

Hitachi Digital Services: Showcasing their Vietnam Delivery Center

Takeaways

Vietnam is rapidly emerging as a global hub for IT and engineering, rivaling established markets like China and India due to its skilled workforce, education system, and cost-effectiveness.

Hitachi Digital Services' Vietnam Delivery Center (VDC), founded 25 years ago, is the company's second-largest delivery center with over 1,000 employees across Ho Chi Minh City, Da Nang, and Hanoi.

The VDC's services include OT-IT-AI integration, smart factory solutions, servitization, e-commerce, digital supply chain support, worker safety, and AI-based augmentation, delivered through systems modernization and integration projects.

Hitachi and its VDC are well-positioned to help companies leverage rapidly evolving digital technologies and achieve global competitiveness.

Over the last several years, Vietnam has increasingly drawn global attention for the rapid development of its economy and education system. CIMdata has taken note of how several of its industrial clients have established engineering and design centers in Vietnam and emphasized the competency and value they have enjoyed as a result. This stands in contrast with what we are hearing and seeing from China. While China has become a manufacturing powerhouse, CIMdata rarely hears similar accolades regarding the development of design and engineering skills in support of global design centers. This isn't to say that product design and engineering aren't occurring in China, it is! However, much of it is directed to products intended for the Chinese market or for manufacturing within China. By comparison, Vietnam appears to be cultivating design and engineering services with a global orientation. This is reminiscent of the emergence of design and engineering centers in Eastern Europe in the 1990s, and more recently, across much of India. The widespread availability of strong secondary education, a growing and young skilled labor pool, the widespread use of English as a second language, and the reasonably inexpensive labor market all appear to be driving this. A recent visit to Hitachi Digital Services' (Hitachi DS) Vietnam Delivery Center (VDC) clearly illustrated these points.¹

Founded 25 years ago, Hitachi DS' VDC now employs more than 1,000 people across three locations—Ho Chi Minh City, Da Nang, and Hanoi—making it the company's second-largest global delivery center. The VDC supports Hitachi, as well as numerous global clients, including many based in Japan. As a result, English and Japanese, among other languages, are extensively supported. The organization has a Center of Excellence (CoE) Structure that focuses on cloud and data capabilities. The center partners with leading

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technology partners such as SAP, Google, AWS, Microsoft, and AVEVA, as well as supports many industrial and non-industrial clients across multiple industries. Additionally, the highly skilled workforce holds university degrees in information technology (IT), engineering, math, science, and related disciplines from universities in Vietnam and abroad. The VDC's leadership highlighted that Vietnam-based universities currently graduate approximately 57,000 software engineers annually, creating a robust talent pool that helps fuel Hitachi's VDC expansion. Many of the VDC's employees have supplemented their university education with one or more global certifications, such as PMI, ISO 27001, and CMMI, ensuring the center can deliver on a global scale.

During CIMdata's visit, VDC leadership provided insight into Vietnam's broader position as one of the world's leading technology hubs. Vietnam has come a long way since its independence 50 years ago—particularly over the last two decades as it has prioritized economic growth. Today, 67.4% of its population of just over 100 million people is of working age, with an average age of 32. Among them, more than 530,000 are software developers. This places the development resource pool among the world's top ten. With an average cost 30 to 50% lower than in India, Vietnam has become a highly attractive alternative. The country also benefits from participation in more than 15 trade agreements, and access to the internet is available to almost 80% of the population. VDC leaders also explained that the country supports International Financial Reporting Standards 2025 and compliance with the Personal Data Protection Law 2023. Also notable, is the amount of capital investment in Vietnam, which has reached US\$38.2B to date, further underscoring the country's global competitiveness.

As Hitachi's second largest delivery center, the VDC CoE structure is squarely focused on supporting digital transformation, including development, delivery, and support for agentic artificial intelligence (AI) solutions designed to support corporations around the world. In support of these critical IT-driven initiatives, Hitachi's VDC has been building out its operations technology (OT), IT, and AI knowledge and skills to ensure that its team can design and deliver integrated solutions for its clients. The convergence of these technologies is a potential game-changer for companies that get it right. Fortunately, Hitachi's VDC has more than 25 years of experience helping companies to get the most out of digital technologies. Not only do the center's employees have experience with up-to-date technologies, but they also have experience applying digital technologies to multiple industries. Their 25 years of experience supporting various manufacturing and semiconductor companies has been amplified by more than 15 years of experience supporting the rail, energy and smart spaces, and automotive industries, as well as more than 15 years supporting non-manufacturing industries, including communications, media and technology, retail and logistics, and healthcare. Additionally, the center has more than 10 years supporting the banking and financial services industries. This experience enables the VDC to cross-train and leverage knowledge from one industry to another, both easily and quickly.

Clearly, Hitachi's VDC holds an impressive set of credentials and experiences. Its OT-IT-AI services are extensive, and their experience is wide-ranging. Hitachi VDC's proven services cover smart factory solutions development, enabling servitization and new business models, e-commerce and digital sales channel enablement, digital supply chain support, worker safety assurance, as well as AI-based agentic augmentation. These services are primarily delivered through the execution of projects that focus on systems modernization and management, often including IT-OT systems integration; the optimization of an organization's data fabric (e.g., digital thread/digital twin enablement); enabling engineering business outcomes with engineering technology (ET) integration with IT and OT; as well as through the incorporation of AI where and when appropriate in the quest to leverage integrated ET, IT, and OT. Unquestionably, as a technology partner, Hitachi DS and its VDC are well-positioned to provide the technical capabilities demanded by today's companies that need to quickly implement rapidly evolving digital technologies.

Vietnam is emerging as a formidable player in the global IT and engineering landscapes. The synergistic blend of a well-educated, youthful workforce, international language adoption, competitive costs, and deep industry experience has allowed technology centers like Hitachi's VDC to flourish. With the adoption of robust compliance frameworks, substantial capital investments, and wide-reaching expertise across sectors, Hitachi's VDC is well-positioned to offer innovative, world-class solutions to companies seeking global competitiveness. As Vietnam continues to invest in its talent and infrastructure, it promises to be not just an alternative destination but a strategic partner for organizations embracing digital transformation and technological advancement. The future for Vietnam as a technology innovation hub appears both bright and sustainable, paving the way for continued growth and contribution to the global economy, making Hitachi and its customers well-positioned to take full advantage.

About CIMdata

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