Strengthen Services by Establishing IT Governance and Promoting Digitalization

Client success story: Japan Automobile Federation (JAF)

Established in 1963, JAF is an organization for automobile users with a membership of about 20 million. It not only provides roadside assistance, but also promotes motor sports and traffic safety awareness and assists disaster-affected areas. With the automobile sector facing major changes, including the shift to CASE (Connected, Autonomous, Share & Service, Electric), JAF is undertaking its own transformation to provide services that match the changing needs of automobile users.

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<th>Industry:</th>
<th>Services (public-service organization funded by membership fees)</th>
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<td>Revenue:</td>
<td>70.9 billion yen (USD $622.3 million) (Consolidated, in FY ending March 2020)</td>
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<td>Employees:</td>
<td>3,478</td>
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JAF was seeking to shift its business from the traditional model of providing services in response to requests, toward one of providing new services utilizing digital technology, based on its vast store of member data. Data from the organization's various activities, including roadside assistance and motor sports licensing, had been scattered, making it difficult to improve efficiency and expand into new services.

In addition, in order to accelerate investment into the digital realm, JAF needed to establish IT governance and focus the organization's mind on digital efforts, as well as build a system to assess IT investments.

In order to advance digitalization going forward, it was also essential to enhance the IT literacy and skills of employees.

JAF has utilized service of Gartner in the following areas:

- Insight and guidance on specific issues from inquiries with Gartner experts and from the Gartner executive partner:
  - One-on-one meeting with a Gartner expert at the Gartner IT Symposium/Xpo™ conference
  - Discussion of individual themes from various perspectives, including digital transformation and corporate planning
  - Discussion of business strategy planning
  - Assessment of cost estimates for specific projects, including operation and maintenance

- Workshops with executive partners, to help establish an organizational culture of managing IT investment

Through various efforts within the organization, JAF has achieved the following results:

- Reorganized systems department into a DX promotion department, responsible not only for operation of IT systems but also for spreading digitalization throughout the company. DX talent was secured through nationwide recruitment.
- Established JAF IT Academy as part of efforts to improve IT literacy, and required all employees to pass grade Pre-2 or higher of the ICT Proficiency Assessment

JAF has educated employees around ways of thinking about IT investments and is building a system for evaluating the appropriateness and impact of investments. In the area of operations and maintenance, JAF was able to reduce annual costs by 40 million yen (USD $350,000).

Currently transforming core systems, which had been developed in-house, into ERP and data-integration tools. Data integration will enable improvements in operational efficiency as well as the development of new digital services.

"Insights from Gartner are based on the analysis of a wide range of information and are highly credible, so when tackling priorities and making decisions they serve as a compass, giving us appropriate guidance when needed. This is what differentiates them from ordinary consulting firms."

Yoshinori Hirono, DX Promotion Director, JAF Board of Directors Member, JAPAN AUTOMOBILE FEDERATION (JAF)