



HITACHI
Inspire the Next

Five Keys to Digital Transformation Success

Learn how to mitigate the risks of business upheaval

BEST PRACTICES GUIDE



Use Emerging Best Practices to Mitigate Transformation Risks

By tapping into the value of data-driven digital transformation, established companies can do more than address competitive threats posed by insurgents. They also have the power to uncover new business opportunities and generate additional revenue streams.

However, fundamental change of any kind is challenging, especially when it impacts entrenched business practices, workflow processes, and technologies. This helps explain why CIOs in industry studies are voicing concerns about the high levels of risk that come with transformation efforts. Part of the uneasiness stems from the newness of transformation trends. Enterprises have had little time to develop formal models to guide innovation efforts.

Fortunately, that's changing. Transformation pioneers are now sharing emerging best practices for reducing the risk of change.

Transformation practitioners say the following five steps can put enterprises on the path to success.

- 1** Evolve beyond bimodal thinking. Combine still-valuable IT with innovations that support emerging business needs, while giving those in each area a role in transformation efforts.
- 2** Design an infrastructure for innovation. Use audits and gap analyses to identify and prioritize new investments.
- 3** Capitalize on new data-management technology. Tap into data lakes to analyze unstructured data and enhance enterprise data warehouses, data marts, and associated BI tools.
- 4** Address skills gaps that can stall transformation efforts. Consider creating a new position: the chief data officer, with responsibilities for data storage, security, analytics, and related areas.
- 5** Choose high-impact transformation initiatives. Look for projects that promise quick wins and demonstrable results.



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The biggest priority is to get everyone engaged. You never know where the next innovative thought is going to come from.

C Scott Frisbie

Executive Vice President and
Head of Innovation Design
Wells Fargo

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1 Evolve beyond bimodal thinking

Rip and replace isn't a practical way for established companies to modernize their internal operations. A better approach is to keep running the proven IT systems that helped make them market leaders in the first place. At the same time, leaders must be ready to support emerging business needs with the help of mobile, cloud, social, and analytics applications.

But meeting the unique requirements of different business lines shouldn't come at the expense of cross-department collaboration and data sharing. Rather than creating rigid mode-1 and mode-2 boundaries, CIOs need to create a common framework that avoids silos.

By instilling a culture of innovation across all members of the IT staff, everyone becomes responsible for new ideas about serving customers more effectively.



2 Design an infrastructure for innovation

As CIOs create infrastructures that balance support for existing operations and on-demand realities, they're faced with a fundamental challenge: how to succeed in both areas simultaneously.

CIOs can start the process when they:

- Perform an accurate inventory of legacy assets
- Determine which existing resources continue to provide value for core business processes
- Jettison those that are ripe for consolidation or replacement
- Do a gap analysis to determine new investments to support business demands

When deciding on funding priorities, a top goal should be business elasticity. Organizations can't always predict demand cycles or usage patterns in a world where clients are worldwide and access resources 24/7. Driven by this on-demand orientation, CIOs are turning to the cloud.

3 Capitalize on new data-management technology

While cloud, mobile, and social technology garner a lot of attention during modernization discussions, data-driven transformations require new resources for making information portable across departments and available to business users whenever they need it. Companies must continue to reap value from enterprise data warehouse and data marts, plus their associated BI tools. At the same time, they need to enhance these capabilities with data lakes for analyzing unstructured data, such as messages from social media interactions, videos, and streams from Internet of Things applications. Enterprises can access data lakes in near real-time for faster insights into markets, customers, business trends, and internal operations.

4 Address skills gaps that can stall transformation efforts

A data-driven culture staffed by innovation-oriented professionals often requires new talent with a combination of business and technical skills. Here's how to put the right team in place:

- Hire a leader dedicated to supporting new business initiatives
- Ensure transformation agents work closely with business leaders
- When hiring new talent, look for people who have technology expertise and are business-savvy
- Consider creating a new position, like a chief data officer, who would be responsible for data storage, security, analytics, and related areas

Use the new multi-skilled, innovation-focused team to review current policies, such as data governance rules, which should be updated with IT and line-of-business input.

5 Choose high-impact transformation initiatives

Fueled by the pressure to innovate, many enterprises try to change too much, too soon, transformation experts say. A better approach is to start with a project that promises quick wins and demonstrable results.

The payoff: By focusing on quick, impactful wins, CIOs will more easily overcome any natural resistance to change.

The key: To achieve quick wins, narrow the scope of projects and stay focused. This means finding projects that have a clear beginning and end, and that can create clear value.



Data lakes give us a different way to take advantage of the data we collect. [We're now] figuring out how to harness all that structured and unstructured information and to use it for making better business decisions and helping customers achieve better outcomes.




Michael Mathews
CIO
Deluxe Corporation



Transformation Without Disruption

Guided by a culture of innovation, strategies with proven best practices, and the latest data-management tools, forward-looking enterprises can turn market upheavals into transformation success.



Take the Next Step

Get more details about what it takes to succeed with digital transformation by downloading “A CIO’s Guide to Digital Transformation: Why Data Holds the Key to Success.”

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See how Hitachi Data Systems works as a trusted partner to help enterprises across all industries transform their businesses.

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HDS at a Glance

Digital transformation improves enterprises’ cost-efficiency, time to market, customer experience, and revenue through better data management. Hitachi Data Systems uses data to power the digital enterprise.



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