

Hitachi Consulting helps establish a comprehensive IT Governance Framework and provides continuous improvement assistance worldwide

- **Quick Assessment**
- **IT Strategy Articulation and Communication**
- **Governance Framework, Selection and Design**
- **Organizational Development and Continuous Improvement**
- **IT Financials and Visibility**



About Hitachi Consulting

As Hitachi, Ltd.'s (NYSE: HIT) global consulting company, Hitachi Consulting is a recognized leader in delivering proven business and IT solutions to Global 2000 companies across many industries. We leverage decades of business process, vertical industry, and leading-edge technology experience to understand each company's unique business needs. From business strategy development through application deployment, our consultants are committed to helping clients quickly realize measurable business value and achieve sustainable ROI.

Background

As many multinational corporations (MNCs) are going through the global recession, the CIOs of those companies are under tremendous pressure to cut costs and make the maximum ROI from IT investments. Examples include:

- Improvements in IT Effectiveness
 - IT organizations are expected to contribute significant savings
 - Return on IT investment is scrutinized; adaption of SLA and benchmarking with world-class organizations is common
- Improvements in Organizational Agility
 - Must be M&A ready; must be able to gain quick, hard benefit from mergers
 - Must be prepared to achieve business goals through quick application development
- Manage Compliance and Risk
 - Sarbanes-Oxley, IFRS, RoHS/WEEE, are in the forefront of the CEO/CFO agenda

Challenges

Due to the complex nature of MNC, CIO/Corporate IT is often late in producing comprehensive IT strategy and decision making rules to guide business units/subsidiaries. Even when such rules exist, making all stakeholders follow the rules is time consuming and requires significant effort.

- The matrix organization structure that is typical with many MNCs makes the traditional centralized governance model impractical
 - MNCs must balance between Global SCC (Standardization, Consolidation, Centralization) and serving individual business units / regional needs
 - IT reporting lines are often spread across business lines. Therefore, effective IT governance framework must take into account the multiple business lines and/or regions
- Differences in technical sophistication among region/business units
- Differences in language, business norm and culture
- Emerging technologies such as SOA and SaaS require global coordination.

The bottom line

At HQ level

- Global CIO has accountability without visibility

At the subsidiary level

- Ad-hoc, short-sighted decisions prevail over globally beneficial IT investment
- Low motivation among IT professionals

Why Hitachi Consulting

With offices in the US, Europe, China, Japan and Asia, Hitachi Consulting provides a global network of 2,500 professionals who have deep technology, industry and process expertise. In the technology area, we have alliances with major technology vendors including SAP, Oracle, and Microsoft. We assist clients in making the best use of technologies globally.

In addition, as part of the company with consolidated revenues over \$95B and 1,000+ subsidiaries worldwide, we understand the real life challenges that MNCs are facing. In fact, we have assisted many Hitachi group companies in the areas of strategy and governance and the experience is incorporated in our methodologies and tools.

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Opportunities

At the same time, MNCs can benefit from increasing globalization

- Savings from SCC (Standardization, Consolidation, Centralization)
 - Sourcing
 - Shared services and/or outsourcing
 - Consolidation of data centers
 - Reduction of technology footprints
- Utilization of internal low cost country (LCC) resource pools
- Global career path for IT professionals

The Solution

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Key Success Factors

Our experience tells that that global IT strategy and governance initiatives must have the following to be successful. We will assess those KSFs and help clients develop counter measures throughout the initiative.

- Business *and* IT sponsorship
- Mutual trusting relationship between HQ and subsidiaries
- Strong accounting/finance expertise in the team
- Global PMO with dedicated staff
- Continuous communication and change management

Client Success Story

The client is a \$7B global construction machinery manufacturer with 70+ subsidiaries, headquartered in Tokyo, Japan. As the business expanded rapidly, it became obvious that corporate IT was not prepared for global IT operations. HQ had limited visibility over the subsidiaries. The subsidiaries were left without guidelines and assistance. As a result, many of them barely had minimum IT budget and resources to stay abreast with expanding business. Hitachi Consulting was engaged to assist the client corporate IT to examine the global IT strategy and establish the governance and supporting structure for 300+ IT professionals worldwide. The major benefits include savings from global standard applications and common infrastructure, increased responsiveness to business needs, increased visibility to IT operations, and better internal control overall.