

# *The Principle of "Kaizen" and BCG Attorney Search*

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This memorandum discusses the principle of 'Kaizen' which in many circles has been called the key to Japan's success in many industries.

MEMO

**TO:** BCG Attorney Search

**FROM:** A. Harrison Barnes

**RE:** Kaizen at BCG Attorney Search

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## **Introduction**

This memorandum discusses the principle of "Kaizen" which in many circles has been called the key to Japan's success in many industries. On a daily basis, each of us should be questioning how things are done and improving the processes and procedures in place for BCG Attorney Search.

As we make continuous changes to our database, as we service existing candidates, as we work with new candidates, as we are helping each other to learn, as we are investing in the future through our efforts now, as we are making efforts as a group to help each other and the candidates we are serving--we are following many of the principles of Kaizen.

I sent out a short memo on Kaizen several months ago; however, I wanted to follow up on this in more detail. It is my opinion that through following many of the principals of Kaizen, we can eliminate many of the profound inefficiencies which characterize the operation of recruiting firms as we know them on a daily basis. It is only through eliminating these inefficiencies that we will experience the levels of success we are capable of achieving as a group.

While we are already following many of the principles of Kaizen, we need to expand on continuing to foster a culture of continuous improvement within our firm.

Our actions need to be geared towards ensuring that we grow, become more efficient and experience the levels of achievement we are all entitled to and will experience if we achieve our goals. It is my hope that we can take many of the observations provided by this memorandum and apply them to our goals as an organization. As an added benefit, I believe that this memorandum provides many useful examples we can draw from in our daily lives.

## **Kaizen Defined**

Kaizen has been variously defined; however, two common definitions are:

KAIZEN means gradual and orderly, continuous improvement. The KAIZEN business strategy involves everyone in an organization working together to make improvements.

KAIZEN means improvement. Moreover, KAIZEN means continuing improvement in personal life, home life, social life, and working life. When applied to the workplace KAIZEN means continuing improvement involving everyone.

Kaizen is a tool originally used by Toyota to foster continued improvement within its Toyota Production System. It began as "Quality Circles," a means of factory shop floor employees solving quality issues within a structured team framework, using specific new tools.

## 1. "Kaizen Events"

At Toyota, and other Japanese companies, Kaizen events are constantly occurring. In general, a Kaizen event will involve the management appearing at the desk or machine of a worker and observing exactly how they do their jobs. The efficiency of the processes and procedures followed by the employee in doing their job are aggressively questioned, critiqued and analyzed. How does the employee hold a tool? How many steps does it take to go between different machines where the work may be occurring? Then, as inefficiencies are pointed out, the employee is expected to adapt and change immediately. The intensity of a Kaizen event cannot be underestimated. Most people have common ways of doing their jobs that become ingrained in them and are resistant to change.

During a Kaizen event, if the employee does not immediately change and correct the inefficiency, they are fired on the spot and another person is brought in to do their job. When a Kaizen event occurs, the President of Toyota might even follow around a janitor to figure out the inefficiencies in the way he performs his job--no employee escapes Kaizen events. This approach to work is something that occurs at all levels of the organization and involves everyone. Work, and how it is done, is constantly questioned in order to raise the level of efficiency.

One of the most important aspects of Kaizen is that it is something that the entire company participates in. In the lunchroom, factory workers may discuss with each other how to address various inefficiencies. The employees are empowered to address inefficiencies without the involvement of management and also take great pride in being efficient. When Kaizen events do occur, the most efficient groups take great pride when few inefficiencies can be pointed out in their work. Like an organism, work groups are constantly changing and becoming more efficient on a daily basis.

While this Kaizen approach to managing a company may sound in some respects draconian, it does result in the process of ensuring that work is performed in the best possible manner with the least amount of waste. While he did not call it "Kaizen", this method of approaching work was also the building block behind each of the companies started by Howard Hughes (many of which are growing multi-billion dollar companies today decades after his death). For example, companies like Hughes Space Systems (which started Direct TV) are products of this continuous drive for improvement and were founded by Hughes disciples decades after his death in a Hughes-created corporate environment which pushes constant improvement and innovation.

The point of a Kaizen event, and Kaizen generally, is that the norm must constantly be questioned in order to ensure that the work is performed in the best possible manner. I was reminded of this principal in reading a recent *Motor Trend* article which discussed the fact the engineers who designed the Lexis LS400 decided to half the space between metal fittings in the car this year. While this was completely unnecessary (the car is consistently ranked one of the top 10 cars in the world in terms of quality), the engineers did this because it was an improvement and one they believed they were capable of making.

While Kaizen may seem insignificant, I can assure you that this principal is an important foundation behind BCG Attorney Search's very existence and that following Kaizen is something that will be rewarded around here. An example of a Kaizen-related event is when a small change was made to the database by an

employee after being aggressively questioned by another employee about her efficiency. The change made to the database resulted in a savings of over one week of work for the person per month. While my response was atypical, in conjunction with other Kaizen principles the person exemplified in her work, she did receive a meaningful raise.

Kaizen, as you could learn from the definition, is a common word and very natural to individual, continuous improvement in personal life, home life, social life and working life. Everybody deserves to and should be willing to improve himself/herself for the better continually. "If a man has not been seen for three days, his friends should take a good look at him to see what changes have befallen him" quoted from the old Japanese saying, describes how natural KAIZEN is.

#### Kaizen at BCG Attorney Search

Not a day should go without some kind of improvement being made somewhere here. I have provided some tips below that should give you some ideas about what Kaizen philosophy is and how we have implemented and can implement Kaizen at BCG Attorney Search:

**We should discard conventional fixed ideas.** A perfect example of this is the fact that we are often of the opinion that only certain types of candidates are placeable. For example, we seem to have a firmwide consensus that certain types of attorneys are not placeable. Nevertheless, several recruiters has proven this is not true.

**We should think of how to do it, not why it cannot be done.** We frequently have various tasks which seem impossible. We need to find ways to ensure they are done. It is also axiomatic that we can make more placements if we are taking each and every telephone call that comes into the office. How can we fix these problems?

**We should not make excuses and start, instead, by questioning current practices.** There are plenty of reasons that certain goals we set might not get completed in a timely manner. One issue we have had in the past is that goals which are not set are not completed. If we cannot complete the goals which are set, then the real issue is how we are doing our work and the efficiency we are bringing to it. The issue should not be that we have the work to do. Just like virtually every other United States company, there is not a lot of room for excuses about why goals cannot be met here.

**We should not seek absolute perfection. Do it right away even if for only 50% of target.** While we are aiming for perfection, simply stated, perfection is not always possible. Taking actions to ensure that we do our best is vitally important to our success. It is better to make an effort at doing something than not doing it at all.

**We should correct it right away, if a mistake is made.** Mistakes happen. What is most important is realizing that we need to correct mistakes rather than allow them to continue. We should always be asking ourselves why something did not work out the way we wanted to instead of dwelling on a mistake.

**We should ask 'WHY?' five times and seek root causes.** If we believe that there is any need for improvement, either in our organization or in how we are doing our jobs, we need to ask ourselves "WHY" and search for the reasons we need improvement and how to effectuate that improvement.

**We should seek the wisdom of multiple people rather than the knowledge of one.** None of us can possibly know the solutions to every issue we face. It is better that we all operate as a contiguous group--learning and growing from each other--than as islands unto our own. This is probably the largest single reason recruiters fail--seeking input from others is vitally important to our success.

#### Kaizen Lessons

In our day-to-day work it is important that we do not accept convention ritualistically. Instead, we should always be seeking to improve the work that we do and become more insightful, more efficient and more alert to ways to improve the environment around us.