

Hitachi Digital Services Analyst & Advisor Connect 2025

Key Takeaways

Hitachi's unusual position, being referred to as both a global industrial conglomerate and a digital services provider referred to as "One Hitachi," enables Hitachi Digital Services (HDS) to test and refine solutions internally before offering them to clients, ensuring practical and proven innovations.

HDS emphasizes collaborative engagement with clients, leading to deeper trust, better business outcomes, and scalable transformation.

HDS' strategic directions (Vision 2027 and Lumada 3.0) focus on sustainability, innovation, and the convergence of IT, OT, and AI to lead global industries through the next wave of transformation.

HDS is redefining AI through Agentic AI—intelligent agents that act autonomously to improve operations, decisions, and user experiences.

CIMdata attended Hitachi Digital Services Analyst & Advisor Connect 2025 on May 20-21, 2025, in Dallas, TX. The event brought together HDS company leaders, clients, analysts, and industry advisors for a two-day exploration of how HDS is seeking to shape the digital future. CIMdata was excited to hear about and discuss HDS' many announcements, technologies, and solutions, as well as to hear how some of their customers were deploying solutions with HDS with an emphasis on co-creation, domain expertise, and transformation platforms. The event showcased Hitachi's ability to combine industrial scale with digital agility.¹

This inaugural North American event commenced with opening remarks from Mr. Patrick Corcoran, Global Leader—Analyst & Advisor Relations, discussing the importance of building and nurturing relationships with industry analysts, consultants, and partners. Mr. Corcoran also touched upon the significance of collaboration and strategic partnerships and the importance of analysts and advisors in "bridging between what's possible and execution" in driving HDS' growth and success. CIMdata was pleased by HDS' willingness to be challenged and their stated desire for partnering.

Mr. Jun Abe, Hitachi's Executive Vice President and Executive Officer, Head of Digital Systems & Services, and Chairman for Hitachi Digital Services, in a prerecorded session, provided an overview of Hitachi. He discussed the importance of the convergence of information technology (IT), operational technology (OT), and products to transform social infrastructure. He provided an overview of HDS' vision, Vision 2027,

¹ Research for this paper was partially supported by Hitachi Digital Services

which outlines a long-term roadmap to unify Hitachi's industrial and digital strengths under the "One Hitachi" model aiming to address both client needs and broader societal challenges. Mr. Abe presented Lumada 3.0, the latest evolution of HDS' digital platform built to integrate IT, OT, and AI—empowering clients with scalable, intelligent solutions that foster resilience, operational excellence, and transformative business outcomes.

HDS' CEO, Mr. Roger Lvin and Mr. Patrick Corcoran used a fireside chat to reinforce HDS' strategic purpose: bridging the physical and digital worlds to unlock transformative value for clients. Mr. Lvin spoke passionately about how today's enterprises are under pressure to deliver not just digital change, but sustainable, outcome-based innovation. He emphasized that HDS is positioned to deliver on this challenge by integrating IT and OT, a capability few others can match. Mr. Lvin's message centered on the need for a new kind of partner—one that doesn't just implement technology but drives meaningful business impact. He outlined how HDS' heritage in infrastructure and investments in R&D, combined with cutting-edge digital solutions in AI, cloud, and data analytics, creates a foundation for delivering measurable outcomes at scale. His remarks set the tone for the event, highlighting HDS' role as a trusted transformation partner committed to delivering value beyond the digital hype—value rooted in real-world results. CIMdata is impressed by the wide range of topics Mr. Lvin covered and that Engineering Technology (ET) is clearly on their radar as well.

In a panel moderated by Mr. Santosh Sreemushta, President and Chief Business Officer of HDS, Mr. Chris Ansert of Toyota and Mr. Michael Knut of Penske shared their collaborative experiences using HDS' solutions. Mr. Ansert described how HDS helped modernize Toyota's North American Quality Systems, highlighting their flexibility and commitment through multiple phases of transformation. Mr. Ansert explained how HDS stood by them during challenging times. "When complexity escalated, HDS didn't just advise—they got in the trenches with us," he said.

Mr. Knut spoke about how Penske's co-investment strategy with HDS enabled predictive maintenance solutions that delivered a measurable business impact. Each story emphasized not just technical expertise, but long-term partnership built on shared outcomes. What impressed CIMdata the most was how in all cases, HDS' relationship turned into a long-term mutually beneficial partnership.

Mr. Paul Watson, Global Head of Healthcare & Life Sciences at HDS, offered a detailed overview of how HDS is driving innovation in healthcare and public health. He shared several impactful case studies, including the modernization of the NHS Breast Screening program and the IT transformation underway at Envista Holdings, a global leader in dental care. These projects demonstrated HDS' capacity to deliver scalable, secure, and compliant digital solutions in highly regulated environments.

Mr. Christopher Safko, Senior Client Executive at Verizon Business, provided additional context on joint initiatives with HDS to advance digital hospitals and remote monitoring. The two companies are leveraging hybrid cloud infrastructure, wearable IoT technologies, and AI to create data-driven care environments. "We're not just digitizing healthcare," Safko said, "we're enabling intelligent, patient-centered systems of care."

Artificial Intelligence was a recurring theme throughout the event, brought into focus by a session entitled, "Our AI Journey" led by Mr. Prem Balasubramanian, CTO of HDS, and Mr. Chetan Gupta, Head of Research and Development for Hitachi Americas. Mr. Balasubramanian explained how AI is not treated as a standalone technology at HDS, but rather as an enabler integrated into every process. Mr. Gupta introduced R202.ai framework as a bridge between cutting-edge AI research and operational deployment, highlighting how Agentic AI allows autonomous agents to learn and act independently while aligning with business rules and ethics. Mr. Gupta emphasized HDS' holistic approach to AI: "We're building AI that's accountable, embedded, and collaborative." He described practical use cases ranging

from intelligent ticketing systems to automated incident resolution, showcasing how Agentic AI reduces operational latency and enhances human decision-making. CIMdata is impressed with how HDS is using Agentic AI in a wide range of use cases.

Mr. Ganesh Bukka, Global Head of Industry 5.0 and IOT at HDS, delivered one of the most detailed and forward-looking presentations at the event with his session on Industry 5.0. He challenged attendees to reflect on why so many Industry 4.0 initiatives have failed to scale—pointing to fragmented systems, underdeveloped governance, and insufficient alignment between IT and OT. “The future isn’t about digital for digital’s sake,” he said. “It’s about creating intelligent, human-centered systems that evolve with business realities.”

Mr. Bukka introduced RITA, HDS’ new Environmental, Social, and Governance (ESG) reporting engine, as a flagship example of Agentic AI delivering tangible outcomes. Designed to assist enterprises with sustainability compliance and reporting, RITA automatically aggregates environmental data, generates audit-ready documents, and provides actionable insights for improvement. Additionally, Mr. Bukka laid out a comprehensive maturity model for manufacturers transitioning from connected to autonomous operations, showcasing how digital twins, AI-driven analytics, and industrial metaverse tools underpin this evolution. RITA looks promising, but there is likely more work to be done on reducing a company’s Product Carbon Footprint.

In a notable extension of his presentation, Mr. Bukka also emphasized the critical role of Product Lifecycle Management (PLM) in enabling Industry 5.0. He described PLM as the connective tissue between engineering, manufacturing, supply chain, and service functions. “Without integrated PLM strategies, digital threads break,” he noted. Mr. Bukka said, “Our PLM vision incorporates AI-driven decision support, real-time simulation, and seamless data flow from concept to disposal.” CIMdata agrees with Mr. Bukka’s conclusions. Bukka pointed to HDS’ investments in Lumada PLM solutions that unify product data models, enable compliance in regulated sectors, and support smart factory capabilities—positioning HDS as not just a digital integrator but a lifecycle innovation partner. CIMdata looks forward to doing a deeper dive on HDS’ capabilities in this critical area.

The “Cloud First” presentation showcased HDS’ end-to-end capabilities in enabling digital transformation through a cloud-native approach. Their strategy positions cloud not simply as infrastructure but as an operating model—enabling agility, resilience, and accelerated innovation. Central to this vision is the Hitachi Application Reliability Center (HARC), a purpose-built, integrated delivery framework that merges software engineering with operational reliability. HARC empowers teams to develop modern applications that are fault-aware, fault-tolerant, and secure, all while optimizing cost. By integrating Site Reliability Engineering (SRE) principles, automation tools, and continuous feedback loops from operations to development, HARC exemplifies Hitachi’s “unified engineering model.” The presentation highlighted how HARC, combined with the company’s extensive cloud modernization experience—spanning over 1,200 cloud projects—helps enterprises envision, evaluate, execute, and evolve their digital ecosystems. With certifications across AWS, Azure, Google Cloud, and more, and powered by advanced AI and agentic automation, Hitachi’s Cloud & Data Practice is enabling clients across many industries to move from legacy platforms to scalable, cloud-first architectures with measurable business impact. CIMdata was impressed with HDS’ HARC delivery framework and believes companies would benefit from this approach.

A follow-up dialogue session reinforced many of these messages. Mr. Chris Ansert returned to share how Toyota’s partnership with HDS has created real-world safety applications with life-saving implications. An AWS executive echoed the urgency of transformation, stating, “Innovation waits for no one. In this AI era, if you’re not building with speed and purpose, you’re falling behind.” The synergy between HDS, Toyota, and AWS demonstrated the kind of agile ecosystem HDS is striving to foster.

The event also provided four breakout sessions, which offered a compelling look into the company's strategic direction across core industry challenges. The session on "Rethinking ITO" by Mr. Krishnaprasath Hari highlighted a shift away from conventional outsourcing models toward intelligent, outcome-driven services. Rather than focusing solely on cost efficiency, the discussion centered around integrating AI, automation, and predictive analytics into service delivery—transforming information technology outsourcing (ITO) into a proactive, value-oriented partnership. The integration of real-time diagnostics and decision intelligence, exemplified by solutions in fleet management and utilities, underscored a broader theme of "services engineered for foresight." This presentation made the point that you need to move quickly, or you'll be left behind." CIMdata agrees that customer obsession, moving with speed at scale often leads to innovation.

The "Cyber X: Securing the Future" session focused on the underlying architecture of many of the solutions showcased. From secure IoT-enabled asset monitoring to cloud-based visual inspection platforms, cybersecurity is clearly embedded in the design of HDS' operational systems. The emphasis appears to be on resilience by design—building secure, adaptive systems that anticipate risks in a rapidly evolving digital infrastructure. CIMdata is impressed with HDS' focus on cyber security, which with the addition of some Agentic AI agents operating in a company's systems landscape will be challenging.

The session on "ERP's Next Wave" focused on how modern ERP systems are being reimaged to meet the demands of complex, asset-intensive industries. HDS' approach leverages pre-configured industry solutions in Oracle Cloud, with deep vertical integration and embedded intelligence. Enhanced Profitability Management, integrated project accounting, and predictive maintenance capabilities are helping customers move from reactive processes to strategic, data-driven operations. ERP here is not just a system of record—it's becoming a platform for intelligent enterprise transformation. CIMdata was impressed with the breadth and depth of HDS' expertise specifically with regard to the deep vertical integrations discussed.

Finally, the "Energy—Mobility" session delivered an expansive vision of how digital technology is enabling the green energy transition. HDS presented a broad portfolio of innovations—from AI-enabled power grid optimization and digital twins for asset management, to predictive fleet maintenance and inspection solutions developed with Penske. A strong focus was placed on decarbonization, grid flexibility, and the convergence of energy systems with mobility. With advanced analytics, cloud infrastructure, and IoT sensors, HDS is helping customers manage the complexity of distributed energy resources while ensuring operational efficiency and resilience. CIMdata was pleased to see how HDS is enabling the green energy transition. This is a mega trend that will continue, and we look forward to learning more about what HDS has to offer its clients.

Together, these sessions illustrated Hitachi Digital Services' commitment to solving real-world challenges through integrated information technology platforms. HDS' strategy is clear: to deliver business outcomes through trusted partnerships, innovation at scale, and a deep understanding of industry needs.

Mr. Roger Lvin provided closing remarks and took questions from the audience. He emphasized the trust, reliability, and adaptability of HDS' interactions with their customers and the R&D and engineering element of HDS with their deep expertise in verticals, integration of IT and OT, their HARC managed services, AI R2002.ai framework and over thirty HDS developed asset accelerators.

Concluding Remarks

Hitachi Digital Services Analyst & Advisory Connect 2025 showcased HDS' strong positioning and distinct advantages in the digital transformation space. CIMdata was impressed with HDS' ability to highlight their key differentiators.

It is clear that HDS' ability to integrate IT, ET, OT, and AI into a unified service offering can enable the delivery of comprehensive and impactful solutions across sectors, from manufacturing to healthcare. This full-stack integration from HDS provides value to many companies that still operate in silos.

The testimonials shared by leading clients like Toyota and Penske reflect not only trust in HDS' capabilities, but also measurable business impact achieved through close collaboration and co-creation. The consistent theme was HDS' willingness to co-invest, share risk, and deliver outcomes—not just projects.

HDS has shown impressive maturity in its vertical strategies. Its leadership in areas like Industry 5.0, AI-integrated healthcare, and cloud-native modernization projects puts it in a class with the most credible transformation partners in the market.

HDS' continued investment in Agentic AI, ethical deployment frameworks, and scalable cloud-native architectures speaks to a forward-looking strategy. CIMdata noted that this approach aligns with increasing demands for resilience, transparency, and sustainability from enterprise clients.

CIMdata commends Hitachi for combining the strategic depth of a diversified industrial conglomerate with the executional agility of a modern digital innovator. HDS is not just keeping pace with transformation; it is helping to redefine what responsible, scalable, and intelligent transformation looks like.

About CIMdata

CIMdata, a global strategic management consulting firm, provides services designed to maximize an enterprise's ability to design, deliver, and support innovative products and services. For more than forty years, CIMdata has provided industrial organizations, providers of digital technologies and services, and investment firms with world-class insight, expertise, and best-practice methods on a broad set of product lifecycle management (PLM) topics and the digital transformation they enable. CIMdata also offers research, subscription services, publications, and education through certificate programs and international conferences. To learn more, visit www.CIMdata.com or email info@CIMdata.com.