

Establishment of the Logistics Organization and the Launch of and Changes to the Certified Logistics Master Course

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Masato Tokuda

Japan Institute of Logistics Systems (JILS)
Senior Executive Vice President

1. Establishment of the Logistics Organization

- “Logistics” was introduced to Japan from the United States in 1956.
- Administrative initiatives
- The needs of the industrial world
- Establishment of a new organization

2. Launch of the Lecture Course

- Background
 - In 1970, a special logistics organization was established, creating the need for a logistics management organization. There was an urgent necessity for the training of human resources to promote logistics management.
 - There are very few departments in Japanese universities that systematically teach logistics.
 - Company employees are not well-trained to become instructors to systematically teach logistics.
 - The logistics department in a company is the organization that comprehensively controls logistics functions (Packaging, Storage Management, Management of Material Handling Equipment, Transportation and Delivery, and Distribution Processing) from 1970 to the 1980s.
 - Whereas there were many specialists who are knowledgeable about traditional sub-systems (Packaging, Storage Management, Management of Material Handling Equipment), there were not many logistics human resources who were capable of considering the systems from a total perspective.
 - Therefore, there was a need in companies for logistics personnel who were able to streamline logistics operations and progress with reforms. Based on the belief that it is most important to train middle management in logistics, long-term courses (of six months' duration) were developed in order to learn logistics systematically and study theories and practical application methods.
- The lecture course started in 1971.

Abbreviated Chronological History of JILS(1)

Year	Entity	Course (qualification)	Logistics organization
1965			• Still ill-equipped physical distribution organizations
1970	<div style="border: 1px solid yellow; padding: 2px;">Japan Physical Distribution Management Association established (Oct.'70)</div> <div style="border: 1px solid yellow; padding: 2px; margin-top: 10px;">Japanese Council of Physical Distribution Management formed (Nov.'70)</div>	<div style="border: 1px solid gray; padding: 2px;">Logistics Engineer Training Course ('71) – The Logistics Master Course</div> <div style="border: 1px solid gray; padding: 2px; margin-top: 10px;">Physical Distribution Consultant Course ('71)</div>	
1975			• Physical Distribution Department organized
1980			
1985			• Physical Distribution Department • Physical distribution
1990	<div style="border: 1px solid orange; padding: 2px;">Japan Logistics Management Association established (Apr.'91)</div> <div style="border: 1px solid orange; padding: 2px; margin-top: 10px;">Japan Institute of Logistics Systems (Jun.'92)</div>	<div style="border: 1px solid black; padding: 2px;">Certified Logistics Master Course ('93)</div> <div style="border: 1px solid blue; padding: 2px; margin-top: 10px;">Logistics Executive Course ('94)</div>	
1995			• Physical Distribution Department • Logistics Department • SCM Department
2000		<div style="border: 1px solid blue; padding: 2px;">Certified Logistics Senior Master Course ('02)</div> <div style="border: 1px solid blue; padding: 2px; margin-top: 10px;">Basic Course in Logistics ('03)</div>	
2005			

Abbreviated Chronological History of JILS(2)

Year	Historical Background	Challenges to Logistics	Related affairs
1955	↑	<ul style="list-style-type: none"> Securing transport 	
1960	Era of high-speed economic growth		
1965	↓	<ul style="list-style-type: none"> Response to large items/large scale capacity Logistics as a third profit source 	
1970	<ul style="list-style-type: none"> First oil crisis ('73) 		
1975	<ul style="list-style-type: none"> Second oil crisis ('78) 	<ul style="list-style-type: none"> Response to large items/small scale Standardization promotion Systemization 	<ul style="list-style-type: none"> Unified Standards for Calculation of Physical Distribution Costs - the Ministry of Transport
1980			
1985	<ul style="list-style-type: none"> Land price hike ('86) Rising yen, disparity between domestic and foreign prices 	<ul style="list-style-type: none"> Strategic physical distribution Managerial challenge of logistics costs 	
1990	<ul style="list-style-type: none"> Bubble burst ('91)/the Heisei Recession 		<ul style="list-style-type: none"> Utilization Manual for Calculation of Physical Distribution Costs - MITI ('92)
1995		<ul style="list-style-type: none"> ECR/SCM Inventory reduction 	<ul style="list-style-type: none"> General Distribution Policy Principles (Apr.'97)
2000			<ul style="list-style-type: none"> New General Distribution Policy Principles (Jul.'01)
2005	<ul style="list-style-type: none"> Start of enforcement of the Kyoto Protocol (Feb.'05) 	<ul style="list-style-type: none"> Environment management Compliance 	<ul style="list-style-type: none"> General Distribution Policy Principles(Nov.'05)

- Initial Curriculum

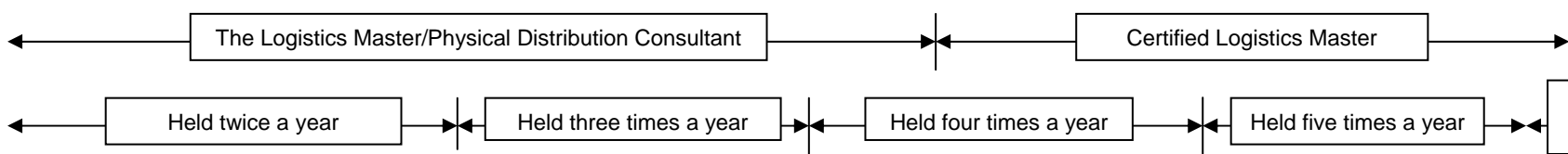
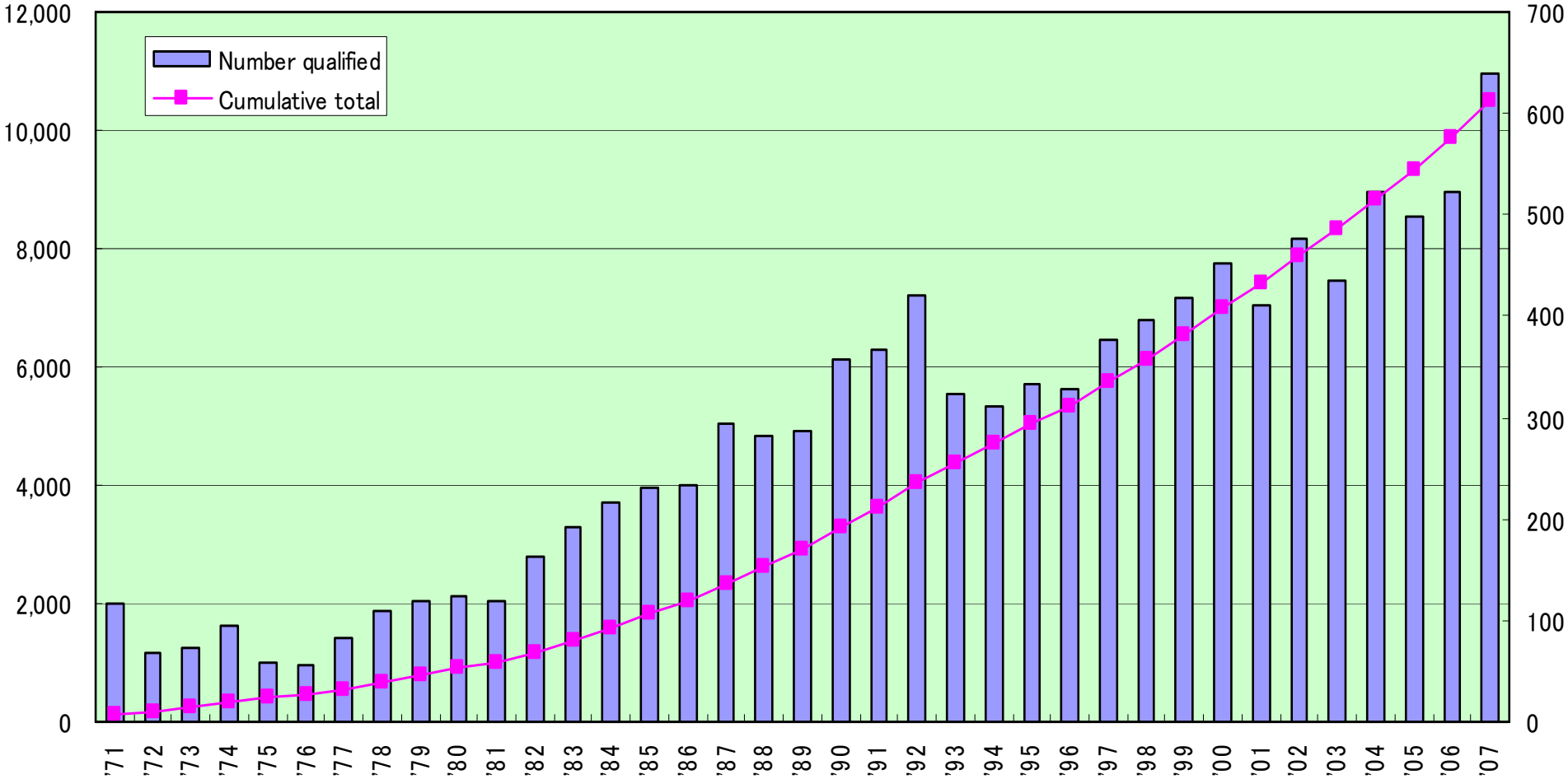
- The initial curriculum consists of the Basics of Logistics, Packaging, Transportation and Delivery, Management of Material Handling Equipment, Storage Management, Information, comprehensive course units, and case studies, group discussion, training camp exercises and an interview test.
- This curriculum is developed so that participants will be able to acquire expertise and management skills in all necessary areas of logistics comprehensively and systematically.
- The lecture course lasts six months from September to February in the following year. The lecture course is conducted for a period of six months from the opening of the first class.
- Taking the opportunity to integrate two organizations in 1992, two lecture courses were integrated into the current Certified Logistics Master Course, and it started.

Numbers of Certified Logistics Masters



Cumulative total (sequential line)

Number qualified (histogram)



- What certified people should be
 - Human resources who are capable of managing every aspect of logistics as part of corporate management
 - Human resources as specialists who are capable of applying a broad range of knowledge and skills in logistics to practical business

Outline of Certified system for Logistics in Japan

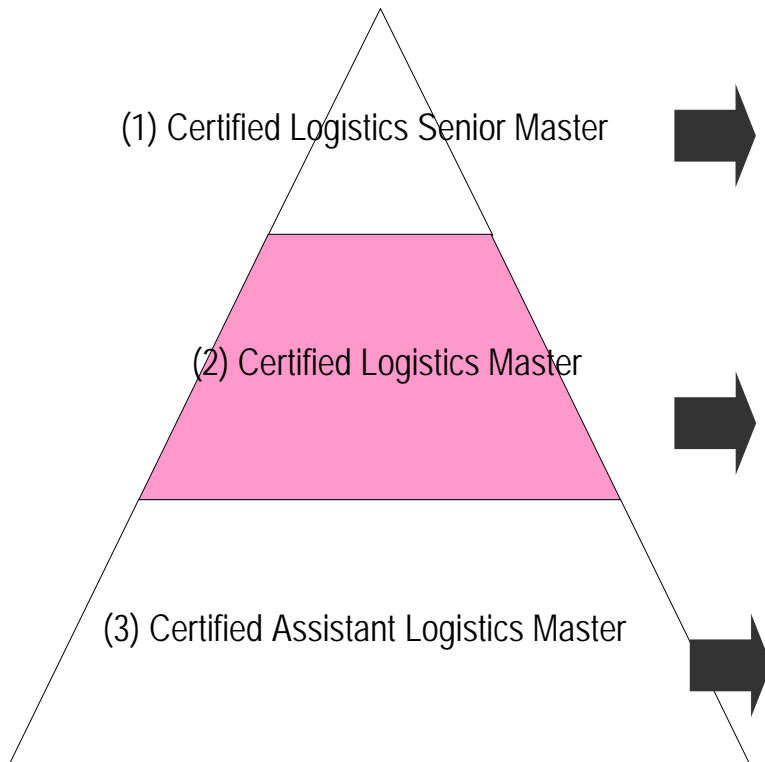


Qualification system of the Japan Institute of Logistics Systems

[Qualification]

[Course name]

[Intended participants]



<p>(1) Certified Logistics Senior Master</p>	<ul style="list-style-type: none"> • Executives and prospective executives • Department head level, prospective department head level • Those who have business experience of three years or more after being certified as a Certified Logistics Master or a Certified International Logistics Master
<p>(2) Certified Logistics Master</p>	<ul style="list-style-type: none"> • Middle managers of logistics-related division • Those with two years or more of work experience related to logistics or qualification as the Certified Assistant Logistics Master
<p>(3) Schooling for Certified Assistant Logistics Master</p> <p>*Taking the schooling requires completion of either I or II described in the right column.</p>	<ul style="list-style-type: none"> • New recruit or newly appointed person • Person engaged in practical business and wish to learn the basics of logistics • Person who has completed I or II below <p>I . New Logistics Management Course [Correspondence course of the Sanno Institute of Management]</p> <p>II . Basic Course in logistics [held by the Institute]</p>

3. Closely Mapping the Lecture Course to the Industrial World and the Evolution of the Course

- Creation of a Curriculum that Is in Line with Practical Business
 - The lecture course has been held every year since it started in 1971, with the curriculum being revised to respond to the needs of the times to improve quality, in line with greater understanding of customer needs.
 - A curriculum committee is established consisting of people of experience and academic standing who are at the forefront of their field, businessmen and professional consultants. The committee discusses planning of the curriculum.
 - The lecturers in each lecture unit are specialists in their field, and they lecture in practical content that can be applied to practical business. Companies that send their employees to attend the lecture course have reported that the attendees graduate from the course exhibit a high level of ability and achieve superior results. These companies recognize the importance of having accredited staff.
 - The lecture course consists of a curriculum that is in line with practical business, such as case studies, exercises and discussions. The course is practical and helpful, and can be applied immediately in a corporate environment.

- Partnership with Companies that Employees Attend the Lecture Course
 - There are many cases where the lecture course is incorporated into the training plan provided by the personnel affairs systems of these companies.
 - We always respond to the requests of these companies and the opinions expressed by the participants (questionnaire, etc.).
 - Follow-up programs are provided and implemented, and they serve as a means for certified people to strengthen their practical skills and catch up on the latest information.
- Use of Certified OBs
 - Appointment of certified OBs as instructors in the lecture course.
 - Presentation by certified OBs of improvements in logistics by companies at a presentation meeting.
 - Provision of a forum for information exchange among certified OBs (Japan Logistics Fellowships Society consisting of certified OBs).
 - Training and support of subordinates based on the experience of accredited people.

■ 2007 (FY) performance

- Tokyo Headquarters

Held three times a year

Total 402 participants, of which 405 qualified

- Kansai Branch

Held twice a year

Total 157 participants, of which 161 qualified

- Chubu Branch

Held once a year

Total 77 participants, of which 73 qualified

Annual total 636 participants, of which 639 qualified

■ Number of Certified Logistics Masters

6,607 as of March, 2008

(1993 through 2007, cumulative total)

- Issues of Continual Implementation of the Lecture Course
 - Retaining of the best instructors.
 - Maintaining of the curriculum (programs).
 - Partnership and information exchange with industrial, administrative and academic circles.
 - Survey of the needs of participants and companies whose employees attend the course, and continual improvement in customer satisfaction.
 - Retaining of the best staff members for planning the lecture course and operations.