

Transform Data From Freight to Fuel

It Is Time to Rethink Data in the Era
of Digital Transformation

POINT OF VIEW



A Data Landscape That Continues to Change

Unstructured data has grown 39% year-on-year for the past seven years.¹ This trend in data growth is unlikely to slow, and technologies like the Internet of Things (IoT) only increase the pace of data creation. However, in an age of diminished IT budgets, businesses cannot simply spend their way out of this data deluge. Organizations will need to transform.

Digital transformation requires a modern, agile IT strategy that addresses continual growth and change. It requires faster access to more data in order to fuel business insights and decision-making and speed up time to market with new business models.

Hitachi Data Systems (HDS) and Veritas understand that it is necessary to view data in a fundamentally different way. Data does not equal information; only those insights that you extract from your data become information. Although a small quantity of your data is critical to your business, the majority of the data that you manage currently gives little insight or value. This burdensome data turns what ought to be a repository of business insights into expensive overhead.

With better insight and management, data overhead becomes an asset for your business.

Convergence of Trends Leads to Opportunities

Every business is under pressure to transform, whether that pressure comes from anxious boards or competition that emerges from digital disruptors. Established industries like automotive manufacturing have experienced disturbances from technology-led entrants like Tesla and Google. Likewise, Airbnb and Uber have disrupted hospitality and taxi services. Even large, profitable sectors such as banking face changes from financial-technology firms like Alibaba. All of these examples demonstrate disruptions caused by companies that follow digital transformation trends to revolutionize operations, customer experiences, and business models.

Successful digital transformation necessitates the use of your data to create a competitive advantage. It is about accelerated time to market, optimal cost efficiency, and ways to rethink your operations and processes. It is also about how to increase customer loyalty and grow revenue with improved customer experiences. According to IDC, 70% of infrastructure spend will be connected to digital transformation by 2018.² But digital transformation is not a goal that you achieve with money alone. To transform your business, you must first transform your relationship with your data.

Data Insight: Know What Data Is Valuable

It is crucial to gain insight into your organization's unstructured data because only a small minority of it – 15% – is critical to your business.³ A third of the data that businesses pay to maintain (33%) is redundant, obsolete, or trivial. But these two categories only account for the 48% of the data that businesses see and have classified. The remaining 52% of business data is dark: possibly valuable, possibly worthless, but certainly unseen and unused.³



Analytics



Social Media



Mobility



Smart, connected devices

Figure 1. Enterprise disruptors use digital-transformation tools to take advantage of valuable information contained in corporate data.

That lack of visibility costs your organization both time and money.

The vast majority of data growth is in the form of unstructured data: data that is not organized in a predefined manner (unlike the contents of a database). Unstructured data accounts for about 80% of business data, and it covers a diverse range of files, from spreadsheets and emails to audio files and video clips.⁴ The variable nature of unstructured data makes it irregular and difficult to understand when you use traditional applications and metrics. Sources of unstructured data also continue to grow; think of mobile devices and IoT-connected sensors and machines.

Historical storage planning and management practices are also to blame for explosive data growth. IT organizations have traditionally purchased more storage than they needed to accommodate unforeseen requirements, and much of that storage has gone underutilized. Considering that unstructured data costs about US\$5 million per year per petabyte to store, companies have wasted a great deal of money duplicating and backing up potentially irrelevant data.¹

For example, **one large U.S. investment bank discovered two terabytes (2TB) of personal photos and several episodes from a TV show during a Hitachi Data Systems and Veritas dark-data assessment.**⁵

Simply to maintain the data status quo is projected to cost companies worldwide US\$3.3 trillion in unnecessary storage and management by 2020.³ However, even this enormous sum understates the situation. This figure does not include the opportunity cost of foregone investments in digital transformation, nor does it fully monetize the risks associated with not understanding the data that companies hold.

Organizations cannot effectively manage what they cannot see, but even worse, dark data holds nasty surprises, such as data that violates new regulations. For example, the General Data Protection Regulation (GDPR) in the European Union codifies things like customers' right to the erasure of their data. **It is nearly impossible to comply with this aspect of the GDPR if you cannot locate all of a specific customer's data in an appropriate amount of time.**

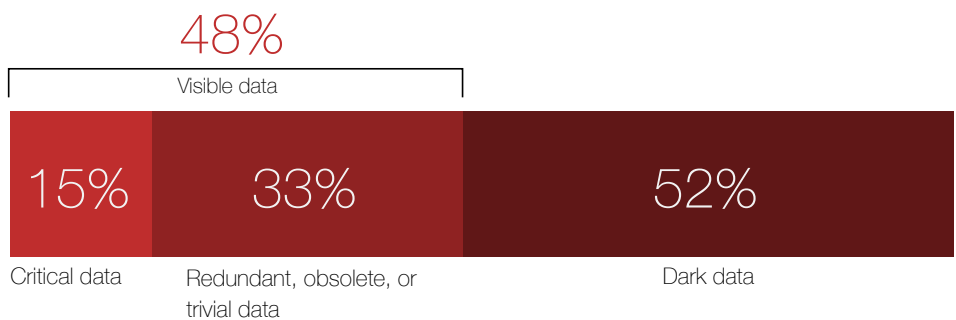


Figure 2. Most data that businesses pay to maintain is dark data.

Data Management: Effectively Handle Valuable Data

Without insight into your data, effective data management is impossible.

When organizations delete data without insight, they risk the loss of vital data. And yet, to store everything further adds to the overwhelming volume of data. It also complicates compliance and escalates costs.

To modernize your core IT infrastructure is one part of the path toward more effective data management, but it has many facets. Consider just one example: modernized data protection.

Data protection has moved well beyond the legacy tape-backups approach. Legacy data-protection approaches often cannot meet stringent backup-window requirements. **One organization's legacy tape system required five days to perform backups, even though not all of its production servers were protected.**⁵ This lengthy backup window put the organization out of regulatory compliance.

Modern data protection is about more than just backup copies for recovery. It incorporates technologies that help you stay ahead of data growth, and it also provides flexibility for increased productivity. Modern data-protection solutions use a range of technologies such as array-based snapshots, deduplication, replication, archiving, and granular recovery. These technologies allow businesses to be far more agile, and they allow faster, more flexible recovery.

Another step in the modernization of data protection is to dispose of tape and adopt cloud for long-term data retention. Modernized data protection enables backups and

restores to happen on demand, which frees up IT resources and delivers data more quickly to the decision makers who need it. The cloud is also used in conjunction with other modern data-protection technologies, such as snapshots, replication, and deduplication, to further enhance an organization's ability to take advantage of valuable information.

Of course, to modernize and transform IT and its relationship with data requires more than just data protection. It includes the ability to abstract and identify data, to automate data management, to accelerate applications, and to make data more accessible. Modernized IT and effective data management protect businesses from uncertainty about the future and give businesses the tools they need to seize opportunities as they arise.

Change Your Relationship With Data

Massive data volumes and the infrastructure deployments required to accommodate those volumes place extreme pressure on budgets and staff. In fact, the IT budgets of many organizations have shrunk rather than grown to accommodate data growth. It is time to rethink your business relationship with your data.

The first step is to understand what data you have and what data you plan to add. If your business is like most, only a fraction of your data is truly critical. Once you begin to probe your organization's dark data, you gain a deeper understanding of which data supplies value.

Effective data management is the next step to gain control of your data. It is also a step that translates directly

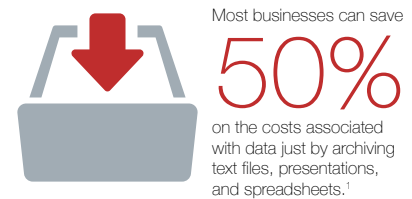


Figure 3. Large savings are available if you archive unused data.

into savings. **Most businesses can save 50% on the costs associated with data just by archiving unused text files, presentations, and spreadsheets.**¹ That savings rises to 61% for organizations that also archive audio and video files. Furthermore, 41% of business data has not been touched in the last three years.¹ For a five-petabyte (5PB) environment, that translates to 2PB of stale data. Because it costs about US\$5 million to store 1PB, getting rid of those stale 2PB saves a potential US\$10 million per year.¹ The money saved through better management of your data goes toward the digital transformation of your business.

Hitachi Data Systems and Veritas are dedicated to help you reshape how you view data and transform it from a source of overhead to a productive asset for businesses everywhere. Contact your HDS or Veritas representative to begin the transformation of your business data into fuel for growth.

Learn More

WWW.HDS.COM

WWW.VERITAS.COM

¹ Veritas. "Data Genomics Index." 2016. www.datagenomicsproject.org.

² IDC. "IDC FutureScape: Worldwide Enterprise Infrastructure 2016 Predictions." IDC #259813. November 2015. www.idc.com/getdoc.jsp?containerId=259813.

³ Veritas. "The Databerg Report: See What Others Don't." 2016. www.veritas.com/product/information-governance/global-databerg.

⁴ eWeek. "Managing Massive Unstructured Data Troves: 10 Best Practices." July 2013. www.eweek.com/storage/slideshows/managing-massive-unstructured-data-troves-10-best-practices.

⁵ Internal HDS assessment.

Hitachi Data Systems



Corporate Headquarters
2845 Lafayette Street
Santa Clara, CA 95050-2639 USA
www.HDS.com community.HDS.com

Regional Contact Information
Americas: +1 866 374 5822 or info@hds.com
Europe, Middle East and Africa: +44 (0) 1753 618000 or info.emea@hds.com
Asia Pacific: +852 3189 7900 or hds.marketing.apac@hds.com

Veritas Technologies, LLC
500 East Middlefield Road
Mountain View, CA 94043
www.veritas.com

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