



Market Insight Report Reprint

Hitachi Vantara's data management strategy emphasizes the intersection of IT and OT

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The company envisions data management that is underpinned by infrastructure and storage, and supported by extended services and (soon) SaaS models. The Lumada DataOps portfolio is the linchpin in its data management strategy, drawing from IoT heritage and additional data catalog capabilities to provide a “nervous system” for enterprise data.

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Introduction

Organizations struggle to get a unified view of enterprise data. Based on 451 Research's Voice of the Enterprise: Data & Analytics, Data Management & Analytics 2021 survey, 30.3% of respondents report "variety of data sources," and another 26.3% report "number of data silos" as top challenges. Amid this, data privacy and data security requirements top the list of challenges in getting a more unified view of data. To gain a more cohesive view of data across multiple data sources and repositories, organizations need a data management and governance layer that can effectively integrate data while mitigating risk, and impose appropriate guardrails for individual data use.

With its Lumada DataOps portfolio as a key offering, Hitachi Vantara is looking to do exactly this — especially as organizations seek to combine and contextualize IT and OT data across diverse architectures. A recent Hitachi Vantara analyst summit held in Silicon Valley outlined the company's strategy and portfolio, emphasizing that its stack of technologies — often based on the company's storage infrastructure — was suited well to the data-driven practices associated with the overlap of IT and OT, especially in a world increasingly defined by hybrid IT architecture.

THE TAKE

Hitachi Vantara may well be the largest technology company today that the average western IT practitioner knows little about. A combination of factors, including periodic structural reorganizations under the Hitachi Ltd. parent brand and modest historical investment in marketing, have potentially contributed to this perceived profile. Yet to discount the company's prowess in data management would be a mistake. While the Lumada brand was at first best known for IoT data use cases, the portfolio today encompasses a much broader array of use cases and data types.

Hitachi Vantara's strategy with the Lumada DataOps portfolio leverages a stack frequently rooted in enterprise-scale storage infrastructure, targets the data management complexity associated with the overlap of IT and OT, and applies an extended array of professional services to support customers in their digital transformation efforts. The result is a broad collection of customer success stories that speak to the complexities of data-driven objectives in a hybrid and diversified architectural era.

Context

Hitachi Vantara came to exist in its present iteration in late 2017 by the combination of Hitachi's storage, data management and IoT interests, which were subsequently complemented by the addition of Hitachi Consulting. Late 2019 saw the company unify some of the key technologies in its portfolio amid a push to address growing demand for products and services that deliver more agile and automated approaches to data management via DataOps. At this time, Hitachi Vantara is led by CEO Gajen Kandiah and has over 10,000 employees across multiple global regions. Excluding business and customers based in Japan, Hitachi Vantara sources about 40% of its revenue from the Americas.

Today, the above combination of capabilities represents the Hitachi Vantara brand as a whole — encompassing a full-stack approach rooted in storage infrastructure, going up through data management and services, all the way to extended support and consulting. The company emphasizes the particular challenges of managing both data and data-driven outcomes amid enterprise-scale hybrid architectural environments, especially when IT and OT data are managed in context with each other.

Hitachi Vantara's most well-known data management offerings include the Lumada DataOps portfolio, as well as the Pentaho data integration, data pipeline and analytics brand, which has been steadily incorporated into the Lumada ecosystem while still providing fully open-source and free stand-alone versioning. The vendor still has strong traction among industrial IoT use cases with the Lumada brand (particularly via Lumada Industrial DataOps), although the Lumada DataOps portfolio has been gradually broadened to accommodate more multipurpose, data-driven use cases.

Strategy

The Lumada DataOps portfolio is the core of Hitachi Vantara's data management and data-driven insight offerings, and while the Lumada brand was originally best known for the management of IoT data, the brand now has two distinct packaging options: Lumada Industrial DataOps and Lumada DataOps. The first packaging option caters primarily to IoT-heavy data environments — often in the manufacturing, energy, transportation, smart spaces and industrial sectors. The latter offers a more general-purpose DataOps ecosystem suited well to most other industries.

With the Lumada brand, Hitachi Vantara actively caters to large-scale, complex data environments — often when IT data is managed and leveraged in context with OT data. Many of the company's most notable customers are large enterprises, and the industrial and financial sectors are particularly well-represented. Other marquee customers, such as a well-known theme park system, incorporate massive volumes of IoT and sensor data to increase operational efficiency and conduct predictive maintenance — further using Lumada and Pentaho to collect and integrate data from multiple technology systems to generate insight. Customers directly represented at the Hitachi Vantara analyst summit in November also included major enterprise brands in the commercial transportation sector and the connected/smart commercial building sector. Nearly all customer stories underscored the intersection of IT and OT data and use cases, as well as the use of hybrid (on-premises plus cloud) IT architecture.

However, the current focus on the large enterprise is not absolute. As Hitachi Vantara moves more toward SaaS offerings for its portfolio, the technology may become more accessible and appealing to small-scale (yet data-intensive) organizations that favor an as-a-service model. Hitachi Vantara's data catalog (architected primarily via the 2020 acquisition of Waterline Data and subsequent 2021 acquisition of Io-Tahoe) will be the first offering that Hitachi Vantara provides directly via SaaS architecture.

Hitachi Vantara focuses on enabling customer success with its partner ecosystem, and the company has spent the last few years rearchitecting partner program incentives and relationship structures. The partner program in its contemporary form has existed for about two years, with emphasis on streamlined partner contracts and strong alignment of sales incentives. Hitachi Vantara handles its smaller customer accounts — “commercial” tier accounts — exclusively via partner relationships. While channel partners are a key part of its strategy, ISV and technology partners also extend the company's reach and compatibility with customer IT ecosystems. Examples of technology partnerships relevant to data management include those with Collibra and MongoDB Inc. Sometimes these technology partnerships may overlap with Hitachi Vantara in terms of capabilities and functionality, but remain valuable relationships by helping customers maximize the efficacy of their existing IT investments and architecture and allowing for customer flexibility. Examples of technology areas where Hitachi Vantara often partners with other technology providers include data protection and data privacy.

ESG initiatives, especially with regard to reducing environmental impact of technology use, are an increasing area of focus for Hitachi Vantara. Customer stories at the November analyst summit underscored success in reducing the environmental and carbon footprints of necessary infrastructure, such as storage, as well as in using Hitachi Vantara's data management and DataOps capabilities to gain insight into environmental impact and efficiency.

Professional services remain a core focus for the company, helping customers design, execute and optimize digital transformation strategies over time. Hitachi Vantara strongly emphasizes a philosophy of “co-creation” with its customers, whereby design thinking is applied to achieve specific customer outcomes in a highly collaborative way, rather than simple deployment of off-the-shelf technology. The company's 2021 acquisition of GlobalLogic has become central to this design-oriented, co-creation services approach with customers.

Competition

Hitachi Vantara, with its broad portfolio of technology and extensive partner network, often faces partial competition from vendors and service providers that it directly cooperates with. Some notable examples of these “co-opetition” scenarios would include the major U.S.-based cloud hyperscalers (Amazon Web Services, Google and Microsoft Corp.), as well as global systems integrators and service providers such as Cognizant Technology Solutions Corp. In its strategy, Hitachi Vantara strives to achieve clear business outcomes for its customers, regardless of potential technology overlap with existing partners.

Further competition might come from other large data management and service providers that have equally sprawling technology portfolios and the ability to pair technology with professional support, such as IBM Corp. For data management specifically, some names that come to mind include large data integration providers such as Boomi, Informatica Inc. and Talend. Oracle Corp. also plays in the data integration space with its Oracle Integration Cloud. Qlik has also moved steadily deeper into the data management stack, despite gaining initial traction in analytics functionality. While Hitachi Vantara partners with Collibra, it exposes itself to some competition from the broader metadata management sector, such as companies like Alation, which formerly competed with Waterline Data prior to the latter’s acquisition by Hitachi Vantara.

More broadly, Hitachi Vantara’s competition from the storage and infrastructure side can come from notable companies such as Dell Technologies Inc., NetApp Inc. and Rackspace Technology Inc. Also relevant are some of the Hadoop-era incumbents that have adapted their offerings to cloud architecture and data management capabilities, such as Cloudera and Hewlett Packard Enterprise Co. (via acquired MapR assets).

SWOT Analysis

STRENGTHS In data management, Hitachi Vantara leverages a legacy in the IT and OT spaces to provide solutions that are equally adept at handling data and deriving insight regardless of source or architecture. A strong philosophy of “co-creation” with customers emphasizes a highly collaborative and design-thinking-based approach that aims to achieve specific business and DataOps outcomes.	WEAKNESSES Hitachi Vantara has undergone a few structural reorganizations under its parent brand, Hitachi Ltd., which can make the company a bit of a “moving target” to understand for potential customers. The sheer breadth of the portfolio, combined with the co-creation philosophy that Hitachi Vantara emphasizes with customers, could make it difficult for potential customers to select a simple off-the-shelf technology.
OPPORTUNITIES Organizations are increasingly looking to leverage their full estate of data in context, meaning that the data management barriers between IT and OT data are beginning to dissolve. This is the sweet spot for Hitachi Vantara’s capabilities, and the enterprise trend toward adoption of hybrid IT architecture bodes well for the company’s emphasis on infrastructure and enterprise-scale storage.	THREATS The company’s historically modest investment in marketing could potentially undersell its capabilities, especially as Hitachi Vantara faces direct competition from other very large data management and infrastructure providers. While the company’s hybrid IT approach is seeing robust traction today, a sudden or unexpected customer shift back toward pure cloud deployments could potentially undermine the business.

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