



Mexico and CCIJ 

An integral digital transformation

This case study is part of research carried out by the ILO's Bureau for Employers' Activities (ACT/EMP) for the production of the 2022 Regional Report "Where do Business Organisations Stand on the Road to Digitalisation? A look at Latin America". The aim of these case studies is to help other employers' and business membership organisations (EBMOs) in their transition towards digitalisation. We would like to thank the ILO's South-South and Triangular Cooperation (SSTC) programme for its support in drafting this document, which will serve as a basis for an exchange of knowledge among EBMOs around the world.

► What is South-South and Triangular Cooperation?

South-South and Triangular Cooperation (SSTC) can be defined as collaboration between two or more developing countries, which frequently have the support of traditional partners, guided by the principles of solidarity and unconditionality, the aim of which is to put into practice inclusive and distributive development models governed by demand. SSTC complements North-South cooperation with joint action to encourage development opportunities. As can be seen from the Sustainable Development Programme 2030, SSTC has become an important means of international cooperation for development and an essential item in the United Nations toolbox.

► Digital development of an integral tool for managing a business organisation

The Council of Industrial Chambers of Jalisco (CCIJ) has developed an integral management tool for its administrative, institutional, and strategic processes, which acts as the foundation for its digital transformation. This project, which the organisation has been incubating for more than six years, is a regional benchmark for the application of technology and innovation to the internal processes of an EBMO.

The project is the result of a commitment by all the actors in the organisation, its officers, management, and collaborators to the digitalisation of its internal processes, the dynamics of team working

and data-based decision making. Each of its modules has been developed exclusively to meet the needs of CCIJ and additionally, each module is related to a transversal Data Intelligence module that processes available information and generates simple and interactive visualisations that assist in the production of reports in real time.

What is CCIJ?

The Council of Industrial Chambers of Jalisco - CCIJ is the principal entity representing industry in the State of Jalisco. The organisation represents more than 90,000 employers who provide more than 600,000 jobs (38% of formal employment).

► CCIJ works actively on three priority areas:

- 1) **Influencing** public policy
- 2) **Promoting** the competitiveness of companies, with a focus on innovation and digitising
- 3) **Positioning** industry as a generator of welfare and progress for society

As far as influencing public policy is concerned, the State of Jalisco is the only one in Mexico that has a State Procurement and Acquisitions Act in which the private sector (among other participants) plays an active role in state procurement decisions. At present CCIJ has more than 50 representatives who take part in more than 130 purchasing committees, trusts and government bodies in local governments, the State Congress, and the Executive.

Other of CCIJ's outstanding projects is MIND: Mexico Innovación y Diseño (Mexico innovation and design), which has been encouraging innovation, science, and technology within Jalisco's business ecosystem since 2014.

► What modules does this transformation contain?

CCIJ has spent many years encouraging an agenda based on innovation and technology among its associates and their value chains. This aim has been the main driver of the implementation of an innovative and digital working methodology for the internal processes of the business organisation.



The digitalisation project, based on an integral management system especially developed for CCIJ, contains various modules that are implemented via a simple and dynamic interface.

Administration module (ERP)

This module consists of a system for planning business resources that centralises accounting, administration, and financial processes. The tool enables CCIJ collaborators to record information deriving from their tasks in an internal database, for processing in various reports. These include reports on payment times and average payments, analyses of payments, incomes and outgoings and graphics of profits per financial period.

Member Relationships Management Module (CRM)

This module is for managing contacts and relations between CCIJ and its associates. It is one of the project's principal assets. The module gives the business organisation (OE) a record of its own activities, the services it provides to each member and an updated database of contacts. A dynamic interface allows users of the system to draw up a number of reports instantly to provide quantitative and qualitative information on the services provided to the entire network.

Representation module

This module answers a particular need of CCIJ in its role in the state government mechanism that includes the private sector in the decision-making process. By means of this module CCIJ can follow up the requirements of the procurement committees, trusts or other government entities. The internal appointments by business organisations of their representatives in these forums and, especially, the way in which they participate and vote in the different committees.

Data intelligence module

A fundamental part of the digital transformation project development was the connection between all the modules of the system with a solution that processes available information and provides simple, clear analyses that add to and speed up the decision-making process. This is transversal

solution to all of the above, that also includes reports on two of the principal needs of the business organisation. Firstly, the module provides detailed information on strategic planning of CCIJ, which is based on four concepts:

1. The social value of the industry
2. Domestic content
3. Strategic communication
4. The competitiveness of the manufacturing sector

Each of the activities in which CCIJ takes part is classified according to these criteria and it is therefore possible to quantify the points on the agenda that have been completed for each concept.

Furthermore, the module also permits follow-up of the operating plan using clear metrics that measure - among other things - the work involved in the team's tasks to visualise progress with the projects and the time assigned to each task by each team to measure productivity.

The project was created by a CRM and was consolidated by a network partner.

The idea for this project arose in 2016. One of the first interested parties was the ILO's Bureau for Employers' Activities (ACT/EMP), which suggested that CCIJ implement a Member Relationship Management System (CRM): this was the starting point and the organisation's first concern as it started on the road to digital transformation. After analysing the available options, from ILO's CRM as well as other local market solutions, the CCIJ decided upon a strategic alliance with an affiliated company, believing that working with a member of its own network would be essential in achieving a better understanding of the project and the needs of the organisation. This link was fundamental when it came to meeting the financial costs of development. Thanks to that, the total value of the system and all of its modules was around USD10.000 with maintenance, updating and personalisation support totalling USD 2.600 annually.

► **One of the keys to the project's sustainability**

The extent of the digital transformation project meant that CCIJ faced the challenge of achieving the necessary consensus among its internal governing bodies, as well as setting out clearly how it would meet the costs.

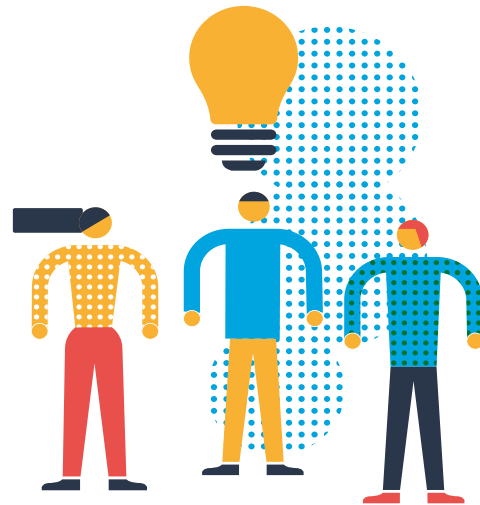
Thus, the management's response was to create a strategic alliance with a local technology company that would convert it not only into its main supplier but also a partner, referred to as the "Strategic Ally". This alliance has enabled CCIJ to considerably reduce the cost of implementation and maintenance and has been material to system implementation by a number of members, making CCIJ into a benchmark for digital transformation processes among its network and thus expanding the services it offers. So far, several members have implemented the system in its entirety and some others are examining the viability and resources required to do so.

► **It wasn't all easy...**

CCIJ emphasises the following obstacles and how to overcome them during the development of the project.

1. clear basis for consensus among the Management Board: When presenting a project of this magnitude it is essential to plan the steps involved, ensure the availability of funds for implementation and to set down on paper the framework for the strategic alliance with the local partner in order to obtain the understanding and approval of its governing bodies.

2. Expectations vs Reality: When an organisation starts a similar process of digitalisation, it is normal for the initial parameters to need adjusting as progress with implementation is made. This is basically because of the incorporation of new variables and lessons learned as progress is made. For CCIJ it was very important to start with more flexible requirements to optimise time and costs.



3. Resistance to change: In any organisation that has established processes, the implementation of a new dynamic will meet resistance and doubts on the part of those involved. To overcome this difficulty, the council opted for gradual progress with each of the modules, while the organisation's management chose to be the first user of the system in order not only to inspire but also to support the rest of the team of collaborators.

► **Finally, lessons learned from the process**

CCIJ's principal lesson from the transformation project was to consolidate all existing internal processes.

If a business organisation has a clear understanding of its own processes and has managed to standardise them as far as possible, the challenge of implementing digital tools to simplify and extend their scope will be considerably easier.

Based on its own experience, CCIJ decided to implement all possible certifications before starting on the digitalisation process; these included ISO 9001:2015 quality management systems, and ISO 37001:2016 - anti-bribery management systems certification. It should be noted that when it came to helping its members with the implementation of this integrated management system, it started by raising awareness of the importance of certifying its members' internal processes as a necessary precondition for digitalisation.