

「中小企業の経営診断実施要領」報告書

A Report of the SME Management Consulting Standard

～診断着眼項目～
checkup items

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THE INCORPORATED
JAPAN SMALL AND MEDIUM ENTERPRISE
MANAGEMENT CONSULTANTS ASSOCIATION



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Introductory Remark

At present, there has been the keen interest among ASEAN countries in the SME (Small and medium Enterprise) management consulting system in Japan which has accomplished remarkable results for promotion of the SMEs, and the requests for dispatch of the experts such as the SME management consultants in Japan and the like in order to introduce the system into the countries have been increasing.

However, as the methods of consulting and supporting overseas SMEs have been at the discretion of an individual expert dispatched, there has been a great need for the management consulting standard to carry out the SME consulting effectively.

Under these circumstances, the Japan Small and Medium Enterprise Management Consultants Association has made a report of the SME management consulting standard in English and Japanese, as a year 2002 “subsidized program by Nihon Keirin Association”, in an effort to support generalizing the management consulting among ASEAN countries.

The contents of this report, based on the management consulting standard mainly for small and medium manufacturing enterprises in Japan, describe the important points and checkup items in the management consulting in English, being divided into nine categories as follows: Management Strategy; Marketing and Sales; Finance and Accounting; Human Resources; Information; Globalization and Environment; Product Development; Production and Technology; Procurement, Purchasing and Outsourcing.

In addition, they also show concrete examples on how to extend consulting and support towards the answers, “yes” or “no”, responded to the questions of each item.

Though it is needless to say that the government measures and the management consulting services for the economic development should be studied and built to suit the specific state of the individual country, we hope this report will be of some help to the experts such as the SME management consultants and the like dispatched to ASEAN countries.

We would like to take this opportunity to express our sincere appreciation to the people who were engaged in the translation and research work for this report.

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Japan Small and Medium Enterprise Management Consultants Association

Kiyotaka Kodama
Chairman

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Note : Sentences following “Y” or “N” on the top of the items hereafter,
show how to extend your consulting and support towards an answer,
“yes” or “no” relevantly to the question on a checkpoint.

01 Management Strategy

01 Top management

01 Qualities as management

01 Appeal as a person

01 Are you emotionally stable, active and broad-minded? Aren't you capricious?

Y Are your air and your real nature consistent? Are you always calm and moderate?

N These characters are essential to the management. They attract people.

02 Are you a person of common sense? Can you provide solutions to problems in a fair manner?

Y Strong sense of justice and sympathy are also needed to the management.

N Personality as the management is important and commonsense is indispensable.

03 Are you passionately contributing to the society? Do you take part in helping others and participating in voluntary activities and the like positively?

Y Don't you neglect your business while you contribute to the society passionately?

N You should understand fully that the profit of an enterprise is a reward for the contribution to the society.

04 Are you healthy? Do you talk and behave vigorously?

Y Do you maintain your health considering your life plan?

N You cannot engage in successful business management without sound body and mind.

05 Do you grasp the facts objectively, try to understand positions of the opposition, and settle problems in a satisfactory manner?

Y Show examples of the recent settlements. How objectively do you grasp the facts? Has your opposition been satisfied?

N One-sided settlement based on your subjective judgment leaves a problem that your opposition is not satisfied.

02 Appeal as an organization member

01 Do you find worth and enjoyment in challenging reforms of the management environment?

Y Do you also enjoy the challenge not only trying hard?

N Dealing with changes of the environment is the essence of business management. Challenge the reform, considering it as a business chance.

02 Are you rich in specialized knowledge, good in selecting minimum required information and putting them in order?

Y Isn't your ample knowledge in a specialized area narrowing your eyes to the management as a whole?

N Not only depending on information from other people, but the management should select and arrange information for themselves.

03 Can you compose documents easy to understand, listen well in dialogues, and make speech that can touch a chord with many audiences?

Y Aren't you relying on these talents too much, neglecting effort to report the facts correctly?

N Talent to communicate with and appeal to people is indispensable for the management.

04 Do you have leadership to explain things to the other persons concerned, make them understand, and make them obey to your orders adjusting yourself to the level of them?

Y Aren't you playing an autocrat? Leadership is different from being masterful.

N Leadership is a power to make all people concerned business follow, not only your staff.

05 With regard to your staff's mistakes and failures, do you scold them, and at the same time give them a chance and encourage them to do better next time?

Y Whenever your staff has done better, can you evaluate them fairly, forgetting their past mistakes?

N It is a base for leadership to scold staff properly for their mistakes as well as to encourage them for their better result.

06 Do you assure the capabilities of the persons concerned and boost their morales by giving compliments occasionally?

Y Don't your compliments sound like a lip service? Do they require enough confidence?

N There is a saying, "The other person will really be motivated, after you show him how

to do, let him try to do and praise him what he has done."

07 When opinions differ, do you work at trying to understand the differing opinions through frank dialogues?

Y Isn't the dialogue pressing one-sided opinion on the other?

N Understand mutually at first; and suggest a settlement acceptable to the party with the different opinions.

08 Do you give importance to teamwork?

Y Do you deal with the persons concerned in a symbiotic manner, cooperate and act in a creative way?

N In today's business management, a way of thinking for settlement based on teamwork is indispensable.

09 Do you have a strong will to foresee the future, act creatively and challenge reforms?

Y How far is your will reflected in your present management? Please show the concrete examples.

N Foreseeing the future and using creativeness freely are essential for the management reform.

03 Appeal as a global community member

01 Are you very much interested in international affairs? Do you have sources for getting foreign information? Do you often go abroad?

Y Can you collect important information concerning your business?

N Today you cannot engage in business management without knowledge on movement of international market.

02 Are you active in global business development in the sense you have already engaged in or are willing to engage in foreign business?

Y Do you conduct your international development as a part of your global business strategy, not as a nice looking overseas performance?

N Let them examine whether an international development as strategy is necessary under the present management environment of the enterprise.

03 Are you enthusiastic about introduction of the international standards? Do you have understanding of the ISO, international Accounting Standards and the like? Can you direct their introductions?

Y Do you understand them as measures to reform the constitution of the enterprise? Don't you introduce them with the superficial understanding?

N To advance toward introduction of the international standards is necessary, even if it will take time and cost.

02 Management structure

01 Decision authority

01 As to the matter in question regarding the basis for management of the enterprise, do you go through consideration from the bottom-up and decide through the top-down?

Y Not as a form and a rule of the procedure, are the bottom-up and the like executed?

N Being too much biased in favor of the bottom-up or the top-down is not preferable.

02 Is there any management member besides the president who has the power to decide and makes a different decision?

Y The final decision shall be made by a single person. Let them make clear who has the authority.

N Confirm who has an authority to decide, surveying shares of stock holding, ages, family-relations and the like of the management.

03 Besides the president, do you have a practical manager who conducts management decisions from the view of the whole enterprise?

Y Judge the need of an essential manager, from the career and specialty of the president.

N If the president is an expert who lead technology, marketing and the like himself, it sometimes be necessary to have a manager who watches the whole enterprise.

02 Board members structure

01 Are the director positions occupied by members of the same family?

Y Explain to them how big is the demerit of the executive positions being occupied only by the same family.

N Survey backgrounds and authorities of the executives besides the family and recommend reflecting internal and outer opinions to the management of the enterprise.

02 Does an employee who is not from the same family with the top and holds a post of director have power and authority as a director?

Y Confirm the actual situation from his/her speaking in the board of directors, his/her participation to the decision and the like.

N An executive without power and authority is not desirable for both the enterprise and the executive himself.

03 Are there external directors who actively propose and take part in management?

Y Are their proposals and participations really useful as the opinions of the third party?

N External directors who talk as the third party are needed to give objective views of the enterprise.

04 In appointment of directors, has a guideline being fixed and are persons with management ability being called upon?

Y Check the guideline and recent situations of the appointment.

N The appointment through self-will of the president will cause to lose internal motivation and outer reliance for the enterprise.

05 Is the board of directors conducted legally in terms of its procedure, agenda management, taking down of minutes and the like?

Y Besides the formality, is there any useful discussion for the enterprise in the board?

N If the board is not conducted legally, it may cause a dispute in future.

06 Has an age limit for directors been established? Can young people be appointed as directors?

Y Has the age limit been conducted fairly and justly? Is the setting of the age adequate?

N New management development often depends on enthusiasm and activities of young people.

07 Are you adopting stimulation policies such as the stock option and the like for newly appointed directors?

Y Check whether the stimulation policies adopted are effective or not for both the enterprise and the executives.

N When the appointment only gives a title, the volition and sense of responsibility of a newly appointed executive does not last long. A stimulation measure is needed.

03 Successor policy

01 Successor policy

01 When there is a candidate for successor, do you try to obtain understanding on him from inside and outside of the enterprise?

Y How is the outer and internal evaluation on the candidate? Survey the real intentions.

N It is necessary to decide a successor and to direct the circumstances in such a way that internal and outer understandings about him can be obtained.

02 When there is a member of the same family suitable to be a successor, are you considering his acceptance?

Y Do you understand the merit and the demerit to have a successor of the same family?

N Ditto. If there is not a successor, it may happen to become a reason to terminate the business.

03 Are you planning a time schedule and an internal stance of the enterprise in accepting the successor?

Y Let them plan for the smooth acceptance, even if it will take time.

N Hasty acceptance of a successor may sow the seeds of future strife.

04 Have you decided on treatment and promotion of the successor?

Y Are the treatment and the schedule of promotion of the successor reasonable when you have evaluated his ability diversely and objectively?

N The treatment and the promotion should be decided and disclosed to the persons concerned at early stage.

05 Do you consider accepting appointment of the executive employees or those from business-related companies?

Y What measures do you have to find suitable persons and to get information for the candidates?

N A member of the same family is not an only candidate for successor. You should look for

a suitable person in a broader area for future of the enterprise.

02 Management ethics

01 Customer satisfaction

01 Customer satisfaction

01 Is the idea of keeping Customer Satisfaction as the basis for business management infiltrated all throughout the enterprise?

Y Is the idea really infiltrated from the top management to the bottom?

N Do you understand the necessity to integrate Customer Satisfaction into the philosophy of the enterprise?

02 Do you classify your target customers and try to search for needs of each customer group?

Y Are keywords to help the classification and the survey of the potential needs appropriate?

N Consumers and their preferences are diversified. Their needs shall be classified and grasped.

03 Do you have a skill to research the needs and expectations of your customers and gather information systematically?

Y Check the organization, staff and budget for research, and the results of collecting information.

N An enterprise should have an active stance to collect information on its customers.

04 Have you established a system to get reliance of your customers by quickly corresponding to the customer's complaints and opinions?

Y How are the organizations, staff, and flows of information for the correspondence?

N Quick correspondence to the opinions and complaints leads to the trust and preference by the customers to the enterprise and products.

05 Do you grasp and analyze the customer satisfaction levels of your competitors and recognize your own problems?

Y Please explain advantages of your competitors and your problems on customer satisfaction concretely with the examples?

N You can grasp the customer satisfaction levels of your competitors by asking to the dealers and the customers.

06 Do your employees also try to promote the customer satisfaction on your products by putting themselves in the standpoint of customers and users?

Y Confirm by the actual cases of market-in and hearing from the employees.

N Let them prepare opportunities for your employees to get ideas of market-in and realize them.

02 Corporate governance

01 Corporate governance

01 Are all organizations in the enterprise full of spirit that keeps away from anti-social business activities and legal violations?

Y Is the spirit displayed in the philosophy of the enterprise?

N Profit of an enterprise comes from the activities as a member of the legal society. The legal violations and the like may put the enterprise in danger.

02 With regard to your products and services, do you not only make sure of their present safety but of their future safety as well?

Y Don't you depend on the formal confirmation procedures for safety too much? Do you follow the rules for the confirmation strictly?

N Affairs on safety sometimes cause danger of life or death for an enterprise.

03 Regarding unjust accusations within the enterprise and unjust demands from outside, do you try to work at a dauntless confrontational stand?

Y Do the management themselves clearly announce such policy and show the strong stand?

N You cannot control the enterprise if you, the top management, show a weak attitude against such accusations or demands.

04 Do you try to maintain a safe and pleasant workplace by emphasizing Employee Satisfaction?

Y Is there any difference between the management's awareness on the employee's satisfaction and the employee's level of satisfaction?

N Employee Satisfaction finally leads an enterprise to the profit.

05 Do you refuse any contact with groups or organizations that conduct illegal activities?

- Y Confirm measures to cope with such contact as one way of your risk management.
- N Relations with those groups may endanger the enterprise.

06 Do you disclose the correct management information to all the stakeholders of the enterprise?

- Y Check the measures for the disclosure and the satisfaction level of the stakeholders.
- N Without proper disclosure, you cannot gain reliance on the enterprise.

07 Do you prompt for consciousness reform in such a way that a management crisis will be taken as a business opportunity?

- Y Check if the management themselves have consciousness of the crisis and a policy to cope with it, and also check the sense of crisis among the employees.
- N Consciousness of the crisis at the management and establishment of the countermeasures against the crisis are indispensable to overcome the management crisis.

03 Global environment preservation

01 Global environment preservation

01 Are you devising a policy for environmental preservation in all the organizations of the enterprise?

- Y Do you acknowledge that the settlement of the environmental problems is a condition for existence of the human race in the world?
- N A philosophy of environment preservation and its practice are indispensable for the management today.

02 Has there already been a consensus that will work towards the preservation of the global environment through energy saving and natural resources saving?

- Y Is the consensus included in the management policy and management plan concretely?
- N The global environment preservation also leads to decreasing the costs.

03 Isn't there any of the seven environmental pollutions, namely: air pollution, water pollution, noise, vibration, foul smell, ground subsidence, and soil pollution in your business activities?

- Y Survey barriers to cope with the pollution and propose measures for the settlement.
- N Is there any seed to be a problem in future, even if it is not pollution now?

04 In terms of waste disposal, do you apply the activities concerning three R's namely, reducing, reusing and recycling?

- Y Don't you merely transfer the disposal to the outside sub-contractor? How do you perform the three R's?
- N Let them grasp the kinds, volumes and costs for the disposal of the industrial wastes, and perform the total countermeasures including the above three R's.

05 Are you devising a measure for waste flow?

- Y Check the measure and let them study for a better settlement.
- N A proper treatment of the waste flow leads to decreasing the cost.

06 Have you acquired or have you been trying to acquire the certification for ISO14000?

- Y Don't you understand the certification only as a formal procedure? Are you improving the measures continuously?
- N Do you understand ISO14000 as a summary of measures to preserve environments and to reform the consciousness in the enterprise?

07 Do you make known to all the environmental destructions, something unusual in ecosystem and the like brought about by global warming, acid rain, destruction of ozone layer, environmental hormone, etc?

- Y How does the each item concern with your business and consciousness of your employees?
- N Do you understand that your business cannot be independent of environmental destructions and the like, whatever forms they may be?

08 Is there an expert in the enterprise specialized in the laws and ordinances regarding legal regulations on the environment, harmful substances and the disaster preventions?

- Y Check the department, the staff and their official qualifications or the outer organization in charge of them.
- N When it is difficult to have an internal staff, recommend utilizing outer experts.

04 Social consciousness

01 Social consciousness

01 Do you regard your enterprise as a public institution and consider that your profit is a reward for displaying your sociality?

Y Measure the level of their consciousness by asking them what occasion they have obtained that kind of idea.

N You cannot manage your business from now on when you have an idea that your enterprise is your private effects.

02 Do you observe the conditions of business activities as mandated by the laws?

Y Check the status of the business permits, legal arrangement of equipment, appointment of qualified persons, etc.

N Which items are not observed? What is the reason? When will you amend them?

03 Do you give importance to the laws on Product Liability, Fair Trade and the like? Have you established a system that devises preventive measures before a claim occurs?

Y What kind of a system have you established? Is the system working practically?

N Make them understand the necessity of preventive measures before a claim occurs and propose the countermeasure.

04 Do you give human and financial supports for the promotion of science, sports, culture and the like?

Y Isn't the support too much compared with the capacity of your business?

N These supports are a refund of profit given from the society and a co-existence with the society.

05 As a good corporate citizen, do you continuously conduct activities that contribute to the local community?

Y What kinds of activities do you conduct? Is the acknowledgement of the community members to the enterprise intensified?

N Propose to strengthen relations between the enterprise and the local community through participations in local events, opening premises of the enterprise for the local people and the like.

06 Are you trying to employ workers from the vicinity of the enterprise as many as possible in order to contribute to the local community?

Y Check the distribution of the employees' addresses. How are your competitors treating this matter?

N When employees do not come from the neighborhood, check the reason and if it makes any demerit for the enterprise.

07 Do you have a sense of accepting employment of senior citizens and handicapped persons?

Y What measures do you take for the acceptance? How they are appreciated by the authorities and the local community?

N An enterprise should seriously consider employing senior citizens and handicapped persons under a long-term view.

03 Management strategy

01 Management vision

01 Management vision

01 Are the goal, the mission and the like put in the statutory form and understood?

Y Are they written in the forms of the management policy, the motto and principle of the enterprise in an easily understandable manner, and well known to all the employees?

N Do you understand the necessity of management vision for an enterprise and making it widely known?

02 Is the domain of the enterprise narrowed down? Is the basement of the enterprise for existence defined?

Y How well do you aware of your domain? How far are you going to extend your business in and outside of the domain?

N Making your domain definite will result in more concrete building of your strategy, so it is very important for the future extension of your business.

03 Do you grasp the strength of the enterprise and foresee how long you can retain the advantage?

Y How well do you recognize the strength? Are you examining its endurance?

N Security and reinforcement of the strength are the basic strategy for an enterprise.

04 Do you make your short and long-term visions and modify them according to the changes of the management environment?

Y How much are the visions reflected in the business management?

N An enterprise shall have clear visions and modify them elastically according to the changes.

05 Are your management visions feasible, and reliable and safe for the stakeholders?

Y Check feasibility of the visions, hearing the opinions of the stakeholders on them.

N Explain to them difference between a vision and a dream.

02 Management environment analysis

01 Macro analysis

01 Do you extract factors concerned with the enterprise among the management environment factors and utilize them for building your strategy?

Y Let them show the factors concerned with the enterprise and check relations with their strategy.

N Make them understand management environmental factors and show them examples how to adapt them to their strategy.

02 Is the method of comparing the official data and the private data concerning the management environment appropriate?

Y Don't you interpret and compare the official data for your own convenience?

N Show them examples how to compare the official data with the private data.

03 Do you get the latest innovative technological and service information concerning your business and utilize them for your strategy building?

Y Please explain from where you get technological information etc and how to utilize them for your strategy.

N Can you get technological information etc from literature, government institutions, universities and the like?

04 Do you analyze the structure concerning employment, demand, distribution, finance and the like, and grasp the status quo of the structural reforms?

Y How do you analyze the structures of them?

N Show them keywords of each structural analysis and make them understand how to watch and find signs of the reforms.

05 Do you see importance of the impact of Information Technology to business management seriously?

Y How do you utilize IT for building up your management strategy?

N IT will give more and more influence to business management though the size or the timing of its influence is different in each business.

06 Do you judge objectively the influence that the activities under personal sensibility have upon your enterprise, and devise to utilize it?

Y Please show actual cases of the influence and the utilization.

N Explain to them how the activities under the sensibility influence to the preference and the demand of the products.

07 Do you recognize that today is the age when the economic sphere is internationalized and we have to consider our management environment globally?

Y How do you incorporate your global recognition in you management strategy?

N Explain to them the global economy today and make them study a way for the enterprise to cope with the economy.

08 Do you take in advance the progress of the deregulations and try to strengthen your advantage over your competitors?

Y Please explain the direction of the future deregulations and the opportunity for business born by them.

N Do you understand that you may lose your advantage depending on the direction of the deregulation?

09 Do you have a system to check the information on changes of the management environment and to identify the right information?

Y Survey the flow of the information and confirm whether the staff in charge of and rules for sorting out the information are adequate or not.

N Propose to build a system for check and identification of the information.

10 Do you judge by multiple factors to grasp the reforms of the management environment?

- Y Please show concrete examples of the multiple reform factors and the changes by them.
- N Management reform factors are related mutually. List up all possible factors, analyze and judge them systematically.

1 Do you think ahead of the direction, speed, strength and impact of the management environment reforms in future?

- Y Inspect a relation between the foresight and the business strategy.
- N Show them an example of management reform with large impact in the business and mention a way of the projecting.

**1 Have you established a department to cope with changes of the management environment
2 and study management innovations to be taken?**

- Y Check the job of the department in charge and adequacy of the staff.
- N The daily business and the job to cope with environment changes should be separated.

02 Positioning analysis of the enterprise

01 Is the industry of your domain stable? Does it belong to an area with good future?

- Y Does the area have bright future in the global trend?
- N Examine what kind of measures shall be taken, projecting the reforms in future.

**0 Have you established a system to grasp and compare the specific characters of foreign
2 and domestic competing products, and revise your products?**

- Y Show unique characteristics of your products. Don't you too much trust the advantages of your products?
- N First make them grasp the specific characters of their own and other products, then compare them objectively.

**0 Does your enterprise have advantages in size, value added, profitability, and growth,
3 compared with the standards of the industry?**

- Y Don't you put too much emphasis on the advantages in the short-term index? Will the advantages last long?
- N Let them survey items that the enterprise is inferior and study if any measure shall be taken in your management policy.

**0 Are your criteria of evaluation on the design, performance, quality, price and the like of
4 your products adequate?**

- Y Are the criteria accepted in your industry and in the global market?
- N Can't you establish reasonable criteria from the view of the third party?

**0 Do you always observe the movements of your potentially competing enterprises that can
5 be your future competitors?**

- Y Do you observe not only the same industry but also the other industries?
- N Make them understand to consider a possibility to compete in future, not only present competition.

06 Do you anticipate the period that you can keep your advantages by your strength be short?

- Y Are you taking measures to maintain your advantages? What kind of measures have you taken?
- N How long have you anticipated you can maintain your advantages? Can't you see any sign of your losing the advantages in the near future?

07 Isn't there any danger that an existing and competing enterprise becomes stronger or the competition will become harder by participation of a new enterprise?

- Y Let them study conditions to get more advantage in competition. Are you taking any measure?
- N Let them survey the foreign and domestic industries to check the possibility.

08 Do you get information on management improvement and innovation of your competing enterprises, and do you study and execute the countermeasures?

- Y Do you understand not only the appearance of the improvement and innovation, but also the philosophy behind?
- N Let them get the information and cope with it, so as not to be inferior, even if it takes time.

09 Isn't the market of your main products declining and don't you need to enter into a new domain?

- Y Are the direction and speed that you are taking adequate?

N Isn't there any sign of the decline in the market? Is the basis for existence of the enterprise stable?

03 Reinforcement of competitiveness

01 Reinforcement of competitiveness

01 Do you grasp the situations of your suppliers and customers, and try to improve the performance, and quality, decreasing the cost of your products?

Y Do you always compare the performance, quality and cost of your old and new products?

N Isn't there any possibility of innovation for a new substitutive material? Doesn't it come from the lack of information in your enterprise?

02 Do you quickly respond to demand, realize quick delivery, and try to get advantage in competition?

Y Check if the system for the quick response is proper.

N Do you study the impact when your competitor has realized a quick delivery?

03 Do you have advantages over your competitors by realizing lower cost and higher additional value?

Y Is the cost saving consciousness penetrated into all departments of the enterprise? How do you tackle with the cost saving?

N Do you try to compare your costs with those of your competitors, and analyze the reason of the differences?

04 Have you introduced the statistical quality control and the total quality management in order to maintain your advantages in competition?

Y Is the quality control really effective for the target to maintain advantages in competition?

N Aren't you inferior in competition because of your imperfect quality control?

05 Have you accumulated small group activities in the field level and merged them into a competitive power?

Y Aren't small group activities a burden to the field workers? Do they really bring fruitful effects?

N Introduction of Quality Control circle, Zero Defect movement and the like are effective for vitalization, higher efficiency and better quality in the working place.

06 Have you introduced new production systems to boost the morale in the working shop?

Y Is the new production system working effectively both in increasing the efficiency and in boosting the morale?

N Isn't the working morale in the shop low? Is there any complaint among the workers on necessity of the work improvement etc?

07 Have you tried to improve the bad working environment and increased the working efficiency?

Y Is the condition of the working environment better than that of the standard in the industry?

N Doesn't the bad working environment cause a decline in the working efficiency and workers' morale?

08 Do you promote reduction of the production costs by changing from outsourcing to in-house production or from in-house production to outsourcing?

Y Do you examine not only decreasing the cost but also changes of production process together with the quality, delivery time and the like?

N Let them understand the necessity of decreasing the cost, comparing the advantages and disadvantages of outsourcing and in-house production.

09 Do you devise to strengthen your competitive powers by building up the marketing channels in the foreign markets, not limiting them to the domestic market?

Y Is your total profit increasing by sales to the overseas markets?

N Let them study possibility of overseas sales and profit expected by the sales of their main products.

10 Do you utilize the information network in order to save the management costs?

Y Let them make a trial calculation on the result of the cost saving through utilization of the information network.

N Explain to them on the possibility of saving the management costs in the forms of personnel, material and time.

11 Do you have an idea to choose a direction for collaboration, tie-up and the like, in order to strengthen your competitiveness?

Y Are you studying the merits and demerits of corporate alliances?

N Make them understand that the corporate alliance is a solution of problems, which cannot be settled by a single enterprise.

12 Can you strengthen your competitiveness through consistent production and/or marketing, extending your business to either downstream or upstream?

Y What kind of specific measures are you taking? Do you have your management resources enough for the measures?

N If you are not interested in the consistent production and/or marketing, what alternative measures do you have?

04 Development of new market

01 Sign of market shrinkage

01 Isn't the market for your products decreasing due to the development of products and goods by other enterprises?

Y What are the special characters of the products and goods? Do you study any measures to cope with them?

N Can't you predict new products and goods, which influence to the market with resource saving, energy saving, lower cost, better quality and the like?

02 Do you always check if there is any possibility of reduction in getting orders from your customers due to the change of their process switching to the in-house production?

Y Do you check the movement both in the industry and of the customers?

N You can't rely too much on your advantages such as your deal for a long time, your price and the like.

03 Do you observe if there is a possibility that your receiving orders may decrease due to the overseas production by your customers?

Y Have you studied what measures you can take when your customers realize the overseas production?

N The impact of the customer's overseas production will be big, if you depend too much on the customer's orders.

04 Isn't the market for your products shrinking due to the inflow of foreign products at lower cost?

Y Do you examine your countermeasures such as overseas production, shifting to higher-class products and the like?

N Isn't the inflow of overseas products increasing in view of the long term trend?

05 Isn't a new production system developed? Will it be a substitute to the present system?

Y Explain the important points of the new system. Do you study your countermeasures to the system?

N Let them understand that a new system featured resource saving, energy saving, labor saving and the like, is most likely to substitute to the existing system.

06 Isn't the market of your existing products decreasing due to the development of new products?

Y Is the decrease structural? Can't you develop a new product to expand your market share?

N Survey what the special characters of the new product, such as lower cost, higher additional value, pollution free, quick delivery and the like. Project the future growth.

07 Do you carefully observe if the market of your existing products is not decreasing due to changes of the intensions of customers and users?

Y Do you catch the trend of changes in consumer's intentions and the like for yourself, not depending only on outer information?

N Changes of users' intentions and the like may cause a quick decline of the market of your products. Grasp of your customer's need and taking the countermeasures are always necessary.

08 Is there any decreasing trend in the market of your existing products, by being affected by the new business type?

Y Can't you enter into the new business type or develop any substitutive measure?

N Assess a possibility of emergence of new business types, such as the fables (without factory) or mail order.

09 Are you watching the trend of your existing products abroad, if it is gradually decreasing,

and are you careful if it will influence to the domestic market?

Y When you see the decreasing trend, do you study what measures you can take?

N Sign of decline in the domestic market can often be predicted by a trend in the foreign markets in advance.

02 Selection of diversification

01 In order to cope with the decline of the existing products, do you plan and/or execute diversification of your products and business fields?

Y How distinct is the declining trend? Are the progress and direction of your diversification adequate?

N How do you catch the trend of the market? Don't you miss the declining trend?

02 Is your diversification being developed in a totally different and new domain from the existing one?

Y In order to be successful in the extension to a new field, can you introduce outer management resources that are not enough in your enterprise, and do you think you can cope with risks of failure in the diversification?

N Your competitors will also think of diversification on the same direction of their existing business fields. Can you keep your advantages against them?

03 In your selection of the field for your diversification, do you regard technology as important, or market?

Y Is your advantages in your own technology enough, when you regard technology as important. In case you regard market as important, by what means you can show your advantages, besides your expectation to the size of the market?

N When you enter into a new business field, you must have some advantages in your management resources.

04 Is your diversification heading for the vertical direction that can be expected to have a synergy effect?

Y Is there any risk that you may compete with the manufacturers or distributors which you have been in supplementary relations up to now?

N Are your management resources prepared enough against high risk of diversification to the horizontal direction?

05 Does the field that you have chosen to diversify certainly have an existing market and possibility of high growth?

Y Hasn't the market matured? Isn't there a strong competitor in the market?

N When the market is not large enough, you cannot merchandise your products, however high technology you have put into them.

06 In your diversification, are you anticipating a growth limit in the case when you target a niche market?

Y Have you checked if it is adequate to invest your management resources in a limited market?

N Examine the size and possibility of growth of the niche target market.

07 In order to get the result of diversification in a short period of time, are you attempting development of a field on the extension of what your company's strength lies?

Y Please explain special features of your company's strength and maintenance of the strength in your development for diversification.

N In order to get the result of diversification in a short period of time, utilization of your company's strength is indispensable.

08 To promote your diversification, have you examined and tried various methods?

Y Please explain the merit and demerit of the methods that you have tried and employed.

N Demonstrate them various methods such as an inner organization in the enterprise, internal venture, deconglomeration, outsourcing and the like, then let them study means possible to utilize.

09 In your diversification, have you provided an upper limit in investing management resources and a time limit for development?

Y Are the upper limit of management resources and the time limit reasonable, considering the strength of the enterprise?

N Investment of resources without limit and development without time limit may happen to be fatal for the enterprise.

10 Is the communication between the main business departments and the diversification department kept close in such a way that opposition in opinions does not occur in the

enterprise?

- Y Confirm the way of communication and specially hear opinions of the existing main business departments.
- N Opposition in opinions of this kind in the enterprise makes negative influence for both the main departments and the diversification department.

11 In the case where the result of diversification is not achieved as planned, do you have a consensus to dare to withdraw from it?

- Y Do you have any guideline or schedule to assess the result?
- N You may get bogged down if you lose a chance to withdraw.

12 In the case where the diversification is successful, do you appreciate the roles of the main business departments and the diversification department fairly?

- Y How different are the concrete methods of evaluation for the two kinds of department and how are they managed actually?
- N The main departments that support development investment and the diversification department that achieves a result are both necessary to be successful in diversification.

03 Development of new field

01 Are you attempting to develop a new business field while the enterprise is in healthy business conditions, coping with gradual reduction of the market of your existing goods?

- Y Is the schedule for development of a new field and its speed adequate?
- N Development of a new field should be made while your business situations are sound. It is too late after the market of your existing product is reducing.

02 In development of a new field, do you make use of the strength of your enterprise and promote focusing on one particular field?

- Y What is one particular field? Is your focusing adequate?
- N With regard to development of a new field, focusing the field is especially necessary, together with special use of the strength.

03 Is the field you are trying to develop related to your existing products?

- Y Check utilization of the strength in the existing products and the competition.
- N Explain to them on high risk in a new field which they have no experience, and let them study the risk hedge.

04 Coping with the gradual decline of the existing market, does a progressive enthusiasm to strive for survival being infiltrated within the enterprise?

- Y How is the enthusiasm in the enterprise being expressed?
- N Let them make opportunities to boost the risk consciousness against the reduction of the market, by explaining the environment and the present conditions to all the employees and asking their understandings.

05 Do you examine in detail the advantages of the new field to be developed and are the advantages supported by a plan with high accuracy?

- Y Check the result of the examination, the content of the plan and the level of the accuracy. Then let them study to hedge the risk, if possible.
- N As it is a new development, examination in detail and sound planning are needed.

06 Have you examined the management resources needed for development of a new field and established a scale and a speed to measure the progress?

- Y Have you confirmed the volume and quality of the management resources needed? Do they correspond with the plan for development?
- N Without keeping or supply of the management resources required, you cannot develop a new field.

07 Have you established an upper and a lower limit of expected sales and additional values on the basis of the market scale and growth capability in the new business fields?

- Y Isn't the upper limit expected too high especially and isn't the lower limit too low?
- N Let them understand the necessity of an upper limit to prevent from too much expectation and a lower limit as guideline to measure the result.

08 Have you introduced a Concurrent Engineering (CE) system so as to develop a new field promptly?

- Y Are the methods of discussion and decision-making adequate and the cooperation between each division enough?
- N Explain and make them understand the necessity of CE, which shortens the period of the

development and makes them cope with the changes of the market elastically.

05 Business model

01 Business model

01 Do you endeavor to develop a new business model utilizing IT independently or cooperating with other enterprise?

Y What kind of business model is it? Is it innovative enough?

N Do you have any core-competence, strength and the like to be utilized for development of a new business model?

02 With regard to development of a business model, do you build up the system with consciousness of registration for the industrial property and refraining from invasion of the right of other enterprises?

Y By what means and who does check the relations of the system with the industrial property?

N Let them understand the necessity for building up a business model in relation to the industrial property.

03 Is the new business model made with recognition of the difference of characters between BtoB or BtoC transactions?

Y How do you recognize the difference of characters between BtoB and BtoC?

N In building up a business model, segmentation of the customers and analysis of the needs are indispensable. Especially in transactions among the enterprises, (BtoB), entering of various enterprises is possible and it makes the necessity for building up an innovative model.

04 Management organization

01 Organization structure

01 Organization structure

01 Is your company organization suitable to perform the management philosophy, the objectives, the strategy, and the plan?

Y Check the organization chart for the function of each division and the overall construction.

N Explain a requirement of an organization with functions which are able to perform the management strategy.

02 Is your management organization compact and slim, matching the actual conditions of your business activities and the size of the company?

Y Confirm the organization chart if the structure is adequate to the company.

N Explain that the organization should be kept to a minimum, and an unreasonably large organization causes to reduce its efficiency.

03 Is your organization simple and flat by reducing the middle management?

Y Check the organization chart if it is simple and flat.

N Explain advantages of a simple and flat organization.

04 Is the duty assignment of each section defined in writing and indicated in the organization chart as a regulation of organization?

Y Check the organization chart and the job descriptions.

N Explain that some jobs may be overlapped and it reduces the operation efficiency, if they are not defined.

05 Can the organization flexibly be altered, coping with changes in the operation system, workload and so on?

Y Check the recent changes to confirm if the company has a flexible mechanism.

N Explain drawbacks of a rigid organization, which cause lack of communication and sectionalism.

06 Is the procedure for the organization change defined, and can it be reviewed regularly?

Y Check the regulation procedure and the past actual changes.

N Explain a requirement of a rule on organization changes in order to have control of the organization.

07 Is the whole company notified right away when the organization and the organization rule have been modified?

Y Confirm whether the method of announcement is appropriate or not.

N Explain a delay in announcement may cause an improper organizational function.

08 Do you approve cooperation between the divisions to support the workforce flexibly to cope with a temporary imbalance of the workload among the divisions?

Y Check the level of standardization of work so that any staff can be easily supplemented or replaced.

N Explain an importance of the flexible workload adjustment for improvement of the total efficiency.

09 Do the function of the internal organization and that of the outsourcing compensate each other properly?

Y Check if the contents of the outsourcing compensate the internal function properly.

N Explain that a lack of technology or production capacity can be supplemented by the outsourcing.

10 When you form a new organization, do you organize a project team, a workshop and the like as a trial prior to the formal organization?

Y Confirm the actual cases of the project team and the workshop in the past and their results.

N Explain difficulties of modifying an organization if it once formed without a trial.

11 Do you organize a task force which directly reports to you to deal with important management issues?

Y Are the important issues solved by the task force properly?

N Explain a task force directly controlled by the top management can solve an important issue effectively.

12 For the complex work concerned many divisions, do you form a matrix organization operated by cooperation and coordination of the related divisions?

Y Please show some examples of the operation.

N Show some cases of the matrix organization, and explain its effectiveness.

13 Do you see a synergy effect between the creative function of staff division and the regular working function of line division?

Y Ask some examples, and check the effects.

N Explain the synergy effect results in a multiple effect not in a simple addition of each effect, and the capability of staff division can be maximized by the synergy effect.

14 Do you have a protective function in the organization from the disturbance of inadequate informal groups such as factions and private groups?

Y Please explain the protective system you are applying.

N An informal group may have a problem sometimes and a preparation to protect a trouble is needed.

15 Does the internal control system work among the divisions? Is the organization made in such away that dishonesty and unfairness does not occur?

Y Please explain the mechanism of the control system.

N Check whether dishonesty and unfairness occur in the organization. If there is, propose an appropriate control system.

02 Authorization

01 Authorization

01 Is the management organized properly according to the size of the company and the type of business? Is the working process being conducted promptly and smoothly?

Y Check the major divisions to see if there are any delays or stagnations of the work.

N Explain an adequate management system is required for an effective work.

02 Is each authorization of the management clearly defined and observed together with the duty and responsibility?

Y Is the authorization in each division properly executed together with the duty?

N An organization cannot function properly if there is any unevenness due to excess or lack of the authorization.

03 Are the authorization processes of propose, examination, decision and enforcement promptly proceeded in each level of the positions without delay?

- Y Are the authorization executed by dividing into the proposal, examination, decision and enforcement?
- N Check whether a delay of the enforcement exists or not due to a concentration of the authorization.

04 Are the duties divided into line, staff and specialized duty? Are the general authority and individual authority of each duty defined?

- Y Please show some examples to understand that each authorization is properly set.
- N Fixing an organization based on the duty and the authority is necessary for efficient operation.

05 Are you trying to activate the organization by utilizing individual worker's empowerment (increase of capacity for spontaneous and creative decision-making)?

- Y Confirm whether the method of empowerment is appropriate or not.
- N Explain the worker's empowerment is effective for activation of an organization.

06 Are you trying to perform a prompt and flexible agile management by delegating the authority with a simple and flat organization?

- Y Check if the organization chart and each span of the authority are appropriate.
- N Explain the necessity of an agile management to adopt with the rapidly changing business environment today.

07 In the case where there is a deviation from the duty authorized by the management, is there any checking function by report, audit and the like?

- Y Check if there is that kind of function and it is properly working.
- N Explain a requirement of the internal checking system because the deviation for a long time may lead to a destruction of the organization.

03 Conference, committee

01 Conference, committee

01 Prior to a meeting with many divisions, do you appoint a division of which has an authority to coordinate with related divisions?

- Y Check the meeting rules and the past meeting minutes.
- N Have you ever experienced that arguments or different opinions are raised in the meeting, and they caused problems?

02 Are your meetings and committees divided into regularly and continuously established organizations and temporarily and term-limitedly established ones?

- Y Please list up the respective organizations.
- N Explain the necessity of separate organization for smooth operation of meetings.

03 Do you try to motivate the meeting attendants or the committee members by covering all the related divisions and providing formal written assignment to the attendants and the members?

- Y Check the actual meetings, committees and those members.
- N Explain how to motivate and provide responsibility to the members and the attendants.

04 Does your company have a budget for the meeting expenses, and do you regulate number of meetings in a certain period, set a due date for the conclusion and make meeting minutes for securing the report?

- Y Check the regulations for administration of meetings and the meeting minutes.
- N Explain the importance of having regular meetings, recording the meeting contents, sharing information of the decisions and budgeting.

05 In case of a limited knowledge inside the company to deal with problems, do you seek outside specialists to consult for advices and utilize their knowledge?

- Y What kind of specialists do you look for, and is their participation effective?
- N Explain an advantage of utilizing outside specialists to supplement the limited in-house knowledge.

05 Management resources

01 Resources, raw materials

01 Resources, raw materials

01 Do you pay attention to the global demand and supply of the raw material, and apply

multiple supply channels for safety and stable material purchase?

- Y Check whether the company is always seeking a better supply channel for the major raw materials or not.
- N Find out which part of the supply channel has a problem, and why. Also explain that depending on a single channel is dangerous considering when the channel has any problem.

02 Do you collect new technological information on development of new resources, new materials and the like in order to utilize low cost and high quality materials?

- Y Give advice of collecting information from wider sources including the public institutions.
- N Let them understand that a new material can create a revolutionary product, which causes a complete change to the product strategy.

03 Are you aggressively challenging to apply the energy and resource saving technologies for cost reduction and protection against the exhaustion of natural resources?

- Y Do you grasp the results of your energy and resources saving by specific figures?
- N Explain that the energy and resource saving will lead to cost reduction.

04 Do you quickly stop using the harmful substances, and replace them with new non-harmful ones?

- Y What are the harmful substances and those substitutions you have replaced?
- N Using harmful substances is prohibited by the law, and deteriorates the health and the environment.

05 Do you make an effort to provide raw materials to meet the market demand, and avoid the occurrence of loss of opportunity by shortage of the materials?

- Y How do you control the accurate production forecast and the appropriate supply of the materials?
- N Explain the necessity of controlling raw material supply fitted to the change of demand, because surplus or shortage of the material stock gives a negative effect such as burden of interest or opportunity loss.

02 Machinery and equipment

01 Machinery and equipment

01 When you invest in new equipment, do you consider the demand and the plan carefully to avoid any excessive capacity?

- Y Check if there is not an excessive capacity and the operation rate is higher than the level of break even.
- N If there is a recent investment, check its contents, and explain the necessity of adequate investment.

02 With regard to the investment in equipment deemed to be necessary in order to establish a dominant position in competition, have you aggressively performed?

- Y Check if the investment is appropriate considering the initial management decision.
- N If there is a recent investment, check its contents, and explain the necessity of aggressive investment, if needed.

03 Do you introduce machinery and shop equipment to meet with the scale of company, the working condition and the technical skill of workers, and to harmonize with the workers?

- Y Observe the factory and check by hearing opinions of the workers.
- N Explain the machinery fitted to the level of company provides better financial and operative efficiency.

04 Do you quickly scrap or discard excessive, idle and obsolete equipment?

- Y Check if there is any difference between the actual machinery and the report.
- N Let them understand that old and excessive machinery are burden and do not generate any profit.

05 Do you consider rental or lease of the machinery in consideration of machine operating hours, maintenance fee, and the interest rate, instead of investing in machinery?

- Y Check why they select own investment or lease/rental.
- N Explain the lease or rental has advantage over the own investment, depending on condition of the machine operation efficiency or amount of the maintenance fee.

06 Have you ever considered to use subcontractors instead of your own investment in the

equipment and to become a fables (without factory) company?

Y Please explain your consideration in the past.

N Compare and check whether the cost of in-house production is higher than subcontracting or not.

03 Funds

01 Funds

01 To cope with the globalization and the liberalization of finance, do you consider various means of providing for the funds and rationalization of fund supply cost?

Y Check the means to provide for the funds and their reasons.

N Propose various rationalization plans including utilization of the government funds.

02 Do you have a plan to increase your owner's fund by collecting the funds from your relatives, acquaintances, venders and employees as angels (personal investors)?

Y Check whether the plan is appropriate or not.

N Explain the increase in owner's fund makes a more stable financial position of the company.

03 Have you ever considered accepting the funds from venture capitals?

Y What is a result of the consideration?

N Explain an advantage of diversifying the fund sources which leads to raising funds efficiently.

04 Are you considering increase of capital by opening the company to the public and by equity finance?

Y Check the result of consideration whether it is appropriate or not.

N Explain advantages and disadvantages of the equity finance, and recommend that it is an advantageous way to raise funds if they have a good capacity.

05 Do you utilize non-banking finances such as factoring lease, credit and the like as alternative sources of the finds?

Y Please list up all your non-bank financing agents?

N Explain there are various fund raising methods, and they should choose the best one.

06 Do you pay attention to the supply of funds by securitization (transforming the value into the form of securities) of the company property?

Y Check the contents of actual examination on securitization.

N Explain that is an alternative to raise funds.

07 Do you raise the funds for investment in equipment with a deferment period in consideration of the construction period, trial run period and start of basic operations?

Y Check whether the deferment period is appropriate or not.

N Explain a requirement to consider the construction and preparation period in raising funds for investment in equipment.

08 Prior to compose a new management plan, do you check your ability reserved for raising new funds and make the plan within allowance of the ability?

Y Check the plan if the new funds are within the allowance.

N Explain an unnatural funds-raising will cause a failure of the plan and force to modify the plan.

09 Do you examine whether the increase of long-term operation funds can be filled with the cash flow?

Y Check whether the examination method is appropriate or not.

N It is a sound way to raise long-term operation funds by increase of the cash flow.

10 Do you raise the short-term operation funds, clarifying the usage such as seasonal funds, account settlement funds, bonus funds and so on, and planning the repayment funds?

Y Check whether the refund plan is appropriate or not.

N Explain the necessity of a refund schedule on individual usage of funds for rational operation of the funds.

11 Have you established an internal warning mechanism to prevent a disorderly management such as investment in the derivatives and so on?

Y Check if the internal warning system is properly functioning.

- N Explain a fall in temptation of an easy fund-raising leads to the disorderly management, and the necessity of a preventive system.

04 Information

01 Information

01 Do you utilize a database, which can be collected related data from micro to macro information?

Y Check the actual frequency of use of the database.

N Explain a requirement of collecting wide range information to avoid information bias.

02 Is the in-house information organized and stored according to the certain span of time such as day, week, month, quarter, semi-annual, and annual?

Y Check the database and its classification.

N Explain an advantage of quick information retrieval.

03 Is the information updated and filed chronologically? Can you always obtain the latest information?

Y Confirm whether the updating and the filling methods are appropriate or not.

N Disposal of useless and old information is needed for efficient retrieval of the latest information.

04 Is your computer system easy to use and easy to access, a user-friendly system?

Y Check the easiness of access and speed.

N Let them understand that a database hard to use is nothing but waste of money.

05 Can your system also be used for an intranet (a network which only the people inside the company can communicate) to share information?

Y Check the system by actual operation.

N Explain an advantage of easy and fast communication by an intranet.

06 Does your system maintain the reliability and safety, being protected against alteration or destruction of information by hackers and virus?

Y Please explain measures for the maintenance.

N Explain the importance and methods of securing the safety, and recommend conducting them.

07 Do you have a plan to build an information network with all the stakeholders in future?

Y Check the plan whether it is adequate or not.

N Explain it is an effective way to communicate with the stakeholders efficiently.

08 Do you consider the reduction of work processing time and cost by utilizing EDI (Electronic Data Interchange)?

Y Check the contents of the consideration if it is appropriate.

N Explain EDI is a good way to increase processing efficiency.

05 Location

01 Location

01 Do you consider the location of the company as a part of the management resources in relation to the position of production base and market?

Y Check if the present location has an advantage in actual from various views.

N Explain and let them understand that an inconvenient location is a handicap in the competition.

02 Under support of area decentralization and promotion of regional development, do you consider to locate in a local area?

Y Check the candidate area if it has any disadvantage.

N Explain advantages of locating in a local area, with some examples.

03 With the development of access to transportation and the shortening of distance and time, do you consider to locate in a rural area in order to provide the employees a pleasant living environment?

Y Please make a list of the advantages and disadvantages for comparison.

N How about to ask for the consideration as an alternative for the company growth.

04 Do you consider relocating in a rural area for securing stable workforce through the cost comparison of various locations?

- Y Make the cost comparison chart and check the advantages of rural area.
- N Explain relocation to a rural area is a good alternative for stable company growth when the conditions are appropriate.

05 Have you ever considered reduction of the communication and distribution costs as a factor in examining relocation?

- Y Check if the result of examination is correct.
- N Explain and let them understand that reduction of communication and the logistic expenses is an important factor in the cost competition for a company.

06 Do you consider a tendency to alter the corporate ethics for location from the current one in the mobile society to the new one in the aging society?

- Y How do you consider the tendency?
- N Explain and let them realize that the ethics is changing.

07 Considering the decrease in international flight fees and international freights, the improvement of the courier service and the like, do you examine let the company locate abroad?

- Y Please list up the advantages and disadvantages for a comparison.
- N Explain that it is worthwhile to consider as an alternative for the company growth.

06 Human resources

01 Employers' consciousness

01 When hiring, do you understand that employees may quit anytime depending on their will and circumstance?

- Y Check whether they analyze reasons of the employees who left the company.
- N Explain that a management, which relies on the specific employee, is not stable and has a risk.

02 Do you intend to make an operation plan reducing working hours and providing many holidays rather than paying higher salary and working for longer hours, considering the employees' preference?

- Y Check whether the company's improvement plan and the employees' preference coincide mutually.
- N Explain that if the employees have dissatisfaction, you will have a management problem in the near future.

03 Considering the workers' preference to a complicated work rather than a simple work, do you provide them team duties and multiple duties?

- Y Please show some examples of the actual allotment of work.
- N It is necessary for increase of productivity to allot duties respectively, considering the workers' preference.

04 Do you apply the expert system to meet the requirement of staff who prefer to get responsibilities, duties, and authorizations coping with the talent.

- Y Confirm the actual situation in the job descriptions.
- N Applying an expert system to develop specialty of an employee who has a talent in a specific field is an effective way for activation of human resources.

05 Do you regard employees' satisfaction important and that you don't ask the employees to work for the sake of the company but for their own selves and their families?

- Y Check whether the company policy and the employees' awareness are met.
- N Explain that you cannot promote employees' motivation and activate the organization without getting satisfaction of the employees.

02 Employment system reform

01 Do you apply a flexible employment system by introducing systems of post retirement, selective retirement, encouraged retirement, contracted employment and the like?

- Y Check the existing system if it is flexible.
- N Explain the necessity of a flexible system to deal with the changing management environment.

02 Is there a system of whole year recruiting in addition to recruiting new graduates at a regular time, to secure necessary human resources when the need arises?

- Y Check if the system enables to hire necessary personnel timely.

- N Explain an advantage of on-demand recruiting when the environmental change is rapid.
- 03 In order to quickly deal with an occurrence of new duties, are you switching from re-education and re-location of the existing employees to hiring new employees as required?**
- Y Check whether it is effective or not.
- N Explain an advantage of hiring experienced employees whenever the company needs.
- 04 Are you reforming the wage system from the seniority related wage to the performance based wage (efficiency related, output related, or task related) and maintain the labor's relative share at a proper level?**
- Y Check the wage system and labor's relative share whether they are appropriate or not.
- N Explain a performance based wage system is effective to increase productivity.
- 05 Are you taking a multi-carrier path system (for example, a selective system of management task or technical task etc.) that let the employees choose in addition to the conventional single carrier path system which the steps of promotion are fixed?**
- Y Check and confirm if the current system has multiple carrier paths.
- N Explain a multiple carrier path system is effective to improve individual capability and performance.
- 06 In addition to a fixed working time, do you allow the employees to choose a flexible working time to enable a flexible work shifting system?**
- Y Check whether the employees are satisfied with the current system or not.
- N Explain a flexible work shift system will increase the employees' satisfaction and improve the turnover.
- 07 Are you changing your concept from selecting employees through subtractive evaluation to utilizing human resources through adding-points evaluation?**
- Y What is the response of the employees?
- N Explain an adding-points promotion is a good way to increase the employee's motivation.
- 08 Do you hire people retired from large companies with relatively lower wage, and utilize their specialized ability?**
- Y Check the actual situation if they are well used.
- N Recommend it is a way to recruit capable people with favorable conditions.
- 09 Do you utilize temporary staff from the agencies for highly specialized or simple jobs?**
- Y Check if the agencies are appropriately utilized.
- N Explain on suitable jobs to use the temporary staff agencies and the advantages.
- 10 Do you utilize contingent workers (non-regular employees such as part time workers etc.) for seasonal jobs, jobs with variable workload and the like?**
- Y Check whether the ratio of contingent workers is in proper level or not.
- N Explain that hiring contingent workers is a good way to adjust changes of the workload.
- 11 In order to continue the employment and promote the reduction of working hour, are you considering introduction of the work sharing?**
- Y Please show me your work sharing plan.
- N Explain that a stable employment requires reduction of working hours and introduction of work sharing.
- 12 Do you have an internship system for applicants to understand the company and secure opportunities to hire graduates?**
- Y Are you hiring capable employees by the internship system?
- N Explain that an internship is a good system for both parties to understand each other before hiring.
- 03 Training and learning**
- 01 Has a consciousness being infiltrated into the entire company that the company has a responsibility to conduct training for the employees so that they will be able to adopt themselves to the changes of management environment?**
- Y Check employees' awareness of the training and learning.
- N Explain the importance of training employees flexibly through workshop and education to cope with the changing environment.
- 02 Do you acknowledge that the employees need lifelong training and learning to maximize**

their value added for their own life?

Y What kind of learning do the employees have?

N Explain that maximizing value added of employees will also be effective to the company's performance.

03 Are the training plan and its budget considered as the top priority issues which the top management has to make decisions?

Y How do you make and decide the training plan and the budget?

N Explain the importance of the training which leads to improve the company performance.

04 Does the organization in charge of the training invite outside specialists and establish an effective training and learning system?

Y Check the contents of the past training whether they were effective or not.

N Explain and let them understand effective training and learning need an appropriate curriculum.

05 Does the training cover from "the improvement" of work for the operators to "the renovation" of the management strategy for the management staff?

Y Check the coverage with the training curriculum.

N Let them understand that the training should be conducted to cover every level of the entire company.

06 Is the training curriculum composed of bringing up the ability for creation and development and the ability to deal with the conventional process?

Y Check whether the both abilities are included or not in the curriculum.

N Explain that the training and education should cover both regular work and irregular work of which needs creativity.

07 Do you support career development trainings for individual self education and encourage your employees to be self-motivated to attend the training?

Y What are the career development trainings you have now?

N Explain that to support individual career development of employees is important for fostering human resources.

08 In order to increase the motivation of participants for training, do you devise an incentive system such as remuneration, reward, promotion, and so on?

Y What kind of incentives do you provide?

N Explain a requirement of an incentive system for effective training.

09 Are you continuously monitoring the training result and effectiveness by setting objective criteria, and increasing the cost performance (expenses vs. effects)?

Y Check the monitoring criteria if they are appropriate.

N Explain the necessity of continuous monitoring for fostering human resources.

10 Do you effectively utilize a government support system for the training to save the training expenses?

Y What is the government support system you are utilizing?

N Suggest applying the government support to take advantage of the official aid.

11 Does your company provide training and education for the employees to improve their employmentability (possibility to be employed and change a job)?

Y What kind of training and education do you provide?

N Explain the increase of employmentability makes employees feel comfort and stable.

12 Are the education and training planned step by step conducted according to the experience and skill of employees?

Y Check if the content of training program is appropriate.

N Explain the necessity of planned long-term training according to individual capability of the employees to bring up human resources.

13 Do you systematize the training of OJT trainer and the method of OJT training?

Y Interview OJT trainers to check whether the training system is appropriate or not.

N Explain the necessity of systematization of bringing up OJT trainers and method of training for effective OJT.

14 Is the education and training system which utilizes outside organizations established?

- Y Check if the contents of system and the outside organization utilized are appropriate.
- N Explain the training utilized outer organization is effective, if the purpose is clear.

15 Are the educations on conversation in office, personal appearance, telephone answering and the like strictly enforced?

- Y Check the contents of training if there is any lack.
- N Explain the advantage to increase discipline among employees and create better company image among outside people, and recommend the introduction of the educations.

16 Is the sanitary education strictly carried out in the food related company?

- Y Check if the contents of education including the relevant laws are appropriate.
- N Explain a lack of knowledge may leads to a serious accident, and recommend the introduction of complete education.

04 Employee satisfaction

01 Do you emphasize ES (employee satisfaction) as well as CS (customer satisfaction) and create a working environment of which enables the employee's self-actualization?

- Y Check the specific support provided by the company.
- N Explain the importance of the ES, which promote employees' stability and productivity much.

02 Do you support your employees' self development, and are you encouraging them as they will be able to realize their full potential, have confidence, and manage their job?

- Y Ask what their specific supports are and check whether they are effective or not.
- N Explain that self development of employees will improve not only their ability but also productivity of the company.

03 Do you prepare any alternative carrier paths (management course, specialist course, etc.) so that the employees can select and improve their satisfaction?

- Y What kind of carrier path selection system do you have now?
- N Explain a flexible human resource management enables to increase the employee satisfaction and the business productivity eventually.

04 Do you try to improve the working environment so that the employees feel pleasant and comfortable in their workplaces and are willing to challenge their duties?

- Y Check the specific improvements and the effects they have made.
- N Explain the maintenance of employee satisfaction is necessary to activate the organization and reduce the turnover of employees.

05 Do you conduct a counseling to prevent the employees from having techno stress and intend to provide psychological comfort?

- Y Check the frequency of counseling and its effects.
- N Explain that the increase of stress may cause to decrease efficiency in work.

06 Whenever requested, do you counsel employees' family matters and try to create a comfortable working environment?

- Y What kind of requests and advices did you have recently?
- N Explain a private counseling is necessary to build a friendly atmosphere and trustworthy relationship.

06 Management plan

01 Planning system

01 Planning system

01 Is the management plan systematically composed from the division plans to the corporate plan with every necessary detail?

- Y Please list up all the plans, and check whether they are consistent or not.
- N Please develop a plan from division plans and add them up to compose a corporate plan.

02 Are all the plans consistent and not contradictory each other?

- Y Check the individual plans if there are any contradictions between them.
- N Consistency of plans is necessary in order to have the best result.

03 Do you divide your management plan by the period into monthly plan, annual plan, middle range plan (three years) and long-term plan (five years)?

- Y Check whether the plans are divided into respective period and consistent each other or not.
- N Usually a long-term plan is made first, and it is decomposed into shorter-range plans. However, if it is difficult, please make any possible plan first.

04 Is the information for construction of the management plan organized systematically in a database and can it be easily retrieved?

- Y Check whether the database is systematically organized and easy to be retrieved or not.
- N A systematic database makes search and maintenance easier.

05 In the process of making a plan, are the units such as amount and quantity used in the plan defined, and can they be easily compared?

- Y Check whether the units are properly defined or not.
- N Explain the necessity of standardization of the units for a proper comparison.

06 Do you include in advance the management plans of outside cooperative companies (subcontractors, outsourcing companies etc.) and their cooperation levels into your management plan?

- Y Check if the cooperation level included is overabundant or not.
- N Explain the necessity to include the cooperation level if a company has outside cooperative companies.

02 Planning procedure

01 Planning procedure

01 Does the top management indicate planning guidance such as management philosophy management policy and the like? Is the plan composed to meet with them?

- Y Confirm how far the plan matches with the guidance.
- N It is necessary to make a plan following the management policy.

02 Is the management plan segmented into product type, region, division and the like, and are they piled up to organize the corporate plan?

- Y Check whether the plans segmented are coincided each other or not.
- N Let them understand the necessity of segmentation, and ask them to make a planning scheme.

03 Is there a responsible person or organization for each management plan? Are they communicating each other closely to develop the plan?

- Y Check if each segment is equally communicated.
- N Explain the necessity of communication among each segment to avoid any inconsistency in making a management plan.

04 Prior to make a management plan, does the division in charge collect various materials and information, and put them in a database as a foundation of the plan?

- Y Check whether the division in charge and the contents of database are appropriate or not.
- N In making a management plan, collection and putting them in a database of necessary material and information are indispensable.

05 Do you compare individual management plans from each division and adjust excessive or underrated targets?

- Y Check if the adjustment is properly made.
- N An improper individual target may upset the total corporate target.

06 In the case where an individual plan does not match with the whole corporate plan, do the top management modify it by their own assignment?

- Y Is the modified plan accepted by the division that made the original one?
- N If the plan is not modified, the whole corporate plan cannot be made properly and consistency among the plans is not achieved.

07 Is the plan-making period from the starting up of the information searching to the finalizing of the plan fixed? Has the plan been completed before the start of new financial year?

- Y Check the actual schedule.
- N What is the problem, which caused delay of the plan-making? Analyze the cause.

08 Is the finalized management plan easy to understand? Is the plan well understood by all

employees through documents, explanatory meetings and the like?

- Y Ask and check whether each employee has understood the plan or not.
- N In order to realize the plan, all employees should know and understand the plan thoroughly.

09 With regard to the confidential part of the management plan, do you take any security measures to prevent the plan from leakage?

- Y Check whether the measures properly function or not.
- N A leakage of confidential information causes a serious damage to the company in the competitive environment.

10 Do you unofficially inform the corporate plan to the outside venders (subcontractors, outsourcing companies etc.) for a temporally acceptance and cooperation to the plan prior to the execution?

- Y Check whether major outside venders have temporarily and surely agreed the plan or not.
- N The temporary acceptance is needed to realize the plan, if you need cooperation of the outside venders.

03 Planning skill

01 Planning skill

01 Do you make a management plan by combining all the skills including from short term (improvement activity) to long term (reformation strategy) and composing them comprehensively?

- Y Check the contents of the included skills whether they are comprehensively composed or not.
- N A management plan is not merely a simple extension of the current situation, but it is a plan of the reformation with input of the skills.

02 Do you apply a contingency plan (a technique of management plan to cope with a situation unexpected) to deal flexibly with the rapidly changing management environment?

- Y Confirm the contingency plan and the content of the deal.
- N A contingency plan is effective in order to deal with the rapidly changing business environment.

03 Do you apply a benchmarking method to target the best practice (way of execution by the top enterprise in the industry)?

- Y Check whether the respective methods and targets are correct or not.
- N Recommend to introduce the method whatever the company can apply.

04 Do you make a plan to utilize the company's strength and eliminate its weakness by using the SWOT (strength, weakness, opportunity, threat) analysis?

- Y Check whether the method is correct or not.
- N Explain the SWOT analysis, and recommend including it in the management planning.

05 Do you include methods of restructuring and reengineering into your management planning?

- Y Check whether the methods are correctly applied.
- N Explain the necessity of applying the methods to cope with changes in the management environment.

06 To cope with the internationalization, do you make the management plan with consideration of the worldwide reformation from the global point of view?

- Y Check if the prospect of the internationalization are appropriate.
- N Under the globalization of economy, a management planning without consideration of the globalization is very difficult.

07 Do you consider the risk management in preparation for unexpected natural disasters, PL (product liability) and so on?

- Y Confirm if the risk management is properly planned in the necessary areas.
- N Explain the necessity and importance of the risk management in order to prepare for unexpected disasters and accidents.

08 Do you shift the management plan from sales oriented standard to value-added oriented standard in order to improve the profitability?

- Y Check whether the profitability is increasing or not.
- N Explain the increase of the profitability is more important than that of the sales.
- 09 Do you try to smooth the funds supply by making the management plan which emphasizes requirement of needed capital increase ratio rather than sales growth ratio?**
- Y Check whether the funds are raised smoothly or not.
- N Let them understand that the company growth and the increase of sales require smooth fund supply.
- 10 Do you include the national and local government SME support policies into your management planning in order to stabilize the management and increase the public reputation?**
- Y What kind of policies do you include into your planning?
- N Explain an advantage of utilizing the government supports.
- 11 Do you adjust your management plan to match with the plans of outside vendors such as subcontractors and outsourcing companies?**
- Y What kind of measures do you take to adjust the plan?
- N Matching with the plans of outside vendors is necessary for accomplishment of a management plan.
- 12 In order to improve the financial condition, do you include selling of unnecessary non business assets (unnecessary machinery, useless real estate etc.) into your planning?**
- Y Check if the assets scheduled to be sold are really unnecessary or not.
- N Explain holding unnecessary assets causes to weaken the financial condition.
- 13 Do you include a tie-up, an integration and the like (collaboration of business, business tie-up, capital tie up, mergers etc.) into your management planning?**
- Y Check if the integration or the tie-up provides an advantage for the business.
- N There are alternatives you can choose other than an independent plan in planning a management plan.
- 14 Have you considered a liquidation (bankruptcy, special clearing off) in addition to a reconstruction plan in your management planning?**
- Y Please list up the advantage and disadvantage for comparison.
- N Consideration of the reconstruction has to be widely examined.
- 15 In making a plan, do you give priority to a matter you can achieve in a short period, and cope with a reformation plan difficult to achieve in middle and long term?**
- Y Check if the order of priority is appropriate or not.
- N Explain the necessity of including a feasible matter in the planning and executing it promptly in reformation.

04 Difference analysis

01 Understanding actual performance

- 01 Has the management plan been surely achieved? Has the result never been grasped with the excuse of busy work?**
- Y Check if the analysis of difference between the plan and the result is proper or not.
- N A difference analysis is required in order to check whether the operation is done following the plan or not. If not, take necessary actions or modify the plan.
- 02 Are all the items decided in the management plan predetermined in the planning step so that their result should be grasped.**
- Y Check whether the predetermined method is appropriate or not.
- N Predetermining in the planning step is needed to secure grasping the result.
- 03 Is the grasp of business performance conducted promptly, in a regular time lag and without delay?**
- Y Check the actual time lag whether it is within a proper range or not.
- N The comparison and analysis should be made in a regular time lag.
- 04 Are the management performance results made and submitted on a standard format, with a fixed unit, by division and by management level?**
- Y Confirm whether the performance reports of each division and the corporate level are appropriate or not.
- N The use of a standard form and a fixed unit common in a division are required for fair

comparison.

05 Is the timing of grasping the business performance fixed continuously by day, week, 10 day period, month, quarter, semi-annual and annual?

Y Are you checking at the fixed timing?

N A periodical check and grasp from a short period to a long interval is necessary.

06 Isn't there any concealment or fabrication of the business performance result? Is the actual value being grasped all the time?

Y Without report of actual data, a judgment on the management may be misled, and the company has a responsibility to report the truth.

N Through analysis of major performance results, check if the real data are reported and grasped.

07 Are the business performance data printed in hard copy, displayed and disclosed to the people concerned as openly as possible?

Y Hear from and check the people concerned whether they receive correct data.

N To disclose information openly to the people concerned is necessary.

08 Regarding the data that require confidentiality, are they clearly predetermined and prevented from their spreading?

Y Check if the method of prevention is appropriate or not.

N Explain the damage by leakage of confidential data is very serious and the prevention from their spreading is necessary.

02 Standard of comparison

01 Do you compare the plan and the result? Do you continuously calculate the difference ratio or value using a standard formula?

Y Check the past data compared to see if it was properly made.

N Explain a requirement of continuous and regular comparison to grasp difference of the plan and the actual performance.

02 With regard to the difference in quantity, amount and ratio, have you established criteria to evaluate an achievement level of the plan, and is it adequate?

Y Check whether the criteria are adequate or not.

N Setting adequate criteria is required for measuring a correct achievement level of the plan.

03 Do you compare the actual data grasped with the international data, the industry data, and the regional data?

Y What is the result of the comparison?

N Explain the importance of comparison with competitors, in the domestic market and in the global market in order to understand the correct position of the company.

03 Comparison of progress level and achievement level

01 Do you check the difference between the monthly plan and the actual performance daily, weekly, and every 10 days, as the result of progress level in the month, and make a recovery plan?

Y Check if the recovery plan is appropriate and timely proceeded.

N Explain the necessity of frequent progress checks and a recovery plan in case of delay.

02 At the end of a month, do you check the monthly achievement level? If the result does not reach the plan, do you analyze the cause and make a recovery plan after the next month?

Y Have the past recovery plans been executed and successful?

N The analysis of the reason, the recovery plan, and its execution are needed to achieve a plan.

03 In case you do not reach the monthly achievement level for three consecutive months, do you subdivide and analyze the reasons by the products, the customers and the like?

Y Check whether the subdividing and the contents of analysis are correct or not.

N If you do not achieve a plan for three consecutive months, there should be a fundamental problem, and you require an analysis of the reasons by the product, by the customer and the like.

04 In case you do not achieve the cumulative total for six months, do you grasp whether it is because of competitive condition or shrinkage of market by clarifying the dull products or dull regions?

- Y Check the results of past analysis whether they are reasonable or not.
- N If you don't achieve the plan for a long term, it is necessary to consider a macroeconomic analysis of the market and a withdrawal from the market.

05 If it has been considered that the reason you have not achieved the cumulative total for six months is due to the inferior position in the competitive situation, do you try to examine the countermeasures with the whole company?

- Y If the inferior position was the reason, what kind of countermeasures did you take?
- N If you are inferior in the competitive condition, a fundamental reconsideration of the competitive strategy is required.

06 With regard to the product predicted the shrinkage of the market when you have not achieved the cumulative total for six months, do you consider a withdrawal of the product from the market?

- Y If the market is shrinking, what kind of countermeasures do you take?
- N With regard to product predicted shrinkage of the market, a withdrawal is one of the alternatives, and the reconstruction of the product strategy is required.

05 Future orientation

01 Fostering plan

01 Do you have a management plan to bring up an inactive product today which has a potential in future?

- Y Check if the inactive product has a future potential.
- N Explain the necessity of bringing up a product which will be one of the main profit resources in future.

02 Do you have a management plan to bring up and promote an inactive area today which has a potential in future?

- Y Check if the inactive area has a future potential.
- N Explain the necessity of expansion of the area for growth of an enterprise.

03 Do you foresee a change of management environment in future and make a management plan fostering the organization to cope with it?

- Y Check the contents of the plan if it is appropriate.
- N Explain a requirement of organization change to deal with the environmental change.

04 Do you pay attention to financial measures to adopt the future changes in management environment?

- Y Ask them how they are going to invest the fund.
- N Explain the necessity of frequent investments to deal with the environmental change and consideration of the countermeasures.

05 In case it is needed, do you provide opportunity to study the cultivation of future market and the like by corporate alliance?

- Y Ask the specific partner and the contents of study to see if they are appropriate.
- N Explain an advantage of future market cultivation by corporate alliance for growth of the enterprise.

02 Marketing and Sales

01 Market

01 Actual conditions of marketing

01 Customers

01 Do you precisely understand the needs, scale, trend, competitive situation and so on of your customers (users, trading firms, agents, parent companies etc)?

Y Let them proceed from understanding to the analysis and evaluation of their customers.

N Let them understand the necessity to collect all information of the customers as precise as possible.

02 Do you make a research of the business conditions and the future prospects of the industry which your customers belong to ?

Y What kind of industrial area, growing, stagnant or declining, their customers belong to will influence their company's future. Therefore, it is better for them to foresee the key factors dominant in that industry over 5 years.

N Explain that the movement of the industry which the customers belong to will influence the future of their company.

03 Do you analyze and evaluate the marketing ability, manpower, credibility and prospect of your customers?

Y Advise to analyze the customers drastically, if there is any difference between what they find in daily business relations and what the third party (a credit research company or a trading bank) evaluates.

N Make them understand the necessity to evaluate the customers from various view points.

02 Competitors (The companies in the same industry)

01 Do you always get the information on your competitors' business conditions and movement?

Y Let them study and learn the advantages of their competitors, and advise to brush up their own advantageous points.

N Make them understand the importance to know the enemies and to reconsider themselves.

03 Market segmentation

01 Do you get the market information by segmenting the market?

Y Check how they utilize the information from the segmented market.

N Explain that the information of the segmented customers on geographic characters, company scale, business scale, category of business, and so on are the base of your production activities.

02 Do you get enough information on the population, industrial characteristics, economic power, development planning etc of your business territory?

Y Check whether they reflect the information to their business plan, sales and production planning.

N Make them understood that any business can not be successful without reflecting the local characteristics, and explain how to take the data and how to utilize them, by illustrating the examples.

04 Business network

01 Is your business network of people and organization enough and adequate, in terms of quantity and quality?

Y Check whether they have enough network for them to be assisted, in case of business crisis (especially big claim and fund shortage).

N Make them understand the importance of building up a business network.

05 The strength and weakness of your company

01 Have you tried to analyze strength, weakness, opportunity and threatening of the capability of your products and sales ability in the market?

Y Let them explain what are their strength and weakness, and how are their opportunity and threatening. And check how they utilize the results of analysis.

N Make them understand that the first step to do business is to know themselves, and teach SWOT analysis is how to know and understand themselves.

02 How to understand the market

01 How to understand the market

01 Do you have any human route and information network in order to get the actual conditions of the market?

- Y Let them discuss whether there is any better route to get the same information.
- N Propose to utilize a market research institute, official media and outside database company. Make them understand that even any information brought by agents, dealers, salesmen and men of order acceptance are very useful.

02 Do you properly utilize the market research institute and outside database company ?

- Y Let them explain their best use of the information in the past, in order to check whether adequate or not.
- N Make them understand the importance to utilize the information from the third party most effectively, as it is very costly to use the third party.

02 Sales policy

01 Correspondence between principle and policy

01 Correspondence between principle and policy

01 Does your sales policy meet with your business principle and business policy?

- Y Check whether this way of thinking is widely understood among employees, especially by sales staff.
- N Explain the importance of policy consistency. If inconsistent, employees will be so confused as to lose sales enthusiasm.

02 The way of thinking of customer satisfaction is consistently stated in the sales policy?

- Y Let them clarify what kind of customer satisfaction (freshness, fashion, quality, price or wide range of products) is focused?
- N Make them understand that the customer's tastes are so diversified that where to focus is very important.

02 Strategy

01 Strategy

01 Is your company's marketing strategy consistent with the market actual conditions and position of the company?

- Y Let them study to compare each product with actual conditions of the market.
- N Recommend to make a survey of what is inconsistent.

02 Do you have a business strategy in accordance with the business type (such as processing, special technology, manufacturing, or research & development)?

- Y Check whether their marketing strategy is fully utilizing the characteristics of their business type.
- N Let them understand to which business type they belong, and let them build up a strategy to make a good use of its characteristics.

03 Does your business have any strategic advantages in terms of timing, target, priority, integration and profitability?

- Y Let them study each strategy is consistent with their ability of products, sales and production.
- N Make them understand it easier to use 5W1H method when designing a strategy.

04 Do you consider your market as a niche market?

- Y Study whether it is a real niche.
- N Make them understand it very difficult to fight against a big competitor in the same market.

05 Each strategy of products, territory, sales points, customers and sales route is organically integrated?

- Y Check whether any strategy is not designed independently from other strategies, and check their sales activities are smoothly operated.
- N Explain the meaning and importance of the organically integrated sales activities.

03 Correspondence

01 Relations with other management policies

01 Does the marketing policy effectively integrated with other management policies?

Y Check the marketing policy is effectively integrated.

N Explain there is a possibility of creating serious management troubles, if not integrated. For example, if the recruiting policy is to employ only university graduates, they would not become able sales staff soon, and would badly affect sales planning.

02 Does the marketing policy have a back-up support of management resources?

Y Check if the management resources are consistent with the marketing policy.

N Let them reform the marketing policy, to have enough back-up of the resources.

02 Rule to design

01 Is the rule to design, change and adjust the marketing policy adequate?

Y Confirm the rule is built up both from the top and from the bottom, and prepared in written form so that every employee can understand.

N Make them understand that all the employees will be confused if the marketing policy be altered by the president's own judgment.

03 To let everybody know

01 The marketing policy is well known to everybody and reached an agreement?

Y Check whether the method to make everybody know is adequate, and everybody agrees.

N Explain that the total company wide system to sell is not completed before everybody knows and agrees the policy.

03 Sales planning

01 Sales planning

01 Materialization of sales planning

01 Is your sales planning materialized, keenly based upon the marketing policy?

Y Check the consistency between the sales planning and marketing policy. For example, a marketing policy declares "Best priority is to sell the new products", but the sales planning allocates more sales manpower and sales budget to "the traditional products"

N Explain the importance of consistency in policy-planning.

02 Relations with other management policies

01 Relations with other management policies

01 Is the contents of sales planning closely connected with other management planning?

Y Check whether the important elements (manpower, materials, money, etc.) to promote the sales planning are well prepared in other planning.

N Make them understand that the sales planning which is not related to other management planning, such as recruiting planning, will not be able to realize the sales target.

02 When have you carried out the review and modification?

Y Check how the review and modification was carried out and whether it is reasonable.

N Check why any review was not carried out.

03 All the plans such as sales amount, gross profit, sales promotion, credit collection, manpower, etc. are well covered?

Y Check the consistency among the plans.

N Make them understand the sales activities can not actually be performed, unless the sales planning is prepared in detail.

03 Sales process

01 Sales process

01 Is the whole process of sales projection, sales targeting, sales budgeting, sales allocation and administration completed?

Y Check the sales process is well prepared (if possible, in written form) and the company wide consensus has been built up through the process.

N Explain the importance to establish a sales process to control the sales activities.

02 Do you get the company wide consensus of the sales target?

Y Check how they get the consensus.

N Explain that it is very important to get the equal consensus on sales target from all the departments of the company.

02 Elements of the Planning

01 Does the sales planning cover total elements of 5W2H?

Y Check whether the planning is well expressed, in view of exercising sales activities.

N Explain the planning should be easy for sales people to understand and to exercise.

04 Rule to achieve the sales target

01 Rule to achieve the sales target

01 Are the rule of setting the target, level to achieve, scheduling, evaluation method, etc. clearly presented?

Y Check the ruling has not anything unnatural and idle.

N Explain the necessity of ruling.

02 Is the sales target reviewed periodically?

Y Confirm when the target was reviewed and what measures were taken against any unachieved target.

N Make them understand that to make a target is to check the speed of progress and to prepare how to cope with the case when the target is not likely to be achieved.

03 Is the daily activity of each job level is decided and followed?

Y Confirm that the activity plan and its daily report are presented and that what kind of instruction is issued in case the plan is not achieved.

N Explain that it is important to rotate the PDCA(plan, do, check, action) circle in the daily sales activities.

05 Consistency with other management resources

01 Consistency with other management resources

01 Is the plan not connected with management resources?

Y Check the consistency.

N Check which resources are not sufficient, and make them understand they will not achieve the sales target with short management resources.

02 Can you fulfill the gap?

Y Visit the department in charge of the management resources, and ask whether they can fulfill the gap.

N Recommend to discuss again among themselves from the beginning of sales plan designing.

06 Evaluation of sales achievement

01 Evaluation of sales achievement

01 Is the evaluation of the achievement of sales target related to the management results?

Y Confirm the relations between achievement of sales target and management results.

N The sales achievement usually relates with the management results. But just check whether there are any temporary revenue such as mortgage sale or financial revenue.

02 Do you have any contingency plan to cope with, whenever sales target is not achieved?

Y Check the contents of the contingency plan, and evaluate whether it will effectively work.

N Discuss with the top management how to cope with the case when the sales target is not achievable.

07 To collect sales data

01 To collect sales data

01 Have you completely collected and maintained the necessary data of customers, sales results, etc. necessary for the sales management?

Y Check what their data are and confirm whether they are valid or not.

N Propose how to collect and maintain major data for sales management, after explaining the data will be the base to design the marketing strategy.

02 The sales data is real time and distributed to all the necessary staff?

Y Check the contents and advise a better measure, if any.

N Explain that the real time sales data is the basic IT technology, and that it is applied to a base for purchasing-shipping planning, range of products planning, new products development/promotion planning at the convenience stores.

03 Are you always ready to operate a simulation of the sales planning?

- Y Confirm any simulation based upon the sales results is available, so as to modify sales planning, to judge the timing to start selling new products, to design sales promotion etc.
- N Explain that the merit of IT is not only to save manpower and time, but also to be able to rotate the cycle of PDCA in an instance, owing to its "real time characteristics".

04 Target

01 Target

01 Target

01 Is the target set for the existing market, or a new market that you are going to develop?

- Y (Existing) Do you clearly understand the market, including its scale and characteristics?
- N (New) By what means do you survey the new market and estimate the demand? How far have you done them?

02 Target strategy

01 Appropriateness

01 Is the target appropriate in view of your management policy and strategy?

- Y What is the feature of the target to believe that it is appropriate?
- N The target should be set based on your management policy and strategy.

02 Decision-maker

01 Is there a specific decision-maker for the target strategy?

- Y Review whether the decision-maker and his authority are appropriate.
- N Explain to them what kind of problems could be created by absence of a decision-maker.

03 Getting information

01 Have you grasped the necessary information of the target?

- Y Have you evaluated and studied the contents of the information?
- N Suggest the diversity, quality and quantity of information to be collected.

04 Concrete strategy

01 Do you have a concrete strategy to reach the target?

- Y Are the contents of the strategy concrete enough, going into the operational level?
- N If the strategy isn't concrete, it would result in only a verbal action.

05 Specification of strategy

01 Does the strategy correspond to the target?

- Y Do you specify products, quality, service, price, and sales promotion in accordance with the target?
- N If you only have a uniform sales strategy, it would be difficult to secure the market and customers.

06 Organization for strategy promotion

01 Do you have a specific organization to promote the strategy?

- Y Please explain the structure and function of your organization for strategy promotion.
- N Promotion of the target strategy should be carried out systematically.

07 Development of new target

01 Do you always develop a new target to cope with the change of demand of your customers?

- Y Please show your examples what target you have developed coping with what kind of change.
- N How far do you grasp the change of the demand? The existing demand changes everyday.

05 Customer management

01 Customer management

01 Principle of "Customer First"

01 Is the policy of Customer First being infiltrated into all levels of you company?

- Y Some questions shall be asked to the employees of every level to examine whether it is well understood and practiced or not?
- N Sales founded on the customer first principle would make basic advantage in competition in the market today.

02 Customer support

01 Do you provide enough information and support to your customers?

- Y Are your customers really accepted and satisfied with your support?
- N It should be understood that the customer support is an integral part of the marketing.

03 "ABC" management

01 Do you carry out the ABC management of the customers with a fair rule?

- Y How do you carry out the ABC management? Are your important customers treated favorably based on it?
- N The ABC management is an indispensable method to streamline marketing operations.

04 Developing new customers

01 Are you constantly developing new customers?

- Y The fluctuation in the number of customers should be checked in chronological order.
- N Without effort to seek for new customers, the number of customers would be decreased.

05 Collecting information on customers

01 Do you collect various kinds of information of the customers and create a data profile?

- Y Does the file have only necessary data and is it frequently updated?
- N Explain to them what kinds of data are necessary and how to create their data file.

06 Credit management

01 Are the sales credits and their collection well controlled?

- Y The management system and the use of the ABC classification shall be examined.
- N Successful sales depend on the credit management finally.

07 Utilization of information

01 Do you make use of the customer information for the sales promotion, management of credit sales, and product development?

- Y The flow of customer information and users of such information shall be checked.
- N Explain the importance of customer information and its use, utilizing some examples.

06 Sales organization

01 Sales organization

01 Presence of sales organization

01 Is your sales organization formed coping with the present and future activities of the enterprise?

- Y Is there a complementary function or network besides the official sales division?
- N Sales organization should change according to the size of operations of the enterprise.

02 Appropriate organization

01 Appropriate organization

01 Is your sales organization well maintained in accordance with your sales policy and plan?

- Y Does the organization correspond with changes of the market flexibly?
- N A sales organization should correspond with changes of the sales policy, and the like.

02 Is a person responsible for the promotion of sales plan defined?

- Y Is it well recognized by the staff of your company as well as the customers?
- N It is essential to clarify a person responsible to carry out the sales plan.

03 Is the organization divided by function such as products, areas, locations, customers, and channels?

Y The present situation shall be reviewed, and be examined whether there is any more appropriate classification by functions.

N Giving an example of appropriate divisions classified by functions, recommend to change to the functional organization.

04 Does the organization put emphasis on planning, technology, information and the like?

Y Giving importance to those factors too much, don't you have negative impact to reduce vigor of the sales activities?

N No matter how excellent the sales division might be, it cannot achieve the good result without cooperation of other divisions.

03 Contents of the organization

01 Structure of the organization

01 Are the structure of the organization, capability of the leader, and number of the sales staff appropriate?

Y The actual situation shall be investigated on each item mentioned above, and its propriety shall be examined.

N Some measures shall be taken, after grasping what is the problem in relation with the sales scale, products, and customers.

02 Manpower

01 Do you secure manpower with special knowledge such as overseas business and the like?

Y Does the special knowledge required correspond with the manpower available?

N Depending on the type of business, a person who has the special knowledge is sometimes indispensable. In case of absence of an appropriate manpower in the enterprise, it is necessary to look for a talented person outside the company.

02 Do you have an appropriate person for the sales manager?

Y Interview the manager and examine the propriety together with the view of a long-term personnel policy.

N The reason shall be investigated whether the impropriety lies in the capability of the manager, or whether any effort has not been made to look for an appropriate person. After that some measures shall be taken.

03 Flexibility

01 Does the organization have a system to change flexibly, corresponding to the market?

Y Check the changes of the sales quantity and modifications of the organization.

N Let them understand the demerits of an inflexible organization which will be serious at the sales organization.

04 Management

01 Does the organization carry out management to promote the sales plan?

Y Review the policy of the manager, grasp of the progress, management tools, and so on.

N The guidance that it is necessary to carry out management in the organization shall be given especially to the manager.

07Activities of salespersons

01 Contents of activities

01 Standard

01 Is the standard of the sales persons for the knowledge on the product and service, and sales ability high enough?

Y Improvement shall be made through training etc., after examining the salespersons by interview.

N Training to provide the minimum knowledge and skill required shall be promptly made, as well as review of the manpower.

02 Is the technical standard of the sales persons for presentation, business negotiation, and closing a deal enough?

Y From the demonstration of the salespersons, it shall be confirmed whether they are appropriate for the products, the type of the business and the like.

N After grasping what is short and why it is lacking, necessary measures shall be taken.

02 Top sales

01 Does the president himself actively visit the customers?

Y How frequent is the visit to the customers? Isn't the whole management of the company disturbed by the visit?

N Top sales by the president are indispensable, especially in the small and medium enterprise.

03 Planning

01 Are the daily activities of the salespersons carried out as scheduled?

Y Isn't there a big difference between the plan and the activities?

N Find out the reason why it can't be done properly, and link it to improvement of the plan and activities.

02 Are the visiting plan to the customers properly made?

Y Hasn't the plan for customer visit become so formal that it hasn't executed properly?

N A good plan for visit would result in sales growth as well as cost reduction.

04 New development

01 Are the new markets developed by the salespersons steadily?

Y Compare their activities to develop new markets with the results.

N Incentives should be considered in order to let them develop new markets actively.

05 Patrol visit

01 Are the patrol visits of the salespersons carried out regularly?

Y Actual situation should be analyzed by reviewing the daily report of customer visits, as well as by the actual sales tour of the management or managers themselves.

N It is important for the whole company staff to understand that obtaining customers is a consequence of the regular sales tour.

06 Customer support

01 Is the customer support carried out by the salespersons steadily?

Y Do the salespersons work as management consultants for the customers?

N Customer support is an important part of sales promotion and a sales person is the vanguard.

07 Immediate useful salesperson

01 Do you utilize sales manuals to bring up immediate useful salespersons?

Y Confirm the contents of the manuals and their correspondence with the management and marketing policies.

N On-the-Job-Training is not enough to bring up salespersons immediately. Preparation of the manuals is necessary.

02 Are action principles, utilization of time and customer relations of the salespersons standardized?

Y Doesn't an action bound by the manual too much make ill feeling of the customers?

N Minimum standardization is needed for efficiency and adequate actions.

02 Sales tools

01 Preparing manuals

01 Are there manuals available for the sales activities of the salespersons?

Y Are the manuals utilized in practice? Do they have any positive impact on the sales?

N The manuals are indispensable to increase the efficiency of the activities of the salespersons. Immediate preparation of basic manuals is recommended.

02 Application of tools

01 Are you making use of the sales tools classified by customers, by products, and by the different stage of business negotiations?

Y Review the contents of every tool and the actual case of its application.

N By giving an example, necessity and application of the various tools shall be explained. And let them prepare the tools.

02 Are you devising new sales tools through information processing data, etc?

Y Review the present tools and propose a better option.

N Conventional tools are not effective in the current sales. A device to display them joyfully and visually is needed.

03 Are the sales tools prepared visually?

Y Are the sales tools easy to be accepted by the customers?

N Explain why it must be prepared visually. Propose some tools easy to see.

03 Sales promotion goods

01 Are you preparing and utilizing the sales promotion goods such as advertisement materials and give-away goods?

Y Are you utilizing the promotional goods practically? Is it effective for the sales promotion?

N Let them understand how these goods can be helpful for the sales promotion.

03 Manpower development

01 Manpower development

01 Is the training and development of the salespersons carried out systematically?

Y Are the training and development carried out based on the long-term human resource development plan?

N The training and development can be started as the on-the-job training even if you do not have a special program for it.

04 Evaluation of the performance

01 Evaluation of the performance

01 Is the evaluation of the salespersons made on the basis of a fair rule?

Y Review the rule and the actual applications in the evaluations.

N Salespersons can't achieve the best performance without a fair evaluation based on a fair rule.

05 Information maintenance

01 Information maintenance

01 Is the maintenance and sharing of sales and claim information carried out properly?

Y Please explain how the major information is maintained, and to which section the information is transmitted.

N Maintenance of information and its proper transmission to the right persons, the salespersons especially, are the base of success in sales.

02 Is a rule how to cope with the product liability in the sales division established?

Y How well established are the role of the sales division and the flow of the information?

N Do they understand clearly that the sales division, which has direct contacts with the customers, must take the product liability seriously?

03 Is the information to control salespersons well maintained?

Y Please explain the present situation of the maintenance. Are all the necessary information collected without delay?

N By showing them examples, explain the procedure of collecting and upgrading the important information.

08 Products and services

01 Consistency with needs

01 Consistency with needs

01 Do the products and services meet both with the market needs targeted and with the benefit of the customers.

Y After getting explanation on the demand and benefit, consistency of the products and services with them shall be examined.

N The policy for the product development and commercialization shall be reviewed.

02 Do you analyze your market based on characteristics, usages, and segmental market elements, of the products and services?

Y Explain the conclusion of the market analysis. How far does it relate to the

characteristics and the like of the products?

N Market analysis would not be meaningful, if it is not based on the characteristics of the product.

02 Actual conditions of products and services

01 Do you grasp the proportion of the original products and services developed by your enterprise in the total sales?

Y How much is the share of contribution of the original products in the profit?

N Explain to them the advantage of original products and the necessity of grasping the present conditions to strengthen the development.

02 Do you grasp the contents of the services concretely?

Y Let them identify clearly what the essentials of the service providing are.

N Correct identification of contents of the service leads to improve quality of the service and to provide the service easy to use.

03 Do you grasp the ratios of the products with patent and products or services developed independently to sales?

Y Do you try to promote those products or services?

N Explain to them the advantage of the products with patent and self-developed products.

04 Do you grasp the revenue for each product and service?

Y Do you consider emphasizing certain products? What is your view on diversification of products?

N It is the fundamental of marketing to grasp the ramified revenue.

05 Do you understand the roles of subcontract works and original equipment manufacturing (OEM) products in your business strategy, and grasp the ratio of them to the sales and profit?

Y Do the subcontract works and original equipment manufacturing products supplement the products of your company, and increase synergy effect?

N You should understand the role of the subcontract works etc. as a part of your own business strategy.

02 Grasping characteristics

01 Grasping characteristics

01 Do you grasp the characteristics of your products and services?

Y To what extent do you utilize the result of grasping the characteristics for the product development and marketing?

N Let them grasp the characteristics of each product, such as the basic function, additional function, content of the service, price, quality, delivery time, etc.

02 Comparison with competitors

01 Do you compare the characteristics of your products and services with those of the competitors?

Y How do you utilize the result of comparison of the characteristics with those of your competitors for your product development and marketing?

N Show an example of comparison of the product characteristics with those of the major competitor.

02 Do you clearly identify the advantage of your product characteristics in comparison with your competitors?

Y List the advantages of your product characteristics. Will this advantageous situation continue in the future?

N Indicate the advantageous characteristics of the products compared with those of the competitors. Explain how to utilize them.

03 Do you grasp defects of your products and services?

Y Please explain how to improve the defects and how far it is progressing.

N It may cause a disadvantage against the competitors, if the defect is not improved.

04 Can you distinguish your product, which has been incorporated in the products of the other company?

Y How good is the evaluation of your products marketed as a part of the products of another company? Is there any contract, regarding the product liability, made with the other

company?

- N Is there any reason why your products could not be distinguished? Is there no merit to distinguish your products from those of another company?

05 Are there any products and services, which must comply with or be prepared for the ISO standard?

- Y What are the products and services? Please explain the compliance with the ISO standard, or the progress for the application.
- N Lack of compliance should be improved urgently. It is necessary to implement the standard as much as possible.

03 Product life cycle

01 Product life cycle

01 Do you grasp the life cycle of each product and service?

- Y For what and how do you utilize the life cycle of the products and services?
- N There is a danger of losing the market if you do not grasp the life cycle of your products.

02 Do you grasp the ratio of contribution of every product and service to the total sales and profit?

- Y Confirm by the figures if the product with low performance in sales and profit has been eliminated from the line of merchandise.
- N Let them classify all the products in accordance with the contribution, and study to remove the product of low contribution from the merchandise line.

04 Product mix

01 Product mix

01 Do you continuously develop new products and regularly review the product mix?

- Y The updating of products shall be examined by the historical chart of the products.
- N You cannot get an advantage in market competition, if you do not regularly improve your products and develop a new product.

02 Is the mix of your products and services, including sales methods, providing facilities etc, appropriate?

- Y Do you practice a simulation of the product mix? Is there any better combination of the products?
- N Considering the contribution in the sales and profit, a method to find out the appropriate combination of the products shall be proposed.

03 Do you provide enough support to the minor products and services in comparison with the major products and service?

- Y Is there a good balance between important support and general support?
- N A minor product may not be successful due to lack of the support, even if there is the market.

04 Have you corresponded timely with the changes occurred to your products and services in recent years?

- Y Please explain the main cases. Have you corresponded quickly?
- N How have you grasped the changes? Why you could not correspond quickly with them? What is your strategy for the change from now on?

09 Price

01 Pricing policy

01 Appropriateness

01 Do you have a policy and strategy for the price setting?

- Y Are the pricing policy and strategy based on the profit and sales plan?
- N Let them establish a pricing policy and strategy to achieve the profit and sales plan.

02 In your price setting, do you firstly consider the market situation and competitiveness of your products?

- Y Check the process of price setting on the main products.
- N It is difficult to compete in the market, if the price setting is based only on the method of cost accumulation or securing the profit.

03 Is it necessary to review the method of price setting from the view of the present management plan and securing the appropriate profit?

- Y Firstly confirm the market situation and advantages in competition, and establish a method to set the price in order to secure adequate profit.
- N Prices are important factors to constitute a management plan that a method to set prices shall be reviewed.

04 Does the rule of price setting correspond to the type of the product and service?

- Y Which characteristics of the products and services do correspond to the rules of the price setting.
- N Show examples that the rules of price setting are determined by characteristics of the products and services.

02 Process of price setting

01 Is the process to set an estimate price established?

- Y Is the process written in a manual, and is it actually practiced?
- N It is dangerous to change the process on occasion or arbitrarily. A manual shall be prepared.

02 Is the computerization of the process for setting an estimate price established?

- Y Please demonstrate how you estimate the price. Are there any problems of the contents or speed in the process?
- N In order to make an accurate and timely estimation, it is necessary to use a computer. Show an example of the procedure.

03 Is the price setting corresponded to the management of the cost and profit?

- Y How does the price setting relate to the management of the cost and profit in actual? Please show the example.
- N Price setting is an important element to manage the cost and profit, but is not the result borne from the cost and profit.

02 Competitiveness

01 Comparison with competitors

01 Do you have a price advantage compared with your competitors?

- Y What is the essence of your competitiveness? What should you do to increase or maintain the advantage?
- N Analyze the reasons of lack of competitiveness and let them take an immediate action to prevent from being more disadvantageous.

02 Do you have an advantage in the cost efficiency of the products and services for the customers compared to that of your competitors?

- Y Measures shall be examined in order to increase or maintain the advantage in the cost performance.
- N Identify the reason for poor cost efficiency, and let them take a measure for the improvement.

02 Rules of discount

01 Have you set rules for discounting the price?

- Y Are the criteria and process of discount appropriate? Examine the case of discount using the examples.
- N Inconsistent method of discount could result in a large financial loss. It is indispensable to set a rule.

03 Price of new product

01 Is the price of a new product set strategically?

- Y Review the strategic advantage of the price setting, comparing the prices with those of the competitors, and assessing the position of the prices among the products.
- N When the product is new, the price should especially be set strategically.

04 Non-price competition

01 Do you take any measures for non-price competition?

- Y Analyze what the strength and weakness of the products and services are in the non-price competition, and make improvement for the more advantages.

- N Indicate the problem of own products and services in non-price competition, and let them examine some measures to recover the disadvantage.

10 Marketing channel

01 Selection of channel

01 Selection of channel

01 Do you select your marketing channel to materialize the sales policy and plan?

Y Is there any inconsistency existing between the present marketing channel and the sales policy and plan?

N Selection of a channel is one major step to materialize the sales policy and plan.

02 Have you considered the conditions to decide whether you have to sell directly or indirectly to the customers?

Y Have you achieved the result expected by the conditions adopted?

N Hasn' t there been any merit in the sales method, which was not adopted?

03 Is there any mismatch between the product unit price and the sales channel?

Y Examine demerit of the mismatch. In case the demerit is large, let them consider changing the channel.

N Study channels of the competitors and opinions in the sales field. Then let them look for a better channel.

04 Is there a mismatch between the technology of the product or goods assortment, and the sales channel?

Y When the demerit of the mismatch is large, let them study a change of the channel.

N Confirm if there is a mismatch, hearing opinions of the sales field, customers etc.

05 Have you ever considered application of a new sales channel?

Y Is the current sales channel appropriate in comparison with that of the competitors as well as that of the product in the similar area?

N Is it possible to apply franchises, voluntary chains, mail orders, or internet commerce and the like?

02 Channel evaluation

01 Channel evaluation

01 Do you deal with building subsidiary distribution channels?

Y What channel have you built? Have you obtained cooperation of the persons concerned?

N Explain to them advantages of subsidiary distribution channel and necessity of cooperation with the persons concerned for the building.

02 Do you assess the present sales channel?

Y Which is a system of the present channel, distributors, agents or specialized trading firms? Will the advantage of the present channel continue in the future?

N Is it possible to set a new channel besides the present channel? Is there any merit to change or increase the channel?

03 Do you have any advantage in the sales channel compared with other companies?

Y From where does the advantage come from? Can you enlarge and continue the advantage?

N In case of no advantage, what is the reason that you can't change the channel?
How can you change the channel?

04 Is there an adequacy of the sales channel for the cost load?

Y Do your present marketing channels serve efficiently as channel?

N Can you improve the present channels? Is it possible to adopt a new channel?

05 Is the sales channel well supported by the management resources?

Y If you use another channel, will it enable you to make a better use of the resources?

N What resource makes a problem? Which is possible, improvement of resource maintenance or change of the channel?

11 Sales promotion

01 Advertisement policy

01 Existence of policy

01 Have you established an advertisement policy in accordance with the strategic purpose?

- Y Does the policy match the enterprise image, character of the products, and the target?
- N Fancy advertisement has little impact and is a waste of expense. Policy-making in accordance with the resources is needed.

02 Purpose of appeal

01 Have you ascertained whether the purpose of the advertisement is for the company, for the product, or for your service system?

- Y Does the purpose of the advertisement match with the contents?
- N Are you conscious of the purpose of advertisement? For what purpose do you make advertisement?

02 Are the advertisement, sales promotion, and human sales carried out uniformly?

- Y How do the salespersons and customers think of them? Is there a consistent and concrete theme?
- N Explain to them what a uniform marketing is, by giving the concrete examples.

03 Budget

01 Have you made a budget for advertisement properly?

- Y Are the budget earmarking and allocation based on the sales policy and plan?
- N Advertisement without a budget plan will stray from the policy and purpose, and result in a waste of expense.

04 Media

01 Is the selection of the media considered from multi-perspective viewpoints?

- Y Do the media match the enterprise image, product characteristics, target and the like?
- N Explain the factors to be considered and the significance of media selection.

02 Concrete means of advertisement

01 Catalogue and other promotion tools

01 Do you put emphasis on your customers, image, product characters, etc in making catalogues and other promotion tools?

- Y Examine the understanding of the emphasized factors are actually reflected on the catalogues and other promotion tools.
- N Explain to them the purpose and important factors in making catalogues and other promotion tools. Appropriate catalogues and other tools shall be recommended.

02 Are the catalogues and other promotional tools made in expression easy to understand and easy to handle?

- Y Review the catalogues and the like from the viewpoints of the customers, and ask their opinions.
- N Explain to them that it is necessary even for making catalogues and the like to be based on the customer satisfaction.

03 Do you describe the catalogues and the like with expression that are totally free from the product liability law, safety and fair trade law?

- Y Compare the difference of expressions between the competitors and your company. You should keep in mind that a warning can not always be an excuse for indemnification.
- N Explain to them what expressions considered the product liability law, safety and fair trade law are, and why they are necessary?

04 Are the promotional tools such as advertising materials made with consideration of safety, the PL law and the like?

- Y Inspect the actual samples of them.
- N Inspect the samples. Point out the problem and let them understand that even such tools can be an object of the PL law and the like.

05 Are you prepared abundant tools for sales promotion?

- Y Examine the contents of the tools, comparing with those of the competitors.
- N Check the list of the tools, and propose to prepare additional necessary items.

02 Publicity, sales promotion, etc.

01 Have you utilized the publicity strategically?

- Y Compare examples of the recent publicity with those of the competitors, and study how strategically they were performed.
- N Explain to them the purpose of publicity and its application.

02 Do you send information of the enterprise actively through the internet and the like?

- Y Are your homepages very attractive? Is the information updated regularly?
- N What is the reason why internet has not yet utilized? Let them consider necessity of sending information through internet.

03 Do you organize or participate in the exhibitions and events for sales promotion?

- Y Examine the expenses vs. effects of the examples of organizing or participating in the exhibitions and events in the recent years.
- N Study the movement of the competitors, and propose a method which can be carried out with small cost.

04 Do you spend entertainment and contribution expenses in accordance with the budget and rules?

- Y Are the budget for entertainment and contribution, and the contents of the rules appropriate in view of the present situation of the management? Who has an authority to approve the execution?
- N Entertainment and contribution without a plan would be a waste of expense. A budget and rule should be made and observed.

03 Appeal of shop and showroom

01 Advertisement

01 Do you regularly perform unique advertisement of your shop?

- Y Is the advertisement outstanding? Do you always make the contents new?
- N A spot advertisement is hard to be remembered. The repetition makes an appealing effect.

02 Do you make use of insert advertisement and hand-out pamphlet, and try to increase effect of your advertisement?

- Y Do you repeat the insert advertisement and the like regularly? Have you compared the effect with those of the competitors?
- N In advertisement of a shop, insert advertisement and the like limiting the area is effective when considered the cost.

03 Do you consider use of community magazines and the like?

- Y Do you use them after considering information of their number of issue, circulating area, target readers and the like, not as advertisement for general social activity?
- N Besides community magazines, there are other media you can expect good effect for your advertisement with very small expense.

04 Do you try to make a simple POP advertisement and the like by your company?

- Y Does the person in charge of this job have interest and talent for it? Do other employees also join the job?
- N By preparing it in your company, you can expect not only to save cost, but to increase consciousness of participation among your employees by making it themselves.

05 Do you recognize that POP advertisement can have equal effect as well as the salespersons, if it is well displayed?

- Y Do you understand the basic use of POP advertisement? How skilled is the person in charge?
- N POP advertisement is not a mere guide in front of the shop. It is a measure to catch the heart of the customers.

06 Is your signboard in front of the shop made with consideration of social influence together with advertising effect, and utmost care?

- Y Is there any regulation of the area on the signboard? In case your shop is located in a shopping-mall, does the signboard conform to those of other shops?
- N There is a regulation for a signboard in some areas, and you should recognize that a signboard is a part of landscape of the town.

07 Do you take quick action to cope with damage and stain of equipment such as a signboard and façade?

Y Confirm the actual equipment. When there is any damage or stain, repair it and make a rule to cope with the future problem.

N These damage and stain of the equipment make bad image of the shop.

08 Do you make a plan for advertisement with recognition that it is an important tool of communication with the customers?

Y Do you confirm the effect of advertisement directly to the customers sometimes? What is their response?

N Advertisement is an appeal to the customers asking them to visit the shop.

02 Service on shopping

01 Are you ready to respond to the requests of your customers such as consulting on shopping, holding an event, and the like as your service to them?

Y How do you collect the requests? Do you have a rule to handle the requests?

N It is an important job for a retailer to help shopping of the customer.

02 Do you make up a way to reuse wrapping paper, shopping bag and the like?

Y Are the wrapping paper and the like necessary and enough for packaging, considering the goods and cost?

N Reusing is not only contribute to the environment preservation, but be useful as an advertisement of the shop.

03 Do you take a strategy to link up the customers to your shop by making use of a shopping card and the like?

Y Are the customers linked increasing? Do you make use of data of the customers?

N Without linking up the customers, you cannot make sure of their repeated purchase.

04 Do you try to provide various kinds of information needed by the customers?

Y What kind of means do you have to provide information? Are they noticed by the customers?

N Do you understand that selling goods is nothing but substitution of shopping by customers?

03 Planning

01 Do you study a marketing plan before a season so as to show a sense of the season in your shop?

Y Is the plan fit to trend fashion of the goods as well as the sense of the season?

N Selling business people cannot forget to deal with early introduction of the sense of a season.

02 Do you make your marketing plan linked up to an event effectively?

Y Are all of your products, sales promotions and advertisement considered in the event?

N A single event does not pay for the expense. It is important how to link up other factors in the marketing planning.

03 Does your marketing plan reflect the interest of the whole enterprise?

Y Don't other departments not in charge of the planning neglect their main duty to promote the marketing plan?

N All the members of an enterprise should understand that marketing is energy to advance the management and the planning concerns with the whole enterprise.

04 Do you consider a plan to return your profit to the society, known as philanthropy or mecenat activity?

Y Does the activity stay within capacity of the enterprise? Have you got consensus of the enterprise?

N Do you have any consciousness that the profit of the enterprise is got from the society?

05 Is an idea of mutual prosperity through co-existence with the community considered in holding events and the like?

Y Check in actual how the community appreciates the event and the like of the shops.

N Especially at selling business, co-existence with the community is needed as a base of all selling activities

04 Mobilization of customers

01 Do you try to create selling chances such as test-drinking, test-eating, giving samples and so on?

Y Do you try to demonstrate those selling chances as joyful events and to attract

customers?

N You should understand that the customers will not be interested before touching the goods.

02 Do you perform regularly mobilization of the customers by various special sales?

Y Does the mobilization of the customers link to actual sales? If not, What is the reason?

N Without your activity for mobilization of your customers, you cannot expect their visit to your shop, even if you make advertisement only.

03 Do you maintain your list of the customers so as to be used in need?

Y Confirm situation of the maintenance and if the necessary data segmented are already collected?

N Without a customers list, you cannot expect their repeated purchase, and the list is not useful without maintenance.

05 Event

01 Event

01 Do you hold an event regularly and try to communicate with your customers?

Y Isn' t the event fallen into mannerism? Do you always think out a new idea?

N You should understand that an event can be the strongest for your shop to attract the customers.

02 Do you consider holding an joint event sometimes with your profession, the manufacturer and the wholesaler?

Y Even if you hold it under the auspices with other enterprises, do you include your policy and intention fully?

N Consider that you can gather more customers and save your cost by the auspices with other enterprises, compared with your solo event.

03 Evaluation of advertisement

01 Evaluation of advertisement

01 Do you grasp the cost performance of your advertisement, publicity and sales promotion?

Y Examine the effect of the advertisement from the sales, profit, and response of the customers.

N In order to save unnecessary expenses from the viewpoints of the whole management, explain to them the need of effect evaluation and its methodology.

12 After-sales service

01 Contents

01 Service contents

01 Are the contents of your after-sales service clear and informed to the users?

Y Please show a manual about the after-sales service. Is the information of the contents to the users appropriate?

N Explain to them the demerits of excessive or insufficient service, as well as demerit of not providing information of service contents.

02 Is the price of your after-sales service set strategically?

Y Have you ever compared your price list of after-sales service with that of the competitors?

N After-sales service is such an important part of the sales that the strategic price setting is necessary.

02 System

01 Are the number and skill of service staff sufficient?

Y Are the number of your staff, equipment, area and the like for service station superior to those of your competitors?

N After-sales service is an important part of sales activities. You should examine why it has not yet been established.

02 Is the system of supplying replacement parts established?

Y Compared your range of goods, volume of stocks, quick delivery, and appropriate pricing

with those of the competitor?

And the evaluation of the clients should be confirmed. The change of the sales, B/O (supply) rate, stock period could also be referred.

N Replacement parts are the source of profit. If there is any lack of supply, it is necessary to find out and solve the cause, so as not to lose trust of the users.

03 Do the service staff and engineers also participate in the sales activities?

Y Examine the flow of information in the participation to the sales activities. Recommend to improve the efficiency of the activities.

N Purpose of the sales activity by the service staff and the like should be instructed to them. Some provisions of incentive should be planned, if necessary.

04 Do you have education programs both of training and motivation for the service staff?

Y Do you also have that kind of training for your sales engineers in addition to the technical training?

N Purpose of educational training should be understood, and incentives should be planned as the motives of the training.

05 Are the data of services to the customers well maintained?

Y Are the service data utilized from the stages of product development and production to the sales promotion?

N Propose them a simple method of service data maintenance and how to use it.

03 Charges and the like

01 Is the service charge system well maintained and applied appropriately in practice?

Y Please explain the charge system and give an example of its application. Is it reasonable compared with that of your competitors?

N Let them maintain the charge system applicable in practice through the comparison with that of the competitors and the like.

02 Have you prepared service regulations adaptable to Customers Satisfaction?

Y Do you hear affirmative opinions from your customers?

N Service regulations should be made and operated to get customer satisfaction.

03 Are the contracts for maintenance and after sales service concluded with the customers and operated properly?

Y Please explain the contents of the contracts for maintenance and the like, and how they are operated.

N Propose a fair maintenance contract and an after service contract between the enterprise and the customers, and a right method of their operations.

04 Effect

01 Do you make profit from the services you offer?

Y Is the service charge appropriate for sales? Doesn't any excessive service make loss?

N Analyze the profitability on profit and loss from the services themselves and profit by service seen from the view of sales.

02 Are the customers satisfied with the quality and reliability of your service?

Y Do you hear voices of the customers directly? How high is your customers' satisfactions when you compare them with those of your competitors?

N Why your customers are not so satisfied? Isn't that a disadvantage for your sales?

03 Do you have a system to collect customers' information obtained through the service activities?

Y Explain a flow of the collected information, and the rules of actions that you take for the information.

N Information collected from the service activities is important both for the products and for the sales.

04 Is it possible to alter the design of the product and the service system in order to reduce the work of after sales service?

Y Hasn't the value of products decreased by saving some services?

N Alteration of design and system may result in reduction of the service cost and increase of the product value.

05 Are the service manual and user manual easy to understand, and revised regularly?

Y Do you hear opinions of the customers on the manuals? Do you have the better manuals compared with those of your competitors?

N These manuals reduce a burden of the customers and result in sales promotion.

02 Product claim

01 Claim handling

01 Do you well maintain your system to manage the claim?

Y Isn't the amount of the claim applied or handled too large, or too small?

N Let them execute observation of the rules for claim handling, appointment of a person in charge, data management of claim records and the like.

02 Is the feedback of information on claims being made to the design and production department?

Y Please explain the situation if the feedback is surly executed, by giving an example of the claim.

N A method of feedback and its merit should be explained by using the examples of claim handling.

13 Logistics

01 Logistic cost

01 Logistic cost

01 Do you grasp the actual logistic cost inside and outside the company?

Y Do you grasp the logistic cost of every function? Please explain the proportion of the logistic cost to the sales price.

N Let them make a trial calculation of the amount of logistic cost, and compare it with the gross sales profit.

02 Do you take any measures in order to reduce your logistic cost?

Y Have you considered introducing an innovative logistic system for cost reduction?

N Show how big the logistic cost is when compared with the net profit, and propose a measure for reduction of logistic cost.

02 Reinforcement of logistics services

01 Reinforcement of logistics services

01 Have you been strengthening the logistic service for the customers?

Y Have you surveyed the response of the customers concretely?

N Propose a method to strengthen logistic services, considering it a way to promote sales.

02 Are the items of logistic services provided as a part of the sales strategy?

Y What are the contents of the distribution services, and do they match the sales strategy?

N Distribution services are one of the means of sales activities. Negligence of the service may result in decrease of sales.

03 Do you manage compatible both strengthening distribution services and cost reduction?

Y Please explain the present situation of strengthening distribution services and cost reduction concretely.

N It is most important to keep good balance between strengthening distribution services and cost reduction.

04 Do you have clear conditions of the distribution services, and set the reasonable pricing?

Y Please explain the conditions of the distribution services. Are they clearly stated in a manual?

N Hasn't the distribution cost caused increase of expense and loss of profit?

05 Do you set appropriate criteria for the distribution services for each channel and for each customer?

Y Are your criteria for distribution services more reasonable than those of your competitors?

- N Propose segmented and different criteria of the distribution services for each channel, customer, and the like.

03 Dealing with logistics management

01 Logistics management

01 Do you uniformly control "production in conjunction with delivery" or "merchandise with service system"?

Y Please explain about the rule of the management, person in charge, trouble countermeasures, etc.

N Explain the necessity of a total control of production and logistics, and propose a system for it.

02 Are you dealing with labor saving, automation, and IT in logistics?

Y Examine the actual examples of improvement of logistic control and its effects.

N These efforts are needed for cost reduction. Propose a method of concrete improvement.

03 Do you make any improvement in the product handling, cargo shape, packing, storage, and the like?

Y Examine the examples of improvement in product handling etc. and its effect referring to those of the competitors.

N Show good examples of the improvement, and propose a reform.

04 Storage

01 Warehouse management

01 Does your warehouse locate on a proper place, and is it efficiently utilized?

Y Are there any inappropriateness, uselessness, and inefficiency at the warehouse site?
Is the purpose of warehouse clear whether it is for the base of stock or for delivery?

N In case of the inappropriate location or inefficient use of the warehouse, analyze the cause and make improvement.

02 Inventory control

01 Do you understand the relevancy of the sales activities and inventory control?

Y What kind of sales activities do you carry out to reduce the stock?

N Either of excessive stock or shortage of stock could be an obstacle of sales activities.

02 Do you take measure for improvement by grasping inventory control in relation to storage, distribution processing, shipment, delivery, and the like?

Y Examine the effect of improvement measures in relation with stock quantity, delivery time, distribution cost, and the like.

N It should be understood that stock control is closely related to storage and other above mentioned factors.

03 Is the information network utilized for the stock control?

Y Dose the stock control function as "a system making the supply match the demand"?

N The stock control is not only a measure to decrease the stock quantity, but one of main factors to support supply.

04 Do you conduct various activities such as prevention of shortage of stocks, prevention of excessive stocks, appropriate stock, timely grasp and estimation of future supply?

Y Please explain the situation of each activity with the example.

N Explain why each activity is necessary, and show examples of important actions.

05 Do you regularly check your dead stock and storage condition?

Y Don' t you depend too much on report from the warehouse? The management should check the inventory for themselves sometimes.

N Lack of checking can be a cause of big loss sometimes.

03 Actual inventory

01 Are the physical inventory and circulated stocktaking of the major products carried out at an appropriate interval?

Y Please explain the frequency of stocktaking for each item. Are they actually executed?

N Show the method of basic stocktaking for each item in relation to the financial management, and let them start with the regular actual inventory.

02 Do you carry out accurate and prompt actual inventory by using handy terminal, and

the like?

- Y How much is the gap between the hours planned and needed actually for inventory, and the gap between the figures of inventory record and those of actual stock?
- N Propose a prompt and accurate method of stocktaking. Daily arrangement and maintenance are keys for quick stocktaking.

03 Have you set clear method of grasping inventory assets?

- Y Confirm how the level of grasping stock volume and amount is decided.
- N Show the change of level and way of grasping stock volume and amount for each product.

04 Index for inventory control

01 Do you select an index for inventory control that matches the application purpose?

- Y Please explain the index used for stock control and the reasons why it is selected by the recent data.
- N Explain the use of guidelines different to the object such as turnover ratio, turnover period, and storage period and the like.

02 Are you actively working at recycling in stock control?

- Y Please explain the situation of reducing waste, packing materials, and the like by your recent data.
- N Let them understand the purpose of recycling and its consequence in cost down.

05 Delivery

01 Efficiency

01 Have you assessed the cost and effect of delivery?

- Y Please explain the reason of selecting own delivery or consignment delivery and its result. Do you prepare any measures for peak time?
- N Is there any merit of introducing a new delivery method that is not used currently?

02 Have you made any optimization such as shortening of transport and delivery route, direct delivery, and the like?

- Y Taking a concrete example of delivery from a factory or supplier to a customer, examine the optimization.
- N Let them examine if there is an optimal method besides the current delivery route.

03 Are you promoting the consistent use of pallets and containers?

- Y Let them make a flowchart of delivery to check the present situation.
- N What is the reason that you are not promoting the consistent use of pallets and containers?

04 Do you grasp operation efficiency and are you working at improving it?

- Y Is there another method of improving the operation efficiency?
- N Explain the present situation of operation comprehensibly, and propose measures for improving efficiency.

05 Are you working at improving delivery through computerization and use of manuals for delivery service plan?

- Y Assess the efficiency from the historical changes of delivery volume, delivery time, and the like.
- N Propose the computer application and manual preparation for delivery cost reduction showing the examples.

02 Joint delivery

01 Are you dealing with a measure for the rationalization of distribution such as joint delivery and the like?

- Y Is there any difficulty in the joint delivery? Do you listen to the voices of the operation site?
- N By indicating the merit of joint delivery, let them study possibility of the implementation.

03 Finance and Accounting

01 Accounting system and process

01 Accounting system

01 Accounting system

01 Does your accounting system match your management organization, management scale, and type of industry? Also, are your accounting rules and procedures being defined in writing?

- Y Check whether the contents of the accounting system including the rules and procedures suitable to the present conditions of the enterprise.
- N First of all, let them write down how they operate their accounting system. The records will be a key for a step to the stipulation.

02 Is your accounting-book system suitable to the condition of your company?

- Y Let them examine to organize an accounting-book system of higher level considering the utilization of IT.
- N First, identify which part of their system does not reflect the present conditions of the enterprise. Then, let them examine to change the accounting-book system to make it suitable to the present conditions.

02 Accounting process

01 Self conduct and computerization of accounting process

01 Is the accounting process conducted by your company?

- Y Survey if the slips, journals and ledgers are appropriate.
- N Check to what extent they consign the procedure to the outside specialist and also check how often they communicate with the specialist.

02 Have you introduced computers for the accounting processing?

- Y Is the accounting information sent to all the departments needed?
- N What is the reason they have not yet introduced computers? When will they introduce them?

02 Cash management

01 Is the management of cash, check, and bills being made reliably?

- Y Confirm the records of the management. Does the amount of cash and the like correspond to the record?
- N Appoint a controller and decide a clear method of the record and control.

03 Financial statements

01 Are your financial statements properly made in accordance with the accounting principles, the commercial laws and regulations? Also, is your account closing procedure adequate?

- Y Confirm the financial statements. How far does the top management understand them?
- N With participation of an accountant, explain a proper system and try to establish adequate procedures.

04 Internal control system

01 Have you established an internal control system? Also, is the system fully functioning?

- Y Investigate the actual condition of the system, whether few persons are authorized to control it.
- N Explain to them why and what kind of the system is needed, and let them try to establish it.

03 Accounting system

01 Accounting system

01 Are the management ability on figures and interest for accounting of the top management and executives enough?

- Y Check to what extent they grasp the meaning and understand the figures for management. Hold a seminar for understanding, if needed.
- N Let them understand that the management by figures is indispensable for the modern business management.

02 Is the accounting system designed in such a way that it offers useful information for

the management decision? Is it also useful?

Y What kind of information is supplied from the accounting system and to which department is it supplied? How does the receiver of it use the information?

N Supply of accounting information is indispensable for the management decision.

03 Does the middle executive also share information from the accounting system with the management?

Y Check how the information is supplied to the middle executives. Is it necessary and enough?

N Middle executives who stand at the front of management shall share information needed.

04 Are you enforcing to close the monthly accounts speedily? Are the materials for monthly closing effectively used for the daily management?

Y When will the monthly closing accounts be completed? How do they use the materials?

N Let them start making the monthly closing accounts even if it may take time.

02 Profit management

01 Profit management

01 Sales revenue

01 Are you conducting the profit management that corresponds to the change of sales output?

Y How do they conduct their profit-management corresponding to the changes of sales output? Let them show the examples.

N Increase or decrease of sales directly affect the profit. A quick action is necessary to cope with it.

02 Profit

01 Are you maintaining the gross profit to sales, the operating profit and the ordinary profit at a proper level?

Y Are the amount and ratio of each profit enough for the operation of the enterprise? Are they good enough when compared with those of other companies?

N Establishment of a strategy to secure adequate amount and ratio of profit is indispensable for operation of an enterprise.

03 Sales cost and production cost

01 Are you fully getting information on sales cost? And, do you conduct cost accounting and accurately grasp the cost?

Y How far do they conduct the cost management making use of the standard cost, the direct cost, and the like?

N Let them understand that a cost management leads to the cost down and profit increase.

04 Expense

01 Do you grasp the change of the amount and ratio of each expense item to the sales?

Y When they have grasped the changes, guide them to make effort to reduce each expense item.

N Grasping changes of the amount and ratio of expenses to the sales is indispensable to secure profit.

02 Profitability

01 Ratio of profit to capital

01 Is your ratio of profit to capital maintaining a satisfactory value?

Y Let them set up a target of ROE(Returns On Equity) and examine measures to achieve it.

N What is the reason the ratio is not satisfactory? Is the figure higher than that of other companies in the same industry?

02 Ratio of profit to sales

01 Are your gross profit ratio, operating profit ratio, ordinary profit ratio to sales maintaining an adequate level?

Y Are they reasonable compared with those of other companies in the same industry? Is there any other way to raise the ratios?

N Let them examine causes that make the figures inadequate.

03 Ratio of expenses

01 Do you compare the labor expense ratio, business expense ratio, and administration expense ratio with those of the past? Are they maintaining adequate levels?

Y Aren't there any other means to reduce those ratios further?

N Where is a cause that makes the ratios inadequate? Let them examine individual items of sales, costs and expenses.

03 Productivity

01 Labor productivity

01 Do amounts of sales and profit per employee maintain proper levels?

Y How has the trend in these three years changed? Compare it with those of the other companies in the same industry.

N Where is a cause unable to maintain a proper level? What is the countermeasure?

02 Labor's relative share

01 Are you maintaining a level above average compared with other company in the industry on your labor's relative share and labor cost per individual?

Y Confirm if there is any problem in relation to the amount and ratio of profit.

N Check why they cannot achieve the average level and whether there is any dissatisfaction among the employees.

03 Financial structure

01 Capital structure

01 Capital structure

01 Compared to your owned capital, isn't your borrowed capital too much? And, are you trying to increase your owned capital?

Y Excessive borrowed capital is dangerous. Let them examine a way to increase the owned capital ratio.

N Does the owned capital ratio keep a certain level to secure the safety?

02 Asset structure

01 Asset structure

01 Are there any bad stocks, bad credits or idle properties?

Y These bad assets should be immediately disposed. Let them examine a measure to reduce them.

N Confirm the spot of the assets. How does the tendency of increase in stock and credit change?

02 Latent profit(loss)

01 Do you use the current cost accounting system thoroughly?

Y Let them explain how they treat the items concerned. Is there any latent profit(loss) borne?

N Guide them to use the current cost accounting system thoroughly in order to grasp the actual conditions of assets in the company.

03 Safety

01 Current ratio

01 Even if the current ratio is good, is there any bad stock or credit?

Y Make the top management understand that watching only the ratios is not enough, and let them examine how to reduce them.

N Check the contents of each stock and credit and confirm if there are any bad assets.

02 Quick ratio

01 Is your quick asset enough? And, is the balance of quick ratio with current ratio adequate?

Y Don't you have excessive fund in hand?

N What is a reason why you are short of fund in hand? Is there any bad credit or stock in your liquid assets?

03 Fixed assets to equity ratio

01 Is your investment in the fixed assets made by the owned capital?

Y Confirm the fixed assets to equity ratio. Do you need to increase your own capital?

N Investment in fixed assets should be made by owned capital fundamentally. Problems

of either excessive fixed assets or short of owned capital should be settled.

04 Fixed assets to long-term capital ratio

01 Doesn't your investment in fixed assets exceed the total of the owned capital and long-term loan?

- Y There is tendency that your investment in fixed assets is excessive or you depend too much on short term liability. Consider to make a countermeasure.
- N Let them look through the tendency of fixed assets to long term capital ratio, if it is declining.

05 Ratio of interest paid to sales

01 Isn't your profit being pressed heavily by your financial cost burden?

- Y Let them examine how to reduce the burden of the financial cost and try to increase the sales revenue.
- N How is the recent yearly trend of the ratio of interest paid to sales? Is the ratio lower than the standard of the industry?

04 Funds raising and operation

01 Funds raising

01 Financing ability

01 Are you promoting reinforcement of financing ability such as strengthening a trust for the company and the management for introduction outer funds?

- Y What measures have they taken for it. Do they have any other measure to strengthen financing ability more?
- N Reinforcement of financing ability is important for growth of an enterprise. Let them try to think out all possible measures for increase of the trust to the enterprise.

02 Fund planning

01 Do you forecast long-term capital demand and have an adequate capital plan? And do you properly control the limit of borrowings?

- Y Is your capital plan appropriate and suitable to the management policy? The contents of limit of borrowings reasonable?
- N A capital plan is not only necessary for business management but for coping with financial institutions. And borrowings should be controlled by setting the limit.

03 Financial institutions

01 Is your relationship with your financial institutions good? Are you using a financial scheme of public financial institutions?

- Y What kind of business relationship do you have with financial institutions? Can you make transaction with another institution under better conditions?
- N Good business relationship with financial institutions is indispensable to expand an enterprise. Explain to them how to use a loan from public financial institution and cooperate for the application, if needed.

02 Operation of fund and capital

01 Efficiency in operation and safety

01 Does your turnover ratio to gross capital maintain an average value of the industry? Is the relationship between the efficiency of capital operation and safety well balanced?

- Y Examine if there is a way to make the turnover ratio better.
- N Let them examine to improve the turnover ratio from both sides of the capital amount and sales output. Explain to them that though efficiency and safety are antinomy but coexistence of them is necessary.

02 Turnover ratio of inventory

01 Don't you have any excessive inventory which causes stagnation of your capital?

- Y Let them understand the excessive inventory is one of the main causes of decreasing profit and let them make a countermeasure. Let them establish a guideline for proper amount of inventory and try to maintain appropriate inventory.
- N Check the warehouses, actual stocks and turnover ratios of materials, goods in process and products.

03 Turnover ratio of sales credit

01 Compared to your sales output, isn't your sales credit excessive? Is there a good balance of the sales credit with the purchase debt?

- Y Examine the causes of excessive sales credit circulation from the withdrawal terms and their actual situation. And explain to them that a balance between sales credit and purchase debt is essential to avoid cash flow difficulty.
- N Check the turnover ratio of sales credit and its trend. How many days is the average period of withdrawal?

04 Turnover ratio of fixed assets

01 Is the level of turnover ratio of fixed assets adequate?

- Y Is it adequate compared with other companies of the same industry and in the time series?
- N Examine whether there are excessive investments on equipment or idle assets compared with the sales revenue.

03 Cash flow management

01 Cash flow schedule

01 Is the timing of receipt and payment of money adequate?

- Y Check the cash flow chart, terms of withdrawal and payment.
- N Let them examine possibility and measures to collect earlier and pay later.

02 Do you use the cash flow chart and analyze the difference between your plan and result?

- Y Inspect the cash flow chart and let them improve the un-proper balance between revenue and expenditure.
- N Explain to them that a bankruptcy is often caused by lack of ability to grasp the cash flow, even if the company is profitable. Then let them make a cash flow chart.

02 Working capital necessary

01 Do you compute the necessary working capital through sales credit, inventory and purchase debt?

- Y Confirm their method of computing and let them study if there is a measure to make more money allowance.
- N Grasp of working capital is a step for safety. Explain to them a method of computing the necessary working capital.

02 Do you grasp an additional working capital in response to the sales increase?

- Y Check whether what they have computed is adequate and the premise is proper.
- N Explain to them the necessity to make a fund plan for the future and with sureness. And let them grasp the necessary working capital.

03 Fund operation chart

01 Do you analyze and examine the balance between the funds raising and funds operation?

- Y Confirm details of the funds operation chart and let them study measures for much safer raising and operation.
- N Explain to them how to make a fund operation chart and use it.

05 Profit plan

01 Break-even analysis

01 Cost classification

01 Is the classification of fixed costs and variable costs adequate?

- Y Check the measure of classification. Does the classification express the actual conditions?
- N Adequate classification is essential to keep a profit management by the break-even point which will be explained in the following items.

02 Break-even analysis

01 Are you taking a measure to increase marginal profit ratio?

- Y How much is the marginal profit ratio? What measures are you taking to increase it?
- N Explain to them how to calculate the marginal profit ratio and make them understand how to use it for profit management.

02 Are you making an effort in decrease of the fixed and valuable costs and improving the

marginal profit ratio?

- Y In your cost saving, which item is emphasized? Do you have a target of increasing the marginal profit ratio?
- N Explain to them the important points of these cost saving and increasing the marginal profit.

03 Is your safety space ratio enough?

- Y Confirm the changes of safety space ratio.
- N Let them make up a plan to get a sufficient safety ratio from both revenue and profit.

02 Profit plan

01 Profit plan

01 Is your profit plan based on your management strategy?

- Y Confirm the conformity by comparing the profit plan with the management strategy.
- N Profit plan is the beginning and end of management strategy. It does not exist independently.

02 Target profit

01 Do you set your profit and sales target by using the relations of sales output, expenses, loss and gain?

- Y Check whether they draw a graph of the target, actual results and so on, so that their relations are easily seen.
- N Sales, expenses, profit and loss are related mutually. And they are also targets to be achieved.

02 Is your target profit set under a certain standard? Is the profit recognized as the most important objective that needs to be tackled by the whole company?

- Y Check whether they have their own method such as calculating by accumulation, from profit needed for dividend, and the like.
- N Explain to them that a target profit should not be decided by a simple idea, but a certain standard is necessary to fix it.

03 Budget system

01 Budget system

01 Is your budget made from your profit plan?

- Y Check the relation between budget and profit plan.
Explain to them the procedure how the budget is made through breakdown of the profit plan.
- N plan.

02 Do you enforce the budget control and compare each budget item with the result in order to devise a step to cope with the difference?

- Y Check the analysis of the budget and result, and the actual measures taken to the difference.
- N Let them understand that it is useless to make a budget without analyzing a cause of the difference and making a provision for it.

06 Investment

01 Investment plan for equipment

01 Investment plan for equipment

01 Are you enforcing to make and execute a plan for equipment investment as well as checking profitability?

- Y Do you examine their profitability calculation, including how to correspond to the changes of foreign exchange rate and the like in the case of overseas investment.
- N Explain to them how to make investment plan and profitability calculation.

02 Profit plan

01 Profit plan

01 Do you calculate an additional amount of fixed costs in response to investment for the equipment and grasp a sales output that will make its retrieval possible?

- Y Check the calculation whether it is reasonable or not, together with its premises.
- N Explain to them that an increase of sales is needed to cope with increase of fixed costs in response to the investment for equipment.

02 Do you include changes of profit plan due to investment for equipment into your

management plan?

- Y Check changes of the profit plan before and after the investment.
- N Explain to them by concrete examples how investment for equipment affects the profit plan.

03 Cash flow plan

01 Cash flow plan

01 Are you evaluating means to raise fund for equipment? Also, are you conducting a calculation of loss and gain of purchasing or leasing?

- Y Check the adequacy of the contents of raising fund whether they are managing with own-fund or borrowing.
- N Let them understand how it is important to have a fund plan and make it. Also, let them examine to conduct a calculation of loss and gain of purchasing or leasing together with their tax system.

02 Do you make a cash flow statement?

- Y Check whether the procedure of making the cash flow statement is appropriate by reviewing the statement already made.
- N Let them make a cash flow statement, explaining that the cash flow is especially important as well as the profit, in business today.

03 Is there any difficulty in refund plan? And, is there a good balance between the schedule for retrieval and the refund plan of the debt?

- Y Check their repayment plan and profit plan to cope with the refund.
- N Instruct them that the schedule for retrieval should corresponds with the schedule of repayment, together with the profit plan.

04 Human Resources

01 Human resource policy

01 Human resource policy

01 Existence or absence of policy

01 Is the human resource policy clearly set?

Y Check the contents and expression whether they are appropriate or not.

N Ask the policy of the management about the human resource, and recommend to define in writing.

02 Does the human resource policy match the management philosophy and policy?

Y Confirm consistency with the management philosophy and the procedure of developing the policy with regard to the human resources as a management resource.

N Explain to the management that human resource is one of important management resources, and guide them to make the policy match with the management philosophy.

02 Strategic nature

01 Strategic nature

01 Is the human resource policy strategic from the point of view of the timing of execution, purpose, and emphasis?

Y Check if the policy is appropriate in the strategic nature.

N Explain that a human resource strategy has an important part in the corporate strategy.

02 Do you have consciousness of the employee satisfaction level, and set forth a concrete policy for the promotion?

Y Check the policy if it is concrete and appropriate, and suggest if the correction is required.

N Explain that the employee satisfaction level is required for securing a stable operation and a fixing rate of the employees.

03 Does the human resource policy include personnel, recruiting, capability development, wages and the like?

Y Confirm if they are suitable for the middle term plan.

N Explain that individual plans such as a personnel recruit plan in a middle term and the like are necessary for implementation of a human resource plan.

04 Is the human resource policy linked with the other management policies such as

the finance plan, new product development plan and the like?

Y Check if it corresponds with other policies, and identify if there is any imperfection.

N Explain to the management the necessity of a manpower plan for the implementation, if they have another management policy, a new market development, for example.

02 Support

01 Do the management resources support the human resource policy?

Y Check from the number of employees and the content of policy if the policy is appropriate.

N Explain that implementation of the policy requires support of management resources.

03 Decision rules

01 Are the rules of human resource policy setting, modification and adjustment appropriate?

Y Check if they are appropriate from the employee's point of view.

N Explain to the management they cannot control the settings without the rules.

04 Publicity

01 Are the publicity and agreement of human resource policy in the company made enough?

Y Ask the employees to confirm if they have understood the policy.

N Explain to the management that understanding of the policy leads the employees to increase their motivation for work.

02 Human resource organization

01 Human resource organization

01 Existence or absence of organization

01 Is there an organization to manage human resources?

- Y Check by the organization chart and the like if the organization properly functions.
- N Explain the necessity of a department to manage human resource if the company has more than a certain number of employees.

02 If there is no human resource section, do you have a function or network to supplement the job?

- Y Check if the supplementary function is properly working.
- N Explain the necessity of an organization to implement the human resource policy.

02 Content of organization

01 Is an organization fitted to the human resource policy and plan maintained?

- Y Confirm if the organization is not perfunctorily maintained.
- N If there is no organization, explain to the management so that they understand necessity of a proper organization themselves.

02 Do the leaders have appropriate insight and ability?

- Y Check the leaders whether they have appropriate capability or not by interviewing them.
- N Let them recognize the importance of the leaders and requirement to them.

03 Are the job description and authority of recruiting, arrangement, commencement of work, industrial relations and the like clear?

- Y Confirm the related documents if they are clearly defined in writing.
- N Explain that human resource management is not performed smoothly if it is not clearly set.

04 Is the delegation of authority smoothly carried out, considering way of giving responsibility, duty and authority?

- Y Confirm if the responsibility, duty and authority are balancing each other.
- N From view of capability development and motivation, recommend them to delegate authority together with responsibility.

05 Does the company have a function for collection of external information because of importance of information on human resource, especially on wages?

- Y Investigate if the source and method of the collection are suitable.
- N Suggest to the management to make an effort and prepare a measure for collection of the information on wages, and let them understand that the information on wages by itself may affect the turnover of the employees.

03 Employment

01 Plan for securing human resource

01 Importance of securing human resource

01 Is the plan for securing necessary human resource based on the human resource policy?

- Y Investigate whether the plan is suited the human resource strategy such as new employment and the like.
- N Suggest development of a plan securing essential staff based on the human resource policy and strategy.

02 Do the short, middle and long term plans for securing human resource match with other management plans?

- Y Confirm the consistency with other plans.
- N Explain that a plan for securing human resource is related to other management plans.

03 Is the plan for securing human resource linked to the human resource expenditure plan?

- Y Confirm the relation including the wage structure and total personnel expenditure.
- N Explain variation of personnel expenditure by increase or decrease of the number of staff links directly to increase or decrease of the total expenditure.

02 Employment plan

01 Embodiment

01 Is the concrete employment plan carried out deliberately according to the plan for securing human resource?

Y Confirm if the plan is carried out deliberately.

N Let them understand that a non-scheduled employment may cause a problem between the employer and the employees.

02 Are the contents of description, number, timing, corresponding department and the like of staff to be employed defined?

Y Confirm whether the requirement of employment is appropriate or not.

N Suggest that employment of adequate personnel according to the concrete assignment plan is needed in securing staff.

02 Person in charge

01 Is a person in charge specialized in the recruiting and the employment assigned?

Y Investigate whether the staff in charge is fair and can judge applicant's ability.

N Explain that securing necessary personnel is one of the most important task in the management, and that a specialized staff is necessary.

03 Selection method

01 Are the selection method and employment standard fixed in a fair rule?

Y Confirm whether the contents of the rule are appropriate or not.

N Suggest that minimum rules such as an interview, a written examination and the like must be included.

02 Is there any deviation on employing relatives?

Y Explain excessive deviation makes hinder for carrier development.

N Recommend examining the balance of capability and the reliability is employing relatives.

03 Are screening by documents, a written examination, a physical examination, a skill test, an interview examination, etc. properly set?

Y As an important point is different in the type of industry, judge whether it is suitable from the point of view.

N Suggest a procedure of interview examination, because it is often considered important.

04 Are you making use of aptitude tests of external organizations and the like?

Y Check whether the external organization and content of the tests are proper.

N Check necessity of the test and recommend a neighboring organization, if the test is appropriate.

05 Do you consider introduction of an intern system (learning through experience)?

Y Check what kind of educational background and career (a university student, a college student or an adult) is needed.

N Recommend introduction of the system, because the personal character and potential capability can be judged through the learning.

04 Employment procedure

01 Employment procedure

01 Do you properly correspond to a person provisionally decided employment?

Y Check whether the contents of correspondence is proper.

N If correspondence to the recruited person is not appropriate, the person may be employed to another company with better conditions.

02 Are the personnel and carrier records of the employees filed under a fixed rule?

Y Check and confirm the personnel and carrier records if the contents are appropriate.

N Recommend introduction of a simple record system, and let them understand the importance because the authority may request presentation of the record.

03 Do you have various employment contracts according to the type of employment?

Y At first check what types of employment are made, and examine whether the contents of the contract are proper by the type.

N Ask their understanding that, it may create a problem between an employer and employees later, if the initial contract is not clear.

04 Is the period of trial employment set properly?

- Y Check whether it is suitable for the custom and acceptable by the employees or not.
- N It is preferable to carry out the system, so recommend the introduction after investigating that it can be confirmed in the labor contracts and the like as a custom.

05 Initial education

01 Initial education

01 Is the education prior to employment carried out with proper contents and schedule?

- Y Check and suggest whether the content and schedule of education are appropriate, and whether the education is suitable from the point of view of the employee and the manager.
- N Explain the necessity and effect of the education before employment.

02 Is the initial education performed not only for training of newcomers but also considering their future carrier development and the like?

- Y Check if meaning of the educational curriculum and the carrier development is taken into consideration.
- N Recommend to check what kind of talent is required for the company, and then suggest what kind of education is proper.

03 Are managers from each division also participate in the initial education, not only staff from the personnel section?

- Y Check the actual situation of cooperation between the personnel section and the managers.
- N Explain that participation in the initial education of the manager from the division scheduled an assignment of a new employee can result in smooth acceptance after assignment.

06 Individual employment

01 Employment of new graduates

01 Is the employment of new graduates established in the recruiting method and channel by one's educational background?

- Y Check the channel if it is suitable.
- N Examine regular communication with the university or the educational facilities.

02 Have you prepared materials, pamphlets and the like for recruiting activities?

- Y Check whether they have contents of strong appeal for the management philosophy and future advancement of the company.
- N Hearing view of the management, recommend preparation of a corporate guide and the like as a concrete measure.

03 Is the expense for employment activities budgeted?

- Y Check whether the budget is used properly.
- N Explain the necessity of budgeting for the expenses and controlling the use.

04 Do you introduce and utilize the system to work in a limited area?

- Y Investigate how the system relates with the wages.
- N Check whether it is necessary or not. If necessary, recommend to introduce it.

02 Employment of women

01 Do you obey the law of equal opportunity when you recruit a female employee?

- Y Check if the recruiting condition and ratio of male/female employee are met with the law.
- N Explain the necessity of research and observance of the related law.

02 Are the protection systems such as childcare leave introduced?

- Y Investigate what kind of system is introduced for the female employees with children and if it is satisfactory or not.
- N Recommend to the management an introduction of the proper system, as many women go into the work in some countries.

03 Is a female re-employment system carried out?

- Y Investigate whether a woman has advantage about the re-employment after the child delivery.
- N Investigate if the employment agreement specifies the unacceptable re-employment as

a principle, and suggest a measure referring to the law of the country concerned.

03 Temporary, part-time worker employment

01 Is the recruiting method of a temporary worker and a part-time worker flexible according to the requirement?

Y Check whether the method is flexible for busy or non-busy time of the work.

N Propose to the management a way of reinforcement of cost competitive power by shifting the personnel expense to a variable cost.

02 Do you always issue a written notice when you hire part-time or temporary workers?

Y Confirm the contents of notice if they are appropriate.

N Explain that a written notice is required to inform part-time or temporary workers when they are hired.

03 Do you apply a flexible employment condition that enables to realize proper treatment and immediate work force?

Y Recommend a personnel system considered that a temporary or part-time worker with talent has a chance to be a regular employee.

N Propose to treat favorably a part-time worker, if the person has a talent.

04 Employment of mid-career employee

01 Are various employment channels such as the job placement office, the high talent bank, the private sector organization and the like secured for mid-career employees?

Y Investigate what kind of organizations it is, and judge if it is proper.

N When there is not any suitable organization secured for recruiting a talented person, recommend recruiting by word-of-mouth communication.

02 Are the salary and work environment suitable for maximizing the mid-career employees' performance and stable employment?

Y Confirm the stability level and compare the salary and work condition with the standard in the industry.

N Explain and let the management understand if the stability level gets worse, extra cost of education and carrier development for new employees are needed, and it will increase the total cost, and suggest improving the wage and condition of new employees.

05 Employment of middle and old aged people

01 Do you utilize a database and the like for senior people employment when you recruit middle and old aged people?

Y Check if the utilization is appropriate?

N Explain them an advantage of hiring experienced people with a favorable condition.

02 Is there any consideration made for working condition of middle and old aged people?

Y Investigate the situation whether the consideration is appropriate or not.

N Suggest the necessity to consider working condition of elderly employees who have skill and technical knowledge.

03 Do you apply measures for the safety and occupational health improvement?

Y In many countries people respect the elders, so special consideration is necessary if the elderly are talented. Check the level of consideration taken.

N Ask to the management how elder the people employed are, and recommend to improve the working condition, if needed.

06 Employment of foreigners

01 Do you observe the law in the employment of foreigners?

Y Check the contents of law, and investigate their compliance.

N Suggest the necessity of observing the law.

02 Is the employment procedure of foreigners carried out properly and legally?

Y Investigate if the documents for employment are maintained, and the expiry of the passports is grasped when employing foreigners.

N If it is illegal, request to observe the law.

03 Is handling of the working contract, working condition, and social insurance suitable?

Y Investigate whether the different condition and the like according to the religion is taken into consideration or not.

N Discuss with the management what the problem to be improved at least is in comparison

with other companies.

07 Acceptance of dispatched staff and contracted staff

01 Have you made a contract with a regular agent for dispatch of employee and accept the staff?

Y Make research of finding need for manpower, and check whether the agent is capable or not.

N Confirm to the management whether securing a talented person required is difficult, and propose measures for securing.

02 Do you take any measures for fusion and communication between enrolled employees and dispatched staffs?

Y Check how they are effective and if the contents are useful for stable employment.

N Investigate the stability of employment, and advise a countermeasure, if there is any problem.

03 Do you utilize the contracted staff?

Y Investigate for what kind of job the contracted staff is working, and what kind of talent the company will need in future.

N Investigate whether the cause of inconsistency comes from the capacity of the contracted staff or the company, and propose an improvement plan.

08 Employment of disabled person

01 Do you employ disabled persons more than regulated by the law and treat them properly?

Y Check whether the number of disabled workers meets with the law or not.

N Explain the necessity of investigation of the related laws for disabled workers, and observation of the laws.

02 Do you pay attention and give assistance to the disabled employees for their work environment, job assignment, daily life, and the like?

Y Check the opinions of the management and disabled employees, how far the company considers, and if it is satisfactory or not.

N Explain that the assistance will make a good reputation to the company as a social contribution for the community.

09 Acceptance of loaned staff

01 Is the contract with a loaned staff properly made?

Y Investigate whether the purpose of loaned staff such as technical instruction is clear, and the treatment and condition are defined.

N Examine and propose consideration satisfactory to both a loaned staff and a company accepting.

02 Does the employment condition of loaned staff appropriate? Is there any distrust among other employees?

Y Check the working condition of loaned workers. Interview other workers, if needed.

N Explain that distrust may emerge to the person and other employees, and it will be an obstacle of the teamwork, if work condition of a loaned worker is not appropriate.

03 Do the employment condition and treatment enable to maximize the ability of loaned staff?

Y Check what the responsibility and authority of loaned staff are and if the condition and treatment are appropriate.

N In order to be successful in acceptance of loaned staff, it is necessary for the accepting company to prepare a system for acceptance.

04 Is the job assignment of loaned staff made according to the plan of securing human resources?

Y Check whether the actual job assignment meets with the plan or not.

N Explain the organization has extra burden if the assignment does not follow the plan.

05 Is the job assignment of a loaned staff made in consideration of the person's desire and ability?

Y Check the actual situation.

N Investigate if there is any mismatch in the assignment and the desire is accepted.

06 Are the education and training for new assignment introduced and utilized?

Y Check whether the content of education and training is proper.

N Explain the necessity of re-education of loaned staff so that they can do the job with full capacity in the company.

04 Work regulation management

01 Work regulation management

01 Work regulation

01 Are the working conditions based on the labor law established?

Y Check whether they are satisfactory from the labor regulations and laws.

N Explain that the labor regulations and laws must be observed.

02 Are the working regulations and the like maintained and utilized?

Y Check whether the content (major items such as wages, a retirement allowance, and working hours) of the working regulation are appropriately and clearly defined.

N Even though the duty to establish working regulations is not imposed by the law, recommend that it is better to make them in order to avoid a trouble between the employer and employees.

02 Working hours

01 Is the working hour system suitable for the actual condition of working place?

Y Check how the company adjusts the working hours, and talks with the employees, for the busy time and the idle time.

N In order to adjust the seasonal nature of working hours, suggest a discussion between an employer and a representative of employees.

02 Are the new types of working hours such as a flexible time system or a discretion labor system introduced?

Y Confirm the purpose and effect, and check whether they are appropriately introduced or not in the type of work.

N If the introduction improves productivity remarkably for the type of work, propose the implementation to the management.

03 Is the decision of core time rationalized?

Y Check whether the core time is rational to the type of job.

N Investigate if there is any distrust between an employer and employees and confusion in the workshop because of opaque core time.

04 Are the agreement and notification about the working hours made properly?

Y Check whether they are defined in writing, and the contents are understood and agreed by the employer and employees.

N They may cause a trouble between the employer and employees, so suggest to discuss them between the two parties.

05 Is the annual calendar utilized? Is an agreement between the employer and employees on the calendar made?

Y Check whether the calendar is shown to the employees and it is utilized.

N Explain necessity to make a calendar showing yearly holidays from the operation plan and production plan, in order to obtain understanding of the employees.

03 Work management

01 Do you grasp the attendance of employees correctly using a time card or so on?

Y Investigate the method of grasping the attendance and advise the improving point, if any.

N Suggest discussion between the employer and employees and introduction of a time card and the like.

02 Is the rate of attendance grasped? Do you take any countermeasures for the improvement?

Y Check the effect of the improvement measures, and advise an improvement plan if the result is not satisfactory.

N Instruct a method to grasp the rate of attendance and measures to improve it.

03 Is a direction procedure of overtime work made in a rule?

Y Check the result of overtime work, and suggest decreasing it by increase of productivity as far as possible.

N Explain the necessity to make a rule, and instruct a procedure of the direction.

04 Is a procedure for a business trip, outside duty, and the like made in a rule?

Y Investigate the contents of the rule, and examine whether it is appropriate or not.

N Explain the necessity of the rule, and instruct a procedure of the direction.

02 Working regulation

01 Working regulation

01 Are the working regulations being observed?

Y Investigate whether the working regulations are clearly defined in writing and the contents are appropriate.

N Suggest to the management to discuss with the employees about definition of the working regulations in writing, making them public thoroughly and appropriateness of the contents.

02 Are the measures to prevent the employees from doing dishonesty established?

Y Investigate what kind of measures is taken, expecting what kind of dishonesty will be done, and how the effect is. Suggest if there is any problem.

N Suggest discussion on the creation of working regulations and the observance between an employer and employees so that dishonesty may not be performed.

03 Is the punishment regulation decided and operated properly?

Y Examine the contents and the practice of punishment if there is any excess, and propose the improvement.

N Investigate the environment whether it requires the regulation and punishment or not, and propose to make a regulation, if needed.

03 Commendation

01 Commendation

01 Does the system raise morale of the employees?

Y Check whether the contents of commendation system and the like, are effective to increase the motivation of employees.

N Explain how the system contributes to improve the productivity and stable employment. Examine and recommend introduction of a rewarding system suitable to the company.

02 Is a commendation for long-term continuous service carried out effectively?

Y Investigate whether the commendation is defined in writing and contributes to the improvement in morals of the employees or not.

N Propose to the management the introduction if the long-term service commendation is useful for improvement in the morale and preservation of the skill.

03 Is the regulation established carried out successfully?

Y Confirm the regulation is defined in writing. Suggest conducting a morale survey of the employees, if needed.

N Ask their opinions why it is not carried out properly, and examine the reason.

04 Grievance consultation

01 Grievance consultation

01 Is a problem solving system established for grievances such as labor conditions?

Y Investigate whether it is defined in writing and discussed between the employer and employees.

N Investigate existence of grievances, such as labor conditions and the like, among employees by a consciousness survey. Propose to make a system, if required.

02 Have you established a counseling system such as a personnel consultation and used it?

Y Check the effect by the consciousness survey of the employees.

N When a counseling system is required, considering from the labor conditions and the consciousness survey, propose the introduction.

03 Is there any sexual harassment?

Y Investigate what kind of sexual harassment is existed. In case of the problem, suggest taking a decisive disposal.

N Check if the system to maintain discipline in a working place is defined in writing

05 Other labor conditions

01 Overtime work

01 Is the rule for overtime work observed and the management of working hours carried out?

Y Check if the rule is clearly defined in writing, and examine its contents.

N Investigate if an improvement is necessary as a labor condition through a consciousness survey and the like.

02 Is the rate of premium for overtime beyond the labor regulation?

Y Confirm if the rate is defined in writing.

N Suggest observance of the criteria of the labor regulation.

02 Annual paid leave

01 Is there an annual paid leave system?

Y Check if the annual paid leave is defined in writing and the contents are suitable to the working conditions.

N Explain the necessity of proper annual paid leave to keep employees' motivation.

02 Isn't a rate of taking annual paid leave low?

Y Investigate the reason through a consciousness survey why the rate of acquisition is low, and suggest a measure to increase the rate as an improvement plan of labor condition.

N Conducting an attribution analysis why the rate is high, suggest necessity of examination and improvement, if the high rate comes from absence caused by bad working conditions.

03 Is the handling of term change and the like performed smoothly?

Y Investigate whether the rule is agreed between the employer and employees and clearly defined in writing.

N Check if it does not causes to decrease employees' motivation by a consciousness survey.

03 Maternity leave and the like

01 Is the maternity leave system carried out properly?

Y Check if the system is defined in writing and the contents are suitable.

N Propose the necessity of consideration for mitigation of work and encouragement of employees in taking the leave.

02 Are systems for child-care leave, nursing leave, and the like carried out?

Y Check whether the systems are defined in writing properly or not.

N Suggest introduction of the systems, after an examination of trend in the industry and other companies, if the implementation of them is needed.

05 Industrial relations

01 Industrial relations

01 Industrial relations

01 Is the labor union organized? Does it belong to an upper-organization?

Y Investigate the measures of the companies, under conditions if the industrial relations are good, if the right of strike exists and the like.

N Suggest discussion with the employees' representative about labor conditions and the like.

02 Is an employer-and-employee agreement concluded? Are a labor-management consultation and the like employed properly?

Y Confirm whether it is friendly one and it has any problem for the company.

N Explain the necessity of having a meeting for consultation between an employer and employees.

03 Is there a reliable relation existed between the management and labor union?

Y Investigate if there is any problem by a consciousness survey of the union members.

N Investigate a reason of the lack of reliable relation, and suggest the improvement plan.

04 Is there a joint management council or an employer-and-employees round-table conference?

- Y Investigate whether it has any problem to carry out in the operation and the like.
- N Explain the necessity and meaning of an employer-and-employees conference and the like.

05 Have you introduced an employee stock ownership plan, a stock option system and the like?

- Y Check whether the management understands the meaning of stock option system enough and if it has contributed to improve the morale of employees.
- N Suggest investigating employees' needs for an employee stock ownership system.

06 Promotion and transfer

01 Promotion and transfer standard

01 Employment of standard

01 Are the standards of promotion, demotion, and transfer established? Are they applied fairly and well known to the employees?

- Y Confirm if the standards are clearly defined in writing and well known to the employees.
- N Suggest investigating through a consciousness survey whether they are applied by the management's personal feeling or not.

02 Is the self-assessment system utilized for promotion and transfer?

- Y Investigate how they make use the system.
- N Propose an introduction of system reflecting the self-evaluation properly, and a suitable method.

03 Is the promotion system regulated by two aspects of job position and qualification?

- Y Check whether it is defined in writing or not.
- N Explain the necessity to consider a promotion from two aspects of job position and qualification.

04 Is a multi-career paths system performed?

- Y Investigate if the contents are defined in writing and accepted by the employees.
- N Check whether the personnel affairs are controlled by dogma and prejudice of the management.

05 Is a course selection system carried out?

- Y Check what kind of choice is prepared and how far the desire of employee is considered.
- N Judging requirement of the course selection system from the kind of job and the economic background of the company, and propose the introduction, if needed.

06 Do you make use of an expert position system and the like in transfer?

- Y Grasp the content of expert position, examine the appropriateness, and propose further utilization of the system.
- N Investigate whether it is useful for succession of the technology and the skill in the company by introduction of the system, and recommend making use of it.

07 Do you emphasize the capability of employee in promotion?

- Y Confirm if the criteria for promotion are appropriate.
- N If a merit system is understood by the management and considered to be effective in the company, propose introduction of the system such as management by objective.

08 Are there a managerial position aptitude test, a managerial position appointment examination system and the like? Do you make use of them?

- Y Check the contents of them together with a consciousness survey of the employees.
- N Investigate carefully the actual condition, and propose the improvement because any appointment by prejudice of the management will make volition fall of the employees.

02 Job rotation

01 Job rotation

01 Is the transfer linked with the job rotation?

- Y Check if it is defined in writing and the direction is appropriate.
- N Explain the necessity of rotation for the carrier development.

02 Is the transfer carried out as a mean for carrier and multi-skill developments?

- Y Confirm the effect of the plan hearing both from the employer and the employees.

N Propose examination of conducting a carrier development plan.

03 Do you consider the individual carrier development in transfer?

Y Check whether the transfer is made in a long-term plan.

N Explain an effect of carrier development for fostering human resources by a planned transfer.

04 Is there a term of office system for management task and the like?

Y Check if it is defined in writing.

N Check whether other systems for activation of the organization are utilized.

05 Do you foster cluster specialists (professional evaluated outside the company)?

Y Grasp the situation how effective the fostering is.

N Discuss with the management if the fostering is necessary.

03 Temporary transfer as loaned staff

01 Loaned staff

01 Is there a system of dispatching an employee as loaned staff to an overseas affiliate company and the like?

Y Check actual employment of the system.

N Discuss with the management if it is necessary or not.

07 Retirement

01 Retirement age

01 Retirement age

01 Is there a regulation of retirement age system?

Y Check the contents of retirement age system and the actual age of retirement.

N Ask how they consider about rejuvenation of talented employees.

02 Is the standard of retirement and dismissal properly defined?

Y Check if it is defined in writing and the contents are proper.

N Suggest according to the labor regulations and the labor custom in the country.

03 Is a course selection system (early-retirement incentive plan etc.) established?

Y Check the system defined in writing.

N Explain the requirement, if needed.

04 Are systems of service extension, re-employment, and the like established?

Y Investigate and confirm the actual condition and effect.

N Discuss with the management if they make any problems in securing a talented person.

02 Retirement pay

01 Retirement pay

01 Do you maintain the regulations for retirement pay, and prepare (reservation of fund, writing-off) of the payment?

Y Check whether the contents of the regulation are defined in writing together with the financial condition.

N Investigate if there is any dissatisfaction among employees by a consciousness survey of employees.

02 Do you have a corporate pension system?

Y Check if it is defined in writing and what the contents are.

N Explain that preparation of pension fund is effective in welfare and motivation of employees.

03 Retirement preparation

01 Retirement preparation

01 Are you enforcing an educational training for capability redevelopment and the like?

Y Investigate the employment and the like after the capability development.

N Though a capability development is effective for the company, other companies may hire employees with improved capacity away. Propose to the management a plan suitable to the actual condition of the area.

02 Is the supply of information for health management enriched?

Y Grasp the contents and check if it is sufficient.

N Propose to provide the information and the like to employees as much as possible, because the health influences to work after retirement.

03 Is the information of pension system and the like enriched?

Y Investigate operation of the pension fund and supply of the information.

N Advise that a pension program and the like should be prepared and maintained in order to cope with the labor regulations of the country.

04 Employment adjustment

01 Employment adjustment

01 Do you correspond to such a way that you assume situations of layoff, dismissal, member curtailment, and the like?

Y Investigate the actual condition.

N Ask opinion of the management how they think of the correspondence at the time of production adjustment and the like, and propose an action needed.

08 Wage

01 Kind and system

01 Kind and system

01 Are the kind and the system of wage suitable to the actual condition of company?

Y Investigate the system defined in writing, and suggest an improvement plan, if needed.

N Recommend to review the wage structure.

02 Have you established the wage system based on the job survey and the like?

Y Investigate the correspondence between the content of job analysis and the wage.

N Check whether the wage system is vague or not. If it is necessary, recommend the improvement.

03 Is the wage founded on a daily basis or a monthly basis?

Y Confirm with the description defined in writing.

N In case of a daily basis, check whether it is an appropriate system in the type of industry and business.

04 Isn't it a comprehensive wage decided by an vague standard?

Y Check whether the employees have feeling of unfairness and the like or not.

N Investigates what kind of other wage system it is.

05 Have you introduced a wage by work and according to the job function?

Y Investigate the standard of judgment by job function.

N Recommend study of the introduction, if the job requires.

06 Are the various allowances reasonable and simple? Aren't the allowances for adjustment too many?

Y Check the contents of special allowances.

N Suggest integration and simplification of the allowances, leaving only necessary allowances.

07 Have you introduced an annual-salary system and the like?

Y Investigate whether a perfect annual-salary system or a partial system is introduced, and check the effect.

N Instruct the introduction of the system, if the company is in the type of industry suitable to the annual-salary system.

02 Wage level

01 Wage level

01 Does the wage stay at an appropriate level compared with that of the industry, the scale, the area, and the like?

Y Check the level, referring to the data of the industry.

N Suggest an appropriate level from the actual condition of profit of the company.

02 Is the minimum wage system observed, and is the system based on the criteria of the labor regulations?

Y Check the actual conditions.

N Investigate the actual conditions of profit in the company and propose to pay the

minimum wage, if it is possible.

03 Are the personnel expenses containing salary and wage appropriate, considering from the solvency and the value added?

Y Check the appropriateness from the labor's relative share in the value added. Also compare them with the standard in the industry and the business type.

N Suggest that the company must make effort to raise the share to an aptitude distribution, when the labor's relative share in value added value is low, and that the company must increase the value added, when the share is high.

04 Do you maintain various materials of which are able to compare the wage level and the like?

Y Investigate how they are making use of the materials.

N Make research whether there are any statistic materials in the municipality and economic organizations of the area, and inform the result.

03 Wage regulation

01 Wage regulation

01 Are the wage regulations maintained in detail and made well known to the employees?

Y Check the contents of the regulation and publicity to the employees.

N Suggest the maintenance considered the actual condition of the company and the through publicity.

02 Are the annual pay raise and raise or down of the basic wage carried out based on the regulation?

Y Check whether they are fairly carried out with a meeting between the superior and subordinates or not.

N Investigate if there are any unfair promotion and the like.

03 Is there any regulations for mid-career employees?

Y Check the contents defined in writing.

N Investigate the rate of fixing of mid-career employees.

04 Is the regulation of domestic and foreign traveling expenses for business maintained?

Y Check the contents defined in writing.

N If there is a business trip, recommend introduction of a regulation defined in writing.

04 Personnel performance evaluation and its relation

01 Personnel performance evaluation and its relation

01 Do you have a wage system that can reflect the evaluation of personnel performance?

Y Check the method of personnel performance evaluation and its relation with the wage system.

N Examine and recommend a system that the evaluation is reflected in wage system.

02 Is the evaluation of personnel performance reflected in wage rise and bonus?

Y Check the actual situation.

N Examine and recommend a system of making evaluation reflect in the wage system.

05 Bonus

01 Bonus

01 Is the meaning of bonus payment clear?

Y Check if it is defined in writing and well known to the employees.

N Investigate whether the employees have feeling of unfairness in the distribution.

02 Is the bonus system able to reflect the management performance?

Y Investigate the actual operation.

N Check if the company pays much more or less for the bonus comparing with the management performance.

03 Have you set a rule for bonus payment that can reflect personnel evaluation, and is it fairly applied?

Y Confirm if the rule is fairly applied.

N Explain that the fair and appropriate reflection is required for increase of morale of employees.

04 Is the evaluation of employee's performance directly reflected in the bonus?

Y Check if it is fairly and appropriately reflected.

N Explain meaning of bonus and effectiveness of the performance reflection policy.

06 Salary calculation

01 Salary calculation

01 Are the daily calculations and the like of salary, pay rise and bonus made automatically?

Y Investigate the actual level of the automation.

N Recommend starting from a small investment for using a personal computer, when the automation is required or considered to be needed.

09 Personnel evaluation

01 Personnel evaluation system

01 Standard

01 Is the objective of personnel evaluation fostering staff and their utilization?

Y Check the contents of the system and the situation of use.

N Explain that an initial objective of personnel evaluation should be staff fostering and their utilization.

02 Is there a standard of the personnel evaluation system that matches the actual situation of the company?

Y Grasp the actual situation, and check the standard in the system.

N Explain necessity to establish a standard in the personnel evaluation system coping with situation of the company.

03 Is the department responsible to the personnel evaluation regulated?

Y Check the contents of duty and staff of the department.

N Explain the necessity to regulate a department responsible in order to conduct personnel evaluation properly.

04 Is the record of personnel evaluation kept in a data file?

Y Confirm the contents of the data file and whether it is easily used.

N Explain the necessity to keep the record in a data file in order to utilize it for the personnel evaluation.

02 Utilization

01 Do you utilize self-declaration and self-evaluation systems?

Y Please explain how you are applying them.

N Explain that they are fair applications of the personnel evaluation system.

02 Is the personnel evaluation system regulated and made widely known to all?

Y Check whether the system matches the actual situation of the company.

N Explain that establishment of the system is essential for the personnel management.

03 Is the personnel evaluation method well understood and made well known to all? Is there any irregularity in the evaluation by the evaluators?

Y Inquire to both the evaluator and evaluates how the evaluation method is applied.

N Explain that the personnel evaluation system must be well understood and irregular evaluation by an evaluator must be avoided for its good functioning.

04 Is an evaluation interview conducted by the evaluator?

Y Check the method of evaluation interview.

N Explain necessity to have an evaluation interview.

05 Is the personnel evaluation system put into practice fairly as regulated?

Y Inquire to the employees evaluated.

N Explain that the evaluation system is rather harmful, if the system is unfairly applied.

06 Are there an introduction of human assessment and the like?

Y Check the contents.

N Explain them that it is effective.

07 Is the personnel evaluation reflected in promotion and transfer?

Y Check the rule of which reflects the evaluation in promotion and transfer.

N Explain that the result should be reflected in some means for fair personnel management.

08 Do you try to use the personnel evaluation for capability development of the employees through its process?

Y Check the contents of the personnel evaluation.

N Explain that one of the objects of personnel evaluation is to utilize it for capability development of employees.

02 Contents of evaluation

01 Contents of evaluation

01 Is the evaluation point decided from a duty examination?

Y Check how and up to what stage the duties are examined.

N Explain that it is necessary to investigate the contents of duties and decide the evaluation point from their criteria.

02 Are performance, capacity, manner and the like unified in the personnel evaluation?

Y Check the contents of evaluation.

N Explain that they should evaluate from these three points of view, not from a single point.

03 Does the evaluation weight differ in salary increase and bonus?

Y Check the contents of evaluation weight.

N Explain that the weight should be put on results in bonus, and on capability in salary increase.

04 Do the evaluation details and weights differ by position or duty?

Y Check the contents.

N Explain that evaluation details and weights differ by position and nature of duty.

03 Evaluator's training

01 Evaluator's training

01 Do you conduct evaluator-evaluated training?

Y Grasp the contents of training and check whether it works effectively.

N Explain that the training is needed to avoid irregular evaluation and secure fairness in evaluation.

02 Are hollow effect, centralized tendency, logic difference, approach difference and the like cleared?

Y Ask them what kind of measures they take to avoid these differences.

N Explain that evaluators tend to be involved in above-stated differences.

10 Communication

01 Communication at work

01 Means

01 Do you properly impart information on management policies and results to the employees?

Y Grasp how far the communication is done actually and propose further improvement.

N Explain that sufficient disclosure of information to the employees is required for making them work well according to the management policies of the company.

02 Are there a lot of contacts between the employees and the managers and executives?

Y Grasp the conditions of contacts and propose further improvement.

N Explain that contact with employees is a prompt way in order to get good mutual communication.

03 Do you make full use of transmission means such as bulletin boards, internal news and the like?

Y Check the situation of use such as where they are set and how the employees pay attention to them.

N Explain that the little utilization comes from wrong preparation of the means, and suggest the necessity of the countermeasure.

04 Do you regularly have an office informal gathering and the like?

Y Grasp the contents of gathering and how often they have it.

N Explain that it is a useful means of communication.

05 Are the monthly and weekly meetings regularly held, and is the communication made smooth?

Y Check the meeting minutes if they are held regularly and the contents are appropriate.

N Explain the effect of holding meeting regularly and continuously, and instruct the implementation.

06 Do you try to secure communication with and among the employees in morning and evening meetings?

Y Check if the time and the contents are appropriate.

N Instruct holding of meetings with all people in the office regularly to exchange and mutually share information.

02 Morale improvement

01 Organization development

01 Do you tackle Organizational Development (OD) in order to review a stiff organization?

Y Check the contents of OD.

N Explain the usefulness of OD.

02 Are you considering promotion of a mobile organization in place of the division system?

Y Ask about the organization, and confirm whether it has any problem.

N Confirm whether there is any problem in the system they conduct at present.

03 Have you ever enforced a consciousness survey of your employees, up to the present time? What was the problem in the result?

Y Ask the problem, and propose a measure for the improvement.

N Explain the importance of employees' consciousness survey that reveals their hidden actual condition.

04 Are you positively tackling improvement of the morale?

Y Check what kind of measures they are tackling.

N Explain that improvement of the moral is needed to increase efficiency at work.

05 Do you have a system of mutual awarding by the employees through office card and the like?

Y Confirm what kind of system they actually conduct.

N Explain an advantage of mutual awarding system by the employees.

11 Management by objective

01 Management by objective

01 Objective system

01 Is there a system to realize a target created in the company?

Y Confirm what kind of system it is.

N Explain that a proper procedure is important to realize a target.

02 Fixation

01 Have you introduced a management by objective system and is it fixed?

Y Confirm how it is fixed.

N Explain that it is needed to make efforts for fixation of the system.

02 Do the top-down and bottom-up correspond together in the management by objective system?

Y Confirm what kind of procedures they are taking.

N Explain the necessity that the top-down and bottom-up should correspond together for making an objective.

03 Is the process for promoting management by objective prepared in a manual, and is it fixed?

Y Check what kind of manuals they have made.

N Explain that a manual is effective for conducting an efficient management by objective.

04 Are interviews on the objective and evaluation of the objective conducted daily?

Y Check the method how they conduct the interview and evaluation.

N Explain that interview and evaluation are necessary for promoting the objective system.

05 Are the management by objective system and the personnel evaluation linked together?

Y Check how they are linked.

N Explain the necessity that both of them should be linked.

06 Is the information on management by objective system shared mutually?

Y Check how it is shared.

N Explain that sharing information is necessary for effective application of the system.

12 Capability development

01 Capability development plan

01 Plan of important point

01 Do you have a capability development plan linked to the personnel and labor policy?

Y Check how it is linked.

N Explain that a capability development plan must be linked to the personnel and labor policy.

02 Have you established a plan of important point on fostering staff for promotion of information technology and globalization?

Y Check their plans.

N Explain that there will be need of the staff for information technology and globalization hereafter, and therefore they need to foster the staff.

03 Do you have a registration system for employees desiring overseas work?

Y Confirm what kind of systems they have.

N Explain the necessity of a system from rotation of the overseas representatives and fostering employees to be dispatched.

04 Is it your objective to promote individual character formation through education and training?

Y Confirm the contents of the curriculum.

N Explain that an individual character building is necessary.

05 Do you grasp individual needs for capability development and do you put them in order?

Y Confirm how they grasp and put them in order.

N Explain that to grasp their needs and to put them in order is necessary to practice education and training effectively.

06 Is the person in charge of education and training appointed?

Y Confirm what kind of duty the person has.

N Explain that appointment of a responsible person is necessary for practicing education and training effectively.

02 Technique for capability development

01 Do you properly select capability development techniques and the tools?

Y Confirm what kind of curriculums they have.

N Explain that it is necessary to introduce techniques and tools proper and suitable to the actual circumstance of the company.

02 Do you tackle the case method (study of cases), improvement of handling capability, training of the whole shop and the like?

Y Confirm the contents.

N Explain that it is necessary to apply measures suitable to the actual circumstance of the company.

03 Is the capability development plan systematically created by the level? Is it carried out?

Y Confirm how they create the plan and carry it out.

N Explain how to make a plan and how to carry it out.

04 Are you conducting MTP (Middle Management Training Program) and the like?

Y Confirm the contents of the program.

N Explain an application of the program.

05 Do you deal with fostering managers through MAP (method of evaluating managers in advance) and the like?

Y Confirm the contents of the method.

N Explain an application of the method.

06 Do you deal with job redesigns such as job enlargement, job fullness, job rotation and the like?

Y Confirm the concrete contents of their job redesign.

N Explain the necessity of tackling the job redesign.

07 Have you established OJT (On-the-Job Training), individual instruction and the like as a system?

Y Confirm whether the contents of OJT are clear.

N Explain that it is necessary to establish OJT system because the procedures of work repeat in many cases.

08 Do you conduct OFF-JT (outside training, training by level, etc.) properly, making it meet with the objective?

Y Confirm whether the contents of training meet with their objective and are conducted properly.

N Explain that they need to be introduced adopting methods of mass education and correspondence course of education.

09 Do you conduct education for fostering multi-skilled workers and service staffs?

Y Check the effect of the education.

N Explain it is a useful method for both employers and employees.

10 Do you maintain a system that supports self-development (qualification acquisition, etc.)?

Y Confirm the contents of the support system.

N Explain them to support self-development gives not only satisfaction for employees but also gives a positive effect to the company.

11 Do you conduct duty enlargement, duty fullness and the like?

Y Check the contents of them.

N Explain them that they are useful not only to increase efficiency of company activities but also to improve moral of employees.

12 Are the small group activities established as a system?

Y Confirm how the system is managed actually. Check it is not conducted for mere formality.

N Explain them usefulness of small group activities.

13 Do you continuously enforce the suggestion system? Have you obtained a good result by the enforcement?

Y Confirm how the system has been carried out.

N Ask the reason why the system has not been enforced continuously.

13 Corporate welfare

01 Social insurance

01 Social insurance

01 Have you entered to the labor and social insurance and do you apply the system usefully?

Y Confirm the conditions how they apply the social insurance and utilize the mutual relied association and the like.

N Explain that an application of these insurance is a means to improve welfare of employees.

02 Welfare measures

01 Welfare measures

01 Do you enforce welfare measures such as recreation and the like? Are they established?

Y Confirm how they are enforced.

N Explain the necessity and instruct how to enforce them effectively.

02 Do you have mutual aid associations and common interest clubs? Are they established?

Y Confirm how they are operated.

N Check whether there is the necessity of such associations and clubs in the personnel policy.

Suggest examining measures to establish them, in case they are needed.

03 Are there assistance systems for employee cafeteria, meal allowance, transportation allowance and the like?

Y Confirm that they are neither excessive nor little comparing with other enterprises of the same type of industry and in the same region.

N Explain the necessity to take proper welfare measures as a policy for stable employment.

04 Is there fixed contribution money for celebration and mourning? Is it being properly managed?

Y Confirm what kind of system it is and how it is managed.

N Explain that the system is necessary to improve employee morale.

03 Medical examination

01 Medical examination

01 Do you enforce regular medical examinations at the time of and after employment?

Y Confirm how they are enforced.

N Explain medical examinations are necessary means not only for employees but also for the company to increase efficiency at work.

02 Do you conduct a medical examination at the time of overseas dispatch and a special medical examination?

Y Confirm how they conduct the medical examination.

N Explain that medical examinations are indispensable before and after an overseas dispatch.

04 Working environment

01 Working environment

01 Are the working environments such as working field, office and the like safe and well maintained?

Y Confirm how their environment is maintained and propose to prepare better environment for work.

N Explain that maintenance of the environment is necessary for better efficiency at work.

02 Do you take measures for creating a pleasant office environment?

Y Confirm the contents of measures.

N Explain applications of the measures.

03 Is the usage environment of OA tools for VDT work proper?

Y Confirm the actual conditions of the usage environment of OA tools.

N Explain the necessity of making the environment proper.

14 Safety and sanitation

01 Management system

01 Management system

01 Does the top management show an active interest in safety and sanitation management?

Y Confirm the contents of safety and sanitation management.

N Explain the necessity of safety and sanitation management.

02 Do you maintain a safety and sanitation management system matched your company's actual condition and based on provisions of the labor safety and sanitation law and the like?

Y Confirm how they observe the provisions.

N Suggest strict observation of the systems provided by the law.

03 Are the methods of safety management concretely defined in writing and enforced?

Y Check their actual measures.

N Explain that the company is bestowed to reduce expenses by anti-disaster schemes after all.

02 Safety and sanitation education

01 Safety and sanitation education

01 Are you properly conducting a safety and sanitation education such as for newly entered staff in the company, for general, for special and the like?

Y Confirm the education is not given only for formality.

N Explain that the education is the nearest way to prevent disasters.

02 Do you perform a hazard prediction drill?

Y Check if the contents and frequency of the drill are appropriate.

N Explain the necessity of the drill, and recommend introduction of it.

03 Safety measures

01 Safety measures

01 Are you devising prevention and reduction measures of labor disasters?

Y Confirm the contents of the measures.

N Explain the necessity of the measures.

02 Do you adopt concrete measures for safety of elder people?

Y Check if the safety measures are appropriate.

N Explain the necessity of consideration of safety in the workshop for employment of elder workers with rich experiences.

03 Have you established safety criteria based on the labor law?

Y Grasp the contents of the safety criteria. Confirm whether there is any problem in regard with the law.

N Explain that observation of the law is an indispensable duty for a company.

04 Are you conducting maintenance and inspection of safety criteria of the workplace environment and actions?

Y Grasp the contents of maintenance and inspection.

N Explain the requirements of regular maintenance and inspection.

05 Information

01 Information environment

01 Leadership

01 Leadership

01 Has the management promoted the information system in the enterprise eagerly?

Y What kind of effect does the management expect in the enterprise operation most by making use of the information system?

N Advanced information technology is diversifying business. The establishment of necessarily information system in the enterprise may be delayed, if the management doesn't show their direction of the information system to the employee.

02 Has the management recognized the importance of information system, and discussed with the employees to get their understanding for developing and using information system?

Y The management's daily communication makes to increase the employee's consciousness about information system. The result of regular communication should be written in a document for future reference.

N The management should make the employees understand his willingness, by talking actively to them that he thinks about information system.

03 Does the manager take a leadership to utilize information system?

Y The manager should give feedback to the person in charge a result of actually using information system, so that he would become more active with positive mind.

N When the manager uses information system positively, the employees become more active to utilize the system. It also inform the convenience that information system can be appreciated with advantage convenience by using it deeper and wider.

02 Purpose and policy

01 Purpose and policy

01 Does the management clearly announce the purpose and policy to use information system?

Y The purpose and policy to use information system should be in a document, and review it every year.

N If an employee develops an information system independently, it would be difficult to unify the system as a whole in future. The purpose and policy to use information system should be established through communication with the person in charge.

02 Is there any long-term or middle-term plan, to develop information system? Do you check if it meets with the management strategy of the enterprise?

Y Review the system plan regularly with the people concerned and the experts, based on the investigated conditions of rival companies, because a change on information technology is drastic.

N Developing information system can't be attained in a short time. Make a goal, and develop it into a long or middle term plan, and try to achieve it step by step.

03 Do you give priority to an applicable business area in introduction of an information system?

Y Review regularly if the criteria to give priority are appropriate.

N It is important to what you should give priority in order to utilize management resources effectively, and the priority should be examined together with the criteria.

04 Do you define the characteristics of an information system to introduce which is good for current business conditions?

Y Review the definition to optimize the results again, considering the company scale and the management resources available.

N The choices increase due to the progress of the information system technology. Consider them and select the best for the company's future.

03 Information cost

01 Information cost

01 Do you promote introduction of information system, making its budget?

Y Does the budget of information system meet with your middle term business plan?

N Making the budget of information system leads reviewing the necessary management

resources to develop the system.

02 Is the scale and order introducing the information system fully examined from the cost vs. effect aspect?

Y Be aware of the cost including necessary expense for operation. Review the effect including the indirect effect which is sometimes overlooked.

N It seems difficult to grasp the indirect effect especially, but trying to do it continuously with ideas makes the result more precise.

03 Do you consider outsourcing (make or buy) on the development and operation of the information systems?

Y Be careful especially of the maintenance cost of information system in the case of outsourcing.

N Try to estimate the in-house development cost first. Using outside resource for the information system has become easier not only on the development of a system but also on ASP recently.

04 Have the development policy and operation policy of the information system been defined?

Y The development policy should be made in to the company standard and utilized and referred to it at the review of design development.

N The difference by person in the development phase, and the difference of specification between the inside work and outside work will push up cost.

05 Is the budget for introduction of the information system surely followed up?

Y Do you confirm not only the use of the budget, but also the effects in your follow-up?

N Be sure to follow up the budget for introduction and the result expected. If they are not satisfactory, make clear the reason and establish a countermeasure so as to apply in the next introduction.

04 Organization

01 Organization

01 Are the responsible section and a person in charge of information system defined in the organization?

Y Innovation of information technology is changing dramatically, so pay attention to refresh in-house technology.

N Today it does not allow us to promote information system independently by ourselves. Make clear the person in charge to master necessary technological development.

02 Are the duty, authority and responsibility of the information system department defined?

Y The information department can't develop and operate the system independently. Review the organization whether the cooperation of other sections can be gotten easily.

N Nowadays the work and the business change drastically. It should be considered carefully to promote the system not only by relying on an individual skill but also on the organization.

03 Does the information system department grasp user's needs fully?

Y Train user departments to feedback their needs positively to the information department.

N The information department should carefully consider user needs, and especially review and pick up them at budget period.

04 Is the organization to review and discuss the priority of development and/or introduction of the information system clear?

Y A view point of the whole enterprise such as the consistency and the like with the middle-term plan is important.

N The concept and priority of developing the system should meet with all the company policies, so that any system should not be developed only by react to the user's request

05 Are the ability and number of staff composing the information system department appropriate?

Y Review the consistency with the business plan and the company policy.

N It is very difficult to attain the reinforcement of the information system department

in a short time. Proceed with the increase in personnel intentionally.

06 Are the talented people who have high information processing ability intentionally posted in the user departments as well?

Y The balance of information technique capability between the user department and information department should be considered.

N It is difficult to rely on the information department for all information technique capability with quick response. Study strengthening of the user section.

05 Fostering capable staff

01 Training of information literacy

01 Are the engineers trained intentionally to catch up with the technological progress in the information system?

Y Recommend studying from the outside of the office, for example to review information system of other company or to attend outside seminars, so as not to be in self-satisfaction.

N Today the technological progress is drastic, and new techniques and new applications are developed successively in the information field. Give a theme to the person in charge, and request a report on the result of technological study.

02 Have you established a curriculum of information literacy (information ability) training program, covering all the company staff and executing it with the schedule?

Y Recommend establishing the curriculum including legal request for packaging software and in-house standard for information development, as well as the general training such as Word and Excel.

N The company's re-engineering becomes possible after making permeate the information literacy through all the company. Make a plan to let all the staff have a minimum requirement of information technique.

03 Is the department to take charge of information training defined, and do they know user's information technological capability?

Y Recommend reviewing whether the investigation method and frequency of user's information technological capability are appropriate.

N Decide a department in charge, and make a plan to investigate the capability and refresh it periodically, because a difference of information literacy by individual is big.

04 Is there any user training in order to follow the expansion and advancement of the information system?

Y Recommend to review the function of the organization making use of the most of the advanced information expert and the like in each department, whether the information technique permeates in the company.

N It is difficult for only the information system department to promote the expansion and advancement of the information system technology. A training plan of acquiring skill in each department is necessary.

05 Is the information processing technological skill reflected on the personnel appraisal?

Y Review the management structure if the employee's effort to challenge to get required technology and to utilize it, is reflected in his daily job.

N An organizational support is important to reflect on the personnel appraisal both the employee's effort to master information skill and to use it to the daily practice, and link it to the assessment of the person's salary.

02 Utilizing information

01 Relationship with the management strategy

01 Relationship with the management strategy

01 Do you know whether your present information system meets with today's business condition of your company? And are you satisfied with the present system conditions?

Y Have you reviewed if the present system conditions meet with the future business requirement? And do you have a plan to review the system periodically for future enhancement?

N Today an information system would not be developed only for your own sake, but should

be met with partner's business requirements and industry movements.

02 Does the information system share the responsibility in the management strategy?

Y Is the responsibility of the information system defined and discussed in the long-term business plan?

N It is the time that a good Information system could lead the business to success.

03 What kind of information system does the top management use?

Y If you use business report monthly, it should be changed to weekly, and if it is weekly try to get them daily. So you might make business decision earlier with timely manner.

N : If the top management requests a report only on paper, intra-office management could be led to be inefficient.

04 Do you utilize your information system to get CS (customer satisfaction)?

Y Can you mutually communicate with the customers to exchange business information?

N There are many cases in which you might get better customer satisfaction by well utilizing the information system.

05 Have you developed or are you developing any important information system for CS?

Y What is your predominance when it is compared with your competitor's system?

N Is there any reason why you don't develop an important information system for CS? (no necessity, short money, lack of talented people, doesn't know a method)

06 How do you promote the electronic commerce in future?

Y The information system might be varying according to the business aspect. (new customer development, new vender development, enhancement of business condition, etc)

N What is the reason why you don't consider starting an electronic commerce? (no necessity, short money, lack of talented people, doesn't know a method)

02 Business process and its information system

01 Organization and the business process

01 Does each department have its clear duty, and is the business process standardized?

Y An information system becomes complex and requires more development cost when the business process isn't integrated and standardized, even if the duty and authority of each department are clearly defined.

N Making department duty and authority clear and promoting standardization lead up to making each department establish a medium-to-long-term plan, executing their business process steadily and promoting the process improvement.

02 Is the mutual delivery of the information among the departments rational, and aren't there any duplication of data entry and document control?

Y To get better understanding of business among the related departments, the job rotation may be considered.

N It is rare that a business process just closes only in a single department, and the business improvement should be promoted across the departments. The improvement as a whole should be promoted not only for the office process but also for the business purpose.

03 Does each department regularly review the business process, develop an improvement plan, and request an information system development or improvement to the information department?

Y A business process has a tendency of becoming more complex as time passes, so it is important to review them on a regular base.

N Any daily office process has a tendency to be accepted as a matter of course. It is important that the regular office process should be reviewed together with the linkage of the accounting process, and established an improved plan through unification and standardization under the information system.

04 Which department takes an initiative in improvement of the business process across the departments?

Y When a new business is proposed, the top management might be involved actively making clear a department in charge, when necessary.

N If the responsibility of every department is defined, generally the department in charge of new business becomes clear. If it isn't defined, people mostly expect that

the information system department could be in charge of the new business without reason.

02 EUC (End User Computing)

01 Do you consider separately major information system and EUC system?

- Y It is important that whole information system is reviewed periodically to cope with progress of the technology and improvement of the skill, including whether EUC is evaluated with excessive expectation or too small.
- N When the expected business process to be covered by EUC is unclear, all business process improvement concerned with information might be requested to the information system department. Then information system department might not be able to process a big project for improvement.

02 Is the necessary database for EUC prepared and is the information for the common use stored?

- Y Separate databases for limited access from those for open, and expand the database for common use.
- N It is important to prepare an environment to promote EUC. It will become possible for all employees to process data by common use of the information.

03 Is the main information system organized to support EUC?

- Y The information system should be developed considering the user skill, for example as the users in the accounting department might be familiar with PC, or those in the production site unfamiliar with PC.
- N Device means such as developing a data base with RDB, making a system development adding an auxiliary function easy to retrieve data needed from the data base, and the like.

04 How much do you utilize EUC and do you have any further schedule to expand EUC?

- Y Do you receive the necessary information easier because of EUC, and is your decision making on business improved much faster?
- N What is the reason why the EUC has not been promoted? Is it the user problem (no PC to use, too busy to study, lack of PC skill), or is there no environment (no data base to utilize, no leadership in the information system department)?

03 Gathering information and communication

01 Utilization of network

01 Is the personal computer in house connected to LAN?

- Y How much is the utilization level of PC to LAN?
- N What is the reason why you have not introduced a LAN, yet? (not enough PC, no technological knowledge, and lack of money)

02 Have you introduced an E-mail system?

- Y Do you have any countermeasures for wrong use of e-Mail? (guideline for use of e-Mail, monitoring system in e-Mail system)
- N What is the reason for not introducing e-Mail? (paper is more reliable, too complex to use it, no technological knowledge, and lack of money)?

03 Do you utilize the internet on business?

- Y How do you expand the internet technology on business? Is it just for retrieving the information, broadcasting information in public or for limited use giving information in common in house? How are you going to expand the use of the internet in future?
- N What is the reason why you do not utilize the internet on business? (no business area, no knowledge and skill to use, lack of money)?

02 Gathering information

01 Is there any information collected regularly or irregularly besides the daily business operation?

- Y What kind of information do you gather now? Do you have any plan to expand it?
- N Are you satisfied with the volume of the present business information? What kind of information do you want for business?

02 What kind of information do you gather, who does select the information, how is it captured, to whom is it reported?

- Y Do you review the collected information, if it has achieved the expected effect vs.

cost, and should be continued?

N Do you have clear criteria about the information gathering in the business process?

03 Is the top management satisfied with the present business report?

Y Do you receive all necessary information including bad news, and is your information system maintained well to keep advantage on the competitor's system?

N Does the top management direct clearly what kind of information is requested for business?

03 Information system

01 System composition

01 System composition

01 Do you have a managing system to overview the whole company information system?

Y When each department advances EUC activities, the information system department could not monitor every department because their system is apt to be changed without reporting to the information system department. It is important to encourage cooperation among the related departments.

N Higher performance of network system could be achieved by organizing all the company system effectively. It is important to make clear the assignment of the information system department and to make it known to the related departments thoroughly.

02 When has the main information system been introduced, and are the capability and the distribution of machines on system appropriate?

Y Do you review the capability and the distribution of the system and reconsider the need of replacement of the system, or rearrangement of the distribution, at the time making budget?

N Do you have the system layout of each machine and do you know the persons who use the system and machine?

03 Is the hardware composition appropriate considering the user needs?

Y How do you judge the balance between the capability of the machine and the actual use of the system?

N The usage of the machine should be reviewed regularly.

04 Is the capacity of the device strengthened in accordance with expansion of the use?

Y Do you know the maintenance time of the machines, and the turnaround time of an access to the machine?

N You should know the usage of the information machines, and make effort to use it effectively.

05 Do you have a renewal plan of the hardware and the software of the information system?

Y Does the renewal plan consist of a part of the company's business plan and the investment plan for plant and equipment?

N There is an expiring period on the vender and manufacturer support schedule, and then any system has its lifetime. It is important to make a renewal plan for the information system and the machines.

06 Do you consider the user's convenience in arrangement of the capability of terminal machines and input/output machines?

Y Is the cost performance of the systems considered?

N Have you surveyed the complaints of the users?

02 Software

01 Software

01 Is the concept of the software development clear? Do you consider to utilize an off shelf package program?

Y Do you have a guideline for development of the software? Do you have a concept of the software development? Have you studied which way, make or buy, to take for the software in the development? Have you surveyed an off shelf package software? Are you sharing the subroutine with your colleague?

N If you leave software development to one individual, you can't maintain it in future because there are various choices to develop software. You would better to prepare

a guideline for the process of the development consisting of standardized database and middleware, setting up timing for design review in the process.

02 Do you make clear the software specifications before developing it? Do you review the software specifications effectively before and during the development process?

Y Do you set up design reviews during the planning process of system development, in order to avoid any change of the basic specification after you have started the development process?

N It becomes difficult that you promise a development period and a development cost, if the system specifications aren't cleared. It is necessary to describe the system specifications especially when ordering outside, even though some inner office users do not want to make detail specification at first.

03 Do you consider operation and maintenance of the system, when you describe the specification and the manual? Are they updated to the latest one?

Y The document and manuals necessary for system development must be made to meet with the department standard, and applied to every system development. The above document and manuals must be maintained in case of any specifications change, so you can utilize it for future maintenance.

N In general, a host information system has well-organized document such as system specifications and program specifications and so on, but a client-server system does not. It is important to prepare similar document and manuals for the client-server system as well, because a different maintenance person from the developer may be assigned in future.

04 Are there clear procedures and effective application for development, change, or expansion of the program?

Y Who and how is making decision for the development priority, the development period, necessary cost? Is the procedure and result open in public?

N In case of receiving an order of system development or change, request to the user to prepare a form standardized by the information department which includes necessity of the information, development priority, budget cost and expected completion period. And you should be able to make response information on whether the development has been accepted, together with expected cost and period.

05 Do you handle the program change or the system expansion in house or outside of office?

Y How do you manage when you order it outside? Do you have a method to review the document to order outside? Do you have a system or organization to review the document from outside, to manage the outside progress, to evaluate the cost, to keep good communication and the like?

N Why do you limit system development only in house? And how do you manage the backlog of system development?

06 Is the effect of the completed system followed up?

Y If a system doesn't show up the expected effect, there are many items to feedback to future system development, such as a wrong measure for development, miscalculation of the expected effect, and the like.

N There are many indirect effects in developing a system, and it is sometime difficult to measure them precisely. But, as far as you need to confirm effects of developing system, please try and make effort to measure indirect effects.

07 Do you have any control system of preventing the illegal use of the marketed package software?

Y It is possible to control when the information system department knows all soft wares in the company. The more personal computers in the company, the more soft wares such as free software, shareware, and so on which are installed by each personnel. It is important that you make a standard to control and audit marketed package software in the company and audit them once a year to check the situation and to protect illegal use.

N Illegal use of the marketed package software is a crime. Sometime the use in house is complicated, and it is difficult to judge the illegality in some cases. Even if it is illegally used as a result of mistake, it is a crime. You have to make a clear

guideline to protect it.

03 Network

01 LAN (Local Area Network)

01 Is it clear which department develops and maintains the LAN?

Y Is it clear which department manages each LAN and reinforces the LAN, monitoring the number of users and traffic?

N It is better that one particular department controls LAN collectively, because there are several problems such as improper connection with the outside of the company and lowering the network efficiency due to heavy traffic, and the like.

02 Is it clear which department controls the access to the system?

Y Does the department which controls the access to the contents, have a form to control the access and clear criteria for judgment?

N Generally a department to control the access to the system (LAN) is different from a department to control the access to the contents, because they have different responsibilities. The information system department is responsible to system set up, while a department to control the access to the contents is responsible to security of the contents.

03 Do you have a clear standard to control the access to WAN and internet?

Y It is better to introduce a control system to monitor the access to outside in order to use the system effectively.

N The more users and access, the more cost for control of the network is needed. It is important that the access permission to the outside network should be approved based on the need of business.

04 Do you promote expanding the network use (to handy communication machines, SOHO, and so on)?

Y Do you review the standard for expanding network considering the cost versus effect, and meet with the management policy, before use?

N It is one of the means to improve business efficiency that you check your e-mail by mobile and the like from the place on business trip or at home.

02 Network security

01 Is the person in charge clear, who is responsible to the network security?

Y You have to consider various cases for security, such as the system destruction or the data destruction due to the natural calamity and man-made disaster, the data leakage in house, illegal penetration to the system from the outside, and the like. You have to make a consensus how far you have to make necessary action in house for the security.

N If you don't make action for security, you might be getting the system destructed or valuable data stolen due to the penetration of illegal access and of virus from outside. You should assign a person in charge of security control and make him manage it fully.

02 Have you established a virus control rule, and operated it properly?

Y The information system department should not only report to the office on the virus found, but also let a user pay attention to the new virus with the notice information.

N There are many cases that a virus prevails over countries. You must establish a system to prepare countermeasures for an unknown virus penetration. If you find out a virus penetration you must report it to Information-technology Promotion Agency office so as to prevent the virus from penetrating other companies.

04 Database

01 Database

01 Do you standardize the database to use data in common?

Y You must be careful to make the database version control match with a system to be developed in future, because the life of the business system is so long.

N When different databases are introduced in two or more systems related, the users may be confused and it needs extra data processing to communicate each other.

02 Do you accumulate in a database plenty of information from the business process, and utilize it to the various purposes for business?

- Y It must be considered that data in the database should be reorganized and maintained so easy to use for the user who has low skill in information technology, so that the database is used more frequently.
- N The data accumulated in a database should be utilized effectively in the various aspects of business, so it is important to disclose the data accumulated in a database actively.

03 Do you standardize the user technique of database, and instruct it to the users?

- Y When building a database, a system developer should standardize the technique easy to use a database, and teach the technique each other for users' convenience.
- N It activates utilization of information to instruct a familiar way of use to the user, such as use of database information dropping to EXCEL format which the user has already mastered and the like.

05 Others

01 Others

01 Have you introduced CAD, and do you utilize it effectively?

- Y Can you use CAD information for your work the same as a drawing, and do you utilize CAD information for CAM · CAT directly?
- N Don' t you need to introduce CAD? (no designing work, no design information with the CAD from upper stream, no work to utilize the CAD information)

02 Have you introduced CAM · CAT to automate a production line?

- Y Do you create a machining program directly from the CAD information? And do you utilize it for the production control information as well?
- N Don' t you have a plan to utilize CAM · CAT? (no NC machine, no information about CAM · CAT, no technological knowledge about CAM · CAT)

03 Do you have a total production automation plan utilizing FA, CIM, and the like?

- Y Is the whole production control in the factory computerized, not being limited of CAM and CAT in the island of the automation? Especially, does the control cope with changes of production promptly?
- N Don' t you have any necessity of FA and CIM? (few automation machines, no computerized production management, no necessity of real time information for production control)

04 Operation

01 Operation organization

01 Organization of operation system

01 Have you defined a manager and persons in charge of operating the information system?

- Y Have you defined the range of responsible work for the manager of operating the information system?
- N It is important to make clear the responsible personnel for quick response in case of the unusual conditions of the system and the like.

02 Have you made clear direction to set up operation schedule for daily, weekly, monthly, and yearly?

- Y Do you review the operation schedule to improve operator' s work and user' s work?
- N Make clear the operation schedule and get cooperation with the related departments on date of the data delivery, closing time of the operation, delivery time of the report, and the like.

03 Is the system operation made properly, following the operation manual and operation standard?

- Y Do you review the operation manual and operation standard to improve operator' s work and user' s work?
- N It is important to maintain an organization to operate the system properly based of operation manual and operation standard.

04 Is it clear how to report to the operation manager and the users in case of unusual conditions of the system?

- Y It is important to review and improve the action program whenever you have unusual conditions of the system.

- N You should make an action program in advance to minimize influence to the work of the related departments in case of unusual conditions of the system. (delay of the data delivery, unmatched data, computer malfunction, power interruption, and the like)

05 Do you have a clear control standard for storing the software?

- Y It is better to control the software by generation, and then you can maintain the system to return to the original conditions in case of software malfunction.
- N You should prepare a backup of software in use, so that you can maintain the system reparable in case of unusual conditions of the system.

06 Do you prepare a necessary budget, and manage it properly?

- Y Compare the actual cost with the budget and analyze the difference in order to reflect on the next budget plan.
- N To let the information system department's activity meet the business plan, it is important to make a budget plan and promote activities including a new system development plan and an operation improvement plan following the schedule.

02 Management of data handling

01 Do you have a clear standard to handle data and reports in order to prevent information leakage?

- Y In handling data, a satisfactory system should be established by combination of various elements, such as to limit place, personnel, time and the like.
- N There is some secret information in an enterprise such as personnel information, new products information and the like. You should establish a control system to secure the information from unknown access.

02 Do you have a clear rule to control document such as taking out a file from the storage and the like?

- Y It is important to check that the purpose of taking out the file should be only for business use.
- N There are many files, which you should not lose, such as a system file, package file off shelf, and the like. You have to care especially taking the file out of office.

03 Do you have a clear procedure to control system access, and is it managed appropriately?

- Y Review access application conditions regularly, for example use of an access licensees who access rare, users who should utilize a system have not request an application yet, and take appropriate action to correct them.
- N You should control same quality on appropriate procedure and on controlling the number of access, even if the person in charge may change.

04 Do you make a backup of the data processed every day based on a standard?

- Y Review the backup conditions such as a generation control, a place control, and the like, regularly.
- N It is important to establish a backup system, preparing for unusual conditions of the system.

05 Do you have a clear procedure for the data repair process in case of unusual conditions of the system?

- Y Introducing a new system daily to keep the procedure update.
- N Set up a clear procedure for a data repair process to repair data as soon as possible in case of unusual conditions of the system.

06 Globalization and Environment

01 Globalization strategy

01 System for overseas development

01 System for overseas development

01 Is the desire of the top management to develop overseas vigorous and is it understood in the whole enterprise?

Y Do you have a stand not only to develop your business but also to contribute to the country to be developed?

N In overseas development, both strong desire of the top management and good understanding of the whole enterprise are indispensable.

02 Is there an inevitable reason, to promote overseas development and a possibility to occupy a dominant position in the global market by taking advantage of your strength?

Y What is the reason to develop the overseas business? Assess if the domestic strength of the enterprise can be an advantage in foreign markets.

N Let them examine whether the enterprise is on a phase to develop overseas markets.

03 Do you have any spare management resources that make overseas development possible without making any hindrance to domestic management?

Y As a result of investment of funds, securing staff to be dispatched to the foreign field and the like, don't your domestic resources become short?

N In overseas development, it sometimes has to invest much more resources intensively than in the domestic development.

04 Do you conduct international information exchange by using the internet?

Y Check the present use of the internet for overseas development and let them study measures for further utilization.

N Use of the internet in the overseas development is indispensable in order to realize an agile management activity and reduction of information cost.

02 Aim of overseas development

01 Aim of overseas development

01 In case the aim of your overseas development is substitution of your domestic supply to the overseas, do you have a foresight to secure the advantage for a long time?

Y How stable are the political and economic future, and the position in the global market? Have you considered the country risk?

N Let them foresee the duration of the advantages in relation to a recovery plan of the overseas investment.

02 In case the market of the country to be developed is your target, is the growth capability of the market high enough and do you have a prospect to win against your competitors?

Y Please explain the basis of your prospect on growth capability and competition especially with your domestic competitors in the country to be developed.

N Are the scale of the market and your share that you expect to get in it adequate?

03 When you develop an overseas business under the request of your parent enterprise, do you always watch your parent's management stand?

Y Do you obtain a long term plan of your parent enterprise and forecasting changes of the foreign and domestic management environments?

N There may be a case that the parent requests very strongly to you to develop an overseas business initially. But it may not be able to take care of you later due to changes of the overseas or domestic management environments.

03 Stability of the country to be developed

01 Stability of the country to be developed

01 Is the infrastructure of the country to be developed being in good conditions for your business activities?

Y From where have you got the information of the infrastructure? Have you made the field survey by an expert?

N In overseas business, defects on infrastructure that you cannot imagine in your home country may exist.

02 Do you understand in your overseas business you have to consider problems based on the nature, race, religion and the like, which you need not care in the domestic business?

Y Have you got the understanding through your field experience?

N Explain to them the difficulties to cope with those problems.

03 Does the legislation related to the industries often get revised? Does it make the rules and conditions stricter?

Y Grasp the facts through the lawyer and the like, and forecast the future from the political and economic circumstances of the country.

N Let them grasp how their profit has been squeezed in the field as the result of rules and regulations being tightened.

04 Local partner

01 Local partner

01 Does your staff dispatched keep a good communication with your local partners and do they have satisfactory cooperation?

Y Do the good relations and cooperation help to increase your profit?

N When they are not in good relations, let the enterprise investigate which side is responsible for the problem and how to settle it.

02 In the case of a joint venture, do you choose a partner who does not have possibility to make trouble with investment ratio and the like?

Y Even if there is not any problem now, will it happen to have a trouble due to stagnation of the growth, the successor and the like in the future?

N When there is any problem on reliability of the partner by hearing the evaluation of staff in the field, some measures to cope with it should be taken urgently including dissolution of the contract.

03 Do you always grasp information of your oversea partner and customers? Are your selection of your agents and your various contracts secured?

Y Please explain how you get information and how you use an expert on contracting.

N You should fully use an expert who is well acquainted with information of the field.

05 Procurement and use of funds

01 Procurement and use of funds

01 Do you make best use of the financial market of the country you have developed and manage to conduct favorable capital procurement?

Y Don't you consider too much of the low interest rate and overlook a risk to borrow a foreign currency, which is at the mercy of fluctuating exchange rate?

N At business in foreign countries, utilization of the local financial market is important.

02 Do you make use of a method such as netting and the like in order to evade the foreign exchange risks, to save remittance charges and the like?

Y Does the head office control global use of the capital?

N Procurement and use of capital without control of the head office is not desirable also from the viewpoint of the internal check.

02 Overseas transaction

01 Export and import

01 Export transaction

01 Do you study to develop overseas market by export? Can your products and services be exported?

- Y Have you established such strategy as to which country and which goods you shall export, and how far you shall develop the market in the future?
- N Is the reason you cannot export due to lack of comparative advantage or any problem in your management resources? Can you make it possible to export by modifying your present products or services?

02 Do you make a market research on goods and market for export?

- Y Is the research made for yourself or consigned to outsourcing?
- N Advise them to collect as many information as possible in the home country, then to make a overseas field survey.

03 Do you survey the country risk for export and the trade risk, in order to manage a measure to escape from these risks?

- Y Do you get any assistance from an expert for survey of and escape from the risk?
- N Explain to them where the risk is and how to escape from it.

02 Import transaction

01 Do you differentiate your goods by import of overseas products?

- Y Do you manage measures to avoid various risks in import?
- N If you are behind of your competitors at import transaction, you may probably have disadvantage.

02 Do you try to increase the strength of your goods by development import, parallel import and the like?

- Y Do you thoroughly examine reliability, safety, selling minimum lot and the like of the goods?
- N Do your goods have enough strength you can do without depending on import?

03 Do you try to differentiate your goods and increase your profit by importing self-planned and developed goods produced in overseas?

- Y Have you examined marketing and risk avoiding measures of overseas products?
- N Do you study development import? If not, do you have another strategy?

03 Manpower

01 Do you have capable persons for overseas business to promote export and import inside and outside of the enterprise?

- Y Is there a good balance of personnel between domestic and overseas operation?
- N Let them examine outsourcing and recruitment/training of personnel, considering the importance of export and import business in the whole management.

02 Have you already secured personnel who are responsible for export and import operation?

- Y Is the capability of the person appropriate to the responsibility and authority given to him?
- N At first you should examine to bring up the personnel in your company, and later consider recruiting a person from outside.

03 Do you have any advice from the consultant or the public institution to promote export and import business?

- Y Do you evaluate the cost of advice for export and import business and its result?

N Utilizing appropriate outsourcing is necessary especially for export and import.

04 Have you already secured a reliable trading firm or personal network?

Y Is the trading firm or network really useful for your business?

N Depending on your experience and the scale of export/import, it could be beneficial to use a trading firm and the like for rapid advance in export and import.

03 Product Liability measure

01 Product Liability law

01 PL law

01 Do you understand that PL law is applied not only to the manufacturer, but to the processor and importer?

Y Are the expressions on a product label and the like made properly from the view point of PL?

N Explain to them examples of application of PL to the processor or importer, and ask their understanding.

02 PL measure

01 Is the importance of PL law informed and recognized thoroughly among the whole organization of the enterprise?

Y What measure have you taken for information and recognition? Has it been penetrated to the working level?

N Importance of PL law shall be recognized by all staff of every department which concerns with product.

02 When you are a distributor, don't you think PL law is not applied to you? Have you decided a method of inspection for your goods?

Y What kind of a method have you decided? Is it executed in actual?

N You should understand even a seller cannot be an exception of PL law application and is also responsible to PL.

03 Do you appoint a person in charge of PL and provide a window for consulting customers on PL?

Y Have you prepared a system for getting advice from an expert on PL?

N An initial management for PL is so important that the person in charge should settle it under a direct order of the top management.

04 Is your business insured against PL?

Y Is the insurance comprehensive? Are other goods not included in the product, such as sales promotion materials and the like, also insured?

N To insure your whole business for the accident is desirable.

04 Environment preservation in marketing

01 Prevention of pollution

01 Measures for goods

01 Do you watch and survey the conditions of your goods as far as to the final disposal including your package in order to prevent pollution?

Y When your product consists a part of product of other company, is there any sign and the like for prevention of pollution?

N Not only goods themselves, but packaging, affix and the like should be target of prevention of pollution.

02 When you dispose a defective product and the like, do you consider reusing it by recycling, reforming, and the like?

Y Do the reused goods have as good value as merchandise in their quality, appearance and the like?

N Though there is a problem of cost, we should try to reuse them and preserve our resources.

03 Are you interested in such goods that distributors of each step try to recycle them because of good value of the material?

Y Do you consider future changes of value of the raw material?

N Development of goods which the value of the material and easiness of the recycling are considered, is needed.

02 Measure for waste disposal

01 Do you cut and crack wastes made at distribution processing, and use them for filling in a box for transport?

Y Have you devised a method both easy for handling at disposal and advantageous for cost saving?

N Device on use of processing waste and the like can be linked up not only to saving cost, but also to recycling.

02 Do you prepare treatment of final waste for recycling through careful classification?

Y You should consider design, display and the like for easy classification from the process of product, packaging and the like.

N We can say that recycling final waste as resources is a request by the society.

03 Do you study a device on energy saving of equipment and a change from fossil fuel to clean energy?

Y Do you collect data of measures for environment preservation by energy saving?

N You should consider energy saving as a long term policy of the enterprise.

04 Do you try to collect vacant containers and the like of your handling goods, without considering own product or not?

Y Do you clearly announce that collection of vacant containers and the like is based on your policy of environment preservation?

N Collection of container, package and the like may not last long, if it is made only by the efforts of limited staff. It shall be announced as a philosophy of the enterprise.

02 Environment preservation

01 Natural environment

01 Do you try to preserve the nature by taking care of planting trees around the shop and factory, and purifying waste water?

Y Do you manage it to have a good appearance?

N Consciousness of preservation of the nature shall be recognized all through the enterprise.

02 Do you try to simplify package and preserve the nature indirectly?

Y Do you appeal to the customers that the simplification of package is a way to preserve the nature?

N In simplification of package, the appearance of goods should be nice by device of material and design.

03 Do you make a better image of the enterprise by appointment of a person in charge of environment preservation and by participation in movement for it in the community?

Y Does the person in charge show in and out of the enterprise that the person can act

under direction of the top management?

N This is the age that participation in environment preservation movement makes a better image for the enterprise.

07 Product Development

01 Product creation planning

01Product designing and product concept

01Product designing and product concept

01 How active is your top management towards product development?

Y Explain some cases of your recent successful product development, which were initiated by an order of the top management.

N Why not feeling the necessity for development? In case of no product development, any enterprise may lose the power, being strongly influenced by the principle of "product life cycle" .

02 Following the top-down policy, your engineers in charge of product development are challenging the development so eagerly as to make the most of their competence?

Y Where is the target market? And what is the technological competence of your company?

N What is the obstacle to eliminate the restricting factors of development?

03 By identifying the market needs, do you make the concept of the product development clear enough?

Y Listen to their explanation of the organization mechanism how they convert the market needs to the product concept.

N Why not possible to carry it out? Do you know how your competitors are doing?

04 Has the planned concept been concretely imprinted in the new product?

Y Confirm that the concept is reflected and explained clearly in the sales advertisement.

N Advise that it is necessary to form such a development organization as to be able to reflect the concept of the product.

02 Planning of product development

01 Planning of product development

01 Does the planning of product development include clearly, how much is the price, how many are sold, and how to sell?

Y Explain the outline concretely.

N Explain it is necessary to make the information based on market research materialized in the planning, as much as possible.

02 Have you established cooperative relations with every section so that you can proceed the new product development as scheduled?

Y Let us know the cooperative sections concretely and the number of members participating in the project.

N Advise that it is not possible to succeed without getting the cooperation of the important sections, such as designing, production, purchasing, and quality control.

03 Have you established a system of cooperation with outside organizations which will assist you to cover your technical weak points?

Y For example, do you make the best use of the outside organization such as TLO(=Technology Licensing Organization), and coordinators effectively?

N Remember any outside organizations who are in a position to supplement your ability, in order to promote your own development more effectively.

04 Have you secured enough budget and people necessary to develop a new product?

Y As the development expenses are depreciated after the development, the budget should be established as concretely as possible and should be reviewed periodically at the time of execution.

N For product development, direct material costs, project personnel expenses, and outsourcing expenses are needed. All of them should be depreciated by the sales of new product.

02 Product development

01 Objective of development and information gathering

01 Objective of development and information gathering

01 Are the estimated sales price and the target cost of the new product so definite that you can secure a value added per sales unit ?

Y Check whether after-service costs of the labor, materials and the like are included in the "target cost."

N If the direct target cost doesn't stay within the limit of allowance, it should be decreased.

02 Do you decide the design quality and target cost for each main component of the product?

Y Confirm that cost reduction and quality guarantee are realized at the parts or module where the function can hardly be separated?

N In comparison with the former product, it is important to point out how the product value is improved.

03 Analyzing claim information and complaints from the customers, do you reflect those facts in your product development?

Y Make sure how systematically the claim analysis is performed and reflected to the improvement.

N Advise it is the first step to grasp the market needs by gathering important market complaints and accumulating them.

04 Do you decide the information items and sources of information necessary for development of product so that you can collect information efficiently?

Y Check how widely they collect market information. Advise to try to gather information globally, if possible.

N It is necessary to make it a routine to collect the information of market, clients and technology, systematically.

05 When the production is made by order, do you hear the evaluation and the request of the client and make them reflect in the product development?

Y Listen to the requests from the production side as well as those from the clients.

N Pay a careful attention to the request and proposal of both the manufacturing and sales sides, because a big market may sometimes be opened by this sort of keen requests.

06 Do you try intentionally to collect the latest information both on the sales market and of the development technology ?

Y Try to form a future image of products to be developed from both technology and market information, fully utilizing the information technology and the like.

N It is the basis of existence and development of the enterprise to collect every information periodically.

02 Development of product function

01 Development of product function

01 By clarifying the purpose of use and the function of the whole product, do you insert some unique functions and charming points in the new product?

Y Confirm that the elements of technology, the technological reliability and the effect of cost improvement are widely built in the product.

N The functional analysis and the value improvement are the most important subjects of the product development, so it is desirable to introduce them promptly.

02 Do you quantitatively establish the characteristic value of the quality and the condition of usage for each main component of the product?

Y Don't you find any part with excessive quality or with excessive function?

N You should enforce the detailed analysis of the market claims immediately.

03 Are you giving weight to the development theme, and controlling the progress after assigning the target cost for each important function?

Y Counting backward from the last day of production schedule, are you watching the development schedule?

N Keep in mind that the comparison between the plan and the estimated cost is always indispensable, and both structure design and production design are planned to flow concurrently.

04 Do you pay the keenest attention to the critical path of the development schedule?

Y Why critical? Check it on the basis of the schedule.

N In case of important development, it is recommended to form a project team in order to get enough cooperation from other sections.

03 Idea generation and materialization

01 Idea generation and materialization

01 Do you utilize the method such as brain storming so that you may generate as many ideas and hints as possible?

Y Check whether any cross talks with people from the different fields are made.

N Advise that any frank cross talks with specialists from different fields would generate more ideas and hints.

02 In materializing a plan, do you respect any ideas and hints? Moreover, do you evaluate and judge the performance and characteristic from both sides of quality and cost?

Y Listen to their explanation how they materialize ideas and hints to form structure design and production design.

N Advise that any ideas and hints may dedicate originality to the product, and that the evaluation both from quality and cost must devote credibility to the product.

04 Creation of blueprint and specification manual

01 Creation of blueprint and specification manual

01 Does the test of "prototype" progress as scheduled, and doesn't the delay of this test influence the timing of publishing the drawing?

Y Make sure whether the following process regularly receives necessary information.

N Drawings and information related to critical path should be transmitted to the following process, with priority, and a recovery plan is important in case of delay.

02 Are the design specifications imprinted in the drawings prepared after deep consideration of the processing and assembling ability of the following processes?

Y Confirm that purchase goods quality and suppliers ability are well considered in the design specifications?

N Besides your own production processes, even moulds, jigs, tools, set up time, yield of materials at the suppliers must be taken in account.

03 Are the product concept and planning principle clearly built in and materialized in the design and specification?

Y Check whether any limit sample is prepared even for the visible test of artistic design.

N Advise that a new product should express some appealing points of usage.

04 Do you make full use of CAD(computer-aided design), CAM(computer-aided manufacturing), CAE(computer aided engineering) to speed-up your product development and to increase your efficiency in designing?

Y Is your software a standard and new version, so that your subcontractors may use it?

N Put a stress that promotion of information technology, particularly utilizing good soft wares, is inevitable in order to strengthen the enterprise constitution and to cope with internationalization.

03 Evaluating new product

01 Trial manufacturing and quality evaluation

01 Trial manufacturing and quality evaluation

01 Do the equipment ability and the worker's skill in processing and assembly lines cope with the product in the trial manufacturing stage?

Y Just ask whether they can find better method of higher productivity?

N Request to start again from the designing stage, as the ability and your production skill were totally neglected.

02 Has the sample been made as scheduled, and has it satisfied with the designed quality characteristic value?

Y Can you assure it within dispersion?

N How about to change your way of thinking, if you really want to assure the quality?

03 Did you find some defects in the drawing and the specification through the trial manufacturing? Can you conduct countermeasures and improvement?

Y Check that the countermeasures are adopted from the improvement plan of the members who are the experts to solve the problems.

N Best policy is to keep the schedule. It is necessary to put a priority to solve multiple defects.

04 Have you been successful in trial manufacturing test, by achieving the trial targets of performance, quality characteristic, and function?

Y Check who declared the "Goal" of the trial manufacturing.

N Why not having another meeting with sales people to discuss about quality level required by the market.

05 Is a measure to cope with PL (product liability) issue fully inserted in the product design?

Y Confirm that the specialists on the issue are also involved.

N Give careful consideration of making less possibility of problem occurrence, in case "no accident" could not be fully guaranteed.

06 Do you have a management system for the industrial property such as patent and utility model? Does your new product not conflict with any patent of other companies?

Y An intra-office idea proposal should be recommended to encourage as well as an active patent acquisition.

N Emphasize the importance of skill and know-how, making full use of public wisdom.

07 Is an environmental consideration made, when selecting parts and materials?

Y Confirm they consider to economically reduce the environmental load more than ever.

N Study a possibility to recycle the materials which are substantially used, both from ecology and from economy.

02 Evaluating cost and marketability

01 Evaluating cost and marketability

01 Does the total estimated costs of materials, parts, processing, and assembly at mass production satisfy the target cost?

Y Make sure whether they prepare the future cost improvement schedule, anticipating the market price competition would be more intensified.

N Recommend to re-study the measures of cost reduction, item by item.

02 Are all expenses of manufacturing, factory management, administration and sales within the budget?

Y Confirm a future improvement (for example, the productivity improvement of the indirect sections) is planned to start?

N Advise that, in the case of new product, one method is to fix the value added of the first year be X%, and that of the second year be Y%.

03 Does the value added which is "selling price minus direct material and labor costs" meet with the target scheduled at the beginning of the development?

Y Identify how they anticipate the value added of this new product at every stage of its "product life cycle."

N Recommend to study every cost reduction by way of improving yield and labor efficiency, and saving expenses, which can be handled by themselves.

04 Are the development expenses, equipment costs, and mould costs so adequate that they can be recovered or depreciated by the expected sales amount of the new product?

Y Especially confirm the life of newly made mould.

N Recommend to start studying how to convert new equipment and mould to some different purposes.

05 Are the samples made at trial manufacturing well accepted by the market users? Or have you received some complaints to modify or to improve?

Y You should appreciate those market reactions.

N Recommend to be as sensitive to the market reactions as possible at the stage of trial sales, so as to catch any complaints as quickly as possible.

06 Have you held a mid-way conference of product development, for the purpose for related departments of development, designing, production (including purchasing, outsourcing, mould, jigs and tools, test, inspection, sales and services) to reach unanimous understanding and to make necessary adjustments?

Y Check every adjustment concerned with the schedule (sales and service kick-off), quality and costs.

N Suggest carrying out the conference at latest when the mass production is starting. (so that any materials requiring long lead time can be arranged well ahead, for example)

04 Production system and sales system

01 Establishing production system

01 Establishing production system

01 Have you solved problems on function (quality, characteristic, performance) and difficulties on operation (handling, operation, maintenance)?

Y Let them illustrate typical examples they solved.

N Make the unsolved matters clear, so that they may discuss how to solve.

02 Is it possible for your own technology and suppliers' ability to produce the new product?

Y Check that both "ability table" and "QC table" of your all production lines, including suppliers' lines, are prepared.

N Instruct to grasp the present production capacity (efficiency, yield, unit material, machine hour rate, etc.) of each production line.

03 Your internal and external production system on material procurement, component parts, processing, inspection, test, and so on, is well prepared and maintained?

Y Just check every department, including every supplier, has the production manual.

N Establish every in-and-out production system possible to conduct production, some how.

04 Are the inspection tools, testing equipments, etc. well maintained for the purpose of quality assurance?

Y Check the operation manuals are carefully prepared.

N Be careful not to forget to check the quality, even by a substitution characteristics, of the most important items.

02 Establishing sales system

01 Establishing sales system

01 As a result of full cooperation between marketing and production departments, is the sales forecast as scheduled?

Y As a representing characteristic, make sure that the marketing target (region, sex, age, profession, etc.) is clear enough.

N Explain the importance of building up a realistic and feasible marketing policy, through the trial sales to the monitors before sales kick-off.

02 Are the sales materials such as product catalogues, user manuals, guidebooks for optional parts well prepared?

Y Check whether their explanation refers to any consideration on PL.

N Minimum materials for sales promotion should be prepared, by consulting the sales tools of the competitors.

03 Are the after sales service manuals, replacing parts, etc. well prepared?

Y Make sure that their contents refer to consider both the environment problems and industrial waste disposals?

N Minimum preparation of main replacing parts, after-sales service procedures, and claim information routes should be made at the time of the sales kick-off.

04 Do you collect the market information regularly after the beginning of sales?

Y Confirm the market information is collected concretely, and is utilized to improve the present product and moreover to create a new one.

N Even if the information route is limited, be sure to grasp the facts in the market to feedback.

08 Production and Technology

01 Organization and management of production division

01 Characteristic of production division

01 Characteristic of production division

01 What is the characteristic property of your production division? Dose it appear in the organization and department composition?

Y After checking the type of production(order production type, forecasting production type, various type of products with small quantity, reasonable kinds and quantity, both in-house and outdoor production), please identify if the characteristic of the production division appears in its organization.

N There must be an organization to make people work vividly throughout the suppliers and distributors as well as in-house organizations.

02 Organization of production division

01 Organization of production division

01 Is the chart of your organization, which is neat and systematic, displayed in the factory?

Y Check that the organization chart is visibly displayed together with various workshop information on the notice board.

N The workshop information, by which every worker can clearly recognize his position in the factory, is valuable.

03 Flexibility of production capability

01 Flexibility of production capability

01 Restraining the inventory assets to the minimum, do you secure and improve your production flexibility to cope with the market requirements?

Y Confirm that the factory is endeavoring not only standardization of materials and parts, and simplification of manufacturing process, but also diversification of final assembly lines flexibly to cope with various customer needs.

N Flexible and elastic production system means the production process under visible management which enables high productivity, single set-up change, short material handling flow, and well synchronized line balance.

04 Duties of factory operation manager

01 Duties of factory operation manager

01 Is the factory manager's job and responsibility well defined?

Y Check whether his job and responsibility described clearly not only as a person in charge of whole factory operation but as a man to have relations with environment, neighboring society, and suppliers.

N Recommend to describe the duty, responsibility and authority in written form.

02 Is the factory manager participating in corporate level management policy making and decision planning?

Y Confirm that the corporate level management policy and target are well reflected in his factory' s policy and target.

N The headquarter staff are so remote from the factories that they are apt to pay little attention to environment, neighboring society and suppliers.

03 Is the factory manager capable in management?

Y Ask them what are his excellent points?

N What are his insufficient points to be improved?

04 Is the factory manager trying to improve his management ability?

Y A factory manager is required to be able to overview his factory from the view point of the whole enterprise.

N In order to improve his insufficient points, there are two ways, by self-endeavor and through corporate prepared curriculum.

05 Is there any job where management improvement hasn't promoted, by leaving the workers as they like?

Y We are afraid that the job needs a helper to assist the manager, as it becomes a bottle neck of improvement.

N Please illustrate the recent case of improvement which was initiated by the manager and which seems to be the most important and effective case among whole improvements.

05 Management of meetings and committees.

01 Management of meetings and committees

01 Are meeting and committee systems enacted and managed adequately?

Y Check the recent cases whose contents are adequate and operated based on PDCA (plan, do, check, action).

N Pick up a case whose issue is better to be adopted and decided through a meeting. It is the worst case that no one is active in the proposed issue.

02 The name, participating members, objectives, date, time and frequency of meeting are made clear, and minutes of the meeting are distributed soon?

Y Confirm that the meeting is held efficiently.

N Recommend to take a "lesson" to operate a meeting efficiently and effectively.

02 Improving management style

01 Factory policy

01 Factory policy

01 Does the factory manager indicate the policy and target for the year concretely and clearly, and make it understand fully to the employees and the cooperating subcontractors?

Y Confirm that the factory manager's policy and target of the year is well reflected both in production section and cooperating subcontractors.

N Without making the policy fully understand among the people concerned, it is impossible for the factory to take unanimous activities (in case of emergency, for example).

02 Factory management plan

01 Factory management plan

01 Is the factory management plan made with high motivation, based on the consistency between the actual market conditions and the factory important policy, and is it actively promoted?

Y Confirm that the plan is more emphasizing factory value added and profit rather than quantity output.

N Recommend to start reducing product inventory, process inventory and defects with careful attention.

03 Practicing management style improvement

01 Practicing management style improvement

01 Do you practice management style improvement?

Y Confirm what kind of arrangements are employed, for example the personnel reinforcement and fostering, equipment modernization, saving labor, strengthening research and development, improvement of control system, and so on.

N Decide what is the most important and effective to do. And then actually work on it.

02 To increase profit, have you ever executed any structure-building of factory management and the effort of employee education?

Y Explain the effect of the structure-building concretely.

N Try education for factory managers. Why not consulting with the professionals.

03 Production planning

01 Actual conditions of production planning

01 Actual conditions of production planning

01 Is the production planning being carried out with good balance of the long, medium and short schedule?

Y Confirm that the way of good communication with material department, purchase department, distribution department and outside suppliers, minimizing the inventory is well considered.

N Let them understand the meaning of the long, medium and short schedule plan enough, (to cope with the adjustment of short time delivery by the request from sales department, and the lead time shortening improvement from the production side are very

important.)

02 Do you plan and control the production schedule, carefully thinking of production capacity?

Y Confirm that the requests from the sales department are well taken into consideration though the averaged volume production is essentially more efficient.

N The production structure must be modified to efficiently realize small quantity production of various kinds, so as to meet with the market needs.

02 Production planning and its execution

01 Production planning and its execution

01 Is the monthly production schedule established?

Y It must be kept within small adjustment with good timing, under the cooperation of the department concerned, design, purchasing and outsourcing, as the schedule should follow the requests from the sales side.

N Please arrange planning data and establish a regular practice to make a monthly schedule.

02 Are the materials necessary for the planning prepared and do the people in charge of the related sections participate in the planning?

Y Confirm the level of inventory is low as a result of smooth execution of the planning.

N Recommend to find out some improvement points to reduce the inventory and tackle them.

03 Isn't the production schedule in trouble, due to a forced urgent schedule change initiated by the design, purchase and/or outsourcing department?

Y Let's prepare the back up system to prevent harmful repetition.

N A possibility for the much quicker delivery should be challenged.

04 Process management

01 Planning stage

01 Planning stage

**01 Are the process ability and allowance adequately grasped?
Is a standard daily schedule sheet made properly?**

Y Check the latest record by the date of issue.

N They are the essential standard numerical figures to build up the plan.

**02 Is the preparation period of raw material, important parts and jigs with tools secured?
And have the ordering system and the safety stock volume already been decided?**

Y Check the accuracy of the lead time standard of procurement by measuring occurrence of the unnecessary goods generated during switching from the old model to the new?

N You must prepare the basic rule and data of the ordering system first, and level them up gradually in the operation.

03 Are the standards such as operation time, working time, set up time and machining time prepared already?

Y Review the daily production record, where the standard value and actual value are recorded and some comments are on the big differences.

N Explain that they are standard numerical value for establishing any planning and finding points to improve.

04 Does the production sometimes get confused by hard requirements from the sales side?

Y Insufficient information, urgent rush orders, customer oriented special orders, specification changes after the order acceptance, and so on should be classified and their countermeasures should be examined.

N There is a possibility, though the problems are apt to be skillfully handled at the production site, the facts are not reported to the management. Check all of them elaborately in the daily work report and the like.

05 Is the "production order sheet" published?

Y Check if the manufacturing number, the construction order number, the part code and the drawing number are all managed uniformly under the numbering system.

N Promote to make a rule easy to understand for the workers and execute it as a basic important matter. Any short or excessive inventory may be generated due to the schedule.

02 Progress management

01 Progress management

01 Can you recognize where is the particular manufacturing number, using the progress chart (for example, graph-type) or the progress control board?

Y Please explain the actual progressing status using the board.

N As a basic control in the factory, the actual progress conditions should be clear and visible in terms of both in process and in quantity.

02 Can you easily judge actual causes and levels of the process troubles whenever a production schedule delay occurs?

Y Make sure that troubles can be grasped in the production flow visibly.

N Make a device which is easy for the operation manager to be grasped, for example, a stop of the whole production process in case of having a bad product.

03 Is the progress delay report submitted quickly with necessary information? And is the frequency tabulated monthly being classified by the trouble causes?

Y Confirm that the countermeasures have been made, after considering the influence and the frequency of the delay.

N As a manager, the fact confirmation of the delay and the recognition of the seriousness should be instructed to the related people in a meeting.

04 How do you confirm the differences between the production plan and its actual result and do you improve them?

Y When the differences is big, check whether the production is dull in the middle of the month and becomes active towards the end of month.

N When the difference between the plan and its actual result is small, confirm progress plan and actual result management from the viewpoint of the production control.

03 Excess capacity management

01 Excess capacity management

01 Have you decided how to investigate excess capacity and how to adjust it to proper quantity?

Y Confirm that the excess capacity of equipment and human resources is so measured that every worker is willing to utilize the excess when necessary.

N In order to utilize the excess capacity, earlier periodical maintenance or operation training for workers are recommended to plan.

04 Results record management

01 Results record management

01 As for various kinds of actual result data necessary for production planning, are they accurately recorded everyday?

Y Confirm that every daily record is recorded, accumulated and sent back to the planning section and to the section in charge of improvement.

N We must instruct the importance of reflecting the actual results of today to the plan of tomorrow, thus the circle of PDCA can be rotating.

02 Are both a production report and an operation report daily submitted with necessary description?

Y Make sure that everyday report is recorded properly and input to PC at site.

N A problem in a day must be solved within the day and do not put it off till tomorrow. Make it a rule and a habit of the whole organization.

03 Are the actual result data or the original data reported to the right section?

Y The official reporting address and the address for reference should be classified.

N If the actual result data being not distributed to a right person, how come?

04 Are the reported materials fully utilized? Aren't the unnecessary data collected?

Y Check whether necessary items of data, frequency and address are reviewed periodically.

N Let's put a price on the reported data. The section who utilizes those data might determine the range and frequency they need, as minimum as possible.

05 Organization of process management

01 Organization of process management

01 Are the assignment and its responsibility of process control management so clearly described that the management can enjoy a smooth cooperation with the production people?

Y Confirm that production and material handling are well synchronized, because who is

to take care of the process inventory being clear,

N As any trouble may happen where responsibility is not clear, let them understand that the assisting role of control staff is important.

02 The computerization of office work has been so progressed that any paper work at the working site is eliminated?

Y Just confirm that any data are input to the computer at the production site.

N Starting from preliminary work like result summation and its report, you may plan to proceed to computerization and mechanization?

03 Is the process control meeting held periodically? Is every problem discussed at each meeting to reach conclusions and to report to the related groups soon?

Y Any office information and documents should be distributed by intra-net so that the meeting shall be held less frequently.

N It should be a factory rule to make the purpose of the meeting clear, to distribute the summary of what is decided to the related sections, and to follow how the decision is executed.

05 Operation management

01 Operation management

01 Operation management

01 Is your factory operation standardized? (Is it in written form and is it well known to every worker?)

Y Please explain your operation standard. (Standard operation time, specification of materials, jigs/tools, working conditions, how to review your operation standard, etc)

N If not standardized, quality, productivity and so on are all dependent on each worker's option and the results may be random and fluctuated without control.

02 Do all the workers daily record their results such as working hours, quantity of materials used, quantity of production, various operation conditions and so on?

Y Check the recorded items and contents, such as the working time, the materials used, the amount of production, working conditions, etc. and their follow-up.

N Without records, which you accomplished today, the management circle of PDCA does not work properly.

03 All of your workers respect and follow your operation manual? (Is anything left to the worker's option?)

Y Confirm that the manager periodically checks the operation by the operation standard and QC process chart.

N If the instruction being poor, quality and productivity are so dependent on each worker's option that the output are random and fluctuated without control. The systematization of OJT (on the job training) is needed for the purpose of succession of the working skill.

04 Is every operation actively improved? (Improvement of production system such as from manual to mechanization and to automation; and moreover shortening of transportation distance, etc.)

Y Please explain the improvement planning and results of target. (Check the followings: system improvement, mechanization, automation, and shortening material handling distance, as well as devices to promote them such as commendation)

N Any enterprise cannot develop the competitive power without every day effort to improve their production system.

06 Inspection and quality management

01 Inspection and quality management

01 Inspection and quality management

01 Have you established inspection standards and an inspection system which is adequate to your process?

Y Evaluate the inspection system and standards of the important processes, including supplier's process for the parts and materials.

N Any poor quality will lose the reputation from the clients.

02 In appearance inspection process, aren't there any cases where an inspector may evaluate the product by his own judgment?

Y Which items are they? Do they badly influence to the quality and production?

N It is important to evaluate all the items in numerical value as far as possible, and not to insert any individual subjectivity in the judgment.

03 Are the records of inspection and the control of defects made adequately?

Y Analyze the records, and confirm any effective measures of improvement have been adopted.

N The inspection records are important for traceability, quality improvement, countermeasure for defects, process improvement, and the like.

04 Do you conduct any education and instruction to the inspectors?

Y Check the education method and its contents of various kinds of inspection on quality, quantity, random, concentration, and round-about.

N The inspection is needed to guarantee the quality and cost to the following process.

05 Do you examine the defect rate of each product item and of each process?

Y Check the main defect causes and their countermeasures. (Explain 7 tools of quality control method, 7 tools of new quality control method, etc, if necessary.)

N The examination of defects is very helpful to pick up problems and improve the process.

06 Is the inspection of purchased products and products ordered from outside properly exercised?

Y Please explain the inspection method.

N As the purchased materials and parts are so influential to the delivery, quality and cost, it is recommended to conclude an agreement on quality with suppliers.

07 Do you manage to control the inspection appliance and jig?

Y Please explain how to approve and authorize the accuracy of the inspection appliance and jig.

N Explain that you can not get the good evaluation and high confidence from your clients without proper tool management, because it is a basis of quality control.

07 Cost management

01 Computing profitability

01 Break even point ratio of labor cost

01 Do you grasp the break even point ratio of labor cost (internal expense / total man-hour X direct labor attendance ratio= additional value added per unit hour at the break-even point)?

Y Do you apply the analysis result for judgment of profitability of each product?

N The ratio is effective for setting a target of cost reduction and improvement.

02 Do you regularly calculate profitability of each product?

Y Confirm if they analyze the cost difference between the individual cost target and its result.

N It is necessary to measure the working hour first (either man hour or machine hour), which is the basis of cost computation.

02 Cost management organization

01 Cost management organization

01 Each cost management section clearly understands their responsibility and what to do?

Y Please explain the management system and its activities.

N It is necessary for the basic enterprise management to create a system where all cost information is gathered to one particular section.

02 Does the planning section establish a standard cost or target cost, corresponding to the production plan?

Y Please explain how different is between the target cost and the actual cost.

N The management will be out of control without a target.

03 How cost conscious are the designing and purchasing department? Aren't there any instances where they are so busy to keep the appointed date of delivery that they

are apt to neglect cost management?

Y Listen to the explanation who decides the cost target and measures to reduce cost and who follows the cost reduction process.

N As these two departments are most useful and powerful in cost reduction, ask them their full and active cooperation.

04 How cost conscious are the operation managers? Isn't their management priority biased?

Y Please explain the cost reduction consciousness of the operation managers.

(Check whether they pay the closest attention to man-hour reduction, inventory reduction, measures against defects, keeping the production schedule and other cost reduction sources such as yield, processing material unit, production efficiency and working rate of equipment, which are aspects of cost performance and are grasped only at the production site.)

N It is necessary to let the manager have keen cost consciousness.

05 Is "the cost audit" regularly conducted? Who analyze the cost difference between planning and actual? Who is responsible to cost?

Y Please explain how the audit has been executed and what the result was.

N If audit being not conducted, an evaluation by the third party may be necessary and effective.

03 Office system of cost management

01 Manufacturing instruction card

01 Is a manufacturing instruction card, which is the basis for cost management, issued product by product and lot by lot?

Y Listen to the explanation of the contents of a manufacturing instruction card and the actual condition of cost management. (Check whether the required amount of production and production time, and a target cost per product, in which yield value, efficiency, unit requirement and operation rate are included, are listed.)

N A manufacturing instruction card has basic data necessary to grasp exact cost information.

02 Operation slip

01 Are you using an operation slip which indicates standard time?

Y Please explain the operation slip and method of grasping the production cost. (Check whether standard time and standard of production efficiency, yield, unit requirement, the rate of machine operation, including setup change time and repair time are clearly indicated and the result can be compared with the standard.)

N These data are so useful for the production management that the data analysis devotes to create the measure of the improvement, cost reduction, etc.

03 Material shipping slip

01 Do you make use of a material shipping slip? Isn't it freely published by operators?

Y Confirm the material shipping slip in use is issued by the warehouse keeper.

N Insufficient inventory control caused by a free issue of the material shipping slip will result the run-out stock or excess inventory. Explain that the inventory management is important from the view point of tax survey. It is necessary to make a rule of handling the material delivery from the warehouse keeper to the production division.

04 Executing cost management

01 Executing cost management

01 Do you conduct a cost estimation of all the items on the blueprint base and do you make any design changes in order to realize cost reduction?

Y Please explain the method of cost estimation, the result of cost reduction and the target of the cost reduction

N The designing is the most important division to realize cost reduction. (Reviewing specification and material, standardization, multi-purposed parts, reduction of parts number and reflecting opinions of the production division are important factors to reduce the cost.)

02 Are the actual cost data accumulated and maintained in the designing department?

Y Check what kind of cost data they have.

N It is necessary for the designing section to be always ready to study and examine cost reduction.

03 Are you conducting VE (value evaluation) in which the designing department takes an active role?

Y Listen to the explanation on the present situation of value engineering activity. Is the cost reduction target indicated by the top management?

N The value engineering activity is a very powerful method to realize cost reduction.

04 Are you conducting the designing of production lines in order to improve cost and productivity?

Y Please explain the target and the results at present.

N It is essential to reflect the knowledge and know-how of the production division, from the view points of equipment ability, processing, assembly and so on, to the production line designing.

05 Are you aiming at GT (group technology) by conducting standardization of designing and unification of materials and parts?

Y Listen to the explanation on the recent movement of their technology.

N Standardization and unification of designing are effective to improve cost reduction, productivity, the inventory reduction, delivery time, etc.

02 Procurement Cost Management

01 Are you exercising an adequate inventory control system for regular materials, preventing running out of stock and decreasing stock quantity ?

Y Please explain the names of the regular materials and their inventory management system. Check whether the planning section intensively communicates with the purchasing division especially at the time of product change.

N In order not to disturb production activity to prevent from running out of stock, and in order to realize cost reduction, an adequate inventory system is needed.

02 Are you researching cost reduction by proper way of order lot, contract method, payment terms and so on?

Y Please explain the ordering method, the terms and conditions of ordering, and the cost reduction target and its result of major materials and parts. Do you adopt the JIT system?

N The ordering terms and conditions will influence largely to cost and delivery.

03 Do you control the ordering price, based on the budget, acceptable cost or standard cost?

Y Please explain how to make the decision of budget, acceptable cost, and standard cost. And also explain what the difference between the target and the result is.

N The results can not be evaluated without budget and target. They are necessary for the control.

04 By employing multiple suppliers system and comparing their estimates, are you executing cost reduction through competitors?

Y Check whether they monitor the daily market price movement of commodities they use.

N Competition is effective for cost reduction (A central purchasing or a unification of procurement will be useful for making purchasing management efficient and improved in a certain management environment.)

05 Are you maintaining the price estimation tools (=cost table)?

Y Check how frequently the cost table is used by each purchasing item.

N Please start preparing the cost table by accumulating data.

06 Are you comparing outsourcing processing expenses and in-house processing costs?

Y Please explain the concrete result comparing between in-house production and outdoor production. (Also check the allocation method of fixed costs, the major points of production costs and the decision-making method of outsourcing policy.)

N It is important to study in-house production and outsourcing production from various viewpoints, such as operating situation, allocation of fixed costs, investment in equipment, subcontracting policy and so on.

03 Operation cost management

01 Do you indicate the result of operation improvement in terms of money?

- Y Check that operation management and cost management are not segregated at production site, by way of the smooth feedback of information of how the cost is improved.
N To assess the results in terms of money makes the effect so clear that the production managers will be motivated to be more cost conscious.

02 Do you establish a standard amount of money for the equipment investment for rationalization?

- Y Please explain the standard. (The standard should be reexamined in the middle terms, as the management environments such as interest rates, the impact of labor cost and fixed costs to the management, and the life cycle of products could fluctuate.)
N Both the investment amount for equipment and "payback period" are common standards for the corporate level judgment.

08 Conditions of working place

01 Conditions of working place

01 Conditions of working place

01 Are you maintaining an adequate level of the working place conditions? (air conditioning, lighting, protection from noise, preventing gas and dust, safety and accident measures)

- Y Ask detailed explanation on the standard of the working conditions how to maintain them and how to adopt employee's proposals.
N To maintain the working conditions is closely related with labor productivity, in addition to keeping quality and observing the safety laws. (Arrangement/ordering: fixed storage area and passages, shelves and containers, height of working tables and location of materials and tools are to be carefully considered.)

02 Promotion of 5S

01 Arrangement, Ordering, Cleaning, Cleanliness, Discipline (in Japanese, Seiri, Seiton, Seisou, Seiketu, and Shituke)

01 Does the operation manager himself take the initiative role of promoting 5S and does he thoroughly exercise 5S?

- Y Please explain the method of promotion and its level at present.
N 5S is the bases of entire job improvements, where process inventory reduction, working improvement, discovery of equipment defects, job rationalization, schedule modification, no defects are included.

02 Does the top management have high motivation to carry them out?

- Y What kind of indication does the top management direct?
N In order to materialize the 5S, the leadership of the top management is essential. (It is necessary that the whole organization initiates action to promote the campaign under the leadership of top management.)

03 Do you have any automated alarm mechanism and/or any visible control system against the abnormal situation?

- Y Please explain the actual cases.
N Alarm system and/or visible control will be the basis of the discovery of problems and mistakes. (Identification of defective parts, disused parts, inventory and stock in process; first-in first-out of stock, and easiness to take out parts and tools are good examples of visible control.)

04 Are "the small group activities" at the operation site active?

- Y Make sure that the results of small group activities are demonstrated on the notice board.
N The small group activities will be the basis of improvement (=Kaizen) by way of making problems tangible, and promoting the workers' motivation.

09 Equipment management

01 Equipment and tools management

01 Equipment and tools management

01 Is the equipment planning constructed on the basis of product life-cycle?

Y Confirm every equipment planning is flexibly constructed according to the life-cycle.

N Flexible equipment planning is one of the keys to strengthen the competitive power and to enforce financial conditions of an enterprise, including subcontractors.

02 Have you established any system of equipment maintenance?

Y Listen to the explanation of their organization, policy and budget for equipment preventing maintenance.

N It influences a net operation rate, delivery, products accuracy and quality.

03 Do you have an exact drawing of equipment allocation?

Y Check the drawing how it is detailed.

N The production process flow, physical handling, production capacity, and factory future plan are necessary for improving the factory layout and for better equipment planning.

04 Have you properly prepared a management system of usage, maintenance and storage of tools and jigs?

Y Check whether the control system (=identification, storage, control organization, past record, and so on) is defined in written form.

N It is necessary for anyone to be able to understand the system.

05 Is the safety standard of equipment and factory operation established ?

Y Check whether the safety measures and environmental standards are properly prepared.

Also check whether safety patrols by the factory manager are carried out periodically

N Ensure to prepare the safety standard, because it is important not only for productivity and morale improvement, but also for observing the law.

10 Logistics

01 Logistics system strategy

01 Logistics system strategy

01 Do you properly consider logistics from the view point of customer satisfaction?

Y Confirm that " Logistics" including procurement physical distribution, production physical distribution, in-house physical distribution, vein physical distribution, and sales physical distribution are organically composed and controlled, from the view point of client satisfaction. (Propose more possible improvement methods such as CS, SCM, JIT, as a bench-mark, if their level is as high as that of the top enterprises.)

N Advise to examine the logistics system, as customers request service of delivery sometimes more than price and quality.

02 Inventory management

01 Inventory management

01 Are you shifting your conception of inventory management from "inventory level management" to "flow improvement activity"?

Y Listen to their concept of inventory management.

N By changing the cutting section of your viewpoint, some ideas for improvement management will be found. (Information from suppliers, shortening lead time, the alternatively imported product, shortening the period stocked in the warehouse, disposal of the defects inventory may give you some hints to improve your inventory management.)

02 As the function of inventory management, are you shifting your way of thinking from "adequately stocked quantity" to "zero stock"?

Y Just listen to their philosophy of "zero stock". And check whether their transportation cost to deliver goods to customers has not been increased in recent years.

N The promotion of the zero stock has an overall effect on the improvement of the factory and management system.

03 Do you consider inventory management as an inseparably related activity with each process of the physical distribution activity?

Y Please explain it with suitable examples.

N Inventory management is necessary for the efficiency of production and cost reduction, though it tends to be overlooked.

04 Which inventory management indicator do you select as most suitable for your use, rotation ratio, rotation period, or the like?

Y Please explain the reason why you selected it.

N The inventory indicator is useful to set the target of reducing the inventory.

05 When you fill up the inventory management documents, are those factors like correctness, immediate correspondence, selectivity, practical effectiveness secured?

Y Check whether the inventory method is Input-Output system and the difference between the booked record and the actual stock is recorded by products and by fixed places of inventory.

N The inventory records are an important measure for reducing defective inventory, shortage of inventory and excessive inventory.

03 Calculation of physical distribution cost

01 Calculation of physical distribution cost

01 Do you recognize that the payment of the physical distribution expenses is just a tip of the iceberg of the total flow costs?

Y Check whether they realize the total distribution cost is consisted of every distribution cost of procurement, production, in-house and sales.

N It is necessary to catch the total physical distribution cost.

02 Do you recognize that the physical distribution cost is composed of the following functional expenses, such as wrapping expense, delivery expense, storage expense, loading and unloading expense, in-market processing expense ?

Y Please explain each cost.

N It is necessary to catch the total physical distribution cost, analyzing the cost constitution and identifying individual cost.

03 Do you recognize that the total physical distribution cost of manufacturers in average is 9% of sales amount?

Y How much is your ratio of the physical distribution cost?

N It is necessary to catch the total physical distribution cost. The reduction of physical distribution cost has the same profit increasing effect as the large sales increase.

04 Do you make a decision of how to distribute through the profitability analysis of distribution?

Y Explain the result of the analysis.

N It is necessary to examine the profitability, as it is easy to be overlooked.

11 Designing management

01 Designing management

01 Designing management

01 Do you understand how frequently design changes and drawing corrections are carried out and how much damage they cause to the production side?

Y Please explain a sample which shows the management and present situation

N Any changes will affect lead time and costs before shipment.

02 Does the designer have enough knowledge on production method, production process, and costs? Does he get enough feedback of the opinions from operations or production technology department?

Y Confirm the designer has enough experience in the operation.

N The experience and knowledge of operation will affect much to the production and cost.

03 Do you make a daily schedule of designing? Can you secure enough time for the designing? In case of delay, how do you manage?

Y Make sure that the standard man-hour table, the ability coefficient of designer, the planned man-hour calculation table and the daily report are well prepared.

N To keep the design schedule is the basis of production

04 How do you manage the drawings? Is the arrangement of drawing modifications and changes adequate and quick? Are the old drawings before the modification all collected and scrapped?

Y Explain the management method and system of drawing.

N It affects to eliminate the idle operation and to keep reliability from clients.

05 Have you introduced CAD (Computer-aided design)?

Y Please explain the way of application, number of units, type of CAD, and the effect of computer-aided design.

N It will be a strong weapon for your designing.

12 Production technology

01 Situation of production technology division

01 Situation of production technology division

01 Do you have staff in charge of production technology? What are the responsibility items of the production technology division?

Y Please explain the number of engineers and the contents of responsibility in charge.

N They are essential for the improvement of costs, productivity and quality.

02 How is the situation of your equipment modernization? Are you not left behind?

Y Please explain NC machine (numerical control) rate, and the contents and amount of the investment for equipment in the last 5 years.

N It has a lot of influence on the competitive power such as productive and quality.

03 Do you understand the responsibility and the corresponding capability of the people in charge of designing and creating molds, tools, and equipments? Also, do you get the information how much you utilize out-sourcing?

Y Please explain it with a concrete example.

N The production technology is important to improve the productivity.

04 Are you actively conducting research for the improvement of the processing method and the process?

Y Please explain the themes and results in last 1 year.

N It is important for the improvement and the increase of productivity, such as cost reduction, man-hour reduction, production/assembly, improvement of yield, defects reduction, process improvement and so on.

13 ISO 9000 (Quality system evaluation registration system)

01 Acquisition of ISO9000 certification

01 Acquisition of ISO9000 certification

01 With regard to the acquisition of ISO9000 certification, how do you understand its essence?

Y Please explain the purpose of acquisition and its effect. (the client demands, the expansion of markets, the review of company' management system and its level-up)

N It is necessary to study ISO9000 for business expansion and level up of a company management system.

14 ISO14001 (Environment management system)

01 Ecomanagement and environment safety

01 Ecomanagement and environment safety

01 Are you actively conducting an environment management?

Y Explain energy saving, resources cycling, waste disposal, green procurement, product development

N It is necessary to study ISO14001 for business expansion and level up of a company management system.

09 Procurement, Purchasing, and Out-sourcing

01 Organization and system

01 Policy and procurement plan

01 Policy and procurement plan

01 Is the policy of procurement, purchasing and out-sourcing firmly established, and are the schemes to exercise each year decided?

Y Confirm that each scheme has the middle-term action plans (for about coming three years) and the priority specified.

N Explain the necessity of creating the middle-term business policy and planning, which will provide to the suppliers the base for their own business planning.

02 By informing your action schemes to the top management of your suppliers, are you successful in motivating them and in acquiring their full support to your business?

Y Confirm that the mutual role allocation to achieve action schemes is firmly set, after the policy and major action schemes are fully discussed and mutually agreed.

N Make following comments, " Impossible to realize the action schemes without cooperation from your suppliers. Just explain patiently to your suppliers the policy and schemes to reach understanding of co-existence and mutual prosperity. This cooperation will eventually make the best use of their management resources."

03 Is your ordering system designed so that the supplier's total cost could be minimized, after considering the supplier's conditions of procurement, production and delivery?

Y Check to what extent you understand the conditions of supplier's business activities of procurement, production and delivery.

N Explain that the long-term business relations cannot be realized without considering the supplier's business conditions and their capability level, and that your cost reduction may not be realized without successful cost reduction at your suppliers.

04 The quality of supplied parts, materials, fabricated-assembled goods is as specified, and the supplied quantity is as ordered?

Y Check whether a system to make random examinations of supplied goods is prepared.

N Explain that it will be necessary to send the specialists of production control to the suppliers, or to start selecting any alternative suppliers, when mistakes come out frequently.

05 Is the supply of major materials and parts monopolized?

Y Argue that the basic purchasing policy should be reviewed, as the monopolized supply is not favorable nor desirable in the long run.

N Confirm that major materials and parts should be ordered to plural suppliers. Argue the monopolized supply will damage the purchasing capability.

06 At plural factories, any factory supplies be purchased from different vendors?

Y Explain the fact that a collective purchasing of factory supplies such as lamps may realize a large cost reduction.

N Argue that some balance be needed, as too much collective purchasing would damage the support of local suppliers and local development.

02 Securing delivery time, quality, quantity, and cost management

01 Securing delivery time, quality, quantity, and cost management

01 Due to your imperfect drawing and specification, and defected material supply, are there any delivery delay or quantity shortage?

Y Suggest that a drastic review be needed, as the scheme of supplying specification and procuring supply materials is often imperfect.

N Confirm if there exists any scheme or rule so as to quickly cope with the troubles of this kind.

02 Are any accepted material inspected at the time of receipt rejected by the following process of fabrication or assembly?

Y Analyze the reason of imperfect material, and feedback the fact to the parts inspection section and parts production section.

N Let them review whether the material has excessive quality than required.

03 Do you negotiate the purchasing price, not by forcing your own estimate, but by

comparing the estimates submitted by your suppliers and the estimate of your own?

Y Make sure that the documents for estimation, cost-table, IE factors of suppliers are equipped and the manpower in charge are well prepared in your company.

N Explain that your own estimate is effective for a temporary product of big quantity, and that the estimate competition of multiple suppliers is needed for continuous product of big quantity.

04 As for the new materials and parts to be produced under new specifications, do you test the prototype product and properly evaluate the ability of the supplier's production process?

Y Check whether there were any cases of quality troubles of the new materials and parts, which were carefully tested at the initial stage.

N Suggest that the initial check of the newly introduced materials and parts is so important that the careful tests should be repeated until both production and purchasing departments show OK sign.

05 Are there any materials and parts whose prices are not changed over 3 years, though the quality specification and supply conditions are unchanged?

Y Recommend to negotiate with the suppliers to reduce the prices of their materials and parts, because the cost-down must have been realized at supplier's side as a results of learning effects.

N Explain the necessity of your getting the knowledge of break even-point of profit and loss of your suppliers.

06 Do you regularly check the prices of top 10 purchasing goods, in value terms?

Y Check whether the cost down strategy of major goods is clearly defined.

N Explain that it is the first step of cost-down activity to check major purchasing goods.

03 To cope with the diversified small lots production

01 To cope with the diversified small lots production

01 At the supplier's fabricating or assembly process, is the production lead time, (which is the necessary time from materials procurement till production completed), squeezed?

Y Check, in time series, how much the lead time has been squeezed. Add that your inventory cut will be realized by synchronizing the supplier's process to your own production cycle.

N Explain the necessity to coach your suppliers by regularly visiting their factory, and by checking the capacity of production facilities, materials inventory, process inventory and so on.

02 At your major suppliers, is the systemization towards the diversified small lots production well progressed?

Y Confirm what kind of measures, (single set-up, standardization of materials, systemization of production information, or JIT,) has been taken by each supplier.

N Explain that it is important for you to get the knowledge of each supplier's production control system. Recommend to study, together with your suppliers, the possibility to realize cost-down by increasing the timing of production set-up and by reducing inventories.

03 Are there not any requests of price increase raised from your suppliers, as a result of absorbing cost increase by productivity increase and rationalization?

Y Not necessary to easily accept the price increase request. Explain the necessity to press to the suppliers to decrease the prices and to let them increase their cost saving capability by sending your own IE team or by suggesting to introduce the third party's support.

N No request is not always a result of rationalization. Recommend to watch and check the business achievement and statement of accounts of the suppliers.

04 Do you procure your materials and parts by the JIT scheme, which is to procure necessary quantity at adequate timing?

Y Check that the weekly or monthly production schedule is notified to the suppliers well in advance.

N In order to introduce JIT scheme, it is necessary for you to explain the reasons to introduce JIT scheme clearly and to make the conditions of both sides well prepared.

05 In case of the flow production, delivery scheme of specified quantity at specified time, does it lead the results of significant reduce of your inventory volume and value?

- Y By introducing JIT scheme, it is natural that the material inventory is reduced significantly. Check the cost necessary to pre-notify the production information and the irregularity between actual demand and pre-notified information, if any.
- N Recommend that you should drastically review the scheme of pre-notification, as the scheme is not accurate.

06 The time needed to arrange materials and the lead time to procure fabricated goods and assembled goods be squeezed?

- Y Suggest that they should evaluate by themselves how much time and cost be reduced, compared with in the past.
- N Explain that the in-house procedure time will be significantly reduced by employing IT engineering to the production of commodities and original goods. Strongly recommend to try IT application.

04 Purchasing price management and purchasing development

01 Purchasing price management and purchasing development

01 Are the purchasing prices decreased, as the results of instructing your suppliers the method of quality improvement and cost down activities, and of giving advices in the field of procurement, production and physical distribution (management in general, if necessary) ?

- Y As these activities are apt to become unpopular unless motivated autonomously, it is necessary to build up the activities systematically in their daily operation.
- N Recommend to challenge such activities so as to improve management skill, as any fruits would not be born in short period.

02 As for purchase price reduction activities, can you expect every cooperation from any other departments as well as from the departments of procurement, purchasing and outsourcing?

- Y Confirm that the designing and production departments of the same division, who are your customers, are seriously pay attention to these activities.
- N The users tend not to challenge to use lower quality but cheaper materials, but to stick to their daily "bread and butter". In this case, recommend to ask for the top management to promote the activities directly.

03 Are any proposals of cost reduction handled promptly as VE engineering by development and designing departments?

- Y Check the expected effect percentage of VE proposals. Hopefully two figures.
- N Same as above. Recommend to utilize the top management.

04 At the stage of drawing publication, do you execute DR (=Drawing Review) to check whether purchasing price is at the target level?

- Y Confirm that the target price designated in the designing policy is well built in from the beginning of the designing, by obtaining every information of purchasing prices at all designing stages.
- N Explain the importance to check the purchasing price at every stage of designing, and that the only way to reduce the price is by "competitive tender", once the drawings are published.

05 In case the target of cost reduction is high enough, do you organize any project team besides the daily operation group ?

- Y Confirm the engineers from development and designing departments participate in the project team.
- N Recommend that a project team is organized, as the members of daily operation would become depressed due to heavy pressure of high target.

06 Do you present any VE proposals to your customers, before they raise any requests on cost down?

- Y Check how many cost down proposals are stocked. After investigating and studying the customer's products and production processes, how many proposals do you keep in hand?
- N Recommend to adopt a "transaction through proposal". Not wise to start studying cost down after receiving requests from the customers. When well prepared, there is no worry.

02 Business operation of procurement, purchasing and outsourcing,

01 Procurement of materials and parts, and progress control

01 Procurement of materials and parts, and progress control

01 Do you conclude each contract of detailed business terms, based on the basic contract for transaction with your suppliers?

Y Confirm that they correctly understand the capability of each supplier, and that all the purchasing conditions (delivery time, quality required, quantity ordered and payment terms) are mutually agreed and concluded.

N Explain that the business relations would not last long, or some problems may be created, if your own business terms be forced to apply to all the suppliers.

02 Do you publish and send an order sheet to the suppliers later, in case any business is concluded on verbal basis?

Y Confirm it is understood the contract is in written form in principle.

N Instruct that any unforeseen troubles should be avoided in advance by confirming in written form, although any verbal contract is still legally effective.

03 Do you distinguish the contracts between the continuous order to be ordered every month and the spot order to be ordered when needed?

Y Just confirm whether they are executed in the right way or not.

N Recommend to handle the continuous order and the spot order separately, as the delivery terms at least are different.

04 Do you prepare any system to cope with delayed delivery, quality defect and quantity shortage?

Y Make sure that material stock for safety, supplier's inventory control and history record of defects are maintained.

N Explain some measures to cope with the emergency cases are needed to prepare.

05 In case of emergency, can you expect every assistance from the related departments such as quality control, production technology, designing department and so on?

Y Confirm that headquarters for countermeasure is immediately formed in case of emergency.

N Explain that it is necessary to build up a system to form headquarters for countermeasure under the leadership of president, whenever necessary.

02 Acceptance check and shipment

01 Acceptance check and shipment

01 On the appointed delivery date, is the goods of requested quality and of required quantity delivered correctly?

Y Check the number of inspectors and their ability. And check whether they adopt a flexible inspection method in accordance with each supplier's reliability.

N Recommend to take an immediate measure against the suppliers making frequent mistakes either they improve their job operation drastically or they leave from the present job immediately.

02 Is the acceptance check exercised as scheduled, and is the payment done without delay?

Y Make sure whether the acceptance principle is as per delivered date to your factory.

N Recommend to strengthen the internal system, as any delay of acceptance check and payment delay would damage the reliable relations with the suppliers.

03 Are the materials and parts shipped and supplied in accordance with JIT method?

Y Just listen to the explanation of the system and method of JIT.

N Preach "Customer is King". After hearing the voices of customers, they should review the system.

03 Logistics

01 Logistics

01 By determining the minimum inventory volume of each major material and part, do you exercise "Visual Control"?

Y Check how they do in the warehouse. Minimum required inventory volume is determined in accordance with the length of procurement.

N Explain that the in-house customers would be troubled by out of stock, if the criteria of ordering are not set clearly. And check the cases of out of stock in the past.

02 In case the inventory of materials and parts being increased, do you take a quick action of any countermeasures by clarifying its causes and reasons?

Y Check whether they confirm in written form with the section responsible to the inventory increase, as the inventory should not be dead.

N If any investigation of finding the section responsible to the bad inventory is not

carried out, your section should pay the loss on your own account, and any measure to prevent the second trouble can not be taken. Quick action to investigate and to take necessary measures is required.

03 Do you let everybody pay a keen attention to the inventory, not only by controlling the quantity but also by evaluating the costs to keep inventory and the amount of inventory?

- Y Confirm that the report on inventory quantity and amount is sent to the production side.
- N Explain that to control and reduce the inventory contributes not only to the profit increase but also to the cash flow.

04 Do you not have any dead stock caused by design modification or model change?

- Y Check any bad inventory, once caused unfortunately, should be disposed immediately.
- N Recommend to investigate the inventory more in detail, as the zero bad inventory is not realistic. Especially any bad inventory of finished or processed at the suppliers is a big problem, which should be discussed carefully and be handled in a fair manner.

05 Is the dead stock increased as the results of product change or process change?

- Y Check whether "input output control" is duly exercised, and check who has the authority to decide product change or process change.
- N Recommend to exercise "input output control" rigidly, as it is a usual tendency under the normal production operation that dead stock is likely to increase.

06 Do you find any difference between the ordered quantity and the used quantity of spare parts and maintenance parts?

- Y Recommend to exercise the actual inventory check at least once in 6 months, and to modify the record on the inventory book, as it is normal that the two figures are always different. It is necessary to get an approval from the senior officer, if the difference is over certain %.
- N Ask whether periodical actual inventory check is exercised. If not, persuade them to exercise the check, as the inventory control is very important in terms of both financial accounting and tax declaration.

04 Integration of materials and parts, and reduction of inventory keep-up cost

01 Integration of materials and parts, and reduction of inventory keep-up cost

01 Do you not find that the kinds and numbers of materials and parts are increasing year after year?

- Y As this increasing tendency is so dominant in fabricating and assembling industries that it is recommended for the top management to take the leadership of campaign making multipurpose parts and reducing the number of parts used.
- N Investigate the reasons in detail why not increasing.

02 At the stage of designing, are all the engineers unanimously conscious of standardizing and making multipurpose parts?

- Y Check the details of designing target, as they should have set up a clear target.
- N Explain it is worth while to avoid uneven consciousness among design engineers, by building up "target parts numbers" or "target ratio of multipurpose parts" as one of the designing targets.

03 Have you ever checked how many kinds and numbers of materials and parts are used for major products?

- Y & N Check the "input-output table" of materials and parts, which is self-explanatory.

04 Do you evaluate how much the standardization and multipurpose is progressed and improved, and report it to the people concerned to motivate them?

- Y Check whether too much time be consumed only for evaluation of improved effects.
- N Recommend to try to estimate and simulate the effects of improvement.

05 Do you clearly understand and evaluate the costs of warehousing, interest, stocktaking and so on spent for the inventory keep-up?

- Y Confirm that the managerial accounting is employed for evaluation, as the financial accounting method is not expressive.

- N Instruct how to use managerial accounting method. For instance, if the space for material inventory is saved, the outdoor inventory costs used for products will be saved.

06 Do you exercise a company-wide campaign of cost reduction by setting the target of inventory reduction?

- Y Make sure the campaign is connected with management strategy, cooperating with squeezing

production lead-time, improving distribution channels and so on.
N Recommend to exercise a company-wide campaign, which is a use of the principle of competition.

03 Activities of procurement, purchasing and out-sourcing

01 To keep the specified delivery time

01 To keep the specified delivery time

01 Do you specify the delivery time by considering both your suppliers' ability of procuring materials and parts and of their production capacity?

Y Just ask how to manage the case when the specified delivery time mutually agreed after considering the supplier's conditions is not fit to your requirement. Then check by what criteria the delivery agreement is reviewed.

N Just ask what would be the results if you force your own required delivery time to your suppliers. If not answered, then ask who would take the responsibility, if your supplier increases the machinery and manpower more than necessary.

02 Do you take any countermeasures to prevent another trouble, after checking the major production processes of the supplier who made delayed delivery?

Y Check whether the process control of the supplier is well monitored.

N Explain the necessity to coach your suppliers by visiting their factories, which are responsible to your major materials and parts.

03 Do you prevent any delayed delivery by utilizing "Come-up"(=to check completion of every process) method?

Y Check whether the level of the supplier's process control is improved.

N Ask whether they have started to find out a new supplier.

04 As for the second and third tier suppliers' delayed delivery, do you have any agreement who shall take responsibility and what kind of countermeasures shall be taken?

Y Make sure whether there is any agreed manual.

N The first tier supplier should take the responsibility to any troubles caused by the second or third tier suppliers. Therefore, the first should prepare any management system to control the second and third, which should be reviewed whether effective.

05 In case the delivery conditions of a supplier are not acceptable, do you reduce the order volume to that supplier?

Y Check what they do. Also check how to evaluate the delivery conditions of the suppliers and how to make the results open to the public.

N Explain that it is so important to keep the specified delivery time that you should let your suppliers compete each other and revitalize.

06 Do you evaluate the loss value of the delayed delivery, and report to your suppliers so as to let them improve themselves?

Y Recommend to penalize the suppliers who commit the delivery troubles more than 3 times.

N Comment that three delivery troubles would automatically make the supplier stop delivery. Also comment some other appropriate measures should be considered.

07 Have you started talking to your suppliers to build up the production system to cope with the "small lot" production and quick delivery?

Y Check what and how they talk to their suppliers.

N Explain it is important to show your leadership to your suppliers by actual action, not by verbal explanation.

08 Are the cases of delayed delivery and total delayed time decreased year after year ? Is the loss caused by the delay decreasing as well ?

Y Just check the facts.

N Explain that the delayed delivery is one of the important evaluation points of the person in charge of outsourcing.

02 To secure delivered quality

01 To secure delivered quality

01 Do you explain to your suppliers what is required and specified in the detailed drawings and specifications, and instruct what the important quality items are?

Y Make sure whether the important quality items are reconfirmed when ordering, even in case the drawings and specifications are prepared by the suppliers.

N Instruct to check the important quality items very carefully, particularly when you

- modify a small part of specification, because any human beings are inclined to follow what they have been doing,
- 02 Do you discuss and agree with your suppliers the procedure of inspecting required quality items, and exchange the necessary documents specifying in the QC chart?**
 Y Check the inspection system and QC chart.
 N Explain the importance to have reached agreement with your suppliers, especially on the very important parts items.
- 03 Do you distribute, before production start, a limit sample or a standard sample necessary for visual inspection?**
 Y Confirm when these samples are distributed.
 N Instruct them to distribute the samples well in advance of production start.
- 04 Do you guarantee the perfect quality of materials and parts which you provide to your suppliers?**
 Y Check the quality assurance agreement with the suppliers on provided materials and parts.
 N It is preferable to agree well in advance how to handle the case when you can not guarantee 100% quality of the materials and parts which you provide to your suppliers.
- 05 Besides checking the quality at the stage of final process inspection of supplier's shipment, have you tried to make the suppliers establish the philosophy and system to build in the quality in their own production process?**
 Y As it is difficult to instruct all the suppliers how to build-up in-process quality, check the criteria to select the suppliers.
 N Explain the importance to let the major suppliers, who cover more than 70% of total procurement, follow to adopt this in-production quality scheme.
- 06 Is the number of defects of supplied goods decreasing, thanks to TQC activities and Target management? Or are any other countermeasures to prevent the troubles already set?**
 Y Confirm that the principle of competition is utilized, providing a commendation ceremony for a good result in transaction at the meeting with the subcontractors and so on.
 N Recommend to introduce the merits of Japanese production management.
- 07 Do the inspectors of suppliers have similar understanding on quality, and have high consciousness to keep the quality?**
 Y Question how to check and evaluate whether the supplier's inspectors have the even ability and high consciousness on quality.
 N Explain the importance to take the measures of "mutual prosperity through co-existence" by sending your staff to the suppliers as instructors. To make the suppliers' employees well trained will result in assuring the high quality of your own products.
- 08 Do you respond quickly to any complaints and proposals from your suppliers, by modifying the design in the drawings and specifications?**
 Y Just check the examples and the facts.
 N Make a strong stress that the prosperity of parent company will not be realized without respecting the complaints and proposals of the suppliers.
- 09 Have you established a system to give the first priority to cope with any quality trouble?**
 Y Check within how many hours you get the real fact of the claim from the customers. It is said you have to fly to the claiming customers within 24 hours.
 N Suggest flying to the customers as soon as you receive a claim. It is the customers' usual practice to stop buying, when you make troubles at most three times.
- 10 Does your acceptance check system of supplied goods rely on more to check the data submitted rather than to check the actual goods delivered?**
 Y Confirm that the data of quality submitted by the suppliers are recorded by the testing machine and method mutually agreed, and you have already got enough knowledge of their production quality by way of technical audit.
 N Emphasize the importance of the accuracy and productivity of inspection information.
- 11 Do you reflect the results of your quality evaluation on materials, parts, fabricated goods and assembled goods to your coming purchasing policy?**
 Y Confirm what they do.
 N Explain the importance to rotate the PDCA circle by making the quality evaluation feed-back to the suppliers.
- 12 Do you have any agreement with your customers how to handle and compensate a**

claim whenever happens. ?

Y Recommend there exists a custom to check the fact first together and to start negotiating the compensation allowance later.

N Emphasize that any troubles on claim handling and guarantee would badly influence the future transactions.

13 Do you conclude a quality assurance agreement with your customers, based on the basic contract for transaction?

Y Confirm that the basic understanding and agreed points are in the basic agreement, though the details would be written in the memorandum.

N Emphasize the importance to exchange the agreement on quality assurance.

03 To secure the ordered quantity

01 To secure the ordered quantity

01 Are there any cases that you alter the ordered quantity and delivery time, after you issue an order sheet?

Y Explain that there is a possibility to damage your suppliers, if you alter the contents of issued order sheet without supplier's consent.

N Confirm that the highly precise demand survey is reflected in the production schedule.

02 Do you decide the ordered quantity to your suppliers after considering their production ability and procurement ability?

Y Confirm that any information relating to the production is distributed in advance to the suppliers, who are able to adjust their production by shift change or overtime.

N Explain that troubles may happen, if you place an order, neglecting the production capacity of the suppliers.

03 Do any quality troubles and quantity shortage of the materials and parts that you provide to the suppliers cause the delayed delivery of your suppliers?

Y Recommend to introduce a business consultant to review their basic practice of the out-sourcing management.

N Recommend whether the finished goods are too heavily stocked at the suppliers' warehouse.

04 Are the maintenance management of facility and machinery, and measurement apparatus at your suppliers in good condition?

Y Confirm how they check the suppliers, who are one of their group firms.

N Recommend to visit the suppliers periodically to make sure their maintenance be in a proper condition.

05 Do your major suppliers manage the operation rate of their facility and machinery, and grasp the exact volume of finished goods and of in-process goods?

Y Confirm if the figures of production grasped by the suppliers be immediately transferred to you.

N Explain the necessity to maintain the major suppliers' production conditions at the same level as your own production management.

06 In case of quantity shortage, do your suppliers prepare any mechanism and system to cope with the trouble?

Y Make sure whether any manual is prepared.

N As a trouble shooting may not be always successful, recommend to instruct the suppliers thoroughly, or to find another smart supplier.

07 In case of quantity shortage, is it possible for your suppliers to fill up from their finished goods and in-process inventory?

Y Just question that to fill up supply shortage by more shift work and over time may be better than by keeping inventories.

N Recommend to instruct the suppliers to prevent another trouble by keeping the inventory level at an appropriate position and by preparing a possible condition of more shift work and over time.

08 Do your suppliers control the excess capacity of facility and manpower, by means of machine hour rate and man hour?

Y Just check what they do.

N Recommend it imperatively to exercise the excess capacity control, so as to know actual production ability.

09 Do you adjust the ordered quantity to your suppliers, reviewing their quality improvement and decrease of defects?

Y Check how they do. Sometimes it may be better to order the same quantity every month.
N It is necessary to check the policy for suppliers, as the ordered quantity to a worse supplier may not be decreased temporarily under the firm policy of bringing-up suppliers.

10 Does the inventory amount at your suppliers decrease significantly, by non-stock production and by squeezing lead-time?

Y Check whether it has decreased or not.

N As the reduction of inventory amount results not only better financial conditions but also better cash-flow, recommend them to promote the inventory reduction by introducing the outside consultants.

04 Purchase price management

01 Purchase price management

01 Upon asking to the suppliers to submit an estimate, do you clearly show the necessary terms and conditions, such as quantity to order, payment terms, packing style and so on?

Y Confirm other important terms and conditions such as delivery time, delivery unit, quality specification, provided materials and so on are clearly stated.

N Explain it is necessary to clarify all the terms and conditions when ordering, in order to avoid any misunderstandings. Verbal ordering is apt to create a big mistake of neglecting an important point changed.

02 Have you reached an agreement with your suppliers how to calculate and make an estimate of materials cost, parts cost, fabrication and assembly costs, respectively?

Y Check the details of agreement reached with their suppliers.

N Explain that to pre-decide mutually how to estimate is the way to keep transaction for a long period.

03 Do you prepare a "form-sheet" for the estimate, for the purpose of avoiding any intentional estimate pricing?

Y Check the form-sheet.

N The form-sheet does not always prevent an intentional pricing, but is better and convenient for mutual understanding.

04 Is it an obligation for your suppliers to attach cost details to the estimate (for the goods other than commodity or standardized goods)?

Y If the calculation formula is decided and form-sheet is prepared, the cost details must be clearly expressed.

N In case neither calculation formula nor form-sheet are prepared, recommend to let them submit cost details.

05 Do you promptly study any proposals presented from your suppliers on the improvement (including VE) of production method and process, and then review the terms and conditions of trade, drawings and specifications?

Y Check the fact.

N Explain that the quick response is the most important thing to keep good reliable relations with the suppliers. If not possible to accept any proposals soon, let them keep in a file of improvement candidates.

06 Do you propose to your suppliers to improve the problems regarding fabrication and assembly?

Y Check the fact, and question what the reaction of the suppliers is.

N Explain that to propose each other would deepen the mutual understanding and meet with the spirit of mutual prosperity through co-existence.

07 Do you not request too much cost reduction to your suppliers?

Y Explain that, in cost reduction, it is better to cooperate with the suppliers rather than to request them too much.

N Nevertheless, it is meaningful to give a constant cost reduction pressure to the suppliers to some extent.

08 In case there are any discrepancy between your own estimate and your suppliers', do you try to cooperate with mutual effort to solve the discrepancy?

Y Let them make a presentation of the cases.

N Suggest them to solve the problems by setting the improvement target per each cost element, as an estimate is the aggregation of various cost elements.

05 Market development and securing most appropriate suppliers

01 Market development and securing most appropriate suppliers

01 Regarding the sensitive materials and parts, do you always prepare a list of candidates for the possible new transaction?

Y Check the list of new suppliers, whether the creditability has already been surveyed, and whether factory visit has been done.

N Emphasize that it is the responsibility for the person in charge of purchasing both to bring up the present suppliers with the spirit of mutual prosperity through co-existence, and to search for new suppliers.

02 Are you collecting any new information by actively attending presentations and exhibitions of new materials, new parts, and new technology?

Y Let them list up the presentations and exhibitions attended recently, and let them present what they were impressed.

N Explain the importance to study hard, as the business world is changing very rapidly.

03 Do you collect information from machine and equipment manufacturers, trading firms, and molding and jig manufacturers, in order to utilize them for your improvement?

Y After checking the source of information, advise the news source they do not cover, if any.

N Strongly express "to be sensitive", as there exists information everywhere.

04 Is it possible for you to alter your supplier, if you find a better one?

Y Check whether they follow the necessary process for altering a supplier.

N Make a lecture that the usual practice is to start business with small share at the beginning, if the new supplier's career, creditability, customer's reputation and the test of prototype model are acceptable.

05 When you find out a candidate for new transaction, do you pay a visit to the production site to check its actual management?

Y Recommend to keep following the same routine, which is very important.

N As an old man says, "seeing is believing". It is a key for selection.

06 Comparing the estimate periodically collected with the in-house production cost, do you study whether to make fabrication and assembly production outsourcing or not?

Y Check what they do, and advise what they do not cover.

N Make a comment that this kind of study should be stimulation to the in-house sections, though the study would not be realized due to employment relations.

07 Do you provide a chance for your suppliers to periodically meet and to exchange opinions to improve and rationalize their production management?

Y Check what they do actually.

N Make a strong stress that to prepare and provide such chance is to build up reliability and friendship, as partners in manufacturing.

08 Do you motivate your excellent suppliers by applying bonus system such as better payment terms or increasing order volume?

Y Check what their motivation system is like. And comment to be careful not to spoil the suppliers by giving benefits too much.

N Explain the necessity of giving some benefits to the good suppliers.