

■ Critical Issues

■ The program responds to the following troubles and issues:

The reduction of distribution costs is an essential issue for manufacturers and distribution companies, and these companies are trying to make improvements and reforms on a daily basis. However, most companies have no rationales for deciding what level of distribution cost should be realized and by when.

- ◆ How high are our company's distribution costs?
 - Compared to other companies in the same industry, or companies in other industries, we don't know whether our distribution cost levels are higher or lower.
- ◆ How should we set the target?
 - There are many issues for carrying out cost reductions, and we want to know the methods to decide what level we can achieve by when.
- ◆ How can we evaluate the results of our improvement activities even though we are carrying out many?
 - Even if we build up the improvement results at individual work sites, they greatly differ from the overall company results. We need to visualize and understand the relationships in targets and results between individual worksites and the overall company.

■ JMAC Concept

■ Evaluates your company's distribution cost level as objective figures

Using JMAC's broad experience and information, comparison analyses for your targeted costs are conducted from many angles, including consideration of current market conditions, competitors, and leading companies in other industries. From this analysis, accurate understanding can be gained of your company's level.

■ Benchmarking for a certain link with cost reductions

JMAC provides support not only for simply establishing the improvement measures but also for the implementation to gain certain results. Accordingly, JMAC clarifies the difference in numbers as the result, investigates why the difference from the target level has occurred, and offers total support until the distribution cost reductions are achieved.

Distribution Cost Reduction using Distribution Cost Benchmarking (for logistics service providers)

Distribution cost reduction using distribution cost benchmarking for logistics service providers

GL-SC009

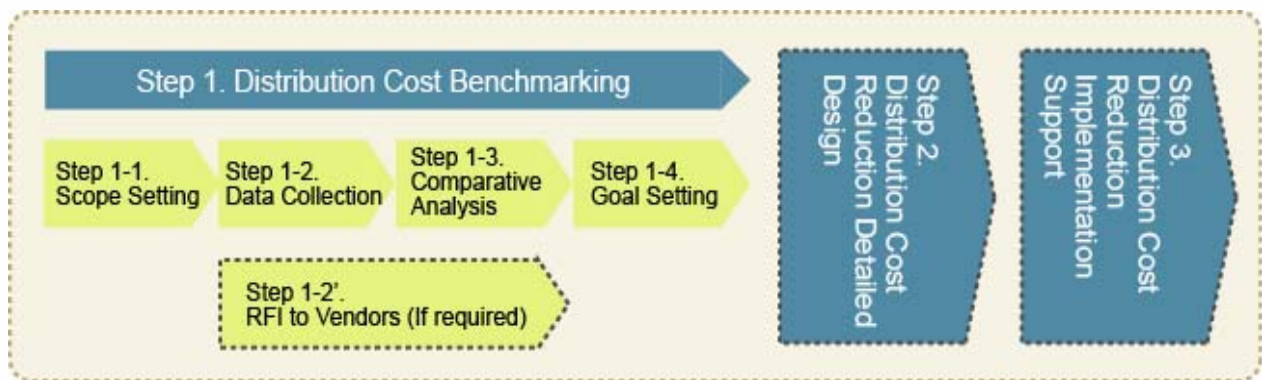


JMAC Features

Features and points

The general steps for this program are shown below.

Particularly concerning the collection of data, by fully utilizing JMAC's broad experience of market conditions, competitors, and advanced case studies from other industries, it is possible to conduct a comparison analysis of the To-Be model with your company's actual situation in a short period of time. By clearly understanding your company's strengths and weaknesses and the gap from the point your company should be aiming for, JMAC efficiently supports the building of mechanisms necessary for cost reductions.



Results

The following results can be expected through the introduction of the Distribution Cost Benchmarking Program:

- ◆ Understanding the cost levels of your company through the current distribution cost level assessment.
- ◆ Clarifying the room for cost reductions through comparison with the To-Be model.
- ◆ Cost reduction goal setting (what level to aim for as the target)

The detailed reform design to achieve the goal and the steps of the reform implementation to ensure actual cost reductions.