

THE KAIZEN PHILOSOPHY IN ROMANIA

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ABSTRACT: *Kaizen is a philosophy of life that addresses to the best who want to be more and better. It is a process of improvement that never ends and it results in many advantages. The Japanese leadership model has shown that progress in small steps, but fast, conduces to doubtless long-term wins. Kaizen method, implemented in Romania, too, brought people satisfaction and more money in their pocket.*

KEY WORDS: *management, innovation, kaizen, performance, steps, strategy, work, quality, company*

1. INTRODUCTION

The Japanese prefer to obtain performance progressing with "small steps". This kind of promotion of innovation is called by the Japanese kaizen. In a Kaizen project for improvement everyone involved participates: the workers, the foremen, the engineers and the manager. It doesn't matter the ranking, it counts the value added produced by the intelligence and the force of action of each to increase the power of the group. The Kaizen philosophy's mentality is the opposite of the specific model often practiced by men, according to the minimum effort principle, "it works this way, too".

Kaizen has become known as a new discipline of management in the last two decades of the last century. Although the Kaizen management developed in Japan between 1950-1980, the name was officially recognized and registered as a trademark in the U.S. in 1985, when Masaaki Imai published the book, "Kaizen: The key to competitive success of Japan. Until then the name of kaizen was just a common noun in Japanese, with the meaning of "always better". Professor Imai has given the meaning of managerial principle - Kaizen, continuous improvement management - and has subsumed an entire structure of concepts, techniques and management systems used by Japanese enterprises which proved an outstanding competitive on the Western markets.

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Kaizen is a Japanese concept which, in essence, signifies continuous improvement. It comes from Buddhism, where it means "renew your heart and make it more and better. In martial arts, Kaizen means 'go forward with small and quick steps. The method has been gradually expanded in management, too. Currently, Kaizen is studied abroad Japan, in major institutes in the U.S., Canada, Western Europe, being considered a middle path between two traditional management styles: quality management, oriented towards achieving compliance with a predetermined standard, and oriented management to reengineering business, based on major changes in organization structure or processes.

2. KAIZEN INSTITUTE IN ROMANIA

The KAIZEN Institute is a global organization which is operating in Europe, Africa, Asia-Pacific and America and was established in 1986 by Masaaki IMAI. In Romania - KAIZEN Institute Romania - IKAR Management Consult was established in 2004 by the best consultancy firms in Romania, in the quality management domain, the QUASARO and BRACO companies. By putting their skills in common and by their continuous development, we want to offer to the Romanian companies an alternative to the competitiveness by the lower price of hand wrought: competitiveness by addressing practice management, with low costs and intelligent use of international verified experience.

Conferences are held yearly, involving specialists from Japan and worldwide. In Romania are specialized consulting firms, for example, the most popular are QUASARO and BRACO, being also the founders of the Kaizen Institute in Romania. S.C. QUASARO LTD. - established in 1991, is the first company certified for the quality management system, and since 1993 is the first international IRCA certified auditor (UK). Other consulting firms: SC Exegens Management Consultants, SC Kaizen Consulting S.R.L.

Romanian firms which have implemented the Kaizen strategy had to take into account the following aspects:

- In the management oriented to reengineering business is necessary *a intensive consumption of resources required to perform a jump-type change* but, in the end, the success it is not always assured;
- In the Kaizen's approach, the emphasize is on the fluency *of the improvement process and on his efficiency*;
- *An effective management is built day by day, and employee by employee*;
- A second important difference is that in Kaizen, *improving products and processes is the responsibility of the whole personnel of the company, not only of the specialists*;
- In the innovation process, through small and quick steps are *involved workers, foremen, engineers and managers*;
- The need for *specialized consultants and for courses referable to Japanese culture*;
- *Quick response to commands* (JIT technique) Toyota is well known for the quality and reliability of its cars. Recently it won the American Forbes magazine prize for 2002, for the company with the largest management of worldwide processes and

best quality products. Due to this and to Toyota who has developed, for a few decades, JIT (Just In Time) type of production system, which allowed it to reduce response time to customer orders, for three weeks, as it was initially, to two days. This happened due to continuous improvement conditions in terms of reliability and the growth of automobiles warranty period to three years;

- *Fewer defects* (TPM- Total Productive Maintenance). Through the concentrated efforts to implement TPM, realised by the Japanese company Waseda, specialized in manufacturing mechanical components, it has reduced the total time of accidental interruptions of the machines from tens of thousands of minutes to 30 minutes, so the entire company realized a gain of 1.5 million USD in six months.
- *Every opinion counts*. In the U.S. and Europe, are used similar methods, but based on the principle “a good idea against a good bonus!”. A comparative study about the methods, performed in 1999, by the American Association of Suggestion Systems and the Japanese Association for Human Resources, showed that, on a sample of 555 companies in each country, the total number of suggestions registered in the U.S. was 996 thousand, while in Japan, using Kaizen - Teian, it exceeded 60 million. Net profit achieved, on average, by applying 100 suggestions was in the U.S. 22,800 dollars, while in Japan exceeded \$ 365,000.

3. EXAMPLE - KAIZEN AT MURFATLAR ROMANIA

Murfatlar Romania, one of the leading wine producers on the local market, has begun applying the Kaizen management system in February last year, with the ISO and HACCP quality standards. To maintain the company's marketing in the current conditions of the integration effort and post-integration into the EU, Murfatlar has made considerable efforts to maintain the status of world-class wine producer. Quality in the production processes is a necessity. It began by organizing some introductory courses in the Kaizen principles. Most Kaizen techniques have been applied where the product got value - to the bottling section. The process has had difficulty in changing people's conception about the continuity of the attempts to improve the production processes. The main element of implementation was the communication; without it the Kaizen method couldn't work, respective the visual communication. Rather, the operations results are presented to all employees through some panels with pictures and documents showing the situation pre- and post-Kaizen. And they are updated every time a change occurs.

4. BENEFITS OF IMPLEMENTATION OF THE KAIZEN STRATEGY

The principal gains afford to Murfatlar by this the management system are:

- Growth the productivity of the people's work, eliminate the wasted time. Murfatlar Romania mainly invested in much time and hard work;
- In financial terms the investment is covered, even exceeded by the gains achieved through the much more rigorous organization of the production process.

- Since 2001 until now, the investments made by Murfatlar have exceeded 10 million Euros, most of the money being invested in the replacement of a technology part and in the acquiring new areas of plantation;
- In 2007, the company's turnover was 36 million;
- For 2008, the estimates were that the turnover was going to increase by 31% over 2007;
- The wine production in 2008 is approximately 21 million litres; with five million litres more than in 2007 (table no.1);
- Regarding the company's exports for 2008 Murfatlar representative estimated that 20% of total production goes to export.

Table 1. Murfatlar Romania Indicators

Murfatlar Romania Indicators	2007	2008
Rate of turnover	36 millions euro	45 millions euro
Annual production	16 millions litres	21 millions litres
% marketing	30%	31%

5. CONCLUSIONS

In Romania, until now, many companies have adopted the Kaizen management type philosophy. This includes companies in the auto or banking industry or offers planning, architecture or marketing services and public services, too, in the county councils or in national state agencies. This interest could be explained by the fact that although the Kaizen management type requires daily efforts to improve the production of all company employees, progress are seen in time and last a long time. The spectrum is wide, there are multinational companies that have developed this type of management in the countries where they have work sites and have come to Romania not only to take advantage of being a low cost country, but also to take advantage of the intelligent management of resources of all kinds, hence the human one. They are also fully Romanian companies with integral Romanian management which developed businesses more widely, especially in the production domain, with the Kaizen philosophy's help, and this type of management can adapt any kind of industry and economic activity.

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