

■ Critical Issues

- **We have little experience of building distribution centers, and we don't know how to.**

For one company, an event like “building a distribution center” is not something we have experienced very often. We don't have any experts in-house, and don't have the know-how.

- **We cannot judge the suitability of the design specifications**

We are not sure if we have made the appropriate specification requirements for the distribution equipment and the building. Further, we do not know whether the design specifications received from the constructor conform to our requested specifications.

- **We cannot judge whether the construction cost for the distribution center is appropriate or not**

Although a discounted amount of X million yen was written, we cannot judge if this is appropriate. I suppose we just have to try negotiations for our self-satisfaction.

■ JMAC Concept

- **What is CM (Construction Management)?**

CM is a method for realizing “inexpensive and swift” construction work by acting on behalf of the owner regarding all the processes, including plan and design, order, build, and operation.

- **Appropriateness for investigations and evaluations of the distribution center are carried out from a business structure viewpoint.**

- (1) Changes in the external environment (customer structure, service requirement)
- (2) Sales (Channel structure, product types)
- (3) Factories (Including make-or-buy)
- (4) Supply chain structure (Distribution, sales, manufacturing)
- (5) Distribution environment (Pallet size, etc.)
- (6) IT (EDI, etc.)

From the viewpoints above, both current and future issues are clarified. The ideal logistics structure is designed based on the critical issues. Then, the following three items are also set:

- (1) Role and mission of the distribution center
- (2) Required functions
- (3) Staged implementation steps

- **Precondition clarification of the distribution center specifications**

The quantitative requirements as a whole and by functions, such as product receipt, storage, shipment, and transportation and delivery, are clarified for the preconditions to the required capacity.

- **Appropriate distribution equipment selection and building structure design**

From both the viewpoints of software (work methods) and hardware (distribution equipment and building structure) and from a financial viewpoint, consultants specializing in each field support the designing to optimize it overall.

- **Construction cost appropriateness assessment**

By making the order specification sheet from the owner's side, it is possible to create a highly transparent situation that allows comparison of the contents of each company's proposal. Using the quoted price or VA (Value Analysis) techniques, the appropriateness of the construction cost can be evaluated.

Distribution Center Construction utilizing CM (Construction Management)

Distribution center construction using construction business management

GL-SC008



JMAC Features

Features of JMAC distribution center construction program utilizing CM

- (1) Clarification of positioning of targeted objects in the logistics structure
- (2) Variety of experience and technical capability in both building and equipment specifications
- (3) Cooperation with neutral partners (design offices, etc.)

JMAC assigns the highest priority to the profitability of the owner all the time.

Steps and Roles in Distribution Center Construction Consulting Utilizing CM

Process		Player	Owner	JMAC	Design Company	Major Construction Company	Steps
Planning	Basic Plan		○	○			Step 1
Designing	Basic Design		△	○	○		Step 2
	Detailed Design		△	○	○		Step 3
Ordering	Order Specification		△	○	○		Step 4
	Estimate and Tendering		○	○	○	○	Step 5
Constructing	Design Management		△		○		Step 6
	Construction Control					○	
Operating	Operation and Maintenance		○	○	○		

Results

Program results (Consulting case)

Following the participation of JMAC, costs were reduced from 4.5 billion yen to 2.7 billion yen, a cost reduction of 1.8 billion.

