



Case study



Hitachi, Ltd.

# Integrated network accelerates collaboration

**Service:**  
Arcstar Universal One

**Company Name:**  
Hitachi, Ltd.

**Number of employees:**  
33,500 (as of March, 2014)

**Business Overview:**  
Promoting Social Innovation Business by leveraging the strengths of each of its diverse group companies.

[www.hitachi.co.jp](http://www.hitachi.co.jp)



**‘We were able to implement a high-quality network to serve as the lifeline for Hitachi’s global promotion of its Social Innovation Business strategy.’**

*Yasuo Ohashi, General Manager IT Strategy Division Hitachi, Ltd.*

### Challenges

- To have an integrated global network for the group’s total strengths
- Compromised security due to non-integrated systems

### Solution

- Global Network that connects 6 regional markets
- A dedicated project team for smooth migration

### Benefits

- Enhanced social innovation business by accelerated collaboration
- Promoted communication infrastructure standardization

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Disclaimer: The work described in this case study was performed while the company was known as NTT Communications.

# 'We were able to smoothly complete this project thanks to NTT Com's excellent customer support and the dedicated team they provided.'

*Eiji Katoh, Senior Manager, Network Management Department e-Platform Promotion Office, IT Services Division, Hitachi, Ltd.*

## Challenges

### **Integrate the infrastructure of decentralized groups spanning Hitachi's broad scope of businesses**

The Hitachi Group has a wide range of businesses including healthcare, power systems, transportation, urban development, information and telecommunication systems. For further growth, Hitachi focuses on Social Innovation Business as its core corporate strategy.

Social Innovation is where Hitachi's total solution is maximized based on its various technologies. However, each group company's collaboration was required more than ever to achieve this. Hitachi is now promoting consolidation of infrastructure that would support the whole group's business.

There are business-related infrastructure such as financial and accounting systems and IT infrastructure that needed to be integrated. Especially for IT infrastructure, a globally-integrated network was critical.

'Without a globally-integrated network, we cannot realize seamless communication between the groups,' says Yasuo Ohashi of Hitachi.

Hitachi has expanded its business in six regional markets: Europe, America, Asia, China, India, and Japan. Previously, each region implemented and developed its own network according to their specific needs.

'The IT Services Division, responsible for the group's IT infrastructure has been providing connection guidelines but each group ended up having different outsourcing criteria, SLA and operations,' says Eiji Katoh of Hitachi.

This led to a several issues where connection between Japanese and European devices are different from that of Japanese and Chinese. Furthermore, the increasing number of

connections was stressing the network, slowing the speed of group collaboration business. The need for standardization and integration was growing higher in the group.

On top of this, there were unnecessary costs caused by investment conflicts within the group and security was compromised in the cost-oriented regions.

## Solution

### **Exceeding the level of SLA with highly professional support**

It's not easy for a huge organization like Hitachi to build an integrated network.' Each company has its existing system based on its regulation. With that in mind, we asked the person in charge of the IT Services Division in each region to meet with the CIO and with local staff to discuss the most appropriate service level and cost,' says Katoh.

The new network had to be acceptable for each group company. Hitachi sent out an RFP to more than 10 service providers in the world. In the end, they decided to go with NTT Communications (NTT Com).

Hitachi not only looked at the provider's price, quality and global coverage but also its track records and local reputation. They also put high priority on how much the provider can meet Hitachi's expectation from end user perspective.' For example, if the provider takes the attitude that they will only do what is written in the SLA, we cannot be fully assured in case of troubles. Even if the contract allows for a couple of hours downtime each year, it makes a huge impact on our business if it happened before financial statements are released. We wanted a provider who would sincerely investigate the problem and assure it would not happen again, the same stance Hitachi takes for their customers,' explains Ohashi.

## Benefits

### **Peace of mind from dedicated team and accelerated infrastructure integration**

Leveraging NTT Com, Hitachi built GWAN, a large-scale group network, connecting 300,000 users in six regions with 260 circuits. The new network not only strengthened the group collaboration but also eliminated unnecessary costs of investment conflicts and enforced security by a unified policy. During the implementation NTT Com's support was beyond Hitachi's expectations. To support the global project, NTT Com formed a dedicated team of 8 regional member for a seamless communication.' In addition to providing face-to-face communication, the project team also allowed us to immediately see how far the project was progressing in each area, giving us real peace of mind. And we especially admired NTT Com's ability to manage local carriers. Thanks to them, this large-scale project went smoothly,' says Katoh.

Connection of the main group companies and offices to GWAN is almost completed. For the future, Hitachi is considering further integration by preparing a plan with more focus on the scale and situation of local offices to provide better cost performance. The company will also continue utilizing GWAN to integrate infrastructure, for example by adopting Microsoft's Unified Communication as a standard tool to support the collaboration between group companies. Integration of business infrastructure such as accounting, human resources and the like has also been accelerated.

Hitachi Group now has the strong network infrastructure to support Social Innovation Business.' We are aiming to make Hitachi a globally-competitive company. We expect to leverage NTT Com's global capability again in the future to meet our IT needs in various ways,' says Ohashi.