

Benefit of Incorporating Incremental Improvements

Introduction

The following document describes the benefits of incorporating Incremental Improvements into an organization. Incremental Improvements is part of many improvement theories including Kaizen, which is briefly explained. The factors for success when using Incremental Improvements is discussed in the document "Success Factors of Incremental Improvements".

Kaizen

Kaizen is an approach where a company is dedicated to ongoing improvements. The word Kaizen in Japanese means "change for better" or "improvement". Most companies would likely agree that doing small consistent changes towards improvement would benefit their organization. However, my experience is that most companies, and people for that matter, have conflicting demands that prevents them from executing and completing those changes.

For changes to be considered Kaizen the improvements need to have two components which are Incremental and On-going. This document discusses the benefits of Incremental Improvements.

Incremental Improvements

Incremental Improvements are transformations that are constant and change the organization for the better. The "constant" portion of the improvement relates to constantly examining areas that require improvement and not to make change for change sake. As one change is completed and implemented for the betterment of the organization then then next change is initiated. Thus the concept of On-going, or constant, Incremental Improvements.

The improvements can relate to improving a product/service or a procedure, such as customer service or inventory handling, within the organization. There are three (3) main types of improvements and they are; House Keeping (cleaning, sorting, keeping things orderly), Waste Elimination and Standardization. An organization can categorize their Incremental Improvements within these three categories.

Benefits of Incremental Improvements

There are a number of benefits to making Incremental Improvements. These benefits include:

- Implement improvements more timely
- Cost effectiveness
- Builds flexibility into the organization
- Educates users
- Spreads the work across many resources
- Improves Morale

Implement Improvements More Timely

The major benefit to Incremental Improvements is that the changes can be implemented quickly. The change can be dissected into smaller changes allowing an organization to focus on improvements that can be implemented in the necessary timeframe.

More timely implementation of improvements allows the organization to realize the benefits of the change more quickly. I worked with a client to improve a business process related to their subcontractor time. This new process gave the client a more efficient way to collect data and provide better reporting. A major benefit was that it also removed manual steps which saved one of their accountants eight to ten hours per month. Once this process went into place the organization received the benefit immediately including a savings of eight to ten hours per month.

Cost Effectiveness

Overall it is less costly to make Incremental Improvements as compared to making one large improvement. I once received a call from a company who had neglected their financial accounting system to where they had failed a government audit. They were a government contractor and needed to pass the audit to continue providing products and services based on their contractual agreement. This was a challenge as the company required many precise improvements in a very tight time line. This was not just costly in regards to the amount of effort it would take to pass the audit but there was a tremendous cost to their reputation.

Builds Flexibility in the Organization

Business environments can change rather quickly resulting in critical requirements. The Incremental Improvement approach allows a company to pivot to other higher priority business need without a lot of disruption. Resources can either stop and focus on the new task or complete their current task and then begin the new requirement.

This happened to a client who had started a very large project in a new country. They identified some critical reporting needs and we were able to quickly refocus on the new priority. Incremental Improvements permitted the organization to be much more flexible than if resources were working a number of improvement tasks at the same time.

Educate Users

A challenge for many companies is educating their users on systems, tools and software. By emphasizing on Incremental Improvements users can focus on understanding the detailed functions of a process. This provides a more educated and knowledgeable workforce.

Spread the Work Across Many Users

Various resources can be involved with an Incremental Improvement process. This helps spread the workload and prevents reliance on just a few resources. Some companies have been pleasantly surprised to find out hidden skills of some of their employees. These skills that were unknown to management came to light during an improvement process where someone's experience, education or skill was used to achieve a result.

Improves Morale

Morale increases when an organization takes the time and effort to make improvements. Some of the smallest changes have a large impact on personnel and the organization. I've experienced many situations where an employee is thrilled to find a more efficient way to do their job based on an improvement. This can result in very positive effects on those that are impacted by these improvements.

Conclusion

There are many benefits that an organization can realize with Incremental Improvements. Efficiencies and cost effective changes are major reasons to perform Incremental Improvements. Other benefits positively impact the organization resulting in accelerating enhancements for the organization.