

# The Japanese Approach to Service

By Ann Padley

On a recent trip to Japan, my attention was immediately caught by the unique regard the Japanese culture has for service. It is not the kind of cookie cutter service that you find delivered by way of corporate mandate passed through the ranks in the form of a brand manual. For the Japanese, “mandates” are instead replaced with a “desire” to genuinely improve the customer experience, even in the smallest way.

Low and behold, this phenomenon that I so proudly attributed to my own, insightful, observations already had a name. It is called **Kaizen**.

The Japanese term Kaizen is formed by the words (“kai”) meaning “change” and (“zen”) meaning “good.” You may have heard of this term in relation to lean manufacturing, human resources and maybe even dieting. It may be referred to as the Kaizen Way, Kaizen Philosophy, Kaizen Process, Kaizen Strategy or simply Kaizen. While the definition varies slightly by industry, it broadly means continuous improvement or great change made through small steps.

(I realize I have not used the word Bank yet, but stick with me.)

While the roots of this philosophy began in depression era America, its potential was not fully realized until **General Douglas MacArthur’s** forces brought the concept to Japan in an effort to improve efficiency and raise business standards after WWII. When the troops returned home they eventually disregarded the strategies they had once enforced, while the Japanese formed them



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into the “Kaizen” that remains evident in their culture even today.

As marketing professionals, we are responsible for the constant evaluation of the efficiency and service standards of our institution, as well as being the leader and promoter of innovation. Many times we struggle with change, either internally because of the overwhelming desire to figure out the “next big thing” or outwardly, struggling to implement new ideas and keep the excitement alive within our organizations.

### How would things be different if we, as marketers, adopted a form of Kaizen to work alongside innovation?

We have all attended conferences with fantastic speakers and listened to their incredible ideas, only to return to our offices feeling inspired but completely overwhelmed with where to start. Instead of waiting for the “next big thing” to strike you, try implementing small ideas and strategies you have learned. Slowly move through your office and identify simple changes that could be made to improve the efficiency of a process or make a difference in the customer experience.

Here is an example of a Japanese approach to service:

*In a busy Tokyo station our traveling group of six stopped at Starbucks for morning coffee before boarding the train. Our coffee was presented in a paper bag with handles, four cups of coffee to a bag, stacked using a cardboard divider with each cup sealed by a specially designed stir stick to prevent the coffee from leaking out. They knew we were headed for the train and prepared our drinks accordingly.*

### How would things be different if each employee in your organization took a Kaizen approach to their work?

A simple Kaizen approach encourages employees to come up with ideas that could improve his or her job, job environment or other process. The ideas are intended to be small enough that the employee can implement the changes on his or her own. As the empowerment process grows, employees may be asked to submit larger ideas to management.

The Kaizen approach empowers employees to make their job a little bit better every day, connecting personal responsibility to their day to day success. The company, in turn, benefits from increased efficiencies of processes, reduced waste and improved service to customers. Each individual change may be small, but collectively they can make a huge difference.

Here are two examples of employee approached Kaizen:

*During a quick stop to a*

*Japanese convenience store I bought yogurt, only briefly considering how I would eat it without a spoon. After leaving the store I opened the bag to find an Oshibori (wet napkin common in Japan) and a spoon. The cashier anticipated my needs based on the product I bought and provided resources accordingly.*

This is my favorite example of the Kaizen experience from my visit to Japan. *After stepping out of the shower in my Kyoto Hotel I assumed the entire mirror was fogged, something we have all experienced after a shower and usually with annoyance. To my very pleasant surprise, however, this was not the case. I saw a perfectly clear, fog-free rectangular area of mirror centered directly over the sink. What makes this exceptional? I would bet that the hotel staff has never once taken a shower in a guest room of their hotel; yet, someone had looked one step ahead and anticipated the guest experience. This was a small investment, one that an employee could put into motion on his or her own, yet has led to a return on investment they probably never anticipate, for their idea to be taken around the globe for you to read about today.*

After reading some examples are you feeling a little overwhelmed, wondering how you might implement these strategies in your own organization? Embrace Kaizen. What is the first step you can take, **right now?**

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## FDIC Board Approves Rule Requiring Banks to Prepay Three Years of Premiums

On November 12, the FDIC Board approved a final rule requiring banks to prepay their estimated quarterly assessments for the fourth quarter of 2009, as well as all of 2010, 2011 and 2012 on Dec. 30. The prepayments – which the agency opted for at the banking industry’s urging instead of imposing another special assessment – will raise about \$45 billion in cash that FDIC says it needs to resolve expected bank failures.

The assessment rate to be used for the entire period is a bank’s base assessment rate (that is, the risk-based premium rate without adjustments for secured liabilities, brokered deposits or higher levels

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of capital) in effect as of Sept. 30, 2009. The rate will be increased by 3 basis points for all of 2011 and 2012 based on the FDIC’s expectation that industry earnings will be stronger.

The payment will be based on a bank’s regular assessment base (total domestic deposits) on Sept. 30, 2009. An institution’s deposit base will be increased quarterly by an

estimated 5 percent annual growth rate through the end of 2012. The FDIC board stated that the rule was not intended to address any changes to the assessment base.

FDIC’s online assessment rate calculator includes a prepayment tab to help banks estimate their payments. Download the calculator at: <http://www.fdic.gov/deposit/insurance/initiative/index.html>.

Banks will book the prepaid expense as a non-earning asset. Each quarter, FDIC will bill banks for the actual risk-based premium for that quarter. Such amounts will reduce the prepaid asset. Once the asset is exhausted, banks will resume paying and accounting for quarterly deposit insurance assessments as they currently do.

The rule also authorizes FDIC to exempt institutions if agency staff believe the prepayment would harm the bank’s safety and soundness. Banks also can apply for an exemption if the prepayment would significantly impair an institution’s liquidity or pose extraordinary hardship.