

Tokyo Small and Medium Enterprise
Management Consultant Association

T-SMECA: **Tailor-made “Hands-on” support for SME’s**

ANCCJ Webinar 2022.04.19
Speaker :Mihoko Tsurusaki & Yukihiro Itani



■ Schedule

12:00 About T-SMECA

12:10 Case studies of T-SMECA support

12:40 Information of subsidy

12:50 Q&A

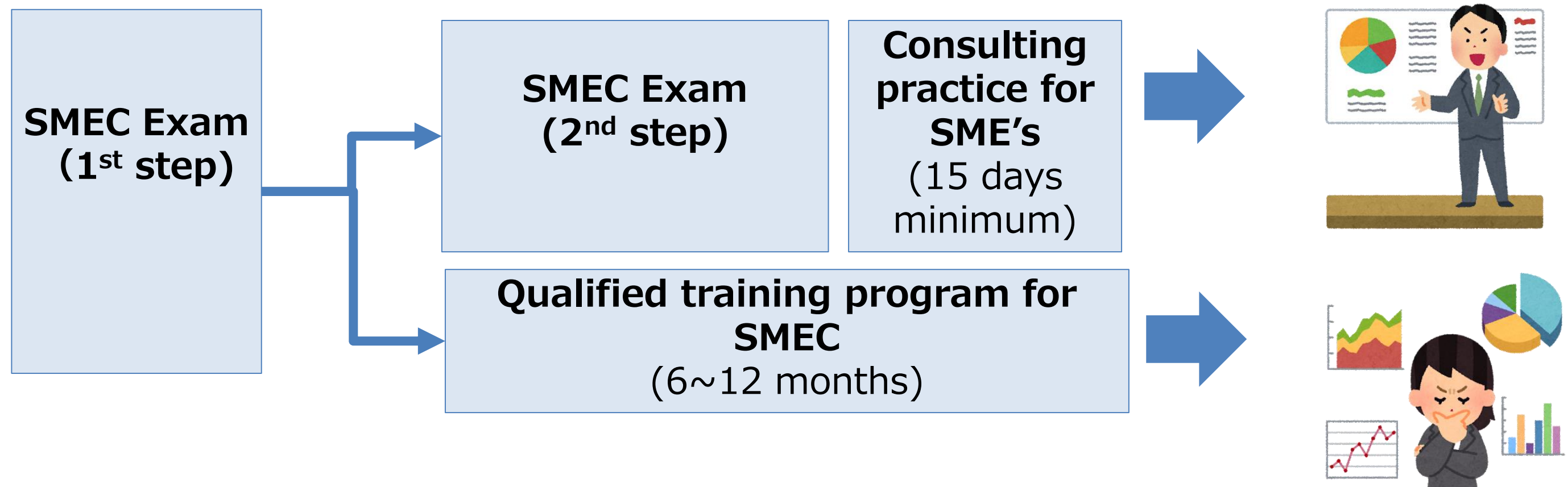
T-SMECA



What is SMEC?

- **Small and Medium Enterprise Management Consultant (SMEC)** is a Japan's national qualification for specialists who are capable of providing consulting service to **small and medium-sized enterprises (SME)**

How to become SMEC (SMEC Exam system)



SMEC's Consulting Services

- **Consulting service to SME by SMEC covers wide area**
 - Help establish and implement the **business strategy for start-up, growth, restructuring, and business succession**
 - Help create **detailed action plans** to realize the business strategy
 - **Continuous “hands-on” support** under the changing business environment
 - Support to **apply for various governmental initiatives** prepared for SME's (**subsidy/grant program, soft loan, etc.**)
 - **Advise to SMS's negotiation** with its business partners, financial institutions, investors, local government, etc.

SMEC works with the Life Stage of SME's

SME's Life stage

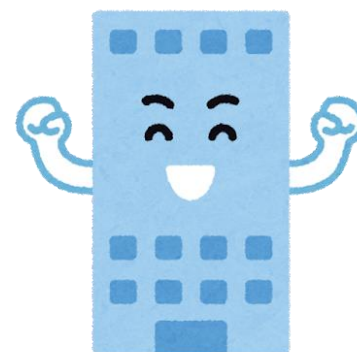
**How to
Start up?**



**How to
Grow?**



**How to Improve
/Restructure?**



**How to Succeed the
Business?**



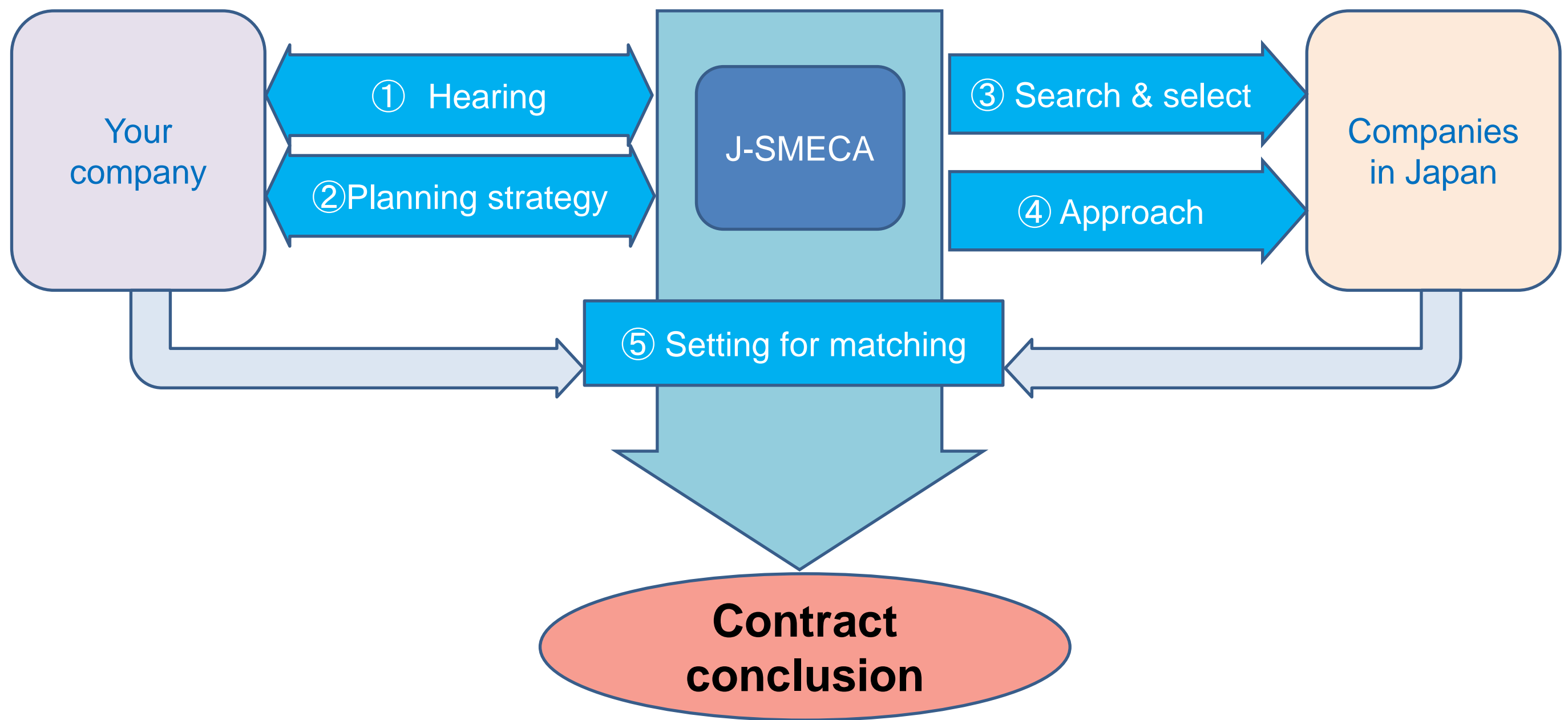
SMEC's work (example)

- Business environment analysis
 - Clarify and fine-tune business model
 - Develop business plan
 - Create Sales promotion strategy
- Strengthen customer base
 - Sales channel development
 - Production management to maximize productivity
 - Human resource recruiting strategy
 - Evaluate Financing options for investment
- Streamline Business operation
 - Review sales strategy
 - Change Product mix to boost revenue
 - Advise negotiation with financial institutions
- Match-making with potential buyers
 - Overall advise for closing the business succession deal and smooth transition to new management

“Hands on” Support for Matching enterprises

Matching Procedure

T-SMECA try to know your business well at the beginning.



“Hands on” Support for Matching enterprises

Many kinds of Matching Requests

T-SMECA has various background consultants who supports their clients with their strong field.

Develop market channel

Business tie-up

Supply chain optimization

Commission of manufacturing

Joint development / Open
innovation

Others

Profile and History of T-SMECA

Objective

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

Organization

T-SMECA was originally established in 1959 as the Tokyo Branch of Japan Small and Medium Enterprise Management Consultant Association (J-SMECA). J-SMECA is the only nationwide organization of Registered Management Consultants.

Members

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

Business Support

T-SMECA and SMECs support SMEs in various ways

- Management Consulting
- Support for Competitive Fund, Grant, Subsidies and Soft Loans
- Support for Business matching
- Project Management Service
- Industry-Academia Collaboration Consulting
- The strategy and the business planning support etc.

Research and Investigation

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

SMEC Career Information Provision to Corporations

Major subjects of research and investigation

Business Strategy

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

Diagnosis and Advice

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

Internationalization

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

Logistics

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

Industrial Structure

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



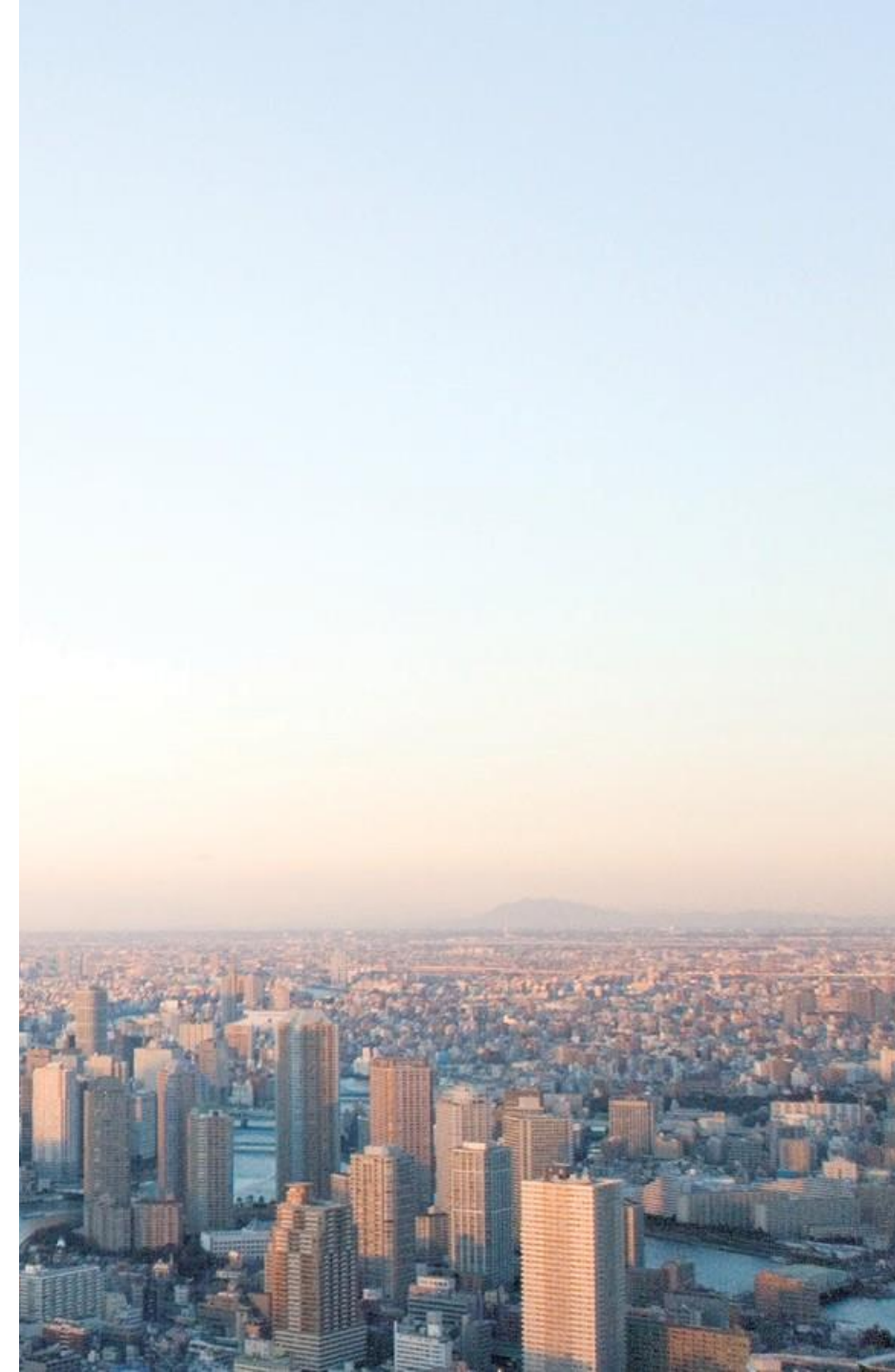
Support for Non-Japanese SMEs in Japan to Expand Their Business

- Business matching support between foreign-affiliated SMEs in Japan and Japanese companies with little know-how on Japanese culture/laws, sales channels, and partners
- Support to apply for various subsidy programs for SMEs prepared by the Japanese government, etc.



■ Cases: What we can do

- **Case1: Business Matching with SMEs in Tokyo**
- **Case2: Marketing Support to Enhance Foreign Tourist Customer Development by Utilizing a Subsidy from Tokyo Metropolitan Government**
- **Case3: Business consulting for Sustainable Growth of Business for Small-sized Enterprises**
- **Case 4: Covid-19 Subsidy Application Support for Foreign Small and Medium Enterprises**



Case 1: Business Matching with SMEs in Tokyo

US Robot Development Company × Japanese Learning Service SME in Tokyo

- A US robot development company that creates English education support robots using AI-driven solution co-develops an effective learning methods and contents with a small Japanese Learning Service provider in Tokyo.

Singapore Hearing Aid Manufacturer × Japanese SME Design house in Tokyo

- A Singapore Hearing Aid manufacturer and remote-support service provider co-develops, first time in the world, a remotely-controllable hearing measurement device for shopping malls with a Japanese SME design house in Tokyo.

Case 2: Marketing Support to Enhance Foreign Tourist Customer Development by Utilizing a Subsidy from Tokyo Metropolitan Government

1. Scope of the Subsidy

(Called “Subsidy for enhancement of inbound tourist service : インバウンド対応力強化支援補助金”)

- **Applicable to:** hotels, restaurants, retails stores etc. (specific terms and conditions apply) located in Tokyo
- **Objective:** to enrich conditions where **foreign tourists enjoy their trips in Japan more comfortably.**
- **Subsidy coverage:** cost for creating foreign-tourist-friendly environment including;
 - ✓ Generating information boards, www, travel guides/leaflets in foreign language
 - ✓ Replacing conventional Japanese-style toilets with western-style ones.
 - ✓ Implementing **cashless payment** solutions.
 - ✓ **Training** internal staff to entertain foreign tourists.
 - ✓ **Consulting fee** to implement the subsidy scheme.
- **Subsidy cap:** within ½ of the total cost with **net subsidy cap up to JPY3M per shop** or business location, or **up to JPY5M per business entity** or equivalent

Case 2 (Continued)

2. Client Profile

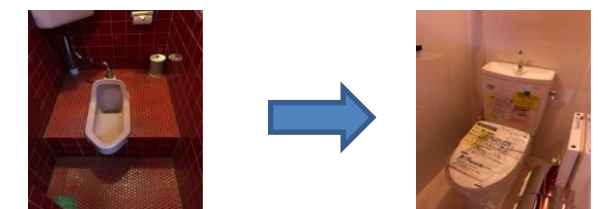
- Hakocho Co., Ltd. (<https://www.hakocho.com/>), located in Asakusa, Tokyo, runs production and sales of Japanese traditional paulownia wood products over 140 years with head count of 14 including part-time employees. Annual sales turnover: about JPY120M.

3. Issues to Solve

- To serve rapidly growing foreign customers at its shops better.
- To improve conditions of venues for hands-on handcraft making workshops for foreign customers

4. Solution Implemented by the Subsidy

- **Renovated** a conventional Japanese-style toilet into western-style one.
- **Purchased new western-style tables and chairs** so that foreign customers sit comfortably to attend the handcraft workshops.
- **Conducted internal trainings** for its management and staff members separately by a Small and Medium Enterprise Management Consultant.
 - ✓ For management: focusing on knowledge development how to realize foreign customers' needs and wants.
 - ✓ For staff members: focusing on improving level of foreign customer satisfaction on-sites. (e.g. learning simple way of communication in foreign languages and clues to take care of foreign customers etc.)



Before

After

A toilet westernised



New western-style tables and chairs set up



Training conducted by a Small and Medium Enterprise Management Consultant

Case 2 (Continued)

5. Benefits Gained by the Client

- Developed a new service of hands-on handcraft making workshops for foreign customers as an “Asakusa”s official optional tour program. Consequently, travel agents stated promoting this optional tour program to foreign tourists for the client.
- Enhanced its staff members’ foreign-customer-oriented mind-set. i.e. more friendly with smiles.

6. Contribution by us as SMEC

- Application support for the subsidy.
 - ✓ Analyzed client situation.
 - ✓ Drafted a new business plan.
 - ✓ Drafted subsidy application forms and supplement documents.
- New business plan implementation support.
 - ✓ Facilitated and conducted internal trainings.
 - ✓ Evaluated staff members’ feedback on the training and reported it to client management.
 - ✓ Drafted a new business plan implementation report to the subsidy authority.

Case 3: Support to Maintain Sustainable Growth of Business for Small-Sized Enterprises by Utilizing a Subsidy from Japanese Central Government

1. Scope of the Subsidy

(Called “Sustainability subsidy for small-sized enterprises:小規模事業者持続化補助金”)

- **Applicable to:** any small-sized enterprise with maximum head count up to 5 (or up to 20 for manufacturing or some other special enterprises) located in Japan.
- **Objective:** to support to implement new schemes such as a new customer development program for sustainable growth of business.
- **Subsidy cap:** within 2/3 of the total cost with net subsidy cap up to JPY500 thousand or up to JPY1M (conditions apply) per enterprise.

2. Client Profile

- A Japanese traditional design house & manufacturer, located in Chiyoda-ku, Tokyo, runs production and sales of one-of-a-kind item with head count of 1. Annual sales turnover: about JPY20M.

Case 3 (Continued)

3. Issues to Solve

- To boost its sales by **developing and selling standardized products** instead of one-of-a-kind item without losing its competitive edges ; essence of Japanese traditional craftsmanship.

4. Solution Implemented by the Subsidy

- Created **new promotion tools** (website, product catalogues)
- Initiated **R&D activities** for new product development.

5. Benefits Gained by the Client

- **Accelerated new customer development** program by the new promotion tools.
- Obtained **R&D skills** and experience.
- Enhanced conventional sales efforts by **newly developing more than 5 customers**.

6. Contribution by us as SMEC

- **Application support for the subsidy.**
 - ✓ Analyzed client situation.
 - ✓ Drafted a new business plan.
 - ✓ Drafted subsidy application forms and supplement documents.

Case 4: Covid-19 Subsidy Application Support for Foreign Small and Medium Enterprises in Japan.

1. Clients

- 2 SMEs from New Zealand in Japan.

2. Issues to Solve

- To rescue urgently the foreign SMEs who suffer serious cash flow problems due to Covid-19 and do not know at all how to get financial supports from Japanese Government because of **limited information in English and resources to apply for any supports**. (published financial supports at METI [www. in English](http://www.meti.go.jp) did not have clear descriptions on the support schemes, application process, application forms so on...).

3. Contribution by us as SMEC

- Application **support for the Covid-19 financial supports in English**
 - ✓ Introduced **available Covid-19 financial support** schemes.
 - ✓ Consulted how to apply for the financial supports.
 - ✓ **Drafted subsidy application** forms and supplement documents.
 - ✓ Drafted clear description of Japanese Government's Covid-19 financial supports for SMEs in English for the [www. of Embassy of New Zealand in Japan](http://www.embassy-newzealand.jp).

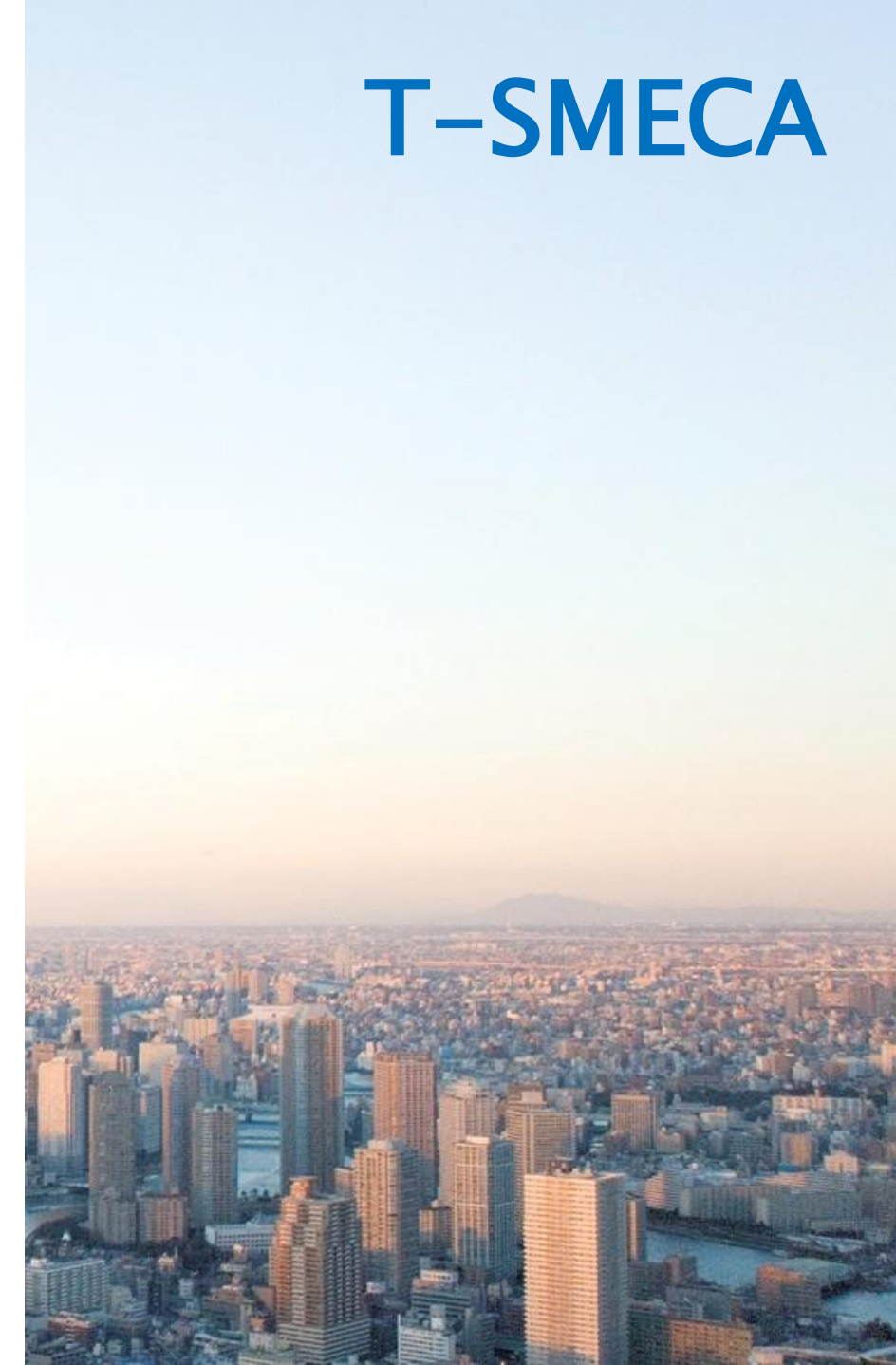


New web pages regarding Japanese Government's Covid-19 financial supports for SMEs in English @ [www. of Embassy of New Zealand in Japan](http://www.embassy-newzealand.jp).

■ Subsidies and Soft Loans Information

- Sustainability Subsidy 8th

March 29 – June 3



Sustainability Subsidy

1. Purpose

The Government of Japan provides **Sustainability Subsidy** for SMEs and individual owners to underpin business sustainability through sales channel development and productivity enhancement in Japan.

2. Eligibility and Conditions

- a. SMEs and individual owners in manufacturing, construction, transportation, accommodation and amusement industry with 20 employees or below, and in commerce and services industry with 5 employees or below
- b. Project plan to develop sales channels and enhance productivity, expecting revenue increase within a year after completion of the projects
- c. Only one project for each one of SMEs and individual owners

3. Amount of Subsidies

- a. General type: Maximum 500,000 yen at subsidy rate (SR) 2/3
- b. Certified new companies: Maximum ~~500,000~~ yen over the general type at SR 2/3

Subsidy for small enterprise continuous support

- Small enterprises make plans for expanding their business with chambers of commerce support.(for advertising expenses, shop refurbishment, etc.)

	Subsidy rate 補助率	Limits for the amount 補助上限	memo
General Category 通常枠	2/3	¥500,000	-
Raising wages 賃金引き上げ枠	2/3 (deficiency account:3/4)	¥2,000,000	minimum wage + more than ¥30
Growing up to Medium Enterprise 卒業枠	2/3	¥2,000,000	Increasing employee Number to Medium enterprise
Succession Suport 後継者支援枠	2/3	¥2,000,000	Atotsugi Koushien Finalists
Special Starting up 創業枠	2/3	¥2,000,000	Certified new companies
Invoice introduction インボイス枠	2/3	¥1,000,000	Tax-exempt business providers to prepare invoice

Thank you very much for your kind attention.