

Consultant Market in Japan

ZEN-NOH-REN©

All Japan Federation of Management Organization

2016・6・24

<Status of MC> (As of March 31st: MC = 802)

(Breakdown)

- Business Strategy/Organizational Reform 23.5%
- Human Resources Management 13.8%
- Marketing/Sales 12.6%
- Operational Improvement 10.0%
- Production Management 8.2%

<From 2000 to 2005>

- This was the peak period for corporate reform.
- Corporate restructuring in the form of operational modernization and information technology investment was at its height.
- This was a good time for consultants.

<From 2005 to 2008>

- Initial public stock offering support (maintenance of corporate governance associated with being publicly listed), balance scorecards, internal control, etc., were widespread.
- However, consultants were lazy about developing new products.
- Consulting weakened internally as well.

<Current Market>

- Operational Improvement...There is little need for improvement.
- Strategy...The number of clients who can afford the luxury of outsourcing strategy is only a handful of major companies.
- Specialists...There is a need for accountants, internationalization support advisors and others; however, the gap between supply and demand has driven down pay rates.
- IT...The focus is now on cost reduction measures, such as replacing core systems that cost 1 billion yen to develop with 10,000,000 yen web services.

<Keywords for Proposals Moving Forward>

High level consultation is needed.

- "Entrepreneur"
- "Networking"
- "Prototyping"

What is needed is entrepreneurial thinking capitalizing on extraordinary networks to lead to the creation of prototypes.

<Areas for Proposals Moving Forward>

- **Environmental-responsiveness**, global warming prevention
- **Regional stimulation**, town revitalization
- Cultivation of **human resources** available for both domestic and overseas projects
- Utilization of factories in Japan **following overseas expansion** (responses to domestic hollowing-out), etc.

<Five Basic Principles of Management>

by Peter Drucker

1. Setting Objectives
2. Organizing Resources
3. Motivating and Communicating
4. Establishing Measurements of Performance
5. Developing People

These timeless principles are universal and essential for all organizations.

However, in Japan, most companies are now able to handle them on their own.

<Management Instructor>

(As of March 31st: MI = 107)

- There is an increasing need for operational improvement which is carried out via employee-led training.
- The number of Management Instructors (Training Consultants) should therefore be increased.