



## ■ Critical Issues

### ■ We don't know how much of a result to expect from introducing SCM

- We cannot estimate the cost of the inventory reduction effect, and so cannot evaluate the validity of the investment.
- We cannot set appropriate targets.

### ■ When conducting the SCM system verification, we are concerned that there would be many add-on requirements.

When we conducted the work requirement verification, many add-on requirements were required to prioritize our current work constraints.

### ■ Little progress has been made in the reforms to enhance SCM implementation in the sales, production control, purchasing and supplier divisions.

We cannot obtain the approval of the divisions where SCM will be implemented. The content of the reforms for the divisions is not concrete, and there is concern whether the expected work could be carried out.

### ■ The confusion caused by the SCM system introduction has not been resolved.

Even though we introduced a SCM system, our inventory has not decreased. The number of defects is increasing.  
Operations in the workplace are not proceeding smoothly. The manufacturing and procurement costs are rising.

## ■ JMAC Concept

### ■ What is SCM reform?

SCM reform promotes building an IT system and conducting work restructuring appropriate for the development of an ideal work process over a wide scope from customers to suppliers in order to improve CS and CF.

### ■ Issues for implementing SCM

Many organizations fail to obtain the expected results due to the following problems: too much emphasis on IT systems, insufficient cooperation from the worksite and suppliers, and little progress made in reforms in the workplace that are necessary for successful implementation.

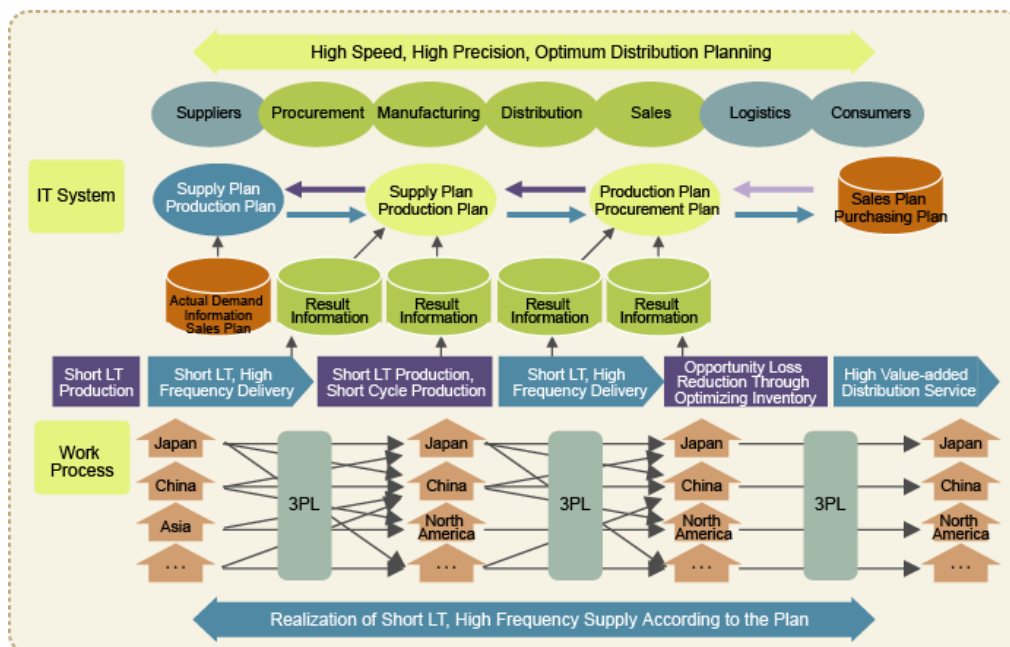
### ■ JMAC's SCM

At JMAC, in order to achieve the expected results of SCM reform, we coordinate the total reforms as well as balancing the system-related and work-related factors.



## JMAC Features

- “SCM Assessment” that clarifies its SCM project targets
- “Concept definition” enhancing understanding, satisfaction and commitment by persons involved
- In collaboration with IT consulting, JMAC’s leadership allows shortening of the “process design” period
- “Reform implementation” support, “management system building”, and “SCM education” help obtain the expected reform results.



## Results

- Inventory reduction, production/sales LT shortening, procurement LT reduction, increase in the transition rate to VMI, sales prediction accuracy improvement, etc.

### ◆ Household Electronics Manufacturer

Inventory reduction: -30%

Production/sales cycle reduced from bimonthly to weekly

Production/sales LT shortened from 2.5 months to 4 weeks

### ◆ Electronic Parts Manufacturer

Inventory reduction: -20%

Production/sales cycle reduced from monthly to weekly

Production/sales LT shortened from 2 months to 2 weeks