

# Kaizen Events and Project Management - A Synergy

- **Opportunities and Threats - How can combining Kaizen and Project Management help?**
- **High Level Strategies and Linkage to Bottom Line Results**
- **Mechanics and Examples of Successful Kaizen Events**
- **Conclusion**
- **Questions and Answers**



# Self-Introduction

- Born, raised and educated in Munich, Germany
- Author of the thesis: “Organizational Principles and Machiavelli Applied in the Industry”
- Specialized in international Project Management, Organizational Development, Industrial Engineering, Operational Excellence
- Consulted European Companies
- Currently employed by Eaton Corp. as a Project Manager for Operational Excellence





# **Opportunities and Threats- How can combining Kaizen and Project Management help?**

# Opportunities and Threats

<b>Opportunities</b>	<b>Threats</b>
Market Growth	Aggressive Competition
Time to Market	Long Lead Times
Reduced Inventory	Excessive Inventory
Order to Cash	Long Processing Order Times
Quality Improvements	Loss of Market Share
Innovative Products	Long Lead Times for Product Development
Reduced Floor Space	Underutilized Space
One-Piece Flow	Batch Processes



# Kaizen and Project Management

## What is Kaizen?

- Kai = To take apart      Zen = To make good
- Kaizen = Continuous Improvement

## What can be Taken Apart and Improved?

- Business Processes
- Manufacturing Processes



# Kaizen and Project Management-Similarities

## Kaizen Event

- Defined by a Business Case
- Kaizen Champion
- Kaizen Leader
- Kaizen Implementation Team
- Kaizen Implementation Metrics
- Business Impact Analysis

## Project

- Defined by a Scope Statement
- Project Sponsor
- Project Leader/Manager
- Project Management Team
- Project Success Metrics
- Project Quality Mgmt.

Opportunity for Synergy!!!



# Kaizen and Project Management- How Can it Help to Get Results?

## Kaizen Event

- ❑ Flushes out Opportunities at multiple business levels
- ❑ Points out Waste visually
- ❑ Determines Impact on overall Business and/or Business Units
- ❑ Creates Buy-In “On the Spot”
- ❑ Incorporates Change Management as part of overall Improvement Strategy

## Project Management

- ❑ Structures Improvement Projects and identifies Resources
- ❑ Supports Program Management
- ❑ Evaluates Risks and Chances for Success (Monte Carlo)
- ❑ Creates Visibility to track Success (Gantt Charts) for Project Sponsors and Stakeholders
- ❑ Provides the Discipline to follow through Implementation Phase





# **Vision, Strategy, Tactics and Linkage to Bottom Line Results**

# Vision, Strategies, Tactics and the Bottom Line



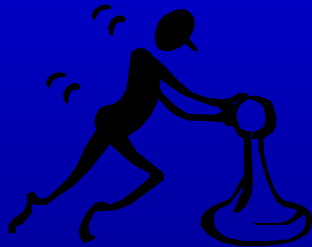
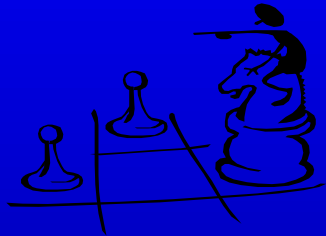
**Vision** - Where Do We Want to Be?



**Strategy** - How Are We Going to Get There?



**Tactics** - What Tools Will We Use to Get there?



- Kaizen Events
- Project Management





# **Mechanics and Examples of Kaizen Events**

# Kaizen Mechanics

- Define Business Case/ Start Program Management
- Select a Kaizen Team of 8-15 people. Ensure to include 1/3 Specialists, 1/3 “Outsiders” and 1/3 “Decision Makers”
- Map Current Value Stream and determine Value Added vs. Non-Value Added Activities
- Create “Kaizen Bursts” based on Opportunities
- Create Future Value Stream Map
- Start Project Definition and Planning Process
- Implement Improvement Projects
- “Report-Out” to Business Owners

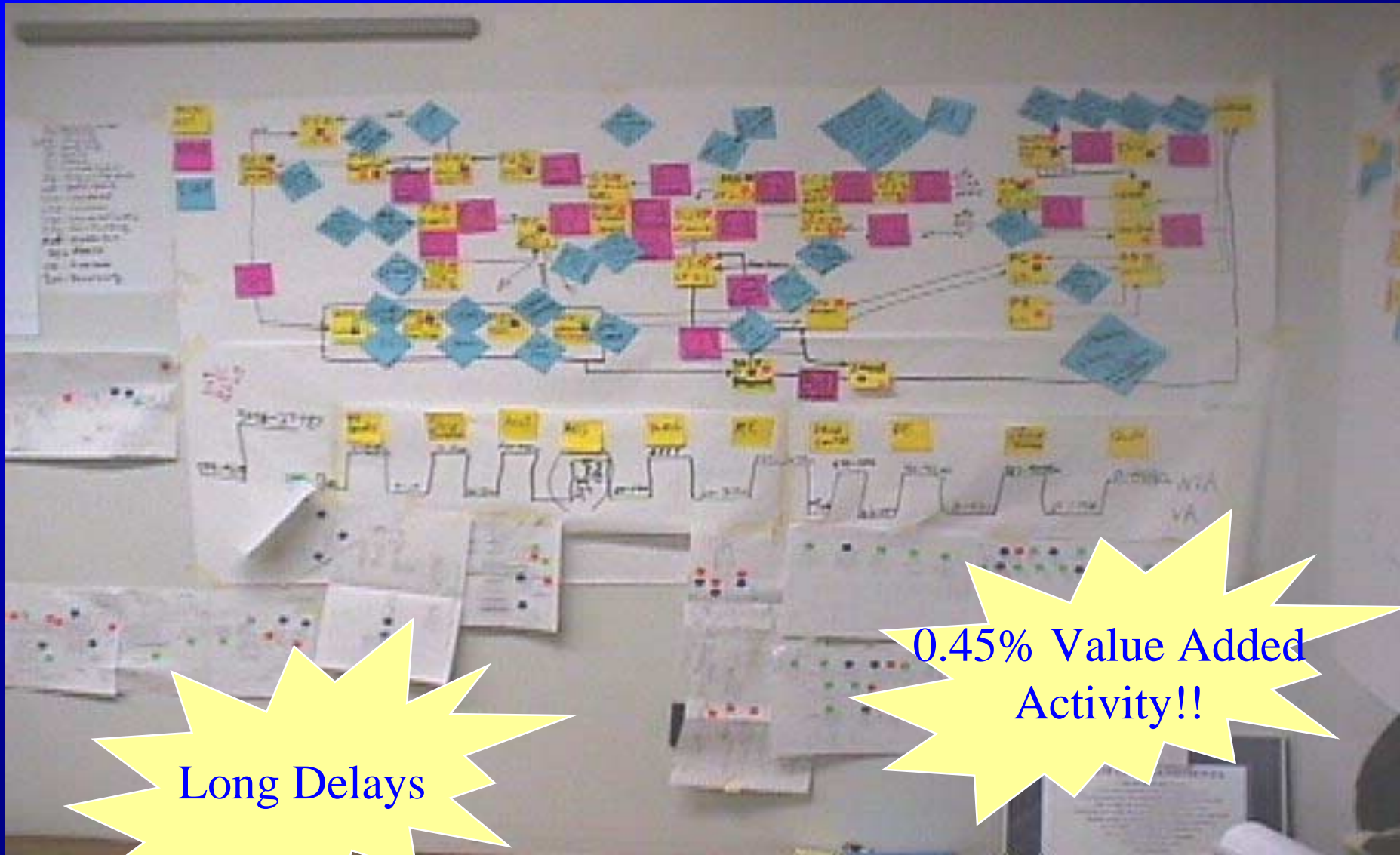


# Kaizen Event Management- Example

Timing*	Scope	Participants
<b>WEEK I</b>	Business Case, Cur. Value Stream, Fut. Value Stream, Goals, Metrics	Business Owner, Kaizen Team, Project Manager
↓	<b>1st Month</b>	↓
<b>WEEK II</b>	Kaizen Implementation, Feedback	Kaizen Team, Project Manager
↓	<b>2<sup>nd</sup> Month</b>	↓
<b>WEEK III</b>	Trial Runs, Modifications, Feedback	Kaizen Team, Project Manager
↓	<b>3<sup>rd</sup> Month</b>	↓
<b>WEEK IV</b>	Report Results, Lessons Learned, Team Recognition	Business Owner, Kaizen Team, Project Manager

\*Weeks are not consecutive

# Current State Example



Long Delays

0.45% Value Added Activity!!

# Current State Example

Batch Processing

0.26% Value Added Activity!!



Long Wait Times

Excessive Inventory

# Future State Value Stream

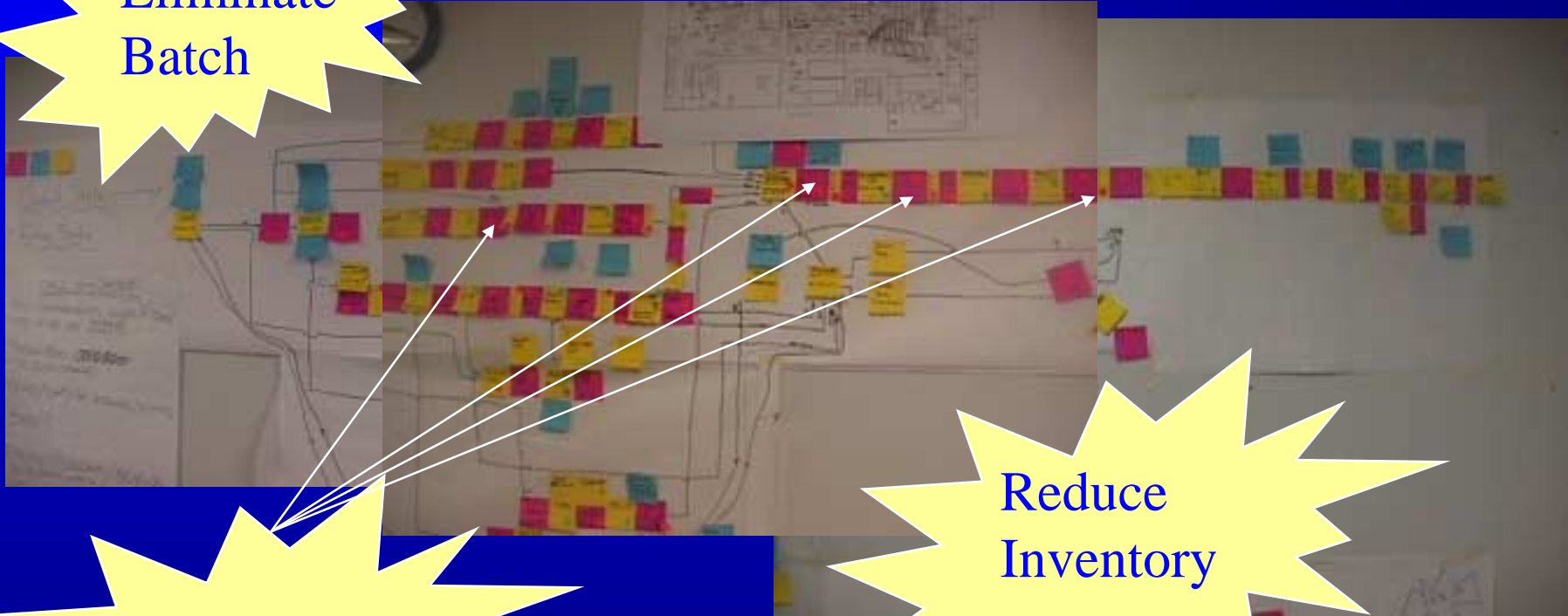
- ❑ Cuts Out “Waste” up to 90%
- ❑ Increases Value Added Ratio up to 20%
- ❑ Compresses and eliminates Lead-Time, Delays, etc. as much as possible
- ❑ Hands over “Improvement Project Portfolio” to Project Manager(s)



# Potential Future State

## Example Ideas

Eliminate  
Batch



Eliminate  
Delays

Reduce  
Inventory



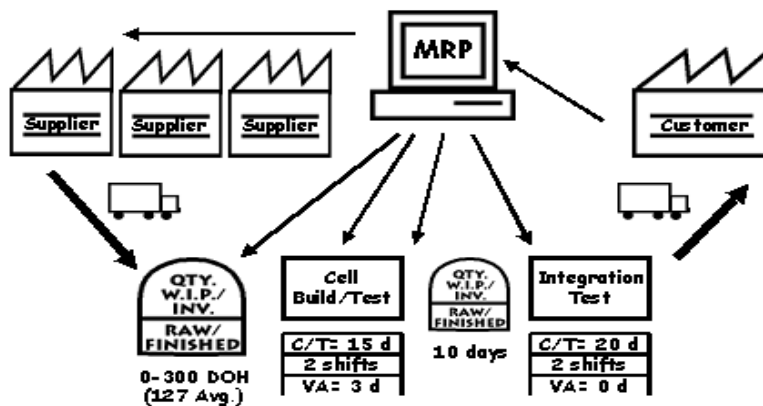
# Implementation Time!!

## Customer Order Process

### Background

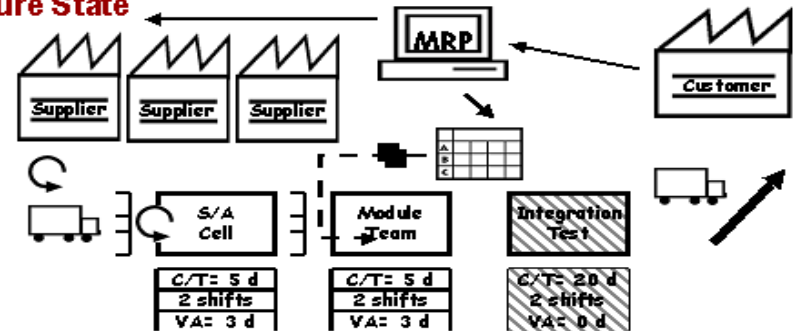
- Customer is not Buffered from Supply Problems
- ~150 part shortages per machine start
- > 40% of operator time spent hunting for parts
- Module on time delivery to Integration < 40%
- Machine On time to Customer < 90%
- Cells not building to Takt
- No Standard Work
- Quality Bottlenecks
- MRP Push Environment
- 10K W/O's Per Month
- 150K P/N's

### Current State



Courtesy of Eaton Corp. Copyright 2002-2005

### Future State



### Action Plan

#### Pull Scheduling

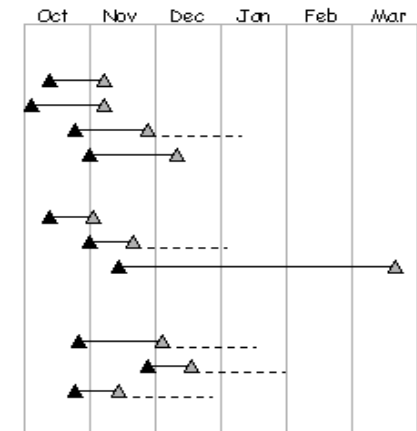
- Schedule Box - Kevin G.
- S/A Pull - Boyd E.
- Build S/A Stores - Chip M.
- Runner Routes - Boyd E.

#### Supplier Pull

- Card System Test - Kevin G.
- Truck Route - Kevin G.
- Expand to suppliers - Craig B.

#### Takt & Flow

- Standardized Work - Chip M.
- Continuous Flow - Chip M.
- 5s - Chip M.



### Measurables

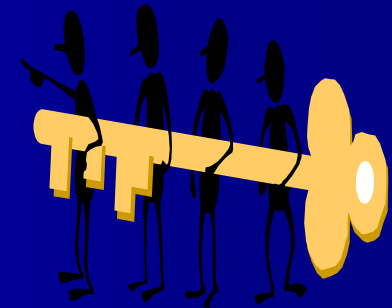
Metric	Before	Now	Goal
S/A % Avail	0%		99%
Inventory DOH	127		75
Module OTD	??		99%
Part chasing	40%		0%

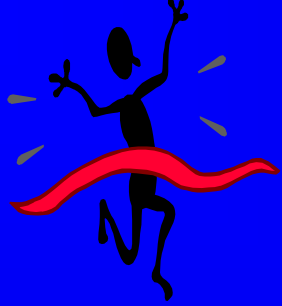


# Conclusions

# Why Combine Kaizen Events and Project Management Methodology?

- Save Time- Combine Business Improvement Methods with Project Management Tools up-front
- Exploit Synergy Effects-  $1+1=3$
- Foster Team Forming Dynamics early on during the Business Improvement Initiative
- Facilitate proper Project Management from the get-go; therefore increasing Chances for a successful Implementation





# Conclusion

- Kaizen Events and Project Management are two important tools to “bring home” results quickly and efficiently.
- Increased velocity will give your company the cutting edge to succeed in today’s challenging marketplace.
- Don’t forget to celebrate successes!
- Post results company-wide and share lessons learned.
- If you fail; fail fast.





# Questions???

For further information or dialogue,  
you can reach me at

E-mail: [PeterARoder@eaton.com](mailto:PeterARoder@eaton.com)

Phone: 419-887-6514

Cell: 612-877-0250



# Literature on Kaizen Events

- **“Drawing a Lean Consumption Map/ Lean Consumption”**; Harvard Business Review, March 2005, James P. Womack, Daniel T. Jones
- **“Kaizen For the Shop-Floor”**; Productivity Press; ISBN 1-56327-272-5
- **“The Kaizen Blitz”**; Anthony C. Laraia, Robert W. Hall, Patricia E. Moody; ISBN 0471246484
- **“Kaizen Event Implementation Manual”**; Geoffrey L. Mika; ISBN 0970872402
- **“Kaizen Strategies for Successful Organizational Change”**; Michael Colenso; ISBN 0273639854
- **“Business Process Improvement Workbook ”**; H. James Harrington, K.C. Esseling, Van Nimwegen; ISBN 0070267790

