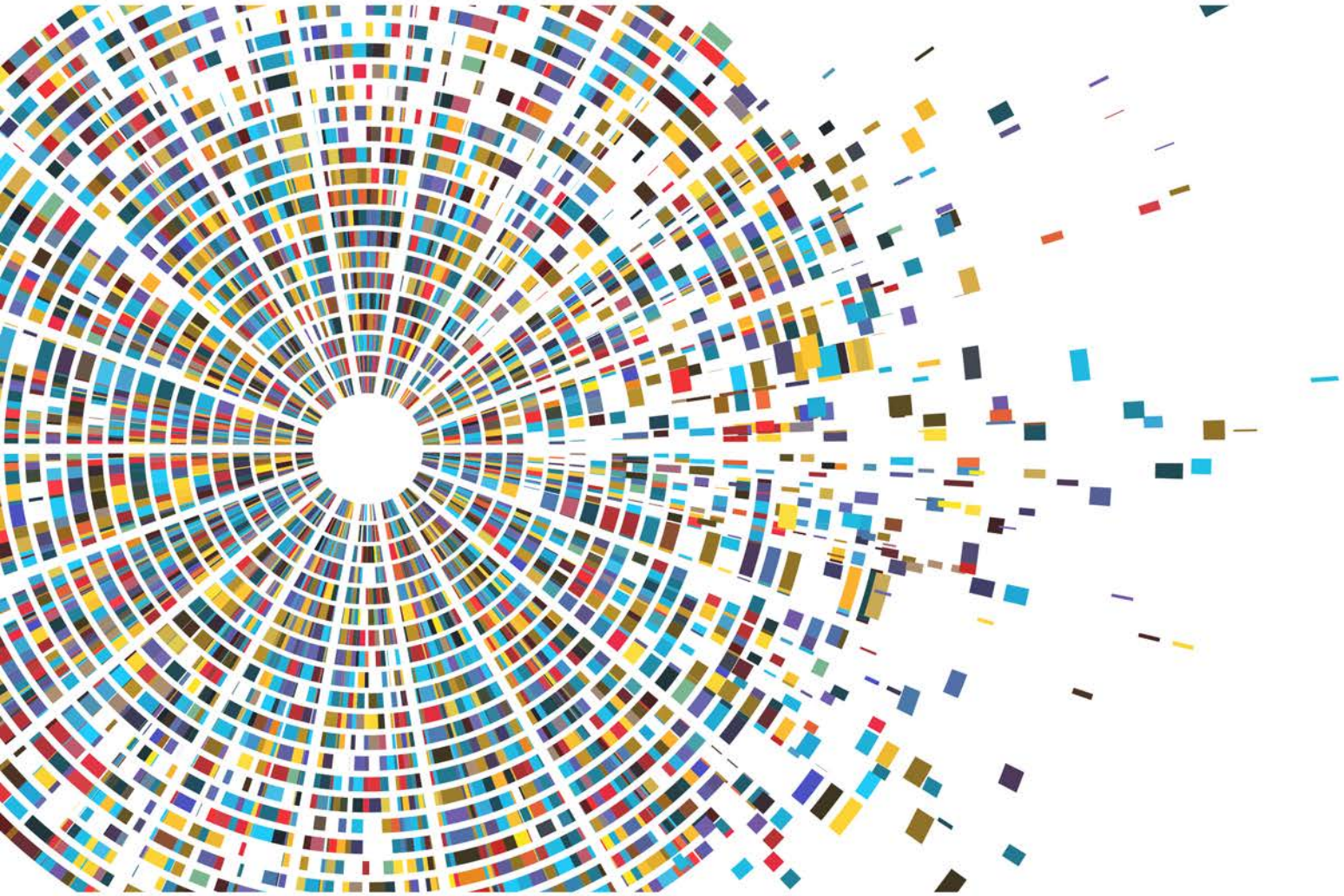
Data Governance Foundations

A Framework for Your Organisation's Vision, Culture, Structure



Audience:
CIO, CDO, Data Governance Office staff, Change Management facilitators, Data Architects and Senior/Chief Data Stewards.

ASCENTION
THE NEXT LEVEL
DATA MANAGEMENT • VISUALISATION • PLANNING

Introduction
What Is Your Starting Point?

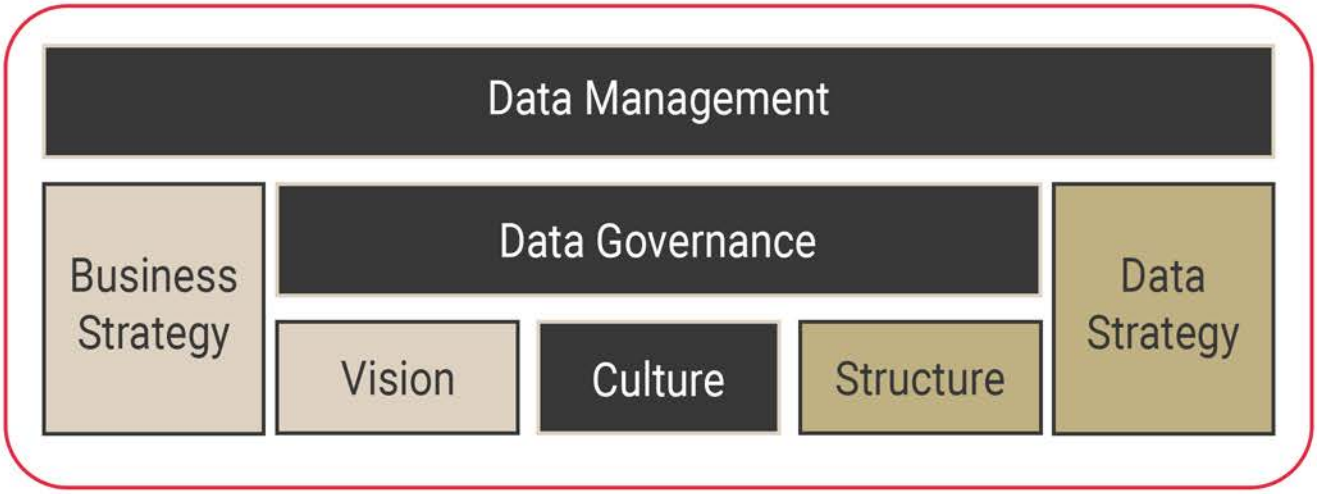
There is a vast number of publications available about what Data Governance (DG) is and is not, its role in a typical organisation and the approach one could take to foster it. A significant number of such publications take a prescriptive approach to defining DG and associated domains. In this white paper we will take a First Principles based approach to overview the concept.

A **FIRST PRINCIPLES** BASED APPROACH

It is prudent to introduce a reference definition of the Data Governance term to keep the discussion of its fundamentals in the right context. We will quote a popular definition available from the DAMA DMBOK2 source: *Data Governance is the exercise of authority and control over the management of data assets.*

Data Governance is fundamentally different to the project execution practice in that there is no end state or end date associated with it. It is required, literally, on a perpetual basis or for as long as quality data is expected to be available for day to day business operations as well as innovation.

In this context we will discuss the following fundamentals that a successful implementation of DG leans on: Vision, Culture and Structure.



Vision: Using A Business Strategy Roadmap

Data is often referred to as a strategic asset of any organisation. One may notice that there is a debate going on about the economic characteristics of data and the type of asset class it belongs to.

Some argue that data should not be treated as an asset unless it is turned into information that has real economic value *[Managing Data as an Asset]* Others describe data as a non-interchangeable type of asset. A yet another opinion emphasizes a property whereby data is not consumed when it is used, as are financial and physical assets.

There are also costs associated with owning data assets. The storage, backup operations, data cleansing and transformation processes required to deliver useful insights are amongst those factors that incur expenses before any material gain can be realised.

Such discussions may have important effect on relevant accounting practices. Common to most of them is the fact that, often, there is economic value attributed to data. We will stay away from discussing the accounting aspect and only focus on the fact that there are various ways for contemporary organisations to derive economic value and forge a competitive edge from their data.

DATA: **ASSET VS COST**

It is remarkable that for many data is still one of the most underused and undervalued assets of any organisation. Given there is an economic aspect associated with data it is only natural for organisations to look for ways to develop or optimize processes and products that derive profit from it. Some of these ways focus on cost reduction initiatives. There are others that focus on maintaining, increasing, or creating revenue. Here are some of the many examples:

- Master Data Management practices that create favorable prerequisites for sharing important data between various departments inside the organisation *[A Master Data Solution is a Must].*
- 360˚ Views that enrich datasets with related value-add information and increase their appeal to external customers *[Where Unity Delivers Clarity].*
- Modern architectures and products that optimize distribution and simplify consumption of data amongst cooperating parties *[TIBCO Data Virtualization].*
- Data consolidation systems and processes necessary to comply with regulatory requirements.
- Advanced Analytics enabling users to improve quality of business decisions.
- Adoption of AI and ML methods enabling new product development *[How AI is Transforming Data Management].*

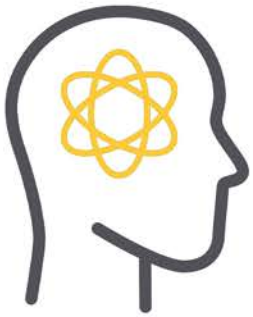
Successful planning and execution of such initiatives requires a clear understanding of the organisation's business priorities. Without a tight alignment of data initiatives and business priorities any of these activities is likely to rather drain company funds with no noticeable benefit delivered and that, obviously, defeats its purpose. Such alignment requires an in-depth understanding of both the business strategy and role various datasets play in business processes. There is a multitude of questions to ask about datasets to efficiently support the overall business strategy, such as:

- Is the dataset involved in our core business?
- Does it have impact on business supporting functions such as Compliance and Audit reporting as well as detection of Service Failure, Security Threats and incidents of Fraud?
- Does it have a potential to optimize our processes *[Master Data Management and CRM]* or power innovation activities?
- Are other parties likely to become interested in it?
- How do I know if the dataset has real value at all?

One needs an intimate understanding of the company's Business strategy and roadmap to be able to provide confident answers to such questions. It is a symbiosis of the business strategy and company data management practices that ultimately helps define the right vision of ways to profit from data assets. Hence the importance of the role company Business visionaries play driving the monetization of company's data.

Culture: A Lever to Drive Business Change

If data assets have such an important role to play in the lifting an organisation's profitability to the next level, then why is it that there is only a handful of organisations that manage to successfully manifest their vision in their business reality? At a glance it should be very easy in the 21st century to collect data and apply modern software to it in order to derive the expected benefits, right?



BEHAVIOURS & VALUES OF STAFF = **DATA CULTURE**

Research shows that there is only a small percentage of organisations that can successfully link their Data Analytics capability to the actual business practice. Analysts often lack time to deliver profit creation ideas because it is consumed by data cleansing and preparation activities that make it hard to focus on the core Data Analytics domain. Furthermore, there is often a lack of organisational readiness to apply insights provided by analysts which is so much needed to warrant benefit at scale.

Clear vision is an important pillar of the data monetization pathway. However, efforts of one or a few visionaries alone cannot possibly take the entire organisation to the next level. In the contemporary society where the extremely competitive business environment tends to absorb not less than 100% of everyone's capacity it is the combined effort of all staff that ultimately delivers the desired outcome.

It is the behaviors and values of staff, commonly referred to as Data Culture, that manifest the data monetization vision in a form of imminent benefits. There is typically much to improve on this front before any benefit can be realized:

- Are there feelings of being unproductive, frustrated or stressed out when working with various data centric systems? *[Culture shock: Becoming a data-driven business]*
- Are discussions of data related issues being unproductive because of uncertainty surrounding basic data management concepts?
- Do people struggle to understand each other because there is no common understanding of terminology used in the organisation?
- Does initiation of a data related conversation result in a grin indicating that the person lives on another planet?

COLLECT DATA WITH A SINGLE PURPOSE

Where there is a significant internal resistance that makes it hard to introduce any novelty in the way data is handled, a dedicated effort may be required to facilitate cultural change in the organisation. The act of fostering Data Culture typically falls into the overall Organisational Culture domain and is normally an object of the Organisational Change Management process. Through this process organisations can develop required capabilities by maximizing communication, stirring up motivation, training the people, encouraging them to share the knowledge, and praising the champions.

The goal of such change is to foster organisational culture where all staff perceive data as an important asset. Organisations that have undergone such change collect data with a single purpose of transforming it into insights and otherwise useful information that help proactively support business strategy and make decisions based on facts quickly and efficiently time after time.

A key element required to foster Data Culture is Data Literacy. Data Literacy is the ability to read, understand and communicate through the use of data. It is Data Literacy that brings people and technology together in a harmonious environment so much needed to develop the required behaviors. Often Data Literacy is propagated into the organisation through a central Data Excellence team that champions various data initiatives.

Paramount to activities undertaken on this front is to establish a single language that promotes common definitions of data terms and concepts used throughout the organisation.

Tale has it that the construction of Tower of Babel was never brought to completion because the language the builders spoke was confounded. As they could no longer understand each other they stopped building the tower.

The moral of this story is that a commonly used language is an important prerequisite for a focused effort made in a pursuit of desired outcomes. In a data driven organisation data itself becomes such a common language *[Data is a Language].*

Structure: How to Ensure Your Vision is Achieved

Vision and Culture are important pillars that Data Governance leans upon. However, these two "soft" elements alone are not sufficient to implement a practical Data Governance solution. An additional "hard" element is required that can put the required logistics in place to bring the vision to life. In a pragmatic sense this element helps to make business objectives oriented data management decisions and monitor the focus of the management routine.

STRUCTURE BRINGS THE VISION TO LIFE

There are multiple dimensions of this element to mention, most notably:

- A people management framework that arranges Data Governance roles and responsibilities and naturally fits in the organisational structure.
- A range of frameworks that help develop a Data Governance strategy and drive the development of organisation's operating model.

Organisations are often described using a hierarchical organisational structure and this arrangement prompts for a respective multilevel categorisation of DG roles and responsibilities within it. Here is an example list of such levels:

- Steering committees represent the most senior leadership (executive) level. This is a very important component of the overall structure that warrants traction and propagates the sense of importance into all parts of the organisation.
- A data governance council is often pulled together to represent relevant departments and functions of the organisation. This level ensures that all stakeholders are represented and contribute into the strategic DG decision making.
- Subject matter experts who look at the use of the data across lines of business are sometimes called Data Domain Stewards. They accomplish the strategy at a tactical level and play a critical role at maintaining a single view and uniform interpretation of data across the entire organisation. These people have a weak association with specific business units.
- Operational Data Stewards are responsible for day to day operations such as the defining, creating, provisioning, and using the data. These people have a strong association with specific business units.

A common tendency observed in a contemporary organisation is that most staff are involved in some relationship to data. Soon literally all staff will be using data in some capacity. Some of the goals of DG is to help staff to:

- Recognize that they are using data on a regular basis and understand what data usage norms are expected of them. Ethical use of data is an important constituent of the norm and ensures clarity about what the appropriate use of the data is.
- Know data governance policies and stewardship rules defined for various levels in general and at their level in particular. The rules would typically cover data management aspects like classification, retention, disposal, access, sharing, change approval etc.
- Realize that the policies and rules are needed by and vital to the organisation.

A dedicated Data Governance office can be established to help achieving these goals. It functions as a supporting structure that facilitates effective communication with all staff and day to day DG activities. The office coordinates relevant parties be the data stewards performing their daily routine or DG partners who contribute at a strategic level.

A DEDICATED DATA GOVERNANCE OFFICE CAN BE ESTABLISHED

It drives Data Literacy and training initiatives, compilation of policies and procedures, Audit and Reporting.

Summary: Using Data Governance to Achieve Business Objectives

The Data Governance paradigm supports a provisioning and utilization of quality data to achieve business objectives. It involves many intertwined practices and domains of knowledge, hence the high level of complexity associated with it. There is only one way to deal with a high level of complexity, namely "Divide and Conquer". In other words, it is important to understand the composition of the paradigm and nature of its constituents to take up the challenge. We believe that the *First Principles* based overview of DG fundamentals (e.g. Vision, Culture and Structure) contributes towards a tailored planning and implementation of the Data Governance practice aiming to meet organisation specific business requirements.

Start small and evolve big.

YOUR NEXT STEPS - ASCENTION SHARES EXPERIENCE

In strict terms DG is a perpetual process. This property sets DG apart from Project Management. Your organisations initial steps towards using Data Governance to achieve your business objectives can be as follows:

1. Define your organisation's vision re innovation and data monetization;
2. Identify suitable use cases for the initial plan of attack;
3. Recommend relevant cultural transformation steps to support the initial implementation;
4. Recommend minimalistic organizational and technology changes to support the initial implementation;
5. Provide on-going support.

...and remember to *contact* the team at Ascention, our friendly and experienced data professionals are available to discuss your initial questions.

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