



# JRI news release

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To: Media representatives

The Japan Research Institute, Ltd.

## **Development and Marketing of Public Management System**

- Japan's First Package for Administrators, with AHP and Financial Simulation Functions -

To support administrators, the Japan Research Institute, Ltd. (main office: Chiyoda-ku, Tokyo, President: Shunichi Okuyama "called JRI") has jointly developed the Public Management System with its cooperators including the municipal governments of Kawanishi City in Hyogo Prefecture; Jyoyo City in Kyoto Prefecture; and Kawachinagano City in Osaka Prefecture.

The Public Management System is designed not only for data input and tabulation, but also for supporting the PDCA (PLAN-DO-CHECK-ACTION) cycle of administration management using "weighting" and project-interlocked financial simulation functions based on the AHP (Analytic Hierarchy Process) theory. Tasks comprised in the cycle include budgeting, the preparation of implementation plans, the management of policy and project, and data aggregation and analysis.

As a consequence of introducing "the Administration Evaluation System," some corporations and organizations have developed systems to support the input and tabulation of project data. However, our system for administrators is unique in that it is provided with fully-fledged simulation functions. It enables administrators to manage their business by effectively coordinating staff, policies, budgets and knowledge.

### 1. Circumstances

In 2000, the JRI organized "the Study Group on Systems for Supporting Public Management" jointly with the above-mentioned municipal governments to develop methods for introducing and implementing schemes interlocking administration evaluation, project budgeting, target management and other tasks as well as IT systems for aiding such schemes. This effort was based on basic insights in current administration management, as or since staff, policies and budgets have not been effectively coordinated, and it is impossible to reform administrative and financial systems drastically without remedying this problem. The recently introduced Public Management System has been developed as a result of studies conducted by the Group.

### 2. Characteristics and Benefits of System Services

#### (1) Characteristics

The Public Management System consists of the following main elements:

- 1. Input display for inputting data on policies and mid- to long-term project plans
- 2. Database for filing and storing input data

### -3. Application for supporting input, and aggregating/analyzing input data

First, data on policies and projects are input to the System. Input data include basic information as well as data on “the necessity of projects and their relevance to higher-level policies,” “the breakdown or nature of financial resources and their use,” “required human resources,” “knowledge or expertise required for project implementation” and other related matters. Input data are stored in a database and then aggregated and analyzed using the weighting, project-interlocked financial simulation and other functions based on the AHP theory. Finally, they are systematically displayed as data necessary for the selection of policies and projects (PLAN), implementation management (DO), post-implementation evaluation (CHECK), and the reflection of evaluation results and administrative reforms (ACTION). The workflow function permits the real-time monitoring of this process by staff members concerned.

### (2) Benefits

Introduction of the System will result in the following effects:

#### <Direct effects>

- 1. Individual project data (normally, a local government engages in 1,000 to 2,000 projects) can be aggregated and analyzed using the weighting, project-interlocked financial simulation and other functions based on the AHP theory. This enables administrators to select projects reasonably, and manage them systematically.
- 2. The workflow function helps streamline the preparatory coordination of projects.
- 3. The System permits centralized unified control of budget requests, project evaluation sheets, target management reports and other relevant documents. This contributes to saving staff labor and streamlining business.

#### <Indirect effects>

- 1. The managerial abilities of supervisors can be enhanced.
- 2. Accountability on decision-making processes and individual project details can be improved.

### 3. Future Prospects

The municipal governments of Kawanishi in Hyogo Prefecture and Kawachinagano in Osaka Prefecture plan to introduce and operate the System this year. The municipal government of Jyoyo City in Kyoto Prefecture is in the process of implementing the trial operation of the System. We have also received inquiries from several other local governments.

The Public Management System is based on the basic package with fundamental functions, and customized according to the individual needs of each local government. The standard price of the basic package is about 8 million yen. Since the appropriate design of systems for administration evaluation and other tasks is very important when introducing the package, JRI will offer consulting services on such systems as part of its marketing efforts. We aim at achieving the introduction of our packages to about 20

local governments in the next three years while organizing seminars and other events on our System. We expect our package-related business to result in sales (including those generated by consulting services) of about 500 million yen.

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