



■ Critical Issues

- ◆ We don't really understand the structure of our company's distribution costs, and we don't know if the costs are high or low.
- ◆ We do not know where the problems lie with distribution costs.
- ◆ Although we believe that our major customer is in the red, we cannot prove it. This means that even inside the company we cannot make proposals with any confidence.
- ◆ By understanding our distribution costs for each product and customer, we'd like to improve our cost control
- ◆ We would like to calculate an appropriate price for the distribution services that we provide

■ JMAC Concept

■ Introduction and assessment will be carried out that directly leads to actual reform improvement

The main characteristic of JMAC consulting is that we support the whole reform process from implementation to goal achievement. For the introduction of distribution ABC, too, JMAC provides support through to concrete plan design by utilizing analyses to confirm whether the reform improvements will actually be made, rather than simply by conducting analyses and submitting the results as reports.

■ Measures provided in partition units to match client characteristics

Not only in distribution ABC, but also for the distribution cost analysis and reduction, we will conduct efficient discussions by gaining a precise understanding of the characteristics and conditions of the client's marketplace and customers, and by setting appropriate partition units.

■ In-depth analysis of current work process

Based on our extensive experiences in improving distribution sites and business, JMAC quantitatively and systematically gains an understanding of the actual situation in the workplace, thoroughly defines problem points and their causes, and offers guidance on actual solutions. The analysis results will deliver development of a countermeasures system that can be quickly implemented.

■ An assessment will be carried out that contributes to the business and marketing strategy

Distribution ABC/ABM is not only a tool for cost reductions, since it will provide extremely important information in analyzing the market and your business performance, and selecting the most appropriate marketing measures. Therefore, definition of issues and measures are based on business domains and strategies.

Cost Reduction through Supply Chain ABC/ABM

Cost reduction through calculation of appropriate supply chain costs

GL-SC004

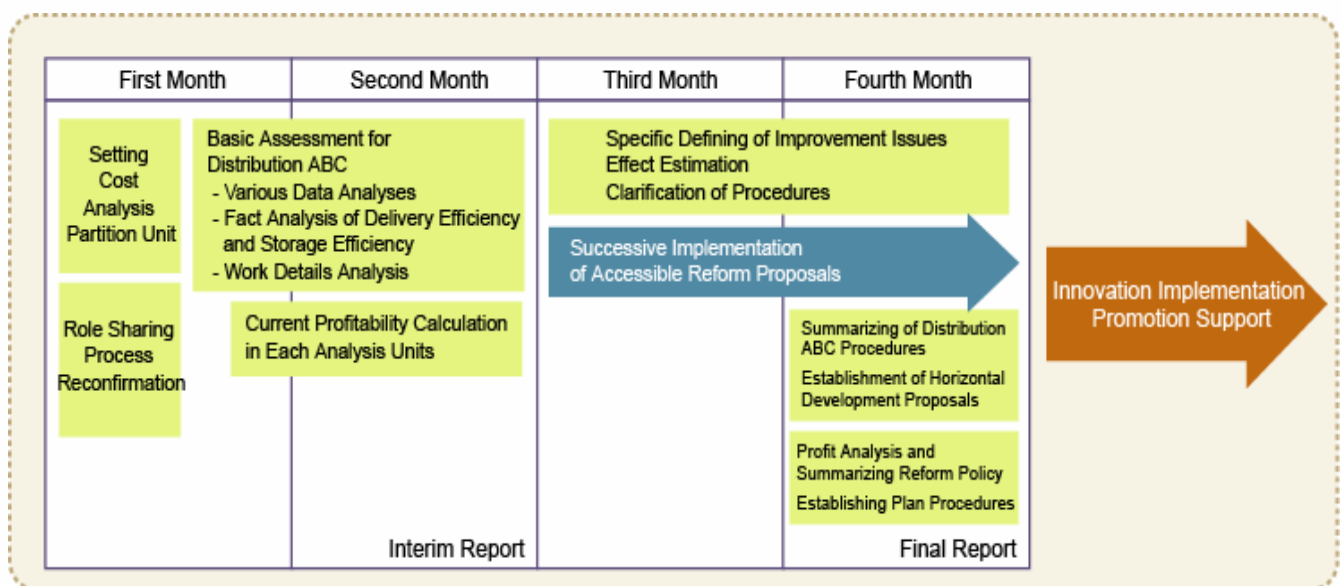


JMAC Features

Program features and methods

JMAC normally organizes the joint project with our client. Joint analyses and discussions help us share the content of the output and results. Although it will differ depending on the scale of the client company and its business characteristics, in general the consulting period will be 4 months to half a year for the assessment and reform basic structure planning, and around one year when including the implementation support.

General procedures in distribution ABC assessment



Results

By introducing this program, the following results can be expected:

- ◆ Understanding of distribution costs and profits (in the case of a distribution company) for each business unit (each market and customer), product and customer.
- ◆ Quantitative understanding of current distribution cost structure and its problems
- ◆ Clarification of cost and profit improvement policies
- ◆ Clarification of scope for cost and profit improvement
- ◆ Road map for improvement and innovation