

INSIGHTS

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DATA GOVERNANCE Getting Started



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DATA GOVERNANCE – GETTING STARTED

You're an up and coming executive, and have just been asked to take on the new role of Chief Data Officer for a Wealth Management company.

To get up to speed, you decided to attend a conference on Data Governance and Data Management to see how it might relate to the three basic business objectives: increasing revenue, decreasing cost and reducing risk.

There was a presentation on Big Data. A buzzword to be sure, but it was cool. The business folks would really benefit from something like this – blending all kinds of data together to create better business intelligence. There was another session on Master Data Management. Another buzzword. A dry topic, hard to find the edges, but it was clear that other companies are working on “MDM”. The benefits include knowing their data better and being able to find information quickly. These were big topics – too big. It wasn't clear to you how they might help increase revenue or decrease cost, or reduce risk.

There was also a forum on new reporting requirements thanks to the most recent financial meltdown – only 6 months until the new reports are due. Is your company aware?

Back on the home front, clients are complaining. They want their statements simplified and delivered sooner. They are confused by the complexity of multiple account numbers for different products, and all the different transactions between them.

Operations need to be streamlined – the employees have to work around old systems to get things done. It takes hours, days and sometimes weeks or months for the sales folks to get the information they need and the answers seem to be different depending on the day of the week and who you ask. We need answers when the clients call, on the call, not after.

It's clear that if more people in your company understood your data and systems, you could begin to address all the issues above.

Sounds like we need Data Governance, you say, confidently. Everyone else is either doing it or thinking of doing it. Data Governance will align understanding of our data and provide insight of company assets across the enterprise. Good to hear, the CEO agrees. This isn't going to cost anything right? When will it be done?

You promise to come up with a plan and explain Data Governance so that everyone understands. And determine a budget. You signed up for this, after all.

But, how do you get started? Your inner voice says this is going to be a big change. Cue the Mission Impossible soundtrack. You're going to need some help.



The Problem of No Data Governance

The scenario described above is very common - new industry buzzwords suggesting a change in technologies that will impact your business, there are challenges with current operations wasting everyone's time, and a tangible regulatory requirement that will clearly impose changes to what you do.

To do it right, you need to bring everyone together in a formal way, create a working model to align expectations and understanding regarding your enterprise data. You need Data Governance. Continuing without Data Governance will simply perpetuate the current state.

FACT: While 82 percent of companies face external regulatory requirements, 44 percent still don't have any Data Governance policy in place .

Data Governance isn't new, but it's certainly become more popular as organizations of all types have concluded that they need to understand their information much better to compete in this age of real time data and tighter regulatory control.

Design and implementation of Data Governance isn't easy, but it isn't a secret either. You can easily find generic models and adapt one that best suits your needs. And you can leverage what you have. But, it takes commitment from inside the organization; if there isn't agreement across the board, it has to be pushed down from above. You can't purchase Data Governance. To succeed, everyone must roll up their sleeves and do the work.

Data Governance doesn't have to be complicated - in fact, starting small as part of another data initiative and continuing to deliver continuous improvement is a smart way to approach the challenge.

What is Data Governance?

Data Governance is high level planning and control over data management. The main activity for Data Governance is setting policy that will drive standards and structure around data assets, data quality and data management for an organization.

Data Governance is a journey, not an event. Many organizations have started, but none can say the job is truly done.

Why Do You Need Data Governance?

There are lots of reasons why you might need Data Governance, but here's a short list:

Value	Example
Cost avoidance	Less re-work, redundancy avoided
Efficiency and effectiveness	Less time trying to find data, enables you to work faster, do more
Sales optimization	Accuracy and timeliness improved, traceability across data sources and processes
Business intelligence	Single source of the truth, standard metrics
Risk management	Regulatory reporting, reputation

Data Governance does the following:

- Establishes business stakeholders as information/data owners
- Removes technology groups from conflicts of data ownership
- Positions enterprise data issues as cross-functional
- Aligns data quality with business measures and acceptance
- Ensures data is managed separately from applications
- Expands change management to include data

Key Elements of Data Governance



Getting Started

The first step is to design a Data Governance program. By definition governance is formal, and Data Governance means formal structure.

The program needs executive support - a steering committee. And it needs a champion - someone senior who has authority to make decisions. Someone who will act. This is key.

Organize the program like you would for any project or program. For example, you're going to need a mandate, guiding principles, goals and objectives, an approach, roles and responsibilities, and a high level plan.

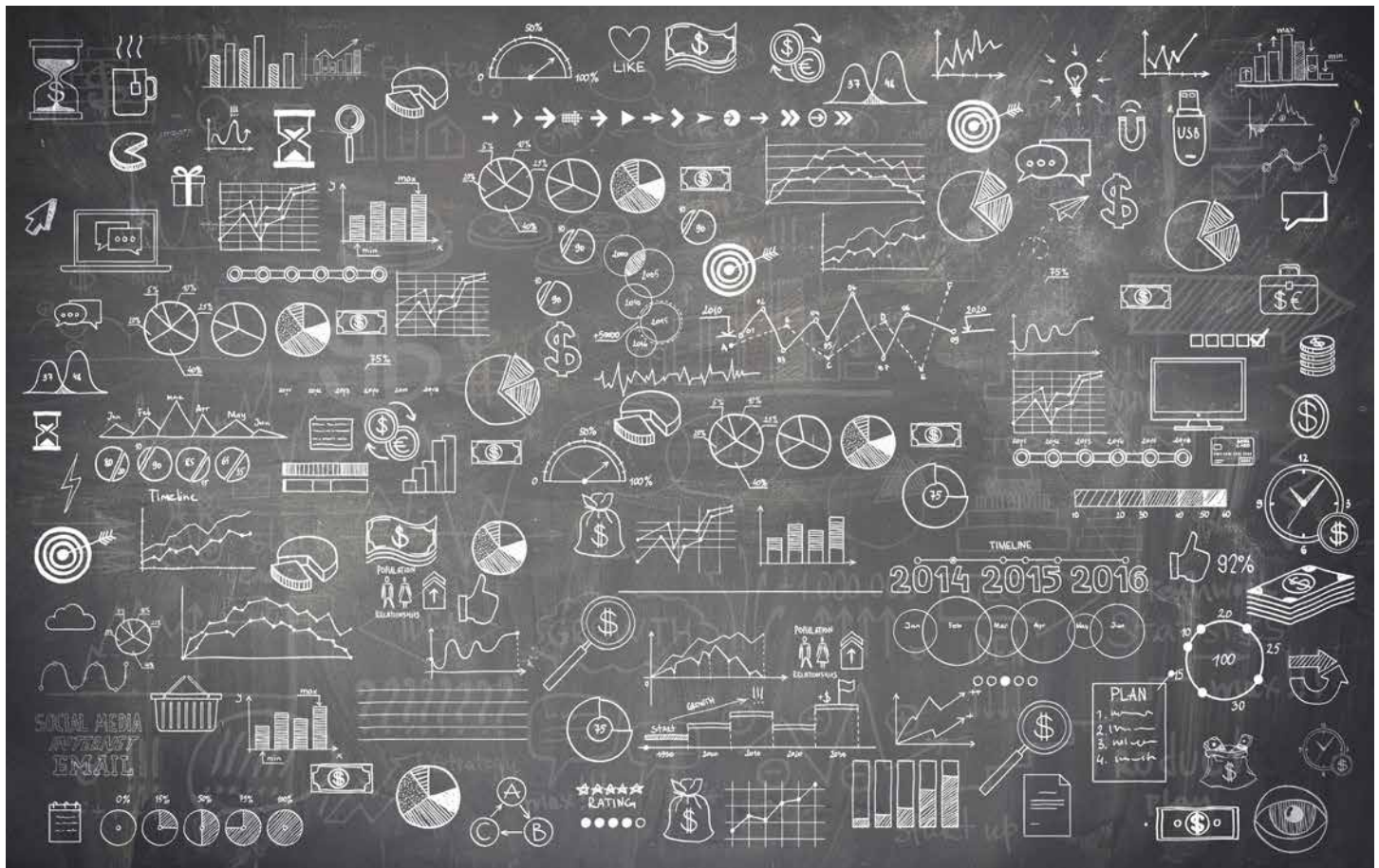
You'll also need to create a simple protocol to escalate issues to the champion. Nothing too complex - remember, this will probably be the first time anyone in senior management is exposed to the data in this way.

The program can be funded separately, but writing a business case to describe the benefits of Data Governance can be overwhelming, and pinpointing a return on investment can be tricky or impossible. More often, funding comes from several data initiatives. The reason for this is that all data initiatives will benefit.

Regulatory initiatives are excellent reasons to support the case for Data Governance if for no other reason than the words regulatory and governance go hand-in-hand.

Establish a Framework

Here's an example of a Data Governance framework. Most organizations have representation in at least one box in the diagram.



Roles, Responsibilities and Change Management

You may find that you have some of the responsibilities already covered in existing roles in your enterprise. The trick is to re-organize the existing roles and re-align them. Sometimes this means a change of delineation between business and technology responsibilities. Business areas now require the same technical skills that were traditionally the domain of technology; for example, data mining and business intelligence report writing may become business roles. Altogether new roles may be needed, for example Data Stewards, Data Owners or new kinds of subject matter experts, such as a Data Scientist.

Subject Matter Experts (SME's) are critical. SME's are employees who know the data well - what it's used for, how to use it properly, who uses it, it's history from inception to current update, and they understand deeply the systems that provide the data. Usually, there are very few SME's even in the largest organizations. Transferring their knowledge across the organization is probably the most critical objective of any Data Governance program.

To transfer knowledge, use the Data Governance program to your advantage. Why? It's an approved initiative for change. Identify your SME's, tell their supervisor you need their help and tell them why. This gets buy-in. Document SME knowledge: collect existing data dictionaries, business process documents and technology documentation; for example, documents showing data flow between systems and strategic architecture.

Establish new content - for example, a master data dictionary that aligns all the information between systems, or a new data flow strategy. Set up an online repository for the program to share content, new and existing. Establish a stakeholder map to determine who knows what, and to help understand the gaps in communication and where you need to create new relationships.

Finally, you'll need to transition the knowledge on an ongoing basis. This means planning, training and support. Tactical to practical, small but continuous improvements.

Capture your strategy and steps in a Change Management Plan. It can be a simple plan, a few pages, or a boiler plate, it doesn't really matter. The importance of the plan is to provide an easy reference point for the most critical part of the program.

Data Governance

Getting Started at a Big Five Canadian Bank

A set of new regulatory requirements helped drive a new initiative for a big, new, enterprise data warehouse at a Big Five Canadian bank.

Early on there was recognition at the most senior levels that this project would require Data Governance and result in business changes: the current processes were manual and unsustainable; the volume of data was going to be significantly greater - the current organization was not set up to handle the increased load; there was fear of regulatory fines and even criminal repercussions for incorrect reporting or missing the report deadlines.

Wellington was hired to bring in experts with hands-on experience to help structure and operationalize data governance and data management.

The Wellington team worked hand-in-hand as one team with the client and its partners to develop and implement the program. Together the teams were able to successfully manage business change and transition the business to a new operating model.

Data Governance was successfully initiated and operationalized; new teams, roles and responsibilities were created; new processes and new monitoring and reporting were developed and implemented. Key to the entire engagement was getting the client started with small, manageable steps and a steady transition of knowledge from the Wellington team to the client.

New regulatory reports were delivered on time and met all the new regulatory requirements. What used to take weeks to compile manually using spreadsheets became available in minutes using the new data warehouse. And best of all the data was reusable to reporting for other business areas.

Example of a Strategy for Implementing Data Governance

1. Establish Data Governance for a technology within the scope of the data project
2. Institute Data Governance as a program in the business area
 - i. Purpose is to establish Data Governance policies, process, procedures and standards
 - ii. Scope of the program is to apply Data Governance to all data initiatives
 - iii. Establish a standing charter and guiding principles
 - iv. Team members are key groups and individuals who will make decisions about data
 - v. Fill the role of Data Steward(s) - individuals whose responsibility is to manage data through its lifecycle and make changes
 - vi. Identify the key person responsible for decisions about data representing the business area
 - vii. Implement data management and Data Governance software tools
3. Leverage and integrate with existing, formal Data Governance. For example, an enterprise Data Governance council.
4. Identify key organizational roles for Data Governance
 - i. Technology Owner - has the authority to make changes to the system, understands business requirements and can communicate effectively with the business owners
 - ii. Data Owner - business person responsible for data and the technology application
 - iii. Business Area Data Steward - responsible to address data gaps and execute data management tasks
 - iv. Executive Sponsor/Champion - accountable for decisions regarding data, the application and execution of Data Governance in the business

Next Steps

As with all major changes, you're going to need help from inside and probably from outside help as well. In the example above, you're a new CDO with an unclear mandate. Everyone is looking to you to figure it out, make the data simple and solve everyone's problems. Your inner voice was right - it's a big change, and you need some help.

To avoid the usual failure of most business transformations, engage the right people who have the experience and the scars to drive success, to take you from tactical to practical.

The goal of a Data Governance is to become operational, so firms hired to help should have a clear mandate to engage as many of your people on the project as is practical. As you begin to practice, the consulting firm should transition their knowledge and your people should be managing the transformed business.

Anything else benefits the consulting firm but hurts you, the client.

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ABOUT WELLINGTON

Wellington Consulting Group is a leading Canadian consulting firm that focuses on the financial services sector. We assist clients in the development and implementation of their strategies. Our core skill is helping client's turn their strategies into results. Our core services are program management, organizational change management, business transformation through data governance and analytics, investment accounting transformation, finance business transformation, and technology and process implementation.

ABOUT THE AUTHOR



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Malcolm has more than 20 years of experience in providing management consulting services and leading project teams across entire enterprises. His experience ranges from pure business to pure technology, with a common theme of finding practical, applicable solutions to business problems. Malcolm has been a consultant and an executive. He has helped create start-ups, moved small to medium businesses to the next level, and worked with large organizations across many different industries such as banking, wealth management and insurance.

At Wellington Consulting Group, we pride ourselves on having a long list of clients that understand that first and foremost we are there to make them successful during the transformation and preparing for them to work without us after the transformation.

Please don't misunderstand us; we love repeat business but it has to be done on terms that are right for the client, not right for Wellington. For more information, call us at 416-901-3393, or send an email to info@wellingtoncg.com.



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