



Case Study: Mexico



Comprehensive digital transformation and new services

This case study is part of the research carried out by the ILO Office for Employers' Activities (ACT/EMP) for the development of the 2022 Regional Report "Where are business organisations on the journey towards digitalisation? A look at Latin America". These case studies are intended to guide other business organisations in their transition to digitalisation. We would like to thank the ILO's South-South and Triangular Cooperation (SSTC) programme for its support in the preparation of this document, which will serve as the basis for a knowledge-sharing exercise among business organisations in Latin America.

► What is South-South and Triangular Cooperation?

South-South and Triangular Cooperation (SSTC) can be defined as collaboration between two or more developing countries, often supported by traditional partners, guided by principles of solidarity and non-conditionality, with the aim of implementing inclusive and distributive demand-driven development models. SSTC complements North-South cooperation in concerted actions to promote development opportunities. As reflected in the 2030 Agenda for Sustainable Development, SSTC has become an important modality of international development cooperation and an essential tool for the United Nations system.

► Summary

The Jalisco Council of Industrial Chambers (CCIJ) has developed a comprehensive management tool for its administrative, institutional, and strategic processes as a cornerstone of its digital transformation process. This project, which has been in development within the organisation for more than six years, is a benchmark in the region in terms of the application of technology and innovation in the internal processes of a business organisation.

This project is the result of the commitment of all stakeholders in the organisation, including its authorities, management and team of collaborators, to the digitisation of internal processes, collaborative work dynamics and data-driven decision-making

Each of its modules has been developed exclusively according to the needs of the CCIJ and, in addition, each of them is linked to a cross-cutting Data Intelligence module that processes the available information and generates simple and interactive visualisation models to provide dynamic reports in real time.

► The Business Organisation

The Jalisco Council of Industrial Chambers (CCIJ) is the main industrial representative body in the state of Jalisco. Its organisation represents more than 90,000 employers who generate more than 600,000 jobs (38% of formal employment).

The CCIJ actively works on three fronts:

- 1) Influencing public policy.
- 2) Promoting business competitiveness with a focus on innovation and digitalisation.
- 3) Positioning industry as a generator of well-being and progress for society.

In terms of influencing public policy, the state of Jalisco is the only one in Mexico

which has a State Procurement and Purchasing Law in which the private sector (among other actors) has a say in state procurement decisions. Currently, the CCIJ has a group of more than 50 representatives who participate in more than 130 procurement committees, trusts and governing bodies of municipalities, the state congress and the executive branch.

Another important project worth highlighting from the CCIJ is the MIND project: Mexico Innovation and Design, which has been operating since 2014 to promote innovation, science and technology within the Jalisco business ecosystem.

► The Digitisation Project

The CCIJ has been promoting an agenda based on innovation and technology among its members and value chains for years. This objective has been the main driver for implementing an innovative and digital working methodology in the OE's internal processes.

The digitisation project, based on a **comprehensive management system** specially developed for CCIJ, contains several specific modules that run on a simple and dynamic interface.



Administration module (ERP)

This module consists of an enterprise resource planning system that centralises accounting, administrative and financial processes. The tool allows CCIJ employees to record information derived from their tasks, which is compiled in an internal database and processed in various reports. These include reports on average collection and payment times, analytical dashboards on collections, payments, income and expenses, and graphs of earnings by accounting period.

Member Relationship Management (CRM) Module

This module manages contacts and relationships between the CCIJ and its partners. It is one of the project's main assets. This module allows the business organisation (BO) to keep a record of the activities carried out, the services provided to each member and an up-to-date contact database. Through a dynamic interface, system users can instantly generate various reports to obtain quantitative and qualitative data on the services provided to their entire network.

Representation module

This module responds to a particular need of the CCIJ given its active role in state government mechanisms that include the private sector in the decision-making process. Through this module, the CCIJ can follow up on calls for bids from purchasing committees, trusts, or other government bodies. The internal assignments of the OE in relation to who will represent it at these tables and, above all, how they participate and vote in the various committees.

Data intelligence module

A fundamental part of the digital transformation project was linking all the **system** modules with a solution that processes the available information and provides clear and simple analytics that inform and streamline the decision-making process. This is

a cross-cutting solution to all of the above, which also brings together reports on two of the OE's main needs. First, the module provides detailed information on the CCIJ's strategic planning, which is structured around four axes:

- **AXIS 1: The social value of the industry**
- **AXIS 2: National content**
- **AXIS 3: Strategic communication**
- **AXIS 4: Competitiveness of the industrial sector**

Each of the activities carried out and participated in by the CCIJ is classified according to these criteria, making it possible to quantify the milestones that have been completed in each of these areas.

On the other hand, the solution also allows for monitoring operational planning through clear metrics that measure, among other things, the operational workload of the team in order to visualise progress in terms of project completion and the time allocated to each task performed by the team, thereby enabling productivity to be measured in relation to assignments.

► Project development

The idea for this project began in 2016. One of the first approaches came from the ILO's Bureau for Employers' Activities (ACT/EMP), which proposed that the CCIJ implement a Customer Relationship Management (CRM) system. This was the starting point and the organisation's first concern as it began its journey towards digital transformation.

After analysing the available proposals, both from OIT CRM and other local market solutions, the CCIJ decided to consolidate a strategic alliance with an affiliated company, convinced that working with a partner within its network would be essential for a better understanding of the project and the organisation's needs.

This partnership has been essential in covering the economic costs associated with development. Thanks to this, the total value of the system and all its modules was around USD\$ 10,000, with maintenance and support for updates and

customisations of USD\$ 2,600 per annum.

► Project Sustainability

The scale of this digital transformation project presented the CCIJ with the challenge of achieving the necessary internal consensus with its governing body and, in addition, developing a clear plan on how to address the costs.

In this regard, the Management's response was to create a strategic alliance with a local technology company to make them not only their main supplier but also a partner, which they called a "Strategic Ally". This alliance has enabled the CCIJ to significantly reduce the cost of implementation and maintenance.

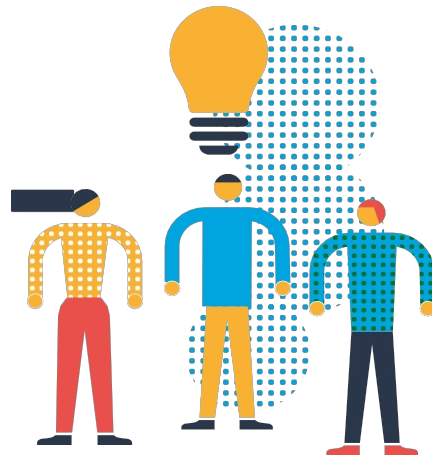
This has been fundamental in enabling several members to move forward with implementing the system, positioning the CCIJ as a benchmark for digital transformation processes within its network and thus expanding its range of services. At present, several partners have already implemented the entire system, and many others are analysing the feasibility and resources required to do so.

► Obstacles and lessons learned

The CCIJ highlights the following obstacles and their solutions in the development of the project.

1. Clear guidelines for consensus among the Executive Committee: When presenting a project of this magnitude, it was essential to plan the steps to be taken, secure the necessary funding for its implementation, and properly document the strategic partnership framework with the local partner in order to gain the understanding and approval of its authorities.

2. Expectations vs Reality: When an organisation undertakes a similar digitisation process, it is common for the initial project guidelines to need to be recalculated as development progresses. This is mainly due to the incorporation of new variables and lessons learned that arise from the progress itself. For the CCIJ, it was very important to make these initial requirements more flexible in order to optimise time and costs.



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3. Resistance to change: Within any organisation that has established processes, the implementation of a new work dynamic can generate resistance and doubts among the actors involved. To overcome this difficulty, the Council opted for a gradual and progressive approach to each of the modules. In addition, the organisation's management chose to be a reference user in the use and loading of the system, not only to inspire but also to support the rest of the team of collaborators.

► Experiences to share

The CCIJ's main reflection on what it has learned from a transformation project is the consolidation of pre-existing internal processes.

If an OE clearly understands its processes and manages to standardise them at all possible levels, the challenge of implementing digital tools that simplify and enhance its reach will be considerably less.

Based on its own experience, the CCIJ chose to implement all relevant certifications before embarking on its path to digitalisation, including quality control and management certifications, ISO 9001:2015, and the Anti-Bribery Management Standard, ISO 37001:2016. It should be noted that, when assisting its members in the implementation of this comprehensive management system, they first begin by socialising the importance of the internal process certification process as a necessary prerequisite for a digitisation process.