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Businesses Find the Evolutionary Path to Profitability

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One obstacle to improvement in a typical American company is the assumption that change requires months of planning, major expense and a work stoppage or slowdown. Then there's the fear that old habits and practices will slowly return as people forget what they learned amid the pressures and demands of running a business.

Even when the need for change is obvious, such companies often resist fixing something until it's utterly broken.

An alternative, nonreactive view embraces change as a continual process of incremental improvements and tweaks — not as an exercise in obsessive compulsion but as an adaptive approach to reducing waste-related costs, eliminating inefficiencies and optimizing competitiveness.

That perspective is the Japanese system of *kaizen*.

Change is Good

As the Japanese rebuilt their economy from scratch after World War II, they invested heavily in their manufacturing and banking sectors and in the education and training of a disciplined, sophisticated and technically savvy workforce. Their manufacturing sector became so efficient that it challenged America's status as the world's largest economy in the 1980s.

The philosophy of *kaizen* was central to Japan's breathtaking rebound. And it's at the heart of the various tools, techniques and practices of "lean manufacturing" used today by leading manufacturers around the world — and by any business that wants to improve its profitability and efficiency and lower its operating costs while winning loyal customers who appreciate high quality products.

Kaizen begins by setting high standards for quality and organization and then continuing to elevate those standards by encouraging ideas and suggestions from every employee about how safety and productivity can be improved and waste can be reduced. It also assures the training, supervision and resources employees need to work and achieve at higher levels.

Many companies that operate on *kaizen* principles expect each employee to contribute a set number of suggestions each year about gaps that need closing and inefficiencies that need to be



overcome. Each idea is documented and shared, and the best ideas are implemented quickly — sometimes on the same day they're heard.

Employees participate in these activities voluntarily because their ideas are respected, and they get the personal satisfaction of seeing how their suggestions benefit the companies that employ them. Rather than being perceived as boat rockers and troublemakers, these workers are celebrated as agents of positive change.

The Kaizen Connection

The kaizen philosophy gave birth to quality circles and total quality management, among many other business improvement models of the past few decades. It's at the root of *kanban*, an information-sharing technique that mimics just-in-time — the practice of delivering raw materials when the production line needs them — and the “line balancing” of workstations to eliminate bottlenecks and down time.

It's also the foundation of many of the continuous improvement tools offered by the New Mexico Manufacturing Extension Partnership. This statewide nonprofit organization sponsors workshops on lean manufacturing and other processes that can increase the competitiveness of small and medium-sized businesses. New Mexico MEP's Innovation Directors work with businesses one-on-one to change mindsets and transform companies into lean and efficient engines of growth.

For more information about services offered by MEP, call 505-262-0921 or visit www.newmexicomep.org.

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