

GUIDELINES FOR KAIZEN MANAGEMENT

Mar 2018 / Version 8

1	Objective
1.1	To involve all employees in improvement activities.
2	Kaizen Structure in Division
2.1	A Divisional Coordinator should be appointed by the divisions (the roles and responsibilities are mentioned below in clause 5.1). Divisional coordinator should appoint alternate coordinator under intimation to corporate department
2.2	The Divisions should be divided into department and each department can comprise of one zone or multiple zones depending on the size of department. A zonal coordinator should be appointed for each zone (The roles and responsibilities are mentioned below). Under KMS "zone type – office or factory" is redundant and need not be used.
2.3	All divisions should ensure that evaluator selection should be based on a) association with division and b) total association with organization in the relevant function.
2.4	Kaizen should be a KRA / goal in the Divisional Coordinator's and zonal coordinator's PDM.
3	Kaizen Council Meetings
3.1	Kaizen Council Meetings must be held at least once in two months.
3.2	Agenda for the meeting should be circulated at least three days in advance.
3.3	The meeting should be attended by all Divisional Coordinators or their alternate coordinators.
4	Kaizen Awareness and Training
4.1	All divisions should ensure that divisional / zonal coordinator should be trained on Kaizen. Divisional coordinator should undergo e-learning training module on Kaizen Admin rights. Both training modules are available on the Kaizen Council web Page.(Refer Kaizen Training Module CDOJ.ppt and KMS Admin Rights Module.ppt)
4.2	All divisions should ensure that evaluators undergo a workshop on Kaizen evaluation facilitated by Corporate department.
4.3	All divisions should ensure that all employees are trained on Kaizen principles using the training module available on the Kaizen Council web Page. Special emphasis should be laid on problem identification.
4.4	Divisions should encourage organizing and hosting inter-plant Zonal Coordinators visit.
5	Roles and Responsibilities
5.1	Divisional Coordinator
5.1.1	Responsible for Kaizen Implementation in the division.
5.1.2	Liaison with Corporate dept for any issue pertaining to Kaizen in the division.
5.1.3	Ensure timely, accurate entry and quality of data in the On-line Kaizen management system.

5.1.4	Organize monthly review meetings with zonal Coordinator to review implementation and address concerns.
5.1.5	Organize Kaizen training as and when required.
5.1.6	Collecting and shortlisting best Kaizen nomination from each zone, to be presented in the Monthly Review Meeting
5.1.7	Organizing and monitoring display Boards of Kaizen
5.1.8	Ensure corporate guidelines are followed.
5.1.9	Single point contact for Kaizen in the division.
5.1.10	Provide details of the Top Kaizen winners of the month to the DPH for processing the reward amounts.
5.1.11	Approve Kaizen which get evaluated as level1
5.1.12	The Divisional coordinator should collate data and must present it in the Monthly Kaizen review Meetings. Data displayed must be Zone wise and division wise. Performance of each zone has to be monitored and improved. Monthly Kaizen report as sent by corporate department should also be displayed in these meetings.
5.1.13	<p>Divisional coordinators shall maintain divisional Kaizen data at all times. Following data will be compiled for all Monthly reviews:-</p> <ul style="list-style-type: none"> • Number of Kaizens/Zone/Division, Month wise. • Participation percentage for the whole division. • Level Wise performance. • Employee wise Kaizens. • Average number of Kaizens/Employee per Zone & Division. • PQCDSMEEC breakup of Kaizen. • Investment & Savings through productivity improvement, cost etc. • Horizontal deployments • Consistency in Kaizen entry to ensure timely entry of Kaizen in system.
5.1.14	<p>Divisional Coordinator shall ensure complete adherence to the Kaizen Management System and must improve awareness in the division for using it. He/she must also regularly review the quality of Kaizens uploaded in the KMS.</p> <p>Refer flow chart illustrating the system logic of KMS:- (Ref: BKR/Kaizen/KMSFC-Ver.2/07.11.11) (Available on Kaizen Council Page)</p>
5.1.15	Conduct evaluators induction and refresher training program. Conduct evaluation exercise at divisions between all evaluators to standardize on scoring
5.1.16	Conduct Kaizen Assessment for other divisions as per structure defined in Kaizen Maturity Matrix. Jointly work with assessment team to frame OFIs and assessment report.
5.1.17	Complete actions / Work on OFIs as per guidelines given in own division's assessment.
5.2	Zonal Coordinator
5.2.1	Responsible for Kaizen implementation in the Zone
5.2.2	Motivate, Support and Guide people in the zone to implement Kaizens.
5.2.3	Participate in all review meeting
5.2.4	Provide all required information to Divisional Coordinator.
5.2.5	Follow guidelines given by the Divisional Coordinator.
5.2.6	To ensure timely and accurate entry of Kaizens from their zone into the

	Kaizen Management system'.
5.2.7	Nominate best Kaizen from his zone every month for the Best Divisional Kaizen selection.
5.2.8	Complete actions / Work on OFIs as per guidelines given in own division's assessment.
5.2.9	Review and validate Kaizens based on facts at the Gemba, to ensure proper evaluation.
6	Kaizen Upload and Evaluation
6.1	Usually employee identifies problem from his/her own work area or takes reference of horizontal deployment suggestion given on kaizen management system. However it is desirable that Kaizens should be done on focused themes derived from Improvement initiatives such as TPM, PMO, IMS, ToC, VSM, Lean, 5s, TEI / TEE, Flow Optimization, Daily Work Management, Value engineering etc, or from Strategic/Functional Initiatives, safety, good & green or supplier / vendor development areas. A Problem bank should be derived from analysis of results obtained from these themes and used for doing Kaizens
6.2	Employee identifies Root cause, Idea and Counter measure and discusses it with the supervisor on the Gemba.
6.3	Reviewer (L+1, supervisor or zonal coordinator) to review proposal based on PQCDsME
6.4	If proposal is OK, approval is given for implementation. If not, employee is given appropriate feedback by reviewer
6.5	Employee can upload the idea in the KMS as temp-save, till the idea gets implemented. Once implemented the results must be measured and the temp save form must be completed and sent for review. A temp save Kaizen will get auto deleted after 90 days if not processed for review.
6.6	Employee implements Kaizens either individually or through a team (Max 4 Operators) or with the help of an improvement /maintenance team and shows the results to reviewer
6.7	If results are found ok and sustainable, the employee fills the Kaizen sheet in the Online Kaizen Management System with the help of the Zonal coordinator. http://www.connect.godrej.com/E-Applications.html
6.8	The evaluation of the Kaizen will be done by one member from the panel of evaluators as defined in the KMS. All OHS Kaizen will necessarily be evaluated by the OHS head. If the savings projected are higher than the threshold value then it will be verified by the Financial approver before evaluation. Refer flow chart illustrating the system logic of KMS:- (Ref: BKR/Kaizen/KMSFC-Ver.2/07.11.11) (Available on Kaizen Council Page and KMS) To see the format of evaluation click on the link below. (BKR/Kaizen/SS-Ver.3/01.11.11) (Also available on Kaizen council site and KMS)
6.9	If the Kaizen gets evaluated as level 1, then it will be sent to the Divisional Coordinator for approval. While evaluating Kaizen as level 1 the evaluator should ensure whether 7QC tools, statistical tools and /

	or quality management tools are used effectively for problem analysis, alternative solutions are brainstormed and validated. L1 Kaizens are innovative, breakthrough or of high impact to business objectives. L1 Kaizens should be linked to Improvement initiatives, strategic initiatives or functional initiatives or safety or good & green or supplier development
6.10	All OHS Kaizens should be linked to online hazard identification system or HIRA (Hazard Identification and Risk Assessment) register and Near Misses.
7	Kaizen Credit
7.1	Kaizen credit will be given to the Originator. Team members involved in the Kaizen will be counted as participants in the Kaizen and given required credit.
7.2	Every Kaizen will be given points based on the level and no.of team members involved. To understand the calculation, refer "Kaizen Point system calculation template" (BKR/Kaizen/KPS-ver.1/07.06.2011)(also available on Kaizen Council Site and KMS)
7.3	Level 3 Kaizens originated or participated by employees in P band and above will not get any points.
7.4	Kaizens done by the Contract employees or those not on the rolls of the company shall be included in the divisional Kaizen count. KMS entry will be done with Zonal Coordinator as the originator and he must select the option "Originated by Contract Employee". However the zonal coordinator will not get any points for these Kaizens.
7.5	Kaizens done at supplier's end by a Godrej Employee may also be registered in the KMS if the gains are coming to the company. A theme should be created as "supplier Kaizen" separately in theme master to register all such Kaizen. This will be different than vendor development.
8	Kaizen Horizontal Deployment
8.1	A Kaizen which is not identical to the original idea or identical but implemented by someone else other than the originator will be considered as horizontally deployed Kaizen. However the original Kaizen number must be maintained in the field while uploading the subsequent Kaizen sheet.
8.2	Kaizens deployed without any change ie: identical to the original idea and deployed by the same person in other areas cannot be considered as a separate Kaizen in the system.
8.3	A horizontally deployed Kaizen will also go through the same evaluation process and will get 'Kaizen points' as per the set criteria.
8.4	Every Originator whose Kaizen is horizontally deployed and his Kaizen number is maintained by the 2 nd uploader will get royalty points. Each Kaizen that is horizontally deployed will earn royalty point based on level of evaluation of original Kaizen or deployed Kaizen whichever is lesser. Royalty points for a level 1 Kaizen are 6, level 2 are 3 and level 3 is 1. However originator of idea cannot be a team member in the horizontally deployed Kaizen

9	Kaizen Data Management
9.1	Only evaluated Kaizens will be displayed in the monthly Corporate report. This is a backend function of Kaizen management system.
9.2	Savings should be calculated for the whole financial year. Calculation should start from the date of implementation of the Kaizen till 31 st March of the financial year.
9.3	All projected savings higher than the threshold value have to be verified by the Financial Approver and then it will be evaluated by the Divisional Coordinator or by the Evaluators maintained in the system.
9.4	Divisions should upload Kaizen in the formats developed by the Council. Refer Kaizen Idea sheet format:- (Ref: BKR/Kaizen/IS-Ver.4/03.05.11) (Available on Kaizen Council Page)

10 **Recommended Rewards and Recognition**

Frequency	Reward Title	Employee Category	Occasion for giving the rewards.	Reward Amount
Monthly	Best Kaizen of the month.	Operator	Monthly Divisional Kaizen review meeting.	Rs 600/Team
Monthly	Best Kaizen of the month.(K band only & if it is Level 1)	Management	Monthly Divisional Kaizen review meeting.	Rs 600/Team
Monthly	Highest points by an individual for the month.	Operator	Monthly Divisional Kaizen review meeting.	Rs 250
Monthly	Zone with highest Points/employee.	Management	Monthly Divisional Kaizen review meeting.	Rolling trophy Or any gift in kind

Yearly	Zone highest in Kaizen points / year.	(Management) Awarded to the zonal coordinator	Division's Annual function or any other suitable event.	Rs 1000 or equivalent gift.
Yearly	Best Kaizen of the Year.	1. Operator 2. Management	Division's Annual function or any other suitable event.	Rs1000 or equivalent gift each.
Yearly	Highest points by an individual for the year.	Operator	Division's Annual function or any other suitable event.	Rs1000 or equivalent gift each.
Yearly	Management staff with maximum L1 Kaizens.	Management	Division's Annual function or any other suitable event.	Rs1000 or equivalent gift each.

Yearly	1st 2nd 3rd Prizes Operators	Operator.	KaizenFest	Gifts in Kind.
Yearly	1st 2nd 3rd Prizes Supervisor	Management.	KaizenFest	Gifts in Kind.
Yearly	1st 2nd 3rd Prizes	Management.	KaizenFest	Gifts in Kind.
Yearly	Best Exhibit	Operator	KaizenFest	Gifts in Kind.

Yearly	Best exhibit - Office Kaizen	Management	KaizenFest	Gifts in Kind.
Yearly	Best Division	Management	KaizenFest	Trophy
Yearly	Employee with Maximum Points	Operator	KaizenFest	Trophy
Yearly	Employee with Maximum Points	Management		Trophy
10.1	The idea sheet of best three Kaizens of the month from Operator & Best Kaizen from the management staff have to be displayed within the first week of the succeeding month.			
10.2	The winning Kaizens idea sheet should be displayed on the Kaizen display board with the Kaizen sheet and photographs of the winners.			
10.3	The divisional Kaizen coordinator should submit the prize winners data as per their required format to the DPH, for forwarding the information to salary department for crediting the prize amount. Respective DPHs to ensure that reward amounts are dispersed on time.			
10.4	Distribution of Rewards & Recognition are to be organized in the Gemba , with maximum exposure to fellow employees.			
10.5	Divisions shall encourage and develop Operator to participate in various internal and external competitions. Unique and best Level 1 Kaizens should only be selected to compete in external competition. Refer template for the recommended flow of Kaizen presentation. (Ref: BKR/Kaizen/KPFT-Ver.1/01.02.11) (Available on Kaizen Council Page)			
10.6	Wherever possible Best Level 1 Kaizens should be presented to the DMC or in the training programmes by the employees themselves.			
10.7	Best Kaizen of the division should preferably be presented to the President and must be sent for Internal/External Kaizen competition.			
11	Kaizen Communication			
11.1	Central Kaizen display board should be installed at an appropriate location at the entrance of the plant, for communicating division's monthly Kaizen status, with Kaizen sheets and pictures of month's three best Kaizen winners.			
11.2	Zonal display boards installed in the zones should display status of Zonal level Kaizen activities.			
11.3	The KMS home page must be updated by the Divisional Coordinator every month with photos and details of the Kaizen performers for the month.			
11.4	The awareness of Kaizen Council Page on intranet should be given to employees to access communication related to Kaizens.			
12	Kaizen Review Meetings at division			
12.1	The Kaizen review meetings should be held once every month. The time duration preferably should be of 1 hour. Data displayed must be Zone wise and division wise. Performance of each zone has to be monitored and improved.			
12.2	The meeting should be attended preferably by the Business Head or a			

	senior DMC member. Others who must compulsorily attend are the Divisional Coordinator, All Zonal Coordinators, shortlisted Kaizen participants for the months best Kaizen prize.
12.3	<p>The agenda should be as mentioned below, Divisions may add any other relevant item.</p> <ol style="list-style-type: none"> 1. Review Divisional Kaizen performance of both categories. 2. Review of Kaizen performance zone wise. 3. Review of result area wise Kaizen. 4. Review of level Wise performance for Management & Operator. 5. Discussion and brainstorming on issues related to Kaizen. 6. Review minutes of previous meeting. 7. Presentation on QC tools and other subjects related to Kaizen by the Management Staff. <p>Refer template for the recommended flow of Kaizen presentation. (Ref: BKR/Kaizen/KPFT-Ver.1/01/02/2011) (Available on Kaizen Council Page)</p>
12.3.1	<p>For selecting the Best Kaizen of the month the top scoring Kaizens should be selected from the system or can be directly shortlisted by divisional coordinator and these Kaizens should be presented by the originator in the Kaizen review meeting.</p> <p style="text-align: center;">OR</p> <p>Best Kaizen from each zone (preferably Level 1) must be presented in the Kaizen review meeting and evaluated by the members. For evaluating these Kaizens use the format- (Ref: BKR/Kaizen/SS-Ver.3/01.11.11) (Available on Kaizen Council Page)</p>
12.4	The Review meetings should be minuted by the Divisional Coordinator and the soft copy to be emailed to the Business Head, Mfg Head, Zonal Coordinators and Corporate Department.
13	Kaizen Assessment
13.1	Kaizen assessment team should comprise of 2 Assessors from division and 1 from Corporate Business Excellence. All assessors need to undergo assessor training.
13.2	Preparation for Assessment to be held at least 3 days before the actual assessment. Key site visit points need to be finalized.
13.3	<p>One Day Assessment including</p> <ul style="list-style-type: none"> • Shop floor visit – 2 Hours • Discussion with Coordinator – 2 Hours • Discussion with Zonal Coordinators – 1 Hour • Two Focus group discussions (with Employees, Evaluators, Reviewers etc.) – 1 Hour • Closing session with Coordinator – ½ an hour
13.4	<p>Assessment team to shortlist Strengths and OFIs and send to concerned division within 7 days of assessment. Scores will be announced on Kaizen Fest.</p> <p>Review will be conducted after 6 months of assessment to check status on OFIs</p>

Note:- All divisions are advised to follow the guidelines. In case any division wishes to deviate from the guidelines they should inform the Corporate department. If the deviation has an impact on other divisions, then it will be discussed in the Kaizen Council Meeting and decision will be taken.