

Developing a data governance framework for your business

The reasons for investing in data governance are as varied as data itself. Businesses today need to leverage every competitive advantage, and organizations can't afford to ignore the potential value their data assets and insights could provide.

The risks of disregarding data governance

Yet in spite of the growing understanding that data governance can provide the most logical foundation for building an arsenal of high-value data assets; it is surprising how often executive leadership hesitates to designate the necessary budget and resources for governance initiatives. The reasons for this are many—leaders are constantly juggling budgetary priorities, and may have a narrow view of data governance as an isolated effort to address specific compliance issues or risk mitigation. Often, past data governance projects have failed or fizzled due to poor strategy or scattershot execution, leaving both leaders and stakeholders gunshy and battle weary when presented with the suggestion to try again.

Dawning recognition of the increasing importance of data governance has at least moved it to the wish list for many companies, but everyone still doesn't view it as an imperative, because quantifiable Return on Investment (ROI) is hard to prove when making a business case. For this reason, strategies to implement data governance may be driven by misguided notions of what data governance means today and what it should accomplish.

But the historically valid reasons for hesitating on data governance are fast becoming weak excuses in today's fast-paced, complicated and competitive business and regulatory landscape. Those who continue to kick the data governance can down the proverbial road may soon find it to be the Achilles heel that proves fatal to industry laggards.

Redefining data governance

The good news is that it is often misconceptions that drive hesitation when it comes to developing a data governance framework— and those are easy to disprove and overcome. For many, the term "governance" has long evoked thoughts of laborious policies and procedures, and the thought of launching

a data governance initiative can elicit an immediate headache. But data governance today is not another layer of bureaucratic rats' nests and red tape— indeed, data governance, done well, is exactly the opposite. The most effective data governance framework, when implemented, is all about clearing up complexity and solving challenges. That isn't to say that it won't require a significant investment in time, resources, and a resolute commitment to a culture change from many organizations. But the benefits of a comprehensive data governance strategy can pay tremendous dividends for the long-term health and growth of a business.

A proper definition of data governance is the formal orchestration of people, processes and technology to enable an organization to leverage data as an enterprise asset. That's already a rather concise description, but it really comes down to a simple proposition:

- In order for an organization's data to deliver the insights that generate innovation, drive better business decisions and yield competitive advantage, it needs to be analyzed.
- Most of the time, it is business professionals who benefit from this analysis as they define business strategy
- Business pros can't afford to wait weeks or months for results, and they need to be empowered not only with knowledge about and confidence in the data, but also the tools to help leverage it.
- Therefore, they must be given easy access to the data for analysis, equipped with the ability to understand it, provide the resources to assist them when needed, and the capacity to generate analysis and manage the results.

This is how a company's employees use tools and procedures to make data work better.

To accomplish these goals, a data governance strategy must be enterprise-wide, business- focused, and rely on a formula defined by the F.A.C.T.S.: Fluency, Accountability, Credibility, Transparency and Simplicity:

- **Fluency**—ensuring common data understanding, and that data is easily and accurately used.
- **Accountability**—increasing ownership and responsibility for both data assets and data management.
- **Credibility**—building trust in data assets and processes, from the quality of assets to the dependability of workflows and tools.
- **Transparency**—assuring visibility and access to all data assets, and providing the necessary tools to enable and ensure compliance for policies, processes and usage.
- **Simplicity**—creating a comprehensive governance foundation that allows data owners, stewards and consumers to quickly and easily access and apply data assets for analysis to realize maximum value.

Here are the details on these components for building out a framework for data governance success.

Essentials of a successful framework

Enterprise scope

When planning a data governance strategy, it needs to be undertaken as an enterprise-wide plan. Data governance initiatives, while still often implemented due to a triggering event such as a regulatory fine, should no longer be approached as a temporary Band-Aid or a one- off project. That is not to say that a data governance strategy can't be implemented incrementally, of course, but you need to map out a broad strategy for a comprehensive program that is both sustainable and scalable long-term, and that may reap increasing rewards over time as it grows in breadth and scope. Small-scale ventures aren't conceived of for wide-ranging application, and may not be suitable for long-range goals.

Undertaking a data governance initiative also presents a golden opportunity to begin developing a data-driven culture, if you haven't already. Governance is all about getting everyone speaking the same language when it comes to understanding, managing and using data assets, which is a great first step towards building a data-focused organization.

Business focus

Beyond an enterprise-wide foundation for data governance, a successful program today must also be business-centric. In the past, responsibility for all things data was often relegated solely to the realm of IT, and many organizations reasoned that data governance should be as well. Over time, the implications of regulatory non-compliance became more and more apparent, and data governance shifted from exclusively IT to a shared concern of legal and beyond. But today, data undeniably ranks as one of, if not the most, valuable asset for most organizations regardless of industry. Data, when properly leveraged, can provide insights that actuate business decisions to reduce cost,

increase efficiencies, improve customer experience, produce innovative new products and services, and drive competitive differentiation. And the vast majority of these revelatory insights are being requested by and acted on by data consumers among organizations' business ranks.

It only makes sense, then, that a data governance framework should focus on helping those business data consumers leverage data to maximum advantage. In terms of ultimate ownership and accountability when it comes to data, that will always be IT. The expertise of IT is the engine that will drive business empowerment—it's time to put those business users in the driver's seat.

Fluency

Data governance is fundamentally about increasing understanding of data assets, not just in IT or in business operations, but across the entire enterprise despite varying lines of business and disparate data usage. Data fluency is about ensuring the entire organization is speaking the same language. That doesn't mean everyone uses data in the same way—such as when English speakers say the word, "bark,"— they may sometimes be talking about the sound a dog makes, or perhaps referring to the covering of a tree. It simply means that there is an accessible repository and resource that lists definitions and usage, and if it isn't understood, there are resources to refer to and experts to ask for clarification.

The fundamental essentials of data governance that help ensure data understanding and data fluency are things like data dictionaries, business glossaries, data catalogs and data lineage. These provide the details around what data means, business terms, the source of data, how old it is, where it came from and how it's been used across the data supply chain. All of this can help data consumers know how to best use data resources. An important offshoot of this is also metadata management, which details the "data about data" and enables much of the potential in predictive analytics. Further, when data governance has a business-centric focus, there is a concerted effort to ensure that all resources are easily understood and not overly technical in nature.

Accountability

Accountability is a critical component of any data governance initiative, and closely correlates with the need for collaboration across the organization and departments. For data governance to be successful there needs to be top-to-bottom accountability, beginning with executive sponsorship. As mentioned earlier, comprehensive data governance can represent a major culture shift, and that often requires leadership to demonstrate consistent and continuous support of efforts. As often occurs with programs that engage stakeholders and resources from across the organization, it may be difficult to gain the support of the change averse and unaccountable. But supportive executives can lead by example, and inspire accountability across the enterprise.

This accountability will be important, as governance requires data owners, stewards, and subject matter experts to step up and act as resources to manage data assets and field consumer inquiries. User-friendly, zero-code workflows that are easily created and intuitively navigated can facilitate the process, but the success of data governance is largely dependent on those responsible to step up and fulfill their obligations to answer data consumer questions, manage workflow notifications and approvals, and handle any issues investigation and resolution.

Credibility

Credibility is an interesting concept when it comes to data governance, as it covers not only the reliability of data governance policies, processes, and procedures, but also the quality and integrity of data assets. Both are equally important if an organization wishes to leverage the full potential of their data, and the underlying concept is user trust. If data users don't trust data assets, or don't believe that data governance resources are accurate and dependable, then they won't use those assets. And underutilized assets may as well be liabilities.

Likewise, inaccurate, inconsistent or unreliable data can tank consumers' faith in data. After all, who would believe an unreliable data set would produce any sort of reliable insight? At that point, business users would rather trust their gut instincts than play data roulette.

But effective data governance should, and can, monitor and improve data quality. Embedded data quality in data governance means that governance and quality are integrated from a transactional standpoint, with controls and reconciliation to provide data quality checks across the data supply chain. Machine learning algorithms can also provide continuous monitoring and self-learn for continuing quality improvement. Data quality scoring can give users better insight into the data that will best meet their needs. Look for a data governance solution that not only builds data understanding, but builds trust and utilization of your data assets.

Transparency

It seems intuitive, but it's often overlooked. If data consumers can't find data assets, those assets may as well not exist. Data governance needs to provide complete transparency into the available data assets, along with all of the tools that support the governance efforts. Workflows should be easily accessible and navigable to manage processes, approvals and view notifications. Dashboards should provide clear views into regulatory compliance and other reporting needs. All of this should be clearly visible and easily accessed not only by data owners and stewards, but data consumers as well.

Simplicity

Simplicity breeds speed, and in today's world, it is all about speed to insights. Waiting on analysis could make the results irrelevant. Getting them quickly could mean a competitive advantage and increased revenue. In a hyper-competitive business market, it is no exaggeration to say that every second could, in fact, count. Making governance easy does, indeed, matter. If governance is about understanding, it should also be about ease of use. Creating a business centric data governance framework means empowering the business user by giving them self-service tools to empower them as they seek to analyze data, and provide them with the resources to support them. Enable them with easy-to-use zero-code workflows, intuitive dashboards and customizable reporting features, that can all help eliminate obstacles to success and quickly turn insights to action.

Organizations often get bogged down in the formality of data governance, but it should be about finding ways to increase understanding, make the lives of data consumers easier, and provide an enterprise-wide framework in which organizational assets are used for maximum advantage and benefit. Hopefully along the way, costs go down and profits go up because those data assets are put to work. With a comprehensive approach, a business focus, and all the FACTS, organizations have the formula for a winning strategy.



About Precisely

Precisely is the global leader in data integrity, providing accuracy and consistency in data for 12,000 customers in more than 100 countries, including 90 percent of the Fortune 100. Precisely's data integration, data quality, location intelligence, and data enrichment products power better business decisions to create better outcomes.

Learn more at [precisely.com](https://www.precisely.com).