

KAIZEN™ • AI

A CULTURE OF TECH-ENABLED EXCELLENCE

The KAIZEN™ approach to AI in indirect areas

“We tried AI. It didn’t stick.”

The pilot ran for six weeks • The champion switched roles • The team went back to the spreadsheet. This isn’t an adoption failure. It’s an ownership failure.

Anthropic and OpenAI built the most powerful AI models on earth.

When they looked at the market, they concluded that **businesses can't figure out how to deploy AI** on their own.

We commit to delivering **50%+ productivity** and an even **bigger reduction in lead time** across the **indirect, office-based, and transactional processes** we work on.

Loaded with tools, starved of results.

More tools didn't fix the problem... they became **the problem**.

The game isn't better models

It's implementation.

Getting AI into real workflows. Making it stick. Fixing the process before the platform.

That's **the gap** worth billions.

The technology changed. The work didn't.

Kaizen Institute has done exactly this for decades: entering organizations, redesigning how work runs, and building **the capability** to sustain it.

Not new territory for us.

Productivity gain



The same team produces the same, or better, output in significantly less time. A 50% improvement means a task that took 10 hours now takes 5, freeing the team for higher-value, strategic work.

Lead time reduction



Total elapsed time from process start to finish. Reductions typically exceed productivity gains because automation eliminates waiting time, handoff delays, and approval bottlenecks.

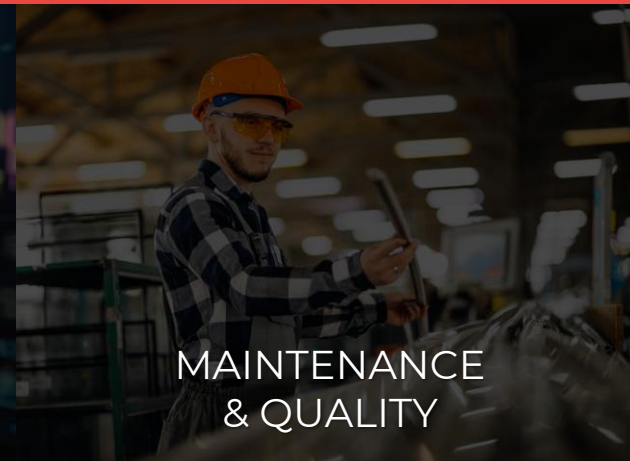
These are **the functions that keep the organization moving**, each on its own terms, and none in isolation.

The work that matters lives both **inside each function** and **in the handoff between them**.

Fixing one without the other leaves half the problem standing.



**AI for the work nobody sees,
and everybody depends on.**



**If the tools are there, why
aren't the results?**

Most productivity programs in indirect areas deliver a **report**.

Ours deliver **an organization that runs better**, because we **fix the process** before we automate it, deploy AI where it creates **real impact**, and build the **capability** to **sustain** it without us.

Process first, automation second

Automating a broken process only scales the dysfunction. AI tools must amplify an improved standard, not the old one. Process redesign always precedes technology deployment.

Cross-functional commitment is non-negotiable

The teams that own transactional work must co-design the future state. Productivity gains imposed from outside revert within weeks when sponsorship pressure drops.

Release the FTEs from day one

Capacity freed by automation must be formally reallocated to new roles, projects, or value-adding work from program start. Without a defined destination, liberated time disappears.

Key factors for a successful AI implementation.

Start small, scale fast

Successful implementations begin with one or two high-impact processes, not a full-function transformation. Early wins build the internal credibility and data needed to justify scaling across the organization.

Build capability, not dependency

Success is an organization that sustains and improves the new operating model without external support. Every phase must build local ownership rather than relying on consultants to hold it together.

Simplify. Digitalize. Automate.

This is the mechanism that **turns a tool into a habit.**

1. Simplify

Remove the steps that shouldn't exist. Automating a broken process only scales the dysfunction.

2. Digitalize

Move what's left off paper and out of scattered inboxes and spreadsheets.

3. Automate

Deploy AI only where it creates measurable return; on a process that already deserves it.

The process behind every result.

Select & Map

We start with the **highest-volume process** and an **engaged sponsor**, then map the **current state end-to-end**: every step, every handoff, every waiting point.



Redesign & Deploy

The **future state** is **designed and validated** before anything is built. Only then does **automation get applied and deployed**.



No IT backlog. No dependency.

Most of what indirect teams need can be built without specialized development, a dedicated IT project, or a ticket in someone else's queue.

The mechanism only matters if it changes **what happens at the point of work**, becoming **practice** or, ultimately, culture.

AI is not a project, not a poster. Just part of **how the job gets done**.

But in practice, what shifts?

The Team

Stops doing work that shouldn't exist. Time goes to judgment, not data entry. They stop reporting problems to someone else and start fixing them directly.

The Manager

Stops firefighting. Real-time visibility without chasing updates. Decisions get made from what's actually happening, not from what was reported last week.

Leadership

Gets a return, not a project. A capability that compounds. Headcount isn't cut; it's redirected toward work that actually needs a human.

AI is not embedded until it's a way of working.





Phase 1 takes **four weeks** and ends in a clear go or no-go decision, backed by a business case built on your own numbers.



Phase 2 takes **three months per cycle**, and multiple cycles can run sequentially across additional processes or departments.

Week 1 **Department Selection**

Select the pilot with the highest impact potential and an engaged sponsor.

Week 1 · 2 **Value Stream Selection**

Prioritize all processes into a shortlist of the top five.

Week 2 · 3 **Value Stream Analysis**

Map the current state and identify waste, step by step.

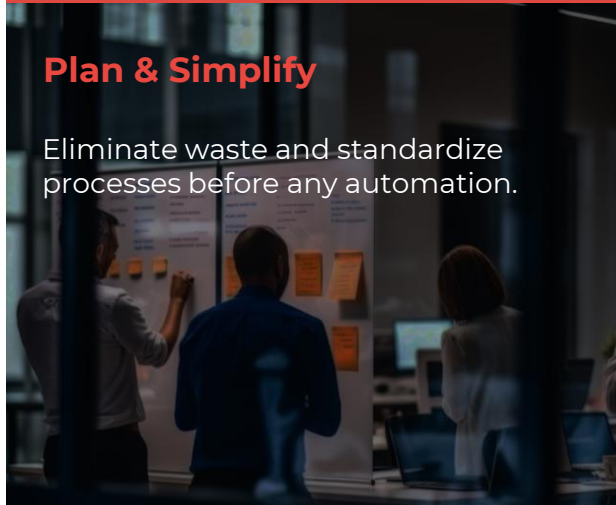
Week 3 · 4 **Simulation & Future State**

Design and validate solutions with mock-ups. Business case, roadmap, and Go/No-Go decision.

Prove it. Scale it.

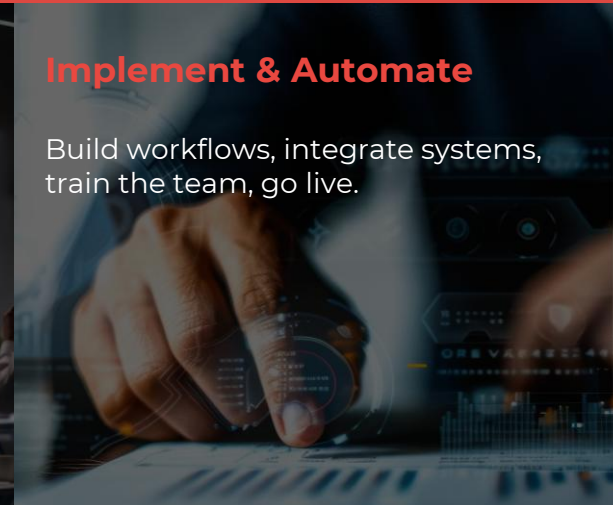
Plan & Simplify

Eliminate waste and standardize processes before any automation.



Implement & Automate

Build workflows, integrate systems, train the team, go live.



Measure & Adjust

Track actual results against projections, optimize, and plan the next cycle.



Automation that works in isolation isn't automation that works. The same four patterns show up **across use cases**, whether the process is invoices, quotes, or reporting: **a team optimizes its own piece, and the organization around it doesn't move any faster.**

These are the shifts that actually change the outcome.

Local Optimization vs. Process Flow

Before: Each department automates its own piece. Finance has a bot for invoices; sales has one for quotes. Every team looks efficient on its own dashboard. The process that runs between them is still as slow as ever, because nobody automated the handoff.

After: The process gets mapped end to end before anything is automated. If the real bottleneck sits between two departments, that's where the first automation goes, not wherever is easiest to build.

Manual Work vs. Automation, Error Risk

Before: Someone retypes the same data between two systems that don't talk to each other, three times a day, for years. Every retype is a chance for an error that surfaces only after a customer complains.

After: Data moves once, automatically, from where it's created to everywhere it's needed. The person who used to retype it now handles only the exceptions the system can't resolve on its own.

Outside Consultant vs. Team That Learns

Before: An outside consultant builds the automation, hands over a manual, and leaves. Six months later, the process shifts slightly, nobody knows how to update the flow, and the team quietly goes back to doing it by hand.

After: The team running the process is the team that builds the fix, with support. When the process changes, they adjust the automation themselves, the same day.

Automating the Wrong Process

Before: A process had 12 manual steps, so the team automated all 12 exactly as they were. The task got faster. It still has 12 steps, including the 3 that should never have existed.

After: The 12 steps get reduced to 5 before anything is automated. The other 7 weren't slow; they were unnecessary. Automating them would only have made the mistake permanent and faster.

The proof you are looking for

Real Processes • Real Teams • Real Results

What follows isn't illustrative. Every case is a documented engagement: situation, approach, and impact, process by process.

We consistently deliver structural **productivity improvements in indirect areas** across life science, pharma, consumer health, and beyond, helping leading organizations reallocate headcount **from transactional work to value-adding roles, accelerated by AI tools.**

● Direct impact ○ Indirect impact

#	Case Example	Description	Impact	Finance & Controlling	HR & Shared Svcs	Commercial & Retail	IT & Info Systems	Supply Chain & Ops Support	Compliance & Risk Mgmt	Maintenance & Quality
01	Touchless Invoice Integration	AI-based automation of supplier invoice processing, from email triage to ERP posting, eliminating manual PO matching	85% LT reduction -70% FTE's reduction	●	○		●	○		
02	AI-Powered Quote Generation	Automated commercial quoting via Outlook integration: AI extracts requests, matches products, and generates budget documents	-97% FTE's reduction 82% fully automated requests LT 3d→2h	○		●	●	○		
03	Intelligent Reservation Management	ML-based automation of hotel reservation processing. Request triage, data extraction, and booking creation without human touch	~80% FTE's saved SLA 70%→97% -80% errors	○	●	●	●			
04	Market & Industry Intelligence Automation	AI agents monitor 40+ sources, synthesize market news, and distribute sector-specific insights automatically via Teams	130h/week manual effort eliminated	○	●	●	●			
05	AI Fraud Investigation Transformation	Automated alert pre-analysis, multi-source research, and structured report generation for financial crime investigation	-70% investigation time/case Escalation 60%→40% 100% automated reporting	●			●		●	
06	Yard Management System	Centralized platform digitizing end-to-end yard flow (gate control, dock allocation, WMS sync, and supplier KPI tracking)	100% real-time visibility Manual coordination eliminated				●	●		
07	Enterprise Digital Twin	End-to-end data architecture ingesting live sensor, SCADA, and ERP data into a unified digital twin. Displays real-time micro-data and enterprise KPIs to lay the foundation for AI-driven process optimization.	100% real-time operational visibility Unplanned downtime reduced Foundation for AI prescriptive optimization				●	●	○	●

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08	Analytical Methods LT & Productivity	Standardization and process redesign across method development and validation in pharmaceutical QC labs	+30% productivity (methods/FTE/year) -23% LT; €1.7M P&L impact							●
09	EMEA Diagnostics Cost Leadership	Lab footprint redesign, insourcing, logistics optimization, and voice recognition for medical reporting across 14 markets	€25M EBITDA savings Workforce redirected from manual reporting	●			●	●		●
10	Production Planning Automation	Real-time integration of 2 business units: automated scheduling, workload monitoring, and delay impact tracking	-50%/-75% planning time (UN1/UN2) SL 67%→85%				●	●		
11	AI-Powered Sales & Profitability Reporting	Automated reporting workflow with AI-powered variance analysis, insight generation, and standardized management reports across sales and profitability dimensions	Report preparation time reduced from 2–3 days to 5 minutes.			●		●		
12	Leadership Productivity & Mgmt Routines	Structured routines, digital Gemba Walk tools, and automated Power BI reporting to eliminate management overhead	\$9.6M/year manpower productivity Manual reporting eliminated		●		●			●
13	Spare Parts Classification & Replenishment	Criticality-based parts classification, supplier LT renegotiation, and reservation tracking to eliminate planning overhead	-26% stock value (€1.8M→€1.3M) Planning overhead eliminated	●				●		●
14	Customer Service (CS) & Distribution	Redesigned CS and Distribution workflows across multiple sites, deploying AI for touchless order entry and touchless expedition	-55% FTEs needed Service Level: 91% → 98.9% Truck Occupancy: 70% → 86%					●		

AI has always lived inside **KAIZEN™**

Look closely. It was always there.



Ready for a CULTURE
of **TECH-ENABLED**
EXCELLENCE?