IRON MOUNTAIN®

TREKKING THE PATH TO DIGITAL TRANSFORMATION

BY STEVE KOWALKOSKI

Wander the corridors of Terminal 5 at Heathrow Airport, and you may see billboards hailing the arrival of 'digital transformation'. It could be the next big thing for businesses, or it could be the latest fad in marketing. How do you tell? At Iron Mountain, we believe that digital transformation is not only real, but that every organisation needs to take heed of its opportunities and challenges. We are certainly seeing many of our customers in the UK and Ireland setting out on this journey.

WHAT ARE THE DRIVERS FOR MOVING TO DIGITAL?

Transforming the way a business stores its historical data can make that business more responsive, more agile in the way it responds to market trends, and better at delivering customer service.

By moving from tape and paper archiving to storing information digitally, businesses can analyse the data they hold more effectively and use it to become more competitive. Moving from physical to digital can be the difference between trying to sort through 500 files in a box to find a crucial piece of information, or making a quick query on easily accessible digital data.

The speed of change in product development demands this faster, more informed decision-making. The lifecycle of low-tech products, for example, is getting shorter all the time. That means companies need to understand trends and innovate faster. For that they need to mine the massive datasets that they hold. And for that, they need technology.

There is also the opportunity to improve productivity. We have seen growth in GDP in the last decade, but it has been fuelled more by consumption than productivity. The world is now recognising that to achieve **continued growth**, organisations need to **improve the productivity** of their workforce. Technology holds the key to implementing digital ways of working and managing data, which in turn can drive that productivity.

As a result, businesses are thinking of taking advantage of cheap computing power and new technologies such as machine learning and AI, to create digital data from historical records.

DATA AND PRIVACY LAWS

Compliance issues such as the introduction of the GDPR have sharpened focus on the value of stored data.

The rush to comply with the GDPR for example led many organisations to think they just needed to destroy old records. On reflection though, they have realised that there is value still to be extracted from this **historical information** in their decision-making processes, in industries as diverse as oil and gas exploration through to insurance and credit card provision.

Companies still want to know how they can construct a data retention policy around their information that stands up to internal and public scrutiny, and de-risks the organisation, both globally and locally. But now they want to know how they can **get value from that data**.

HOW WE ARE HELPING CUSTOMERS TACKLE THE CHALLENGE

Customers are turning to Iron Mountain to see how they can mine more insights and help them accelerate the business model transformation by analysing the information that they have stored, both digitally and physically.

In the UK and Ireland our research has shown that customers want Iron Mountain to:

> Be easy to work with

> Communicate proactively

> Solve their problem

To deliver answers to those needs, we have business development and commercial teams who are focused on solving customer challenges. By engaging and empowering our workforce, we can deliver great service, provide tools and products to extract usable information from data stores, and help to solve those problems.

IT IS NOT A STRAIGHTFORWARD ROAD

Few would say that transformation is easy – unless you are a young company that has grown up digital.

Long-established businesses cannot jump from physical to digital in one step. We asked customers recently where they are on the path to digitilisation. Nobody claimed to be there completely. That is not surprising, because the world of data and technology is always evolving. Just **7%** believe they are **nearly there**, and a massive majority of **89%** report that they have **at least started**.

With most organisations to be found somewhere on the journey between physical and digital information management, the question becomes 'How do you manage a new hybrid physical/digital world?'

On the one hand you have new data that was **born digitally**, and your task is to use automation to classify and analyse it. But on the other hand, there is still that huge set of **historical physical documents** that might be redundant or might hold the key to greater insights.

As customers continue to digitise their information, we will ensure that we have the capacity to handle that data. We are very conscious though that document scanning services are expensive and therefore it needs to be clear that scanning will drive real revenue or a good cost-benefit ratio.

Managing a **hybrid world** means organisations need to introduce advanced skill sets to deploy new technologies such as machine learning, AI and the Internet of Things. At the same time it is vital to retain the skills of employees who understand physical data and its management.

Employees who interact with data will need to learn how to handle new technologies, and they will need encouragement to ensure they still feel valued while stepping outside their comfort zones.

A CHANGE IN STRUCTURE

We are hearing in our conversations with customers that organisations are changing their shape to address digital transformation. In some businesses we are seeing the arrival of a new C-level position – the chief digital transformation officer. Today we are talking to CIOs, COOs and CTOs about transformation issues ranging **from compliance to data centres**.

Roles everywhere are changing. People who worked in procurement, for example, may have moved to a central office because of the issues around compliance and the legal requirements for storing business data.

The whole organisational and data landscape is evolving, and we are helping organisations to create a new structure to manage that. Businesses are looking to us for help, for example, in navigating the established data silos in their organisations, to **extract insights** that help them create innovative products.

GROWING DATA CENTRES

As companies move to digital records, the data centre will necessarily become more important.

We provide the bookends for customer data. Historically it is about paper or computer tape storage. So you have a physical warehouse on one end. Then a **data centre** is effectively a digital warehouse. Everything in-between is this hybrid physical/digital world, and the services that we put on top to help organisations navigate through that digital transformation.

We are already helping customers with the management of their data centres. In many cases we are hosting customer data in our own centres. We are winning business based on our brand reputation, our commitment to environmental-friendly operation, and our ability to work globally.

MANAGING THE CLOUD

We are seeing a number of larger organisations operating in a **multi-cloud environment**. They might have their own cloud hosted in our data centres, together with certain applications or environments operating in the public cloud for access to certain technologies. We help facilitate their cloud management while giving them a high-quality, lower-cost solution.

WE ARE TAKING THE JOURNEY TOO

At Iron Mountain we are not sitting on the sidelines, shouting instructions to those on the path to digital transformation.

It is a journey that **we are making ourselves**, and our learnings influence the support that we give our customers.

Listening to our customers is vital if we are to help them through their journey. Organisations that are trying to use commonality to solve bespoke problems will struggle. In the oil and gas industry, for example, exploration might be the theme, but every customer has different challenges. That is one of the things we have to listen for.

At the same time we need to **listen to our advocates** within the company to understand what they need to gain traction within the organisation in a complicated world.

To do these things well, Iron Mountain is changing. We are re-tooling our **client-facing** people and building larger, more coordinated teams who can listen, develop and help our customers navigate within their own environments.

We are also adapting our culture. And we have hired a CTO who is greatly influencing that change.

We recognise that physical **record retention** and **archive storage** are going to be a large part of our own operations and service to customers for years to come. We work hard to ensure that our established core team members continue to feel important to our future, while attracting new talent with different skills.

Talent is key. We are making good progress in terms of being attractive to people who are digital pioneers as well as physical pioneers. Brexit could present opportunities or risks to that drive, but actually we do not foresee a great risk.

We are also very aware that we cannot recruit all the new skills we want in areas such as AI and machine learning, not least because there is a finite pool of these resources. That is why partnership, such as the one we have formed with Google, is important to gain access to deep machine learning expertise.

To respond to our customers' needs, we have been setting up proof of concept on our machine learning platform, called **Insights**. Two of those are in financial services, one is for the oil and gas industry, and one is an internal project to show how we could manage contracts in our legal department.

We are also expanding more into SaaS-based products in terms of how we serve ourselves and our customers.

Taking the same path as our customers gives us a real insight into the hurdles they face and the ways to pass over them. And just like our customers, we would like our progress to be faster, but it is steady.

Working together, we will all get there.

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