

## Summary of the Actual Conditions of SME Management Consultants

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**Abstract :** Focusing on the “SME management consultants” in Japan, this study intends (1) to clarify implications as to their self-actualization, motivation and (2) to revitalize SMEs, on which local economies depend. On the basis of these study purposes, the presenters conducted an interview survey of several SME management consultants and SME managers. This survey identified the current circumstances and challenges as follow: SME management consultants are high-level professionals who acquired very difficult national qualifications (examination pass rate 4%) to provide consultation and business analysis for SMEs. Nevertheless, only 20% of the qualified consultants run their business independently, while the rest (80%) are corporate employees as in-house consultants, the majority of whom belong to big companies. They acquired the qualification merely for the purpose of self-development. Therefore, they have few opportunities to demonstrate their expertise inside and outside their companies. On the other hand, the SMEs, which are to receive analysis and consultation from SME management consultants, constitute 99.7% of all industries, and are very important to local communities, for they sustain the economy and provide employment. SMEs used to be supported by the consultants in company management due to their scarce managerial resources compared with big companies. Nowadays, however, SMEs are regarded as the source of Japanese economic dynamism. To have the same degree of managerial skills as big companies, therefore, SMEs now need analysis and consultation by the consultants in more active ways, such as discovering and utilizing their dormant technologies. Partly because SME management consultants have not been fully utilized in Japan, the number of SMEs has been on a long-term downward trend since 1986. Utilizing expertise of the in-house consultants, who have rich experience in their big companies and deep knowledge regarding SMEs obtained through qualification, will potentially lead to revitalization of SMEs and consequently to economic growth in Japan. Through detailed analysis of the interview results, this study revealed short-term and long-term challenges regarding how to utilize SME management consultants. The most urgent issue is to study managerial approaches that will provide the consultants serving in big companies with more “opportunities to demonstrate their expertise.” The long-term issue is to enable the consultants to demonstrate their expertise in financial institutions, or financial supporter of SMEs, to examine farsighted and innovative financing strategy and criteria based on managers’ personalities and their business plans, instead of the conventional financing based on prompt fund collection.

**Keywords :** small and medium enterprise[SME), SME management consultant, self-actualization, motivation

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