

Why Kaizen?

Did you know that a hidden workforce of 20% can typically be found when cycle times are balanced to takt time? If physical assets are not a constraint, this means that the Sales line of the ValueTree could go up 20% with no increase in the Labor line. Add to this reductions in Overheads coming from such areas as 50-90% improvements in Scrap, Rework and Repair, elimination of Warehouse expenses, reduced Utilities, reductions in Workers Compensation rates and reduced Waste disposal and one experiences accelerating EBIT performance.

But that's not all! A Kaizen also attacks the Invested Capital side of the equation. Reductions in Inventory, improved inventory turns, elimination of underutilized assets, reduced square-footage requirements and improved receivables all help drive down capital requirements.

With EBIT up and Invested Capital down, Kaizen delivers accelerated improvements in a business' value as calculated with ROIC, Return on Invested Capital.