



BENEFITS REALIZATION: THE COMPETITIVE ADVANTAGE

PRASHANTH NAIDU

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INTRODUCING HITACHI DATA SYSTEMS

HITACHI
Inspire the Next



Ranked # 140 for Innovation in 2010



- Formed in 1989 as a subsidiary of Hitachi, Ltd. (NYSE: HIT)
- Direct and indirect sales in 100+ countries and regions
- 5,000+ employees, worldwide
- Focus: Information technologies, services, & solutions
- Recognized industry leader

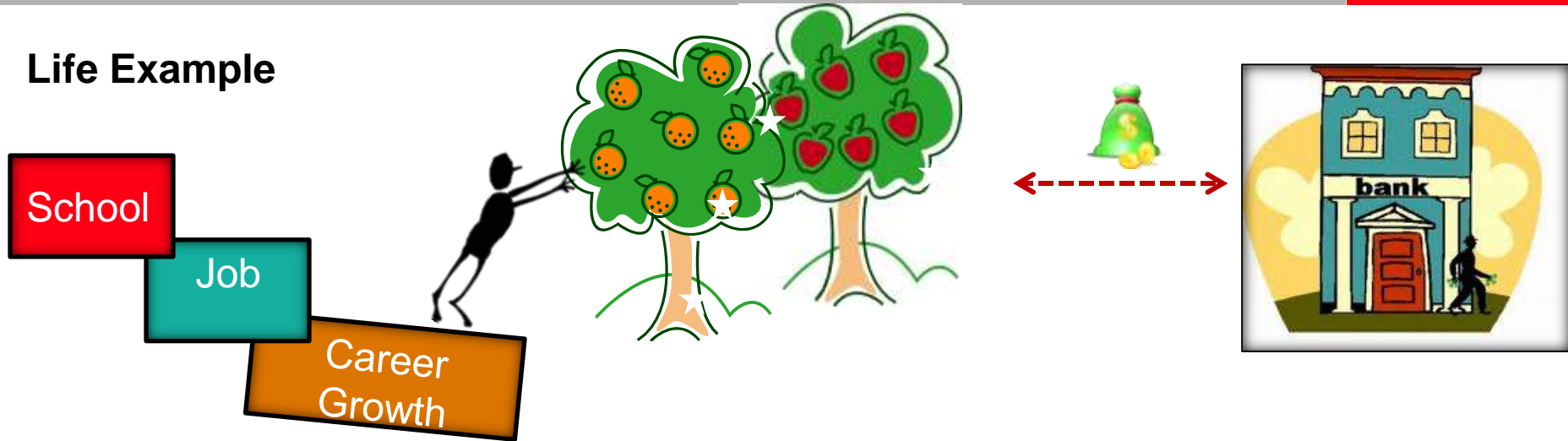


Excellence in Customer Service Awards

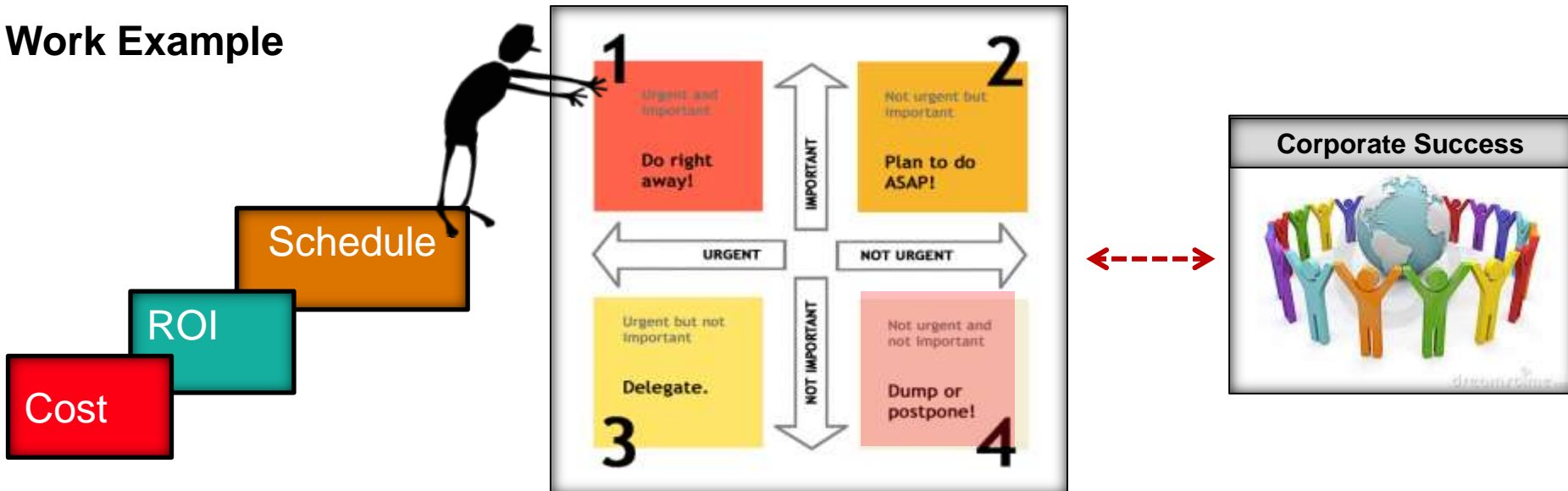


PHILOSOPHY ON GOALS AND PRIORITIES

Life Example



Work Example



- **Governance:** Business council
- **Tools:** Portfolio, Business case

Strategic Alignment

Are we doing the right things?

Benefits Measurement

Are we getting measurable value?

- **Governance:** Executive Council
- **Tools:** Value maps, Program metrics

- **Governance:** Release Management Council
- **Tools:** Project gate checklist

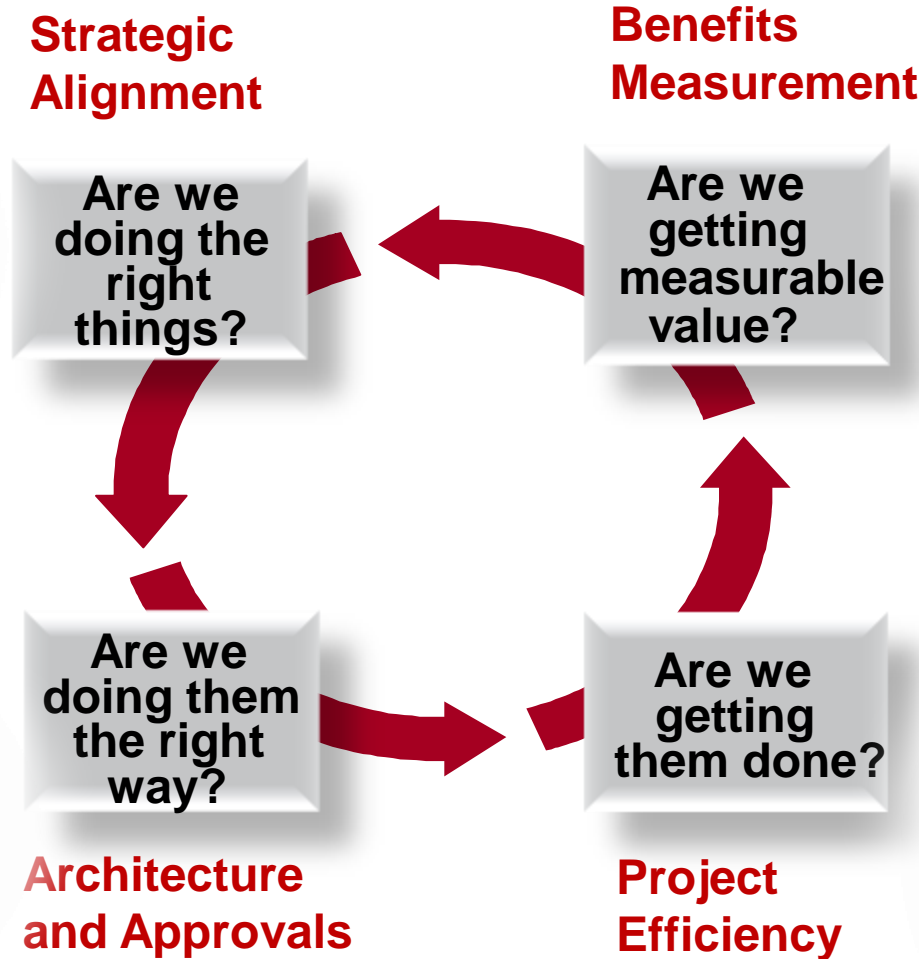
Are we doing them the right way?

Architecture and Approvals

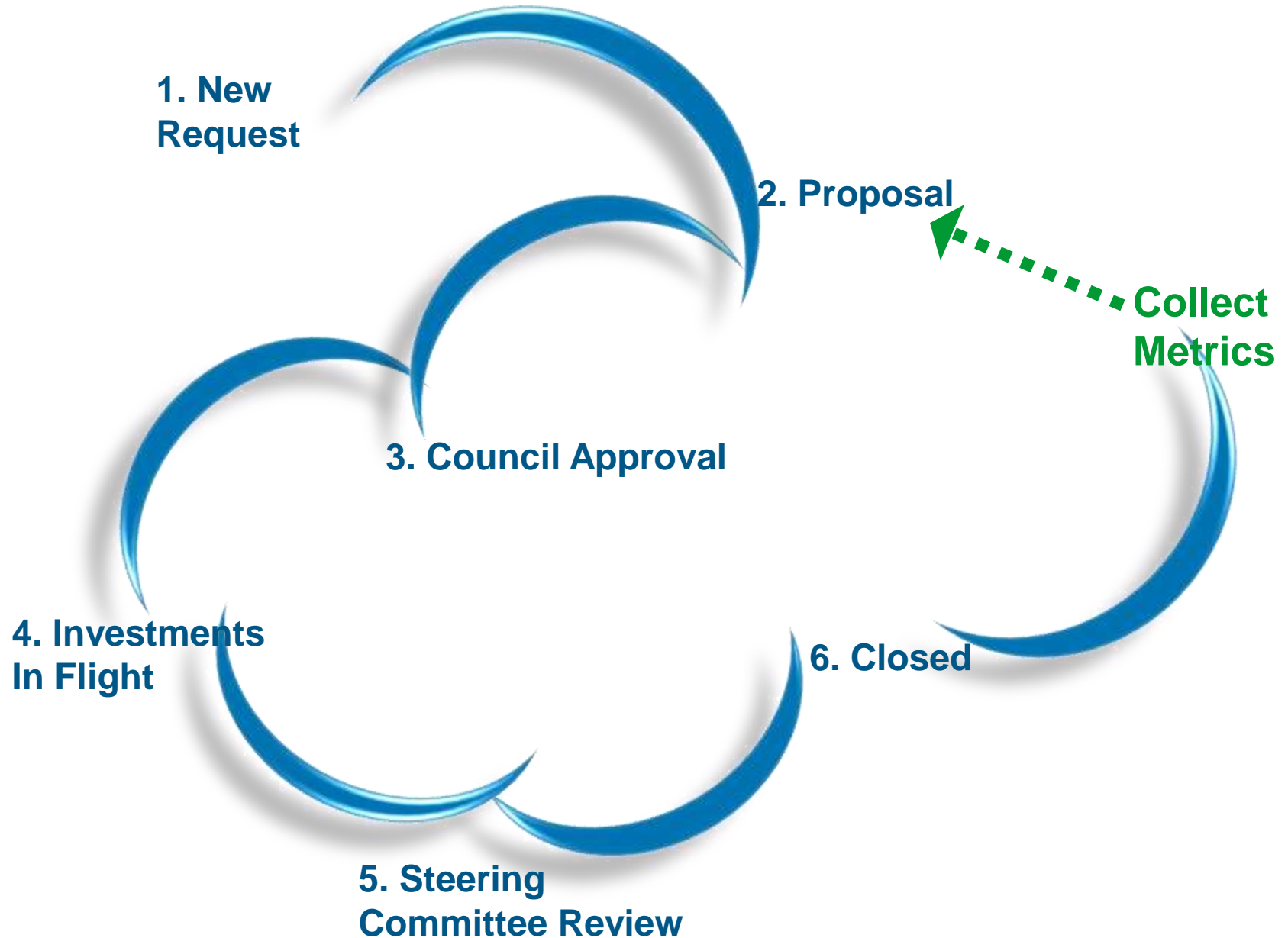
Are we getting them done?

Project Efficiency

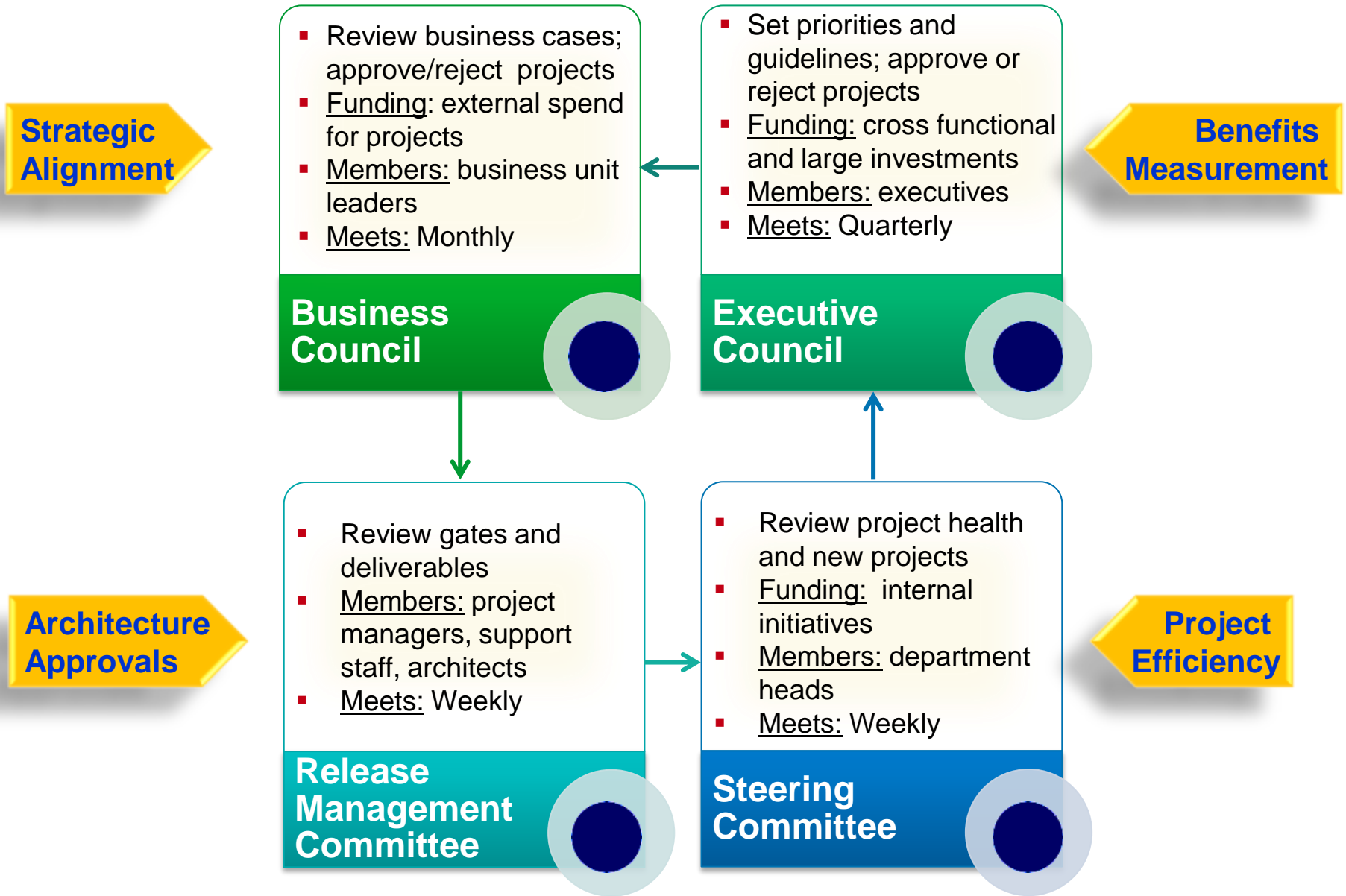
- **Governance:** Project Steering Committee
- **Tools:** Status reports, Project time system



PORTFOLIO MANAGEMENT IS PROCESS



GOVERNANCE MODEL IS KEY



Executive Directive

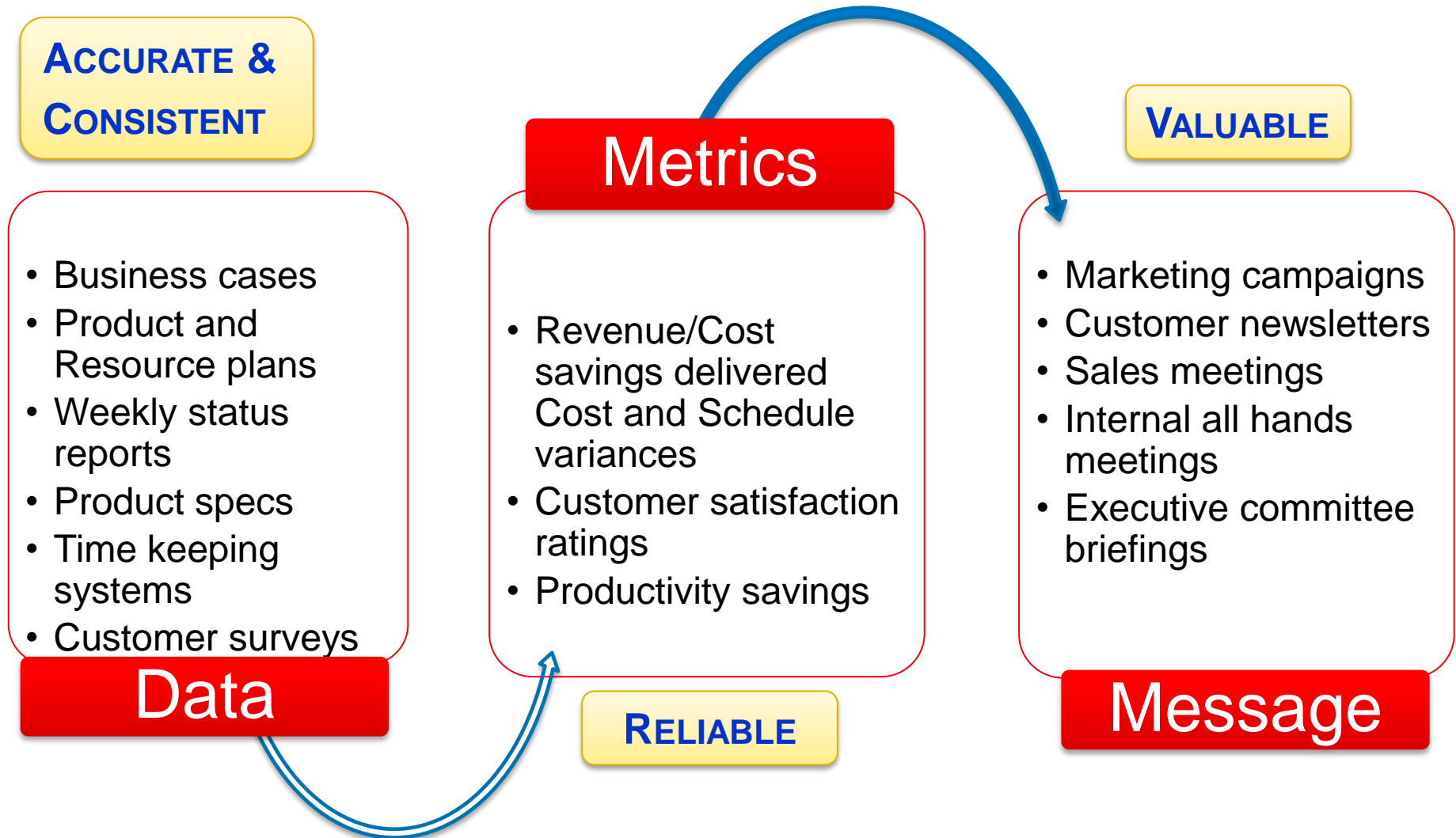
- Ensure all investments document measurable benefits
- Present all approved investments to the Executive Council

Benefits Quantified

- Revenue Growth (\$)
- Cost Savings (\$)
- Revenue Impact (\$)
- Cost Avoidance (\$)
- Productivity Savings (\$)

Benefits Measurement

- Metrics designed to measure benefits after deployment
- Ownership and frequency defined for metrics collection
- Benefit measurements compared against business case
- Results reported back to executives and stakeholders



In a competitive environment, meaningful differences between similar products or services are best determined by using metrics.

**Specifications are valuable,
but may not always tell the
whole story**

**Appearance alone
is not enough to
determine value**

EXAMPLE SCENARIO #1: DEPLOY NEW CRM PRODUCT AND COMPARE BUSINESS OUTCOMES BEFORE AND AFTER DEPLOYMENT

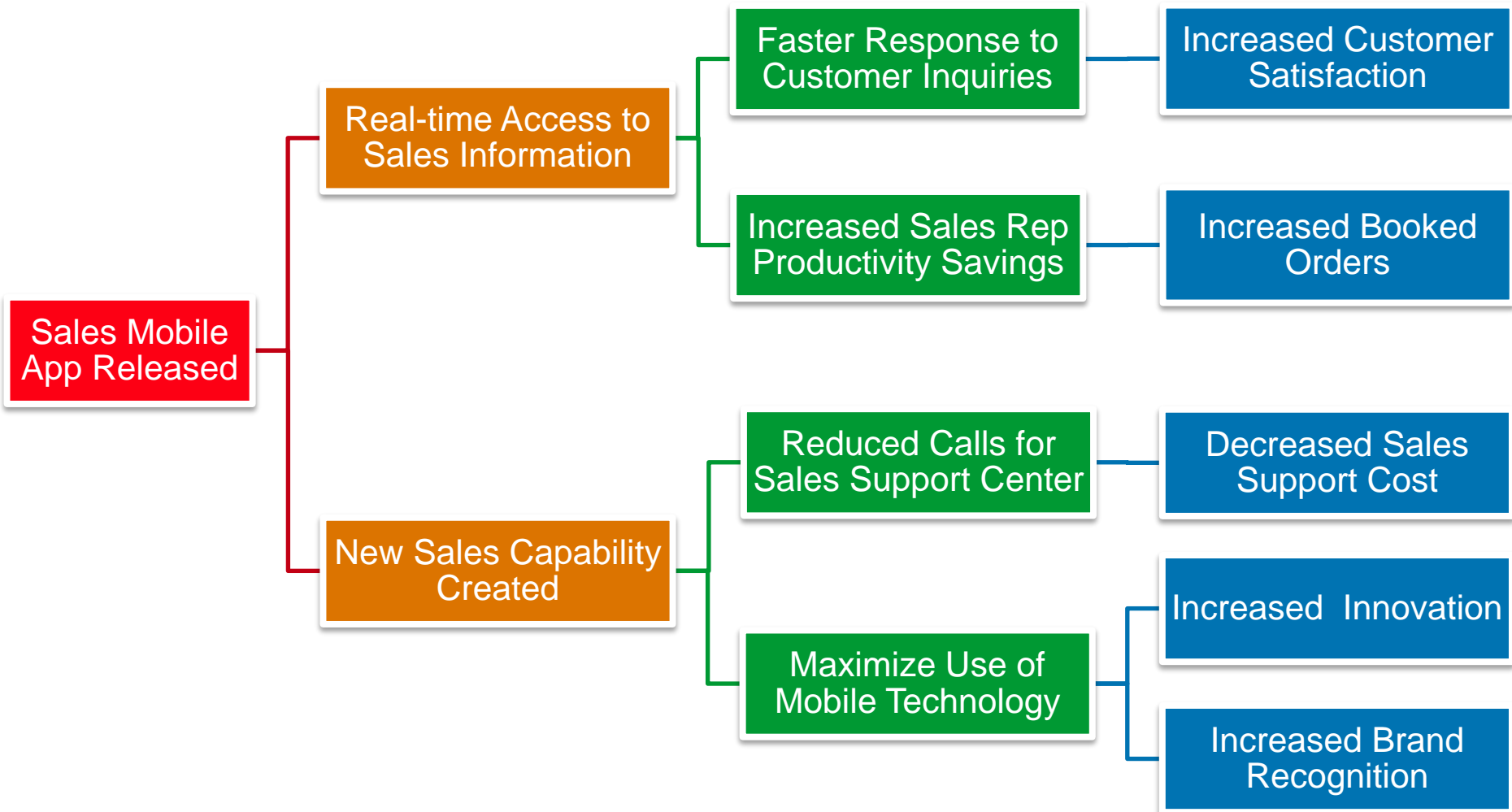
Business Outcome	Description	Target
Sales Orders Booked	Number of customer orders processed and revenue booked	25% Increase
Order Processing Time	Time taken for leads to be converted into booked orders	20% Decrease
Lead Conversion Rate	Percentage of leads converted into booked orders	15% Increase

Business Outcome	Baseline	Target	Actual
Sales Orders Booked	1000	25% Increase = 1250	1500
Order Processing Time	30 days	20% Decrease = 24	22 days
Lead Conversion Rate	20%	15% Increase = 23%	25%

EXAMPLE SCENARIO #2: DEPLOY ENHANCEMENTS TO EXISTING CRM PRODUCT AND COMPARE METRICS BEFORE AND AFTER DEPLOYMENT

Metrics	Description	Target
Number of Clicks	Number of mouse clicks required to price an order in the CRM system	5 clicks
Processing Time	Time to create a customer quote using the CRM system	15 minutes

Metrics	Baseline	Target	Actual
Number of Clicks	20+ clicks	5 clicks	5 clicks
Processing Time	25 minutes	15 minutes	5 minutes



LEVEL 1: **CHAOS**

- Late
- Over budget
- Outcomes are unpredictable
- Unhappy customers

LEVEL 2: **REPEATABLE**

- Certain level of unpredictability
- Issues and risks still unacceptably high

LEVEL 3: **DEFINED**

- Efficient
- Fairly adaptable to changing needs

LEVEL 4: **MANAGED**

- Creative
- Fully adaptable to changing needs

LEVEL 5: **OPTIMIZED**

- 100% On time delivery
- 100% Customer satisfaction
- 100% Efficiency in processes

- If you try to please everyone, you will fail!
- Keep things simple – the more complicated it gets, the less adoption we see
- Follow the 80/20 rule – realize 80% benefit with 20% investment

*Learn from the past,
Set vivid, detailed goals for the future,
and live in the only moment of
time over which you have any control
..... **Now!** – Denis Waitley*

