Japan Small and Medium Enterprise Management Consultant Association



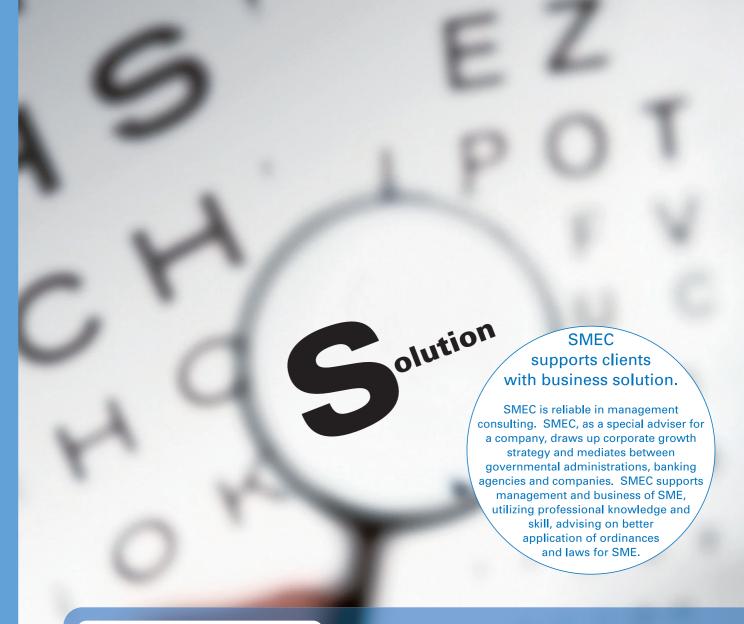


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Abbreviation used in this leaflet

J-SMECA: Japan Small and Medium Enterprise Management Consultant Association / JETRO: Japan External Trade Organization, Japan / JICA: Japan International Cooperation Agency, Japan / METI: Ministry of Economy, Trade and Industry, Japan / SME: Small and Medium Enterprise / SMEC: Small and Medium Enterprise Management Consultant / SMECs: Small and Medium Enterprise Management Consultants / SME Basic Law: Small and Medium Enterprise Basic Law / SME Guidance Law: Small and Medium Enterprise Guidance Law / SMRJ: Organization for Small & Medium Enterprises and Regional Innovation, Japan



The business of SMEC

Business of SMEC is defined as "diagnosis and advice on management of SME" in SME Guidance Law. The focus of the business is advising for corporate growth strategy based on the analysis of the status quo. However, the business sometimes covers various fields and topics through lectures and speeches on business and management, steaming from their professional knowledge and talents in specific area.

The role of SMEC

Firstly, SMEC advises clients on corporate growth strategy with his professional knowledge.

Secondly, SMEC supports clients to make a business plan based on these growth strategies and also to monitor the process until the execution of the plan. SMEC provides various supports to adapt the management method to the change of business environment.

Accordingly, SMEC is required to have broad based knowledge and capabilities with a wide range of business solutions. SMEC works as a mediator between SME and administrative organizations, supporting organizations for SME or banking agencies, to support appropriate application of ordinances and laws for SME.

Message from the President

J-SMECA was established in 1954 as a nationwide organization consisting of Small and Medium Enterprise Consultants (SMECs) which are qualified by the national government. J-SMECA utilizes the SME Diagnosis System, improves capability of its members, provides information service and does research and investigation on the diagnosis and advice of the SME management. Additionally, J-SMECA exchanges information with SME related organizations at home and abroad. Currently there are about 12,000 members in J-SMECA.

As a result of the Small and Medium sized Enterprises Basic Law being revised in 1999 and SME Guidance Law being enacted in 2000, SMEC was defined as the management consultant who would do business in the private sector. In recent years, the scope of business for SMEC has been expanded not only to management innovation and venture business support but also to corporate renewal and finance facilitation. Accordingly, good use of expertise and capability are required to cope with the widened area of business support required. Due to the new circumstances, SMEC System was revised in 2006 which made much of diagnosis practice for SME. In response to this trend, J-SMECA is now creating more opportunities for management diagnosis practice in SME.

J-SMECA further set two objectives: "Enhance the social prestige of SMEC" and "Expand scope of business for SMEC". The goal is to diversify and promote the SME Diagnosis System, thus making best efforts to contribute to the development of the SME. We would appreciate your further assistance and cooperation to J-SMECA from now onward.

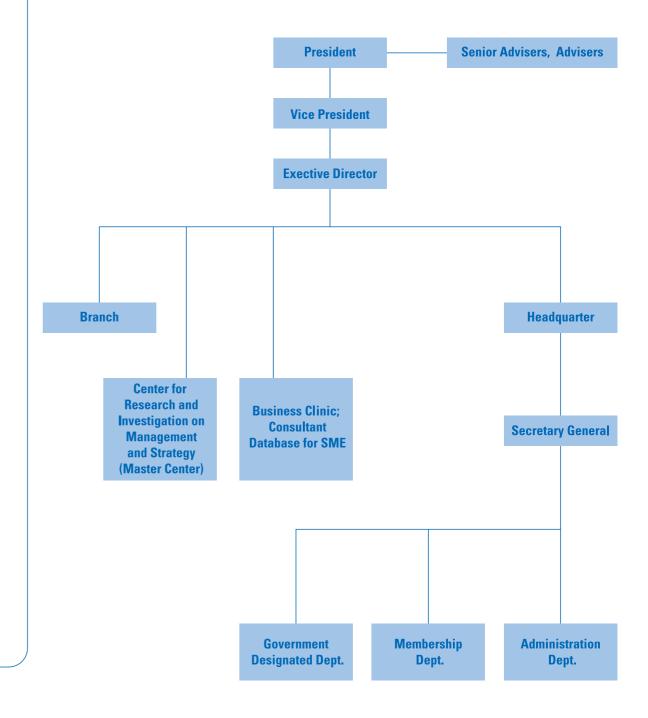


President: Incorporated Association J-SMECA

Kenji MATSUEDA

Organization

J-SMECA has expertise to develop the enterprise and professionals to cultivate the human resources.



President; Kenji MATSUEDA

Vice Presidents; Kimio ISHIKAWA, Yoshiaki NISHIZATO, Masaaki MORIKAWA Managing Director;

Tadashi NOGUCHI, 15 Directors and 2 Auditors

Annual income;

Yen935million (Budget for 2023 fiscal year)

Membership;

47 branch offices (as of April, 2023)

Profile and History of J-SMECA

Incorporated Association J-SMECA is now the only nationwide organization in JAPAN, consisting of professional consultants that support the management of SME business.

J-SMECA; Japan Small and Medium Enterprise Management Consultant Association





Objective

Our objective is to contribute to promotion and development of SME as well as sound growth of national economy in Japan. Through strengthening mutual cooperation among SMEC, upgrading the capability of SMEC and diversifying and developing SME Diagnosis System.

Establishment

Established on 31st October, 1954, J-SMECA was designated by the Minister of METI to be an official organization to carry out the examination of and renewal training of SMEC qualification in accordance with the stipulation in the SME Guidance Law.

Organization

J-SMECA maintains a Head Quarter in Chuo-ku, Tokyo and branches in each prefecture totaling to 47 branches in Japan. J-SMECA is the only nationwide organization of Registered Management Consultants.

Members

SMECs are Registered Management Consultants certified by the Minister of METI and are highly evaluated as professionals of management diagnosis, and work actively in the wide filed of industry, not only as collaborators for official support to SME in public sector but also as management consultants in private sector.

SME Business Support

J-SMECA and SMEC support SME in various ways.

■ Collaboration with the projects executed by the various organizations assisting SME.

Many SMECs are often registered as business consulting professionals in the organization supporting SME such as the National Government or Prefecture Governments, SME Support Centers at Prefecture Government Offices, Commerce and Industry Associations, Chamber of Commerce, and Cooperative Association of Small and Medium Enterprise. Those organizations entrust SMEC to support SME's business solution, by providing consulting service to SME at the office of those particular organization and/or by dispatching SMEC to SME's office for providing consulting service.

■ Collaborations with Regional Financial Institutions

Through close cooperation with the Regional Financial Institutions that make efforts to improve business management of SME trading with said institutions, SMEC cooperates to provide the diagnosis & advice, management consulting, and provides the information thus vitalizing the SME in the region.

■ Supporting SME for corporate renewal

J-SMECA supports SME for corporate renewal. Through close cooperation with the regional financial institutions and organizations supporting SME, SMEC supports SME by way of joining "the Regional Council of Supporting Corporate Renewal".

■ Other projects

Recently the scope of SMEC' activity expanded into the field of Agricultural Business Management, Forestry Management, Medical and Welfare Service and etc., thus expanding the scope of support services. In collaboration with the governmental organization and financial institutions in the relevant field, J-SMECA positively assists activities of SMEC being a member of J-SMECA, who works to support SME.

Research and Investigation (Center for research and investigation on management and strategy)

J-SMECA does research and investigation on SME management issues in various fields

■ The results of the research and investigation are reflected to consulting method

J-SMECA has Center for research and investigation on management and strategy (the Master Center), which plays the role as a think tank in J-SMECA. At the Master Center, various studies entrusted by national government organization and the other external agencies, are made in compliance with the diversified consulting needs.

The personnel of Master Center consist of SMECs holding the membership of J-SMECA and are registered in the Business Clinic. The research and investigation work are annually carried out in accordance with the field of each personnel's specialty. The outcome of these studies are compiled by each particular theme and are made available for the SME policy makings. In addition, the Master Center publishes a numbers of the reference books regarding the diagnosis and advice, makes the resources available on a wider scale, thus contributing the development of SME and the region.

Major subjects of research and investigation

- Business Innovation Strategy
- Business model strategy of Small and medium-sized retail stores

Diagnosis and Advice

- · Structural analysis of business model using business index and cost index of SME • Research on trend of SME business
 - management (annual edition)

Internationalization

- Study on the internationalization of SME The Japanese translation of The United States White Paper on Small and Medium Enterprises
- The research on the case of consulting to overseas subsidiary

Logistics

- The research on the actual physical distribution costs among wholesale business
- The research on physical distribution costs in wholesale industry using every business model

- The research and study on industrial cluster of SME specified by the government
- The research on structural improvement in the retail stores of Sake and alcoholic beverage

SMEC career information providing business (Business clinic)

We are introducing SMEC members who can meet various management challenges.

■ What is SMEC career information providing business (business clinic)?

Our association have made a database of SMEC member's detailed career information such as their expert and professional field, consulting accomplishments, lectures, and writing of manuscript.

By utilizing these data, we are providing and introducing the career information of the SMECs across the country who are members of prefectural association, who can accurately meet the request of small and medium enterprise support institutions and enterprise managers across the country, such as requests for consultation, education/training, various investigations, lecture, and writing of manuscript.

- * Please be noted that although the career information and introduction of SMEC are free-of-charge, the actual service performed by your requested SMEC will be fee-based.
- * Please contact your nearby prefectural association if you want more information on SMFC.
- * The persons registered on the career information data base are in compliance to the Small and Medium Size Enterprise Act (they are also SMECs registered under METI), and they are performing support activities by belonging to the prefectural association and in compliance to the Ethic Code set forth by the Law.



■ How can I use SMEC career information providing business (business clinic)?

Internet search regarding consultant information

The information on consultants can be found through various search conditions on the website.

(If you are unable to find qualified consultant through the website search. please contact your nearby prefectural associations or our association.)



Request for service

Before you make a request for the service, please make sure to first check the information of the consultant, and if you found a consultant who can meet your need, please directly contact such consultant and discuss the terms in advance such as service content. consulting fee, etc.

Continuing Professional Development (CPD)

J-SMECA aims to upgrade the professional quality and capability of SMEC to a higher level and share the knowledge among members more effectively

■ SME Business Diagnosis Symposium held annually

In SME Business Diagnosis Symposium, the members make presentations of their unified themes, for researching the high level management methods, diagnosis skills, etc., for the sound development of SME.

Recent unified themes:

the forest & forestry

■ M & A of SME

Information

- SMEC vitalizing the region by making use of the local resources.
- The expected role of SMEC
- The new challenge of diagnosis & advice to support the business innovation of SME.

Study and training in branches of J-SMECA

■ About the diagnosis method for vitalizing

■ Modern Agricultural Business Management

(Forestry cooperative association)

■ Act on the Protection of the Personal



■ Study and Training held by each branch

In the branches of J-SMECA, numbers of study & training are held in order to upgrade the professional quality and capabilities of SMECs to a higher level.

■ The Research & Study Business by each branch on the problems in close relationship to the region

In the branches of J-SMECA, the research & study are made to upgrade the quality and capability of SMECs and to share the knowledge among the branch members.

■ The research and study on the relationship between Regional Financial Institutions and

■ The research and study on the supporting method to local natural products and resources and brand management

■ The research and study to pursue practical diagnosis/supporting method by the group of J-SMECA members of different branch.

The research and study are made in the various groups of J-SMECA members belonging to different branch for upgrading and sharing the knowledge among members mutually.

- The new diagnosis method for corporate renewal
- The status-quo of the dentist clinic and the expected role of SMEC
- The manual of diagnosis practice on the agricultural business management

Publishing

J-SMECA disperses the information useful for planning business strategy and diagnosis.

Major publications in latest years

- Monthly magazine of J-SMECA "Kigyo Shindan News" (Corporate diagnosis News)
- The financial index of Small and Medium Enterprises (annual edition)
- The guide to Small and Medium Enterprises Policy
- The manual of diagnosis and support on Small and Medium size Hospitals
- It's OK to imitate coaching!: Manual to implement coaching in the company
- Consulting Innovation: Challenging the progressing diagnosis and support.
- Evaluation, diagnosis and support of Small and Medium Enterprise
- "The principles of diagnosis and support" and "The guidelines of conducting the business" for the Small and Medium Enterprise Consultant
- "The manual of corporate renewal" for the Small and Medium Enterprise



International Cooperation Business

SMEC who is a member of J-SMECA takes an active part around the world

■ Contribution to the promotion of SME overseas

Ministry of Economy, Trade and Industry, Japan, Small and Medium Enterprise Agency and other organizations for the overseas cooperation such as JICA, JETRO and so forth sponsor or subsidize the overseas projects to aid the development of overseas SME, industries, human resources and economy in overseas countries. J-SMECA is sending SMEC delegate to such overseas companies or governmental organizations, where SMEC is working directly with the sponsor or subsidizer of the project. In doing so, SMEC contributes to promote and develop SME in various countries. The following shows the progress in Asian developing countries and other countries as well.

- Making suggestions to the related divisions of the overseas government so as to make the draft for ordinances and laws of SME and/or to create the concrete policy for promoting and developing the above.
- Implementing SMEC System. The operation of the training program of SMEC
- Training or seminar for The Division supervisor of SME and relevant organizations
- Managing diagnosis and advice for SME
- Training and seminars for SME managements and managers.

■ The cooperation and support to the business related to overseas

Overseas support to Japanese enterprises has been as follows:

- Consulting overseas trade, overseas operation and foreign investment.
- \bullet Cooperation with overseas enterprise (business collaboration, alliance, M & A)
- International business support: contract development, acquisition of intellectual property right, business matching, overseas market research, etc.
- Diagnosis and advice, system development, and overseas operation training and capability development
- Research and support of setting up overseas operations and creating the opportunity of overseas business for SME.

■ International Interchange, international goodwill for close relationship

J-SMECA, as the association to support and develop SME of Japan, promotes international interchange with various overseas organizations and associations to exchange business information and develop good relationships.

- The interchange with the overseas public institutions, business organizations, private enterprises.
- The interchange with foreign embassies and relevant institutions in Japan and overseas enterprises operating in Japan.
- The international interchange of cross culture with foreign students in Japan

■ Providing and managing overseas information

J-SMECA obtains, provides and manages overseas information for contributing to the development of overseas related business for SME and upgrading international knowledge and ability of

- Delegating current foreign affairs research
- Serving overseas business information on J-SMECA website and organ paper of J-SMECA
- Reporting on overseas information and holding the international seminars

About the SMEC System

SMEC stands for Small and Medium Enterprise Consultant. It is a non-literal translation of the original "SME Diagnostician," or SME "Shindan-shi" in Japanese. SMEC is a specialist who support the Small and Medium sized Enterprises (SME) with diagnosis and advice, concerning various management issues of SME. SMEC is a state qualification to be registered by the Minister of the Ministry of Economy, Trade and Industry(METI) based on Article 11 of the Small and Medium Enterprise Guidance Law.

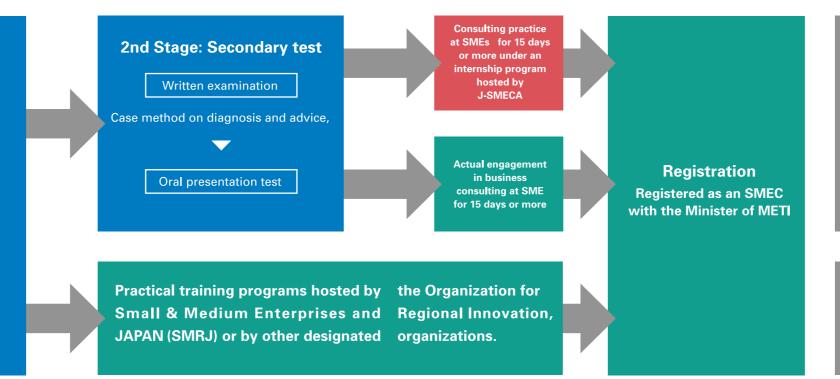
The SMEC System is designed to make the selection easy by registering the specialists above a certain level as compitent consultants, when SME wishes that appropriate SMEC will provide consulting service to the SME with diagnosis and

The Small and Medium Enterprise Guidance Law defines SMECs to be private management consultants who may be engaged in business, whether it is public or private, this guaranteeing the necessary management resources for SMEs.

From Examination to Registration

1st Stage: Primary test <Subjects>

- A Economics & Economic policy
- B Finance and Accounting
- C Corporate Management
- **D** Corporate Operations
- E Management Law
- F Management Information Systems
- G SME Management and **Government Policy**



Renewal of Registration

(SMEC registration is subject to mandatory renewal every five (5) Years.)

There are two requirements for renewal to be completed within the registered 5 years, one is more than 30 days.

Business Suspension

SMECs can halt their activities as SMECs for upto fifteen (15) years by submitting an application. The application is to be made while his/her SMEC registration is still valid.

SMEC Examination

The SMEC Examination is conducted based on the Small and Medium Enterprise Guidance Law article 12. J-SMECA is nominated by the Minister of METI and carries out the 1st stage and the 2nd stage of the SMEC examinations.

1st stage of the SMEC examination

The 1st stage examination checks applicant competency for SMEC standards. Written examination (multiple choice test) covering seven (7) subjects related to corporate management.

2nd stage of SMEC examination

The 2nd stage examination checks if the applicant has the practical ability to be an SMEC. Written examination (short consultation report) and interview on management consulting.

Consulting practice

The Consulting practice offered for the successful applicants from the SMEC examination is carried out for fifteen (15) days as a group study. One group consists of less than six trainees, supervised by the instructor, they shall be in charge of real SMEs to do field study, data analysis, report writing and presentation. J-SMECA, as the designated organization by the minister of METI, conducts consulting practice based on the ordinance of SMEC registration and examination.

SMECs Renewal training on consulting theory and the latest governmental SME policy / Essay Review

SMECs Renewal training / Essay Review to help SMECs to acquire new knowledge. J-SMECA conducts SME Renewal training / Essay Review program as a designated organization based on the ordinance of SMEC registration and examination.

(1) Four (4) hours SME Renewal training

This lecture and/or workshop style training contains such syllabus as consulting theory and the latest governmental SME policy. SMECs are expected to sit for 5 training programmes during his/her 5 years registration period.

One successful essay review can substitute one SMEC Renewal training. Theme of the essay review will be chosen from SMEs Renewal Training syllabus.

Actual engagement on business consulting at SMEs

To renew SMEC registration, SMECs are expected to engage in actual business consulting more that thirty (30) days, on top of the mandatory five (5) SMECs Renewal training programmes on consulting theory and the latest governmental SME policy. J-SMECA offers opportunity for SMEs to have consulting advice and offers SMECs to experience business consultation to satisfy renewal criterias.



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