

## How To Utilise Data Governance To Achieve Continuous Success

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*“By 2008, less than 10% of companies will succeed at their first attempts of implementing data governance because of cultural barriers and lack of senior sponsorship.”*

**Gartner, 2007**

As of 2007, according to the CIA World Factbook, all nations in the Middle East are maintaining a positive rate of growth. In particular, there are huge commercial opportunities in emerging markets such as Qatar, Bahrain, Saudi Arabia and the United Arab Emirates, which are growing at 6% to 12% annually. The potential for sustained economic growth and development in this region remains considerable, particularly if the current trend towards political and economic reforms remains on course.

Whilst sustained economic growth will lead to the growth of commerce and enterprise, a more inconspicuous characteristic will be the huge increase in the amount of information which organisations will collect. This will include information about their customers, products, suppliers, inventory and finances; information that needs to be well-managed so it can be utilised within a usable, logical framework. Inconsistent, inaccurate or unreliable data can severely complicate regulatory efforts, as the information within applications and databases – data relating to customers, products, employees, suppliers and financial transactions – provides the foundation for audit reports and various other compliance efforts.

### **The data quality challenge**

The data management challenges facing today's businesses stem from the way that IT systems have evolved. Enterprise data is frequently held in disparate applications across multiple departments and geographies. To address the spread of data, and eliminate silos of corporate information, many companies implement enterprise-wide data governance programs, which attempt to codify and enforce best practices for data management across the organisation.

Data governance is an emerging concept which requires the cooperation of people, processes and technology to create a consistent enterprise view of company's data. Companies are embracing data governance as a way to bring order to the chaos of their IT infrastructure. By concentrating on the health of the data, companies address the lifeblood of their enterprise, helping create better data to support any business initiative.

### **What it is and why is it important?**

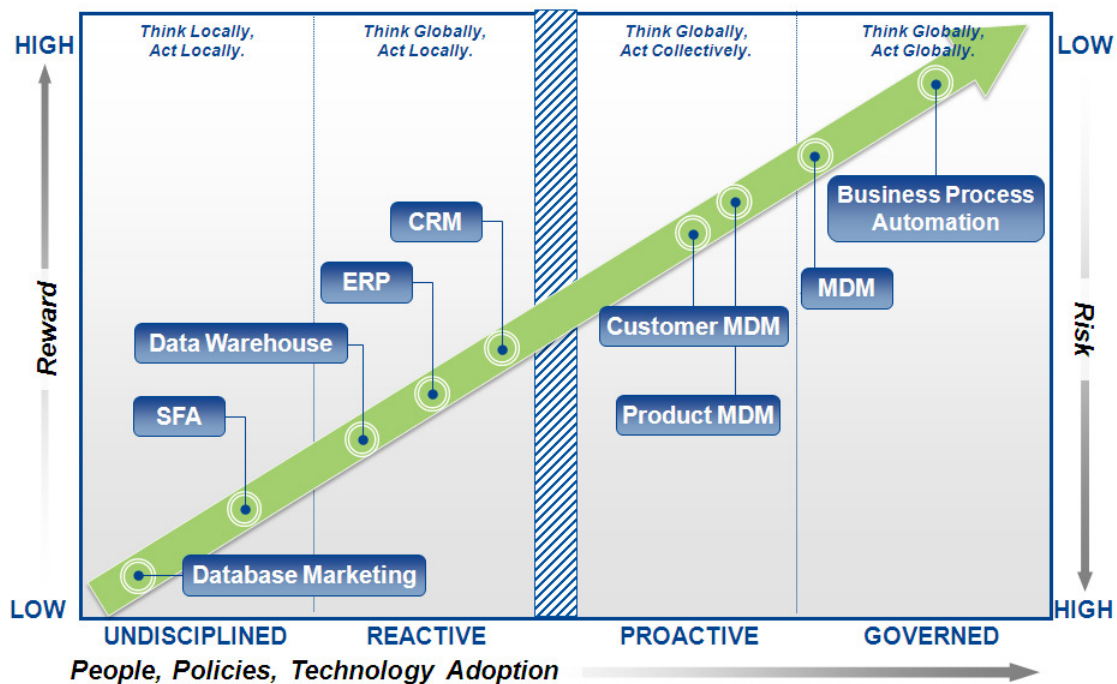
Data governance means many different things to many people. A good definition is provided by Baseline Consulting, a US-based consultancy firm, who describe data governance as *“a decision-making and oversight process that prioritised investments, allocates resources, and monitors results to ensure the data being managed and deployed on projects is valued, aligned with corporate objectives, leverages to support business objectives.”* In basic terms, data governance allows an organisation to fully understand its business, delivering not just a single view of the enterprise worldwide but also a method to produce ongoing standardised and reliable data, from any language source, in real time.

By taking the time to govern their data, companies will also find the ever increasing emphasis on legislation compliance less of a headache. However, data governance shouldn't be reactive – one of the main benefits of instigating a data governance programme is enabling the value of data to be realised as a key strategic asset to achieve competitive advantage. Better control of data means that customer relationships can be enhanced even under the pressures of competition and operational efficiency can be improved.

Finally, as most global companies with expensive CRM or ERP software will now testify, it is essential to lay the right groundwork for the successful implementation of new technologies, particularly when they are required to integrate with existing systems. Reliable, clean data is always the essential starting point.

**The Path to Data Governance**

Given that all businesses are unique, the first and critical step to planning a data governance strategy is to assess what mechanisms for managing data are already in place – and what needs to be enhanced. Then, and only then, can you assemble a bespoke strategy that will achieve buy-in both up and down the organisation. At DataFlux we have developed the Data Governance Maturity Model to guide this process:



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This graph is used to help organisations understand where they are in the data governance continuum and what steps they need to take to move up the curve towards greater operational rewards. Currently, 85-90% of all businesses are operating at the 'Undisciplined' and 'Reactive' stages of the curve. Organisations in these segments rely on processes that require manual data management and integration. Principles of data quality and data integration are often completed in silos, inhibiting a cross-functional view of customers, products, inventory or other information assets. To date, only 10% of organisations can consider themselves in the 'Proactive' stage of maturity with even fewer reaching the 'Governed' section to the far right.

When you have identified where you are with your data management approach, a strategic action plan needs to be put in place. A phased approach is essential to yield the most benefits with the least disruption for the business. If we look at two primary barriers of data governance -- cultural obstacles and a lack of senior sponsorship -- we see both require collaboration, planning and the formulation of a clear business strategy to be successfully overcome. The process of finding the appropriate data quality solution can only be achieved through a governance framework which

effectively allows the definition of an enterprise-wide strategy and the correct management of people, policies and technology.

### **The Need for Stewardship**

In an ideal world, a data governance initiative will be managed by a team of 'data stewards' who are responsible for the accuracy, accessibility, completeness and, most importantly, control of corporate data. Most large organisations have many applications and databases that do not easily share information and have been functioning that way since their inception. This means that to implement a successful enterprise wide data strategy rules have to be set up and difficult decisions made about how different sections of data will be treated.

Data stewards play a valuable role in bringing business stakeholders together, instigating an objective strategy to seek common agreement on the way things will work going forward. Continuous monitoring of data quality and other metrics allow dashboards and reports to be presented to senior management, ensuring continuous executive approval in the sometimes difficult changes that the organisation is undergoing in achieving a universal approach to data management.

### **Conclusion**

The Economist Intelligence Unit recently stated that the Middle East will be one of the fastest-growing regions in the world over the next two years with average real GDP growth of 5%. It is projected that the region's rapid growth will be maintained over a longer period, based on new projections of world growth up to 2030, with Middle East GDP expected to increase fivefold over the next 25 years.

With this thriving economic growth organisations will be processing more data than ever before, at a faster rate and in less time. I have summarised a number of steps that illustrate how the management of data lays the groundwork for a more unified enterprise and builds the foundation for a more successful, competitive organisation. It is important to remember though that no matter what type of data your company is working with, technology alone will not provide the answer. A solid methodology and data governance policy is essential to maintaining consistent data over time.

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