (daily, weekly or monthly). Thus, the *meeting point* was implemented for every zone and several *operational standards* have been created to facilitate the processes. The *communication panels* summarize the relevant information in a visual way (e.g. production planning, follow-up of the orders' status, weekly planned maintenance, action plans and so on). Additional information concerning the *KAIZEN™ workshops planning* and the *daily performance analysis* are completing the operational management pillar.

KAIZEN™ Sustaining

The activities from this direction were defined having the purpose of *building and developing an organizational culture*, according to the pre-requisites existent in the KbH concept. The element of novelty comes also from the foundation of a team of *KAIZEN™ Ambassadors*, which are responsible for the KAIZEN™ implementation. They benefit of over 570 hours of trainings (over 47.5 h/person) and by the experience accumulated from over 22 workshops. This initiative represented a facilitator for constructing a competence matrix, which is correlated with the objectives of the HR Department in achieving the STAR (Stabilus Reloaded) 2020 vision. Also, an objective in KAIZEN™ Sustaining is concerning the

decreasing of the staff turnover, following a step-by-step approach for motivation and retention. Another important component of KAIZEN™ Sustaining is represented by the communication flows. Several innovative ideas such as “The KAIZEN™ Activities Report”, “Stabilus Actual Magazine” or “The Employee’s Handbook” have been designed for optimally informing the personnel.

KAIZEN™ Basic Culture

Starting from the need of a sustainable leadership, Stabilus Romania correlated the KBSCs and KPIs, as a foundation for the continuous improvement program. This initiative is continued with the awareness concerning Added Value and Muda activities (Figure 4). The visual management turned out to be very useful, the company implementing the “Client’s Corner”, as a way of acknowledging the quality. The system of suggestions and recommendations from the employees (Kaizen Teian) began to function, 573 ideas being considered for implementation, according to a defined objective of 2 ideas/employee/year.

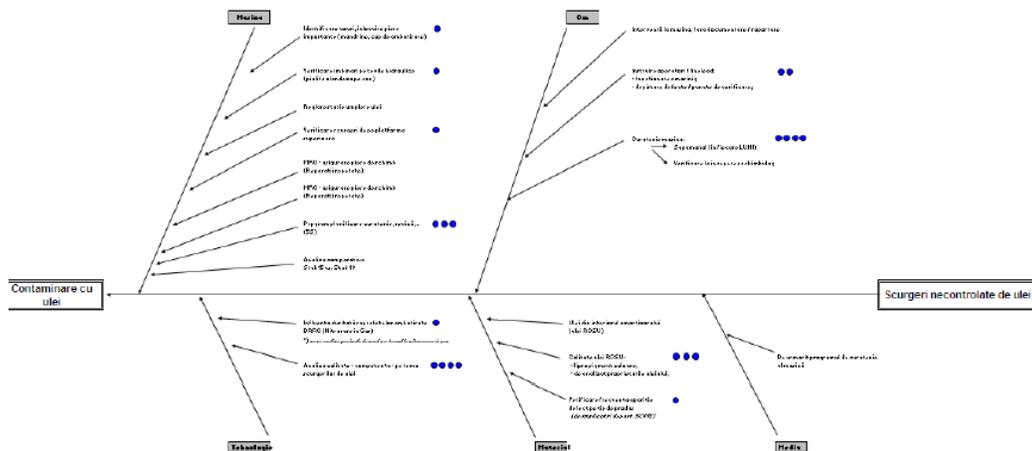


Figure 4. Solving basic problems using the Ishikawa Diagram

Source: Manualul de prezentare al companiei Stabilus România pentru „Premiul KAIZEN™ în România (2015).

Stabilus Romania follows the superior levels of the KbH concept, promoting the social responsibility by participating at the “Public 5S” Actions and at “KAIZEN™ for People and Nature”. The company actively involves in the educational system, developing alongside with other business environment representatives from Brasov, the Kronstadt German Professional School (SPGK).

Conclusions

After synthetizing all the elements of continuous improvement that the three companies have implemented during the collaboration with Kaizen Institute Romania, it can be affirmed that the results are impressive, especially considering all the factors that could have altered the efficiency and effectiveness of processes. The perseverance and ambition of the general managers, aggregated with the sustainability of the KAIZEN™ methods led to what can be called the next generation companies, having a performant management system and eager to learn and develop.

Another significant contribution regarding the topic and the impact of the KBS towards the development of the companies and of the business environment is the national

and international benchmark level reached in terms of performance. This level is itself a recognition and provides the pre-requisites for obtaining a prestigious acknowledgement such as the Kaizen Award in Romania. However, the continuous improvement does not stop after obtaining such a distinction, the companies striving for excellency as a solution for the fast speed of the present and traits of the market and of course, becoming a “role-model” for other firms.

The evaluation confirmed the status that was already present in GEMBA and each of the three laureates deserve their spot in the prestigious Kaizen Award in Romania. The Kaizen Institute Romania team is looking forward for the next great performances developed by the Romanian companies (national and multi-national based) and it is grateful for having the opportunity to become a facilitator of sustainable growth and development of the Romanian business environment.

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