



Argentina and UIA 

## How it Adopted a Two-Level Approach

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.

### ► The Beginning of Change at UIA ...

Over the past few years, Unión Industrial Argentina UIA (Argentine Industrial Union) has undertaken a comprehensive digital transformation and promotion process. First, at an internal level, for the purpose of standardising their processes, improving and centralising their member services, and optimising decision making. Second, regarding its member services, through the creation of tools that encourage the introduction of technology into the productive and operational processes of the actors of its network.

The internal project, which is still in its early stages but has been growing for over five years within the organisation, was the main tool to ensure the

continuity of its activities during the lockdown due to the COVID-19 pandemic. It has also enabled the organisation to deepen and expand the scope of its member benefits, reaching all the regions of the Argentine territory. This journey is the result of constant dialogue among all UIA actors, the lessons learned during the process, and the certainty that the technology available, articulated with the work done by the UIA team of employees, will improve its current processes and enable it to reach all Argentine industries to better represent their interests.

Parallel to this internal process, UIA has promoted several projects to foster awareness of innovative technologies and practices, and their implementation across the sector. They have done so through a series of spaces and tools designed to learn about, support, encourage, and fund the digital transformation of the companies and chambers in its value chain.

#### ► What is UIA?

UIA is the largest manufacturing business association in Argentina. With over 130 years of experience, it represents chambers and companies from every manufacturing sector and region of the country.

- +130 years of experience .
- 21 per cent representation of workers in the private sector.
- 37 per cent of exports.
- 21 per cent of the country's gross added value.

It represents 21 per cent of the workers in the private sector (over 1,300,000 formal employees), over 37 per cent of the Argentine exports, and 21 per cent of the country's gross added value. To respond to the sector's needs, UIA has created several mechanisms for promoting the use of innovative technologies and methodologies in the productive and operational processes within its network and respective value chains.

#### ► Why did UIA shift to a two-level approach?

For many years, UIA has been actively conducting research into, and promoting, the potential that implementing technology has in the economy, particularly in the industrial sector. As a result of several studies and publications, UIA has rolled out various articulation activities and mechanisms meant to achieve greater adherence to this type of solutions within its network.

This journey has triggered a process that UIA decided to conduct at two levels. At an internal level, the EBMO has digitalised its operational, adminis-



trative, and strategic processes, understanding the need to set the benchmark for digitalisation. At the external level, UIA has created a variety of mechanisms to promote the digital transformation of its network and boost the productivity of UIA member companies.

### ► Transformation from Within: The Digital UIA

#### • Memberships: Contact and Record of Activities

The first and principal element in the digitalisation process of UIA has been the systematisation and optimisation of its contact databases and mechanisms to reach its members. With the support of the ILO, UIA started the process of migrating its member contact databases to collaborative and dynamic tools that consolidate the sources for employees to search and update during their interactions with members. This was the first step in analysing the viability and implementation of a Customer Relationship Management (CRM) System that cannot only consolidate contact databases, but also record the interactions and activities with each one of the members.

#### • Tools for Collaborative and Remote Work

For many years, UIA saved its web development work, databases, and management systems on local servers. That made them very dependent on the infrastructure of the building; for example, it made them vulnerable to power outages. It also required that the equipment be physically stored in the building to have access to certain files or programmes or forced them to use slow and/or costly remote connection tools. These issues were solved by migrating all the information to cloud servers that allow remote access and a quick response to the employees' operational needs.

Additionally, the virtual work tools have been consolidated into the G-suite solution package (by Google), which was a crucial step forward for UIA employees to be able to access their work tools from different devices, regardless of their location, through proven security mechanisms. The use of G-suite has also meant saving money on this type of solutions. It is important to highlight that this service is free for non-profit organisations around the world.

#### • Software and Hardware for Virtual and Hybrid Meetings

During the lockdown due to the COVID-19 pandemic, UIA understood that the continuity of its activities depended upon rapidly implementing virtual solutions for coordination meetings at every level of the organisation. This process went through various stages as they gradually understood their internal needs and dynamics. Today, UIA has three fully equipped conference rooms for 100% virtual, as well as hybrid, meetings, and an events room with a live broadcasting system for holding virtual events.

### ► Transformation from the Inside out: RUTA X

RUTA X is an ecosystem that enables companies and organisations linked to the UIA to innovate and introduce technologies into their productive processes.

This project is based on three core ideas, which provide participating organisations with a path to follow on their journey to digitalisation:

#### 1. Industry Center X – CIX

CIX is a space that enables companies to live the experience of the digital transformation of the industry through new technologies, workshops, practical Industria X demonstrations, as well as real-world scenarios. This project arises from an alliance between UIA and Accenture Argentina to jointly open what is the first Accenture Innovation Centre in Argentina and the first centre in world to have been opened in partnership with an EBMO.

At CIX, guests can visit full-scale demonstrations of different technologies applied to productive and operational processes, such as the internet of things, visual analytics, artificial intelligence, virtual/augmented reality applied to productive and cybersecurity processes, among others. Furthermore, the centre also serves as a meeting point for exchange, where leaders in the sector and political and social actors convene. It is located in the UIA building in Buenos Aires and is open to the public. There is also a virtual tour for people from around the world interested in visiting it.

## 2. Digital Transformation for SMEs

This programme provides comprehensive support to small- and medium-sized enterprises in their digital transformation process. The programme has CIX as its starting point. CIX enhances awareness of the solutions available in the market that have already been applied to concrete productive processes. Then, companies are invited to use a self-assessment tool specially designed for them to find out the technology innovation and application status of their organisation. In this way they can obtain a definite diagnosis based on which they can start making decisions.

To assist companies further, Path X has a series of experts who offer customised consulting on the transformation project the company wishes to undertake. It is worth noting that, thanks to the assistance agreements signed by UIA within the framework of this project, many companies can have subsidised access to this benefit.

Finally, Ruta X is currently developing a platform that matches applied technology supply and demand for companies to quickly find suppliers that meet their needs.

## 3. Talent Training X

In direct alliance with Universidad Tecnológica Nacional (UTN), UIA, through Ruta X, develops training programmes for employees while strengthening the ties between the education and productive sectors.

As part of this initiative, Ruta X has launched the first Productive Digital Transformation and Industry 4.0 Certification Course, designed to train the first network of certified digital transformation experts in the country. These professionals will then assist enterprises on their journey to digitalisation. This is the first virtual training initiative specially designed for UIA members and the productive ecosystem.

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## Ruta X in figures

Throughout 2022, the different Ruta X projects have provided assistance to a considerable number of companies, obtaining satisfactory results:

### ► Digital Transformation

**7**

digital transformation workshops (200 companies)

**21**

companies with a Digital Transformation Plan

**15**

companies in the process of preparing a Transformation Plan

### ► Talent Training X

**500**

500 enrolled in Productive Digital Transformation and Industry 4.0 Certification Course, in alliance with UTN. 2022 Edition

### ► Industry Center X

**83**

in-person tours

**+ 1.000**

guests

## ► The Transformation Step by Step over Five Years

### Timeline:

Ref: I: internal project / E: project RUTA X

#### 2018

**I** ILO Bureau for Employers' Activities (ACT/EMP) collaborated with UIA in the implementation of a Customer Relationship Management System (CRM). This was the starting point of an internal digital transformation process.

**E** UIA drafted a report called Travesía 4.0 (Journey 4.0), which revealed that Argentine manufacturing companies recorded low modern technology implementation levels in their productive processes. This was a milestone in terms of raising awareness as to the need for promoting actions and public policies that encourage the incorporation of technology into the national productive fabric.

#### 2019

**I** With the support of ACT/EMP, UIA began working on the requirements and trainings needed within their new management system to migrate their processes. This called for a review of other internal processes. It also required having a clear idea of the work involved in expanding digitalisation within the company.

**E** UIA signed an agreement with Accenture to build Centro de Industria X. This can be considered the starting point of a journey towards innovation and the introduction of technology of what would later become the Ruta X ecosystem.

#### 2020 / COVID-19

Global COVID-19 outbreak modified, and invited people to rethink, both projects, as follows:

**I** The digitalisation of internal processes became a priority at every level of UIA. The resources available were deployed to bolster the transformation process at every possible level and thereby ensure continuity of its activities.

**E** The restrictions imposed by the pandemic delayed the construction of Centro de Industria X, but also evidenced the need for increasing the lines of support and assistance to companies and organisations in the country.

#### 2021

**I** The partial return to normal activities during the health emergency enabled us to go back to certain previous dynamics, but it was clear that the digital tools that had been implemented had to be explored further. At this point, digitalisation went from being an urgent measure to being a cross-cutting strategy.

**E** The global agenda made digitalisation a priority across society. That enabled UIA to actively look for strategic alliances to push Ruta X further and approach programmes that would contribute knowledge and funding towards taking the project to a national scale.

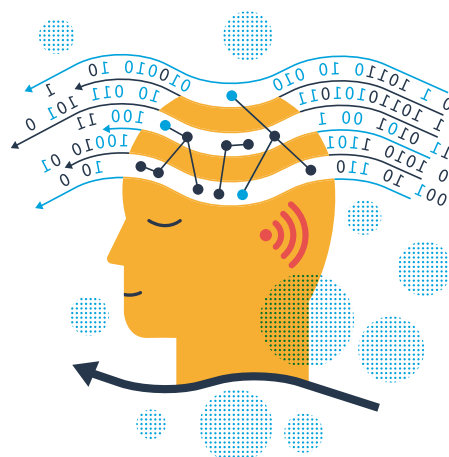
#### 2022

**I** UIA consolidated all the available digital transformation lines to form a comprehensive digital transformation project in which they were actively working.

**E** In February 2022, the Ruta X ecosystem was officially launched with all its lines of work active. UIA began to provide support to companies and chambers across the country.

## ► How was this transformation funded?

The scope of these projects proved to be a challenge in terms of securing resources—both funding and a team of employees to conduct them. In this sense, it is important to highlight that, both during the internal digital transformation process and the development of Ruta X, the ILO has been a truly relevant actor for ensuring the viability of these projects.



In the first case, the ILO developed the CRM system and funded its installation; this system was the cornerstone of the internal digitalisation process at UIA. In addition, it has provided support through trainings and shared experiences, and through raising awareness of the need to advance this process.

In the second case, the first digital tool in the Ruta X project, which was developed with the support of the ILO, provides companies with a self-assessment tool that enables them to find out their innovation status and introduce technology into their productive processes. The organisation also continues supporting the ecosystem's growth, given its positive impact on the sector and this project's potential.

Regarding the estimation of the investment made, the cost of each of the projects can be detailed as follows:

**Internal Digital Transformation Project:** To implement CRM, UIA has invested approximately USD\$1,000 in web hosting and customisation. The largest investment (around USD\$6,000) was made in state-of-the-art hardware for virtual meetings. The e-learning platform that has been launched alongside the Productive Digital Transformation and Industry 4.0 Certification Course works with a license granted to UIA at no cost by one of its technological partners. The rest of the projects have been developed from within the organisation, with UIA team's contribution in person-hours. This is, without a doubt, where the team of internal employees invested most of their time.

**Path X Ecosystem:** Ruta X's long-term projection and number of projects have led to agreements with actors from various sectors for them to assist in its implementation. These strategic alliances are the result of a mapping of all the relevant actors to formulate a comprehensive proposal that addresses the sector's needs. For this purpose, the project was joined by the public sector (represented by different government bodies), along with academia,

educational institutions, workers' organisations, and, of course, regional, and sectoral chambers within the productive ecosystem. As for financial support, in addition to the constant investment made by the UIA to boost this project's growth, Ruta X has cooperation agreements with pertinent areas of government, such as SMEs and the Strategic Affairs Secretariat, among others, as well as several international organisations, such as IDB and ILO.

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

When sharing its experience with peer organisations, UIA recommends starting by taking small steps because "one can make great changes with little time and money."

Furthermore, it underscores the importance of creating spaces for knowledge-sharing and collaboration among peer organisations that have undertaken, or are considering undertaking, similar projects. As UIA states, "in our experience, several colleagues and members had asked themselves the same questions, and we were surprised to discover that the answers were sometimes very similar."

**“Moving towards the digitalisation of our organisations is no longer a possibility but a journey we have to make together” –UIA**

#### **Laura Segura's Testimony**

Laura Segura, Member Service and Ruta X Manager, comments on the greatest benefits derived from their experience with digitalisation, namely the increase in competitiveness and productivity, as well as the improvement of KPI results.