



MONTHLY REPORT SAMPLE · MANUFACTURING (SME)

# What we'd see in your business.

製造業(中小)

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## DOCUMENT CONTEXT

This is a representative sample audit prepared from a fictional Japanese SME precision parts manufacturer at approximately ¥320M annual revenue, with 22 employees, serving 35 B2B clients across automotive components and industrial machinery.

All names, figures, and individuals shown are fabricated. The methodology, formulas, structure, and analytical depth are *identical* to those used in a live engagement.

If this is what you'd want to see for your business — request a free assessment at [meridian.tokyo/assessment](https://meridian.tokyo/assessment). Within 48 hours, you'll receive a written diagnosis specific to your business.

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# What this business looks like through our lens.

Key operational metrics, each benchmarked against industry. The table shows where your business currently sits versus targets and recovery potential. The numbers are a summary — the substance is in which metrics are dropping, why, and how to fix them. The analysis on the following pages is the value.

## What we'd surface first

This manufacturer is operationally solid: machine utilization is decent, on-time delivery is strong, margins are within industry norms. The structural issues are around client concentration and pricing discipline.

Three clients represent 58% of revenue. *Losing the largest one would force layoffs within 90 days.* There's no formal account management or diversification strategy — the concentration is accidental, accumulated over time.

Pricing is the second area: contract renewals are happening at 2018 rates because no one is tracking inflation in raw material costs against pricing. The margin compression is real and getting worse each year.

## Key metrics this month

Metric	Weight	Current	Target
Revenue (monthly)	15%	¥26.7M	¥28.0M
Client concentration (inverse)	15%	58% top 3	30% top 3
Gross margin	15%	27%	32%
Machine utilization	15%	76%	80%
On-time delivery rate	10%	94%	95%
Defect rate (inverse)	10%	1.2%	1.0%
New business / quarter	10%	0.6	1.5
Days sales outstanding (inv)	10%	62d	45d

# What's actually wrong — right now.

Three issues this business is bleeding money on. Each one has a specific cost, a specific fix, and a specific way to measure whether the fix worked. This is what the monthly action plan looks like, condensed.

## 01

**HIGH IMPACT**  
Concentration risk

Top client represents 28% of revenue. There is no plan B.

### What we see

Client A is ¥90M of ¥320M annual revenue. The relationship is strong (12 years) but the dependency is structural: their loss would require immediate layoffs of 5-7 employees and would push EBITDA negative. There's no active prospecting program for replacement clients of similar scale.

### Estimated cost

**Probability-weighted: even a 10% chance of losing this client in any given year represents ~¥9M/year of expected risk that could be hedged with diversification.**

### Recommended action

Identify 5 prospect accounts of similar size in adjacent industries. Dedicate 20% of senior sales time to active outreach with these accounts over 12 months. Goal: bring top-3 client concentration below 45% within 24 months. Track quarterly.

## 02

**HIGH IMPACT**  
Pricing — margin

Contract pricing hasn't moved since 2018. Materials have.

### What we see

Of the top 10 clients (¥220M of revenue), 7 are on contracts originally signed in 2017-2019 at fixed unit prices. Raw material costs (steel, aluminum, energy) are up 28-40% over that period. Margins have compressed from 35% in 2019 to 27% today, and there's no contract clause for adjustment.

### Estimated cost

**~¥12M/year of foregone gross margin compared to 2019 baseline pricing.**

### Recommended action

Add an annual price review clause (CPI + materials index) to all contracts at next renewal. For existing contracts, send a written rate review request 90 days before renewal with a documented breakdown of input cost changes. Expect 1-2 client pushbacks; the math still works.

## 03

**MEDIUM IMPACT**  
Cash flow

DSO at 62 days — ~¥12M of cash trapped in receivables.

### What we see

Days sales outstanding averages 62 days, vs. industry benchmark of 40-45. Two clients (both top-10) consistently pay at 75-90 days. This isn't malice — there's no payment terms enforcement, no dunning sequence, no late-payment policy.

### Estimated cost

**~¥12M of working capital tied up in receivables that should be paid down sooner. Plus interest cost on the credit line that could otherwise be reduced.**

### Recommended action

Implement a written payment-terms enforcement: invoice on delivery (not month-end), automated reminders at day 25, 35, 45. After day 60, require partial prepayment for next order. Track DSO per client monthly — the worst offenders need a direct conversation, not a process change.

# What changed after the work.

After 9 months, the operational picture had shifted measurably. Each result corresponds to one of the red flags identified in the audit. Plausible, conservative, and tracked monthly.

## 01 Client concentration

BEFORE

Top 3 clients: 58% of revenue



AFTER

Top 3 clients: 47% of revenue

*2 new accounts in adjacent sectors*

## 02 Pricing index recovery

BEFORE

Margins compressed from 35% to 27%



AFTER

Margins recovered to 31%

*+¥7.8M/year gross margin*

## 03 Days Sales Outstanding

BEFORE

DSO: 62 days



AFTER

DSO: 48 days

*¥7M working capital freed*

*Numbers reflect outcomes from comparable engagements, anonymized for confidentiality. Individual results vary; benchmarks are realistic averages, not best-case scenarios.*

# How an engagement actually runs.

A live engagement is structured. Not consulting hours, not “we’ll figure it out as we go”. Four phases of setup, then monthly delivery on a calendar.

## WEEK 1

### Discovery & data audit

We examine your existing data — CRM exports, finance sheets, ad reports, sales records. Format and condition don’t matter. We identify the highest-leverage gaps.

## WEEKS 2-3

### Sector calibration

We configure benchmarks, metrics, and red-flag thresholds against your industry and your prior periods. Custom-fit, not template.

## WEEK 4

### First diagnosis

First written diagnosis delivered. Three priorities to act on this month, with the cost of inaction quantified for each.

## MONTH 2+

### Monthly action plans

Each month, a written action plan. What’s broken, where the leaks are, and the prioritized playbook for next month. Asynchronous — reply by email when convenient.

## Engagement tiers

### Foundation

¥90k + ¥90k/mo

Single business, simple structure

### Standard **RECOMMENDED**

¥130k + ¥130k/mo

Multi-channel, growing business

### Extended

from ¥200k + ¥220k/mo

Multi-business-unit, group structure

Setup guarantee: if within 3 months the improvement opportunities we identify total less than what you’ve paid us in retainers, we refund the entire setup fee. The retainer is cancellable monthly — the guarantee covers identification of opportunities, not implementation.

## NEXT STEP

### Request a free assessment.

Visit [meridian.tokyo/assessment](https://meridian.tokyo/assessment) and tell us briefly about your business. Within 48 hours you’ll receive a written initial diagnosis: typical leakage patterns in your industry, three likely problems specific to your situation, and the hardest questions you should be answering.

No commitment, no sales call. If after the diagnosis we both agree it’s a fit, we propose terms. If not, you keep the diagnosis and this sample.

