

Making the Most of Data-Driven Digital Transformation

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POINT OF VIEW



Your company is probably undergoing a significant digital transformation and already seeing some results from it.

To get a full picture of where companies are on the digital transformation maturity curve and how they already use data, Forbes Insights and Hitachi surveyed 573 top executives worldwide and conducted multiple one-on-one interviews with industry leaders. Forbes Insights, the thought leadership arm of Forbes Media, has vast experience in analyzing, evaluating and benchmarking companies' digital transformation maturity levels. Additionally, Hitachi has deep expertise in how companies can transform digitally, especially in the area of data and analytics. This brief results from a combination of analytical and practical experience of both organizations. We hope that it will help you to assess where you are on the digital maturity curve and to decide on your path forward.

Using data for competitive advantage

Digital maturity has been improving to the extent that many companies are now generating business growth from their digital transformations. Of course, achieving efficiencies continues to be important, with some companies reporting hundreds of millions in dollars of savings from improvements in digital maturity. By now, however, efficiency alone is perceived as a low-hanging fruit by many executives. Having seen revenue increases in the billions, companies are intent on harnessing digital transformation for more growth.

Those companies that generate valid and accurate data, mine it for insights, and then translate these insights into business outcomes will be the winners.

The next two years of digital transformation will only be more intense. Half of companies studied by Forbes Insights and Hitachi expect to undergo vast digital transformation (DX) in the next two years. A slew of new technologies is opening up new possibilities for improving customer experience and generating revenue growth. This will happen thanks to the harnessing of data to better target, customize or modernize existing products or services, or to create new revenue streams and business models. Those companies that generate valid and accurate data, mine it for insights, and then translate these insights into business outcomes will be the winners.

The use of data will separate winners from losers.

This is the basis of Hitachi's approach, where we believe that **to transform your business you need to transform your data.**

Making data-driven digital transformation a strategic and investment priority

The first step in transforming your business is to make sure that digital transformation is a strategic and investment priority for your organization, which half of surveyed companies have already done. The strategic emphasis on digital transformation is reinforced by executives' focus on investment, with the biggest group (51%) listing it as a top investment priority.

In essence, digital transformation has become the foundation of a new business model, with unified technology systems as the engine of growth and data as the fuel.

This is encouraging news, considering that for a long time ROI has been a sticking point with the adoption of new technologies, the argument being that it is hard to attribute results to a specific technology. The time of "specific" technologies is now behind us. In essence, digital transformation has become the foundation of a new business model, with unified technology systems as the engine of growth and data as the fuel.

Providing access to relevant, timely and easily digestible data enterprise-wide

Data is only as good as its use across the whole organization. As of today, data and analytics capabilities are not evenly spread across functions. The IT function has the highest data and analytics capability (55%), but just 23% see IT's need for data and analytics as the highest. Marketing has the biggest negative correlation between capability and need, with capability at 8% and need at 18%. The very low level of capability among marketers is especially troubling, since the chief marketing officer is seen as a function that will undergo significant change over the next two years. The discrepancy between IT and everyone holds true across regions, industries and functions. Currently, IT is considered the most prepared for digital transformation (53%), while other



functions lag, with just over a third of survey respondents judging them ready for DX.

The prerequisite to achieving an enterprise-wide ability to analyze and act on all relevant data is **IT agility**. Only an agile IT environment can support new data-driven operations, new customer experiences and new business models. It requires competency in the following areas:

Data management

As the volume of data a company needs to store and access grows, existing data warehouse capacity becomes strained. This leads to deteriorating query performance and access to data for IT and business users. As a result, enterprises have looked to big data, specifically Hadoop's distributed computing model, to reduce this pressure.

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An example of data-driven management is the Hitachi graphical user interface (GUI) for big data integration that makes Hadoop accessible to all data developers. This accelerates time to value and reduces labor costs. Even if enterprises already have a data integration solution in place, legacy platforms don't have complete no-coding solutions to integrate

existing data sources and databases with Hadoop. Another approach Hitachi takes is the Data Refinery solution, which streamlines most data sources through a scalable big data processing hub.

Hitachi also applies emerging approaches to data management. These include on-demand big data blending, which allows bypassing of the data warehousing step altogether to speed up the delivery of timely data from all sources to analytics.

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Data governance

HCP is readily able to store and protect at scale, which is crucial to safeguarding all enterprise data, all of the time.

In our survey, less than a third of executives (30%) consider themselves completely ready to adopt data-driven digital transformation initiatives in terms of data governance, security, privacy and protection.

We understand that today's compliance and regulatory environment demands greater urgency for data governance. Offering a solution, the Hitachi

Platform (HCP) provides a secure, efficient, cohesive and comprehensive suite of data protection and security must-haves. HCP is readily able to store and protect at scale, which is crucial to safeguarding all enterprise data, all of the time.

We can help you to:

- Protect your data precisely with the best technologies and strategies available.
- Include policy-based enterprise data governance, integrated protection, encryption and compliance.
- Govern your entire data set, from initial creation to archiving.

Data mobility

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In the world of cloud and data mobility, there is an expectation that information can be accessed anytime, anywhere and from any device. In our survey, executives pointed to three technologies as focal points of digital transformation: Cloud (64%), mobile technologies (44%) and analytics (42%).

What is needed is a new approach for storing and accessing data: One where the business defines what it needs, and the IT environment has the agility to support the business; one that

extends IT beyond the data center and mobilizes data across devices, locations and cloud services, while retaining control and visibility.

Hitachi Content Platform Anywhere (HCP Anywhere) is an on-premises, fully integrated solution that provides mobile access to corporate data.

Hitachi can help you take advantage of the technologies driving digital transformation. Hitachi Content Platform Anywhere (HCP Anywhere) is an on-premises, fully integrated solution that provides mobile access to corporate data. With a flexible, turnkey mobility solution like Hitachi Content Platform Anywhere, you can:

- Deliver private, hybrid or public cloud storage services.
- Offer a range of file services from a single solution extending from your data center to remote offices and end users.
- Extend mobile access to data in existing NAS devices, including Hitachi Data Ingestor, Hitachi NAS Platform, EMC, NetApp and Microsoft Windows servers.

Fueling digitization with data analytics capabilities

Executives surveyed by Forbes Insights and Hitachi recognize the significance of investing in data and analytics capabilities. In fact, for the biggest group (51%), investing in data and analytics capabilities is the top type of investment their companies will undertake in the next two years, on par with investing in new technologies.

Avast majority (91%) have already seen revenue increases due to its use, pointing to huge untapped potential.

The potential of data and analytics is not fully utilized yet. While less than half of companies (44%) see themselves as advanced or leaders in data and analytics, a vast majority (91%) have already seen revenue increases due to its use, pointing to huge untapped potential. To become leaders, companies need to master the use of data and analytics.

You need to compete harder with strong data analytics and fresh Ideas. We believe that the information you need to monetize more and innovate faster is probably in your hands already. Hitachi can help you reap the value in your data through a highly interactive and intuitive web-based interface for business users to discover and explore virtually any data. With a full spectrum of analytic tools, you will be able to create reports and dashboards, as well as visualize and analyze data across multiple dimensions. Meanwhile, IT will benefit from secure, scalable and governed analytics for the whole enterprise.

Data-driven customer experience

In reality, the notion of being customer-

driven means being data-driven. Meeting customers' needs requires a single view of the customer, personalization and relevant messaging. Most companies surveyed by Hitachi and Forbes Insights are behind in terms of applying digital transformation to the improvement of customer experience: Forty percent of survey respondents admit that they struggle with providing high-quality customer experience, or that it is inconsistent and not well integrated. Only a third of companies consider themselves leaders in customer experience based on their digital transformation, which points to underutilized potential.

Hitachi understands that different internal consumers of customer analytics will require different types of BI. We can help you design and implement appropriate solutions, including:

- Intuitive and customizable dashboards for executives.
- Sophisticated and responsive ad hoc slicing/dicing tools for analysts.
- Distributed reporting capabilities for sharing information across teams.
- Data mining and predictive analytics tools for data scientists.
- Analytics that can be embedded into operational software such as CRM and Service apps.

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Hitachi is also keeping abreast of new technologies brought about by the fourth industrial revolution, such as machine learning or cognitive computing, and their potential for improving customer experience. It is becoming less cost prohibitive to analyze sensor or machine-compiled data to measure demand for and use of products and services by customers. Additionally, a new set of tools allows running predictive analytics, which can be applied for customer experience to predict demand and optimize offers. It is also extremely valuable for areas such as fraud detection.

Content Data-driven operational models and processes

Digital transformation can be fraught with challenges, as the new processes or business models require shifts in how people use data and work.

Business outcomes need to drive digital transformation. This approach is beginning to take hold, as the largest group (41%) of executives we surveyed declared new business models the top driver of digital transformation (41%). This is the right approach to digital transformation, which should be seen as an overall business, and not just a technology, undertaking.

However, digital transformation can be fraught with challenges, as the new processes or business models require shifts in how people use data and work. Hitachi understands how disruptive and uncomfortable the new digital reality may feel for employees. IT employees who used to rack and stack servers and crimp cables may have to become systems integrators. Others may be asked to help create scripts so that robots will do some of their work.

Our solutions are intuitive and easy to navigate, allowing you to take your employees with you along the digital transformation journey.

Our survey shows that people, defined as talent and capabilities, are seen as the second biggest challenge (23%) to successful digital transformation, but are not considered a highly significant contributor to success. At the same time, it is people who are on top of the list when it comes to dealing with the challenges of DX. That is why our solutions are

intuitive and easy to navigate, allowing you to take your employees with you along the digital transformation journey.

New data-driven revenue

We began this brief by pointing out that the maturity of data-driven transformation means that many companies are not only increasing efficiency thanks to DX, but also generating new revenues. French telecommunications company Orange, for example, has announced that it will increase revenues in new digital verticals, such as banking and Internet of Things (IoT), by more than US\$1 billion by 2018. It is a sign of maturity that the ability to innovate is the top measure by which the success of DX is measured (46%), along with revenue growth (46%), followed by cost reduction (43%).

Case study: Using data to become an industry leader

Digital transformation, and data specifically, is typically the foundation for new business models. That was the case for a technology company focused on the transportation and hospitality industries. The company's business model is

based on a wealth of data that it and its customers have gathered over the years.

Thanks to its software solutions, which allow insights to be drawn from data, customers are able to apply data in a way that increases efficiency, improves operations and customer experience, and leads to growth. The company uses data to find new possibilities for improvement in customers' businesses. This smart investment in data capabilities has vaulted the company to a position of market leadership in its industry.

Hitachi can help companies turn data into revenue streams. Our embeddable platform supports flexible analytics that both leverage existing data infrastructure and future-proof deployments against tomorrow's inevitable changes. Organizations face an increasing challenge to manage and extract value from a growing variety and volume of data. We can help you access data from complex and heterogeneous sources and blend it with existing relational data to produce high quality, ready-to-analyze information – which you can sell to your clients.



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