

HOW TO GUIDE: UNLOCKING THE POTENTIAL OF EFFECTIVE DATA GOVERNANCE

Creating a Data-Driven Culture
to Improve Quality and
Accountability of Data Assets





DATA GOVERNANCE & MANAGEMENT

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Data is the new currency of the technological economy and many companies still haven't fully realised big data's potential. By driving a data-centric mindset into your staff, you can greatly improve every area of your business from product development to marketing.

A truly data-driven organisation is one that fosters a strong commitment to leveraging data for insights that lead to actions. According to the "Insights Driven Business Playbook" by Forrester, data-driven businesses are "growing at an average of more than 30% annually and are on track to earn \$1.8 trillion by 2021."

In an era where data-driven organisations win, enterprise-wide adoption of data governance and management frameworks is an imperative. Efficient governing of data can lead to great economic prosperity for businesses, if managed strategically. With data becoming more valuable than oil, it is important for companies to develop data governance frameworks that elevate data quality, accountability, usability and security.

However, with nearly 40% of Australian organisations outsourcing their data management to third party cloud solutions, data security, quality and accountability are at risk of being compromised due to the digitisation of data being so unpredictable.

To help you better understand the potential of effective data governance, and help mitigate the risks around data asset compromise we've compiled our **Data Governance and Management How To Guide**. This guide will help your business understand what data governance is, explore why data governance is important, and finally teach you how to build a data driven culture for your organisation.

WHAT IS DATA GOVERNANCE?

With the concept of data governance ever evolving there cannot be a textbook definition of it. It can be stated as a discipline that governs the overall management, storage, usage and protection of organisational information. Every organisation generates data related to their clients and also their internal processes.

Alternatively data governance can be defined as set of processes that ensures that important data assets are formally managed throughout the enterprise. It ensures that trusted information is used for critical business processes, decision making and accounting.

Unpacking this further we see that within both these definitions we have three main pieces of the overall data governance puzzle.

- Rules or disciplines for inputting and maintaining data (accepted definitions, stylistic rules, etc.)
- Enforcement of those rules
- Management of the data - data stewards and users within the company working on the data in accordance with those laws.

When those three factors are present and functioning together within a company, you have good data governance. It is important to note that this definition presents 2 main requirements for data governance: the tools to allow this governance to happen, and the efforts – by people - that carry this out.

WHY IS DATA GOVERNANCE IMPORTANT?

The lack of effective data governance within a company guarantees one thing: the existence of poor data. This poor data manifests itself in inconsistent definitions, duplicates, missing fields, and other classic data faux pas. These are clear issues that should be solved - but what will specifically drive ROI for company that solves them?

Below we take a look at the key reasons why data governance and risk management is crucial to the future of effective business operations.

Data Governance Saves Money

Simply, data governance increases efficiency. Duplicate accounts lead to duplicate efforts, or at the very least it leads to time wasted tracking down duplicate accounts in your marketing, sales, finance, or analytical efforts. Data governance reduces errors in your database, giving your business a solid database to work from and saves precious time that would otherwise be used correcting your existing data. Time saved is money saved.

Bad Data Governance is Risky

Lack of effective data governance is a security concern for two reasons: outside security risks associated with dirty, unstructured data, and regulatory compliance issues. Bad data, and badly structured data poses a security risk for the simple reason that if you have dirty, unstructured data clogging your database, how can you quickly tell when something goes wrong and how can you efficiently monitor what data is at risk?

Data is the most integral asset of an organisation. Misuse of data or other such deliberate activities could give you serious legal woes at the worst or give you a bad name amongst clients at the least.

Good Data Governance Provides Clarity

Take a second to imagine what the assurance of perfect data would mean to your business. Effective data governance provides the peace of mind that the data is generally clean, standardised, and accurate. The effects of this reverberate throughout a company.

WHY IS DATA GOVERNANCE IMPORTANT?

Data Reusability

The central idea behind implementing data governance is the need to reuse data time and again. Without a data governance tool, your paperwork could be a shoddy mess with unnecessary exchange of different versions of the same document. With a data management tool, you could share and reuse the same data frequently and notify other members about the changes made.

Data Analytics

How do you know if you are headed in the right direction of your progress chart? The answer is analytics. Businesses that don't have data governance as a part of their company structure often face difficulties in analysing the data at hand. Poor analysis of data results in poor management level decisions. The data generated in an organisation keeps on growing exponentially and hence it is important to analyse and organise data for better re-usability.

Informing Future Business Decisions

Data governance is key for data-driven companies today, and really what company today is not trying to be data-driven? We now know why data governance is important currently, now consider three major forces that companies are lining-up to benefit from in the near-future: Internet of Things, Artificial Intelligence, and Big Data.

All three of these forces bring great promise to many companies through massive troves of data through which insights and intelligence can be gained; however, the influxes of data increases the need for an effective data governance program. If a company doesn't get ahead of dirty data coming in from IoT, AI, and Big Data, the main result may just be a massive data swamp rather than the increased intelligence.

BUILDING A DATA-DRIVEN CULTURE

As we've already discussed we're now in an era where data-driven organisations win, enterprise-wide adoption of data governance and management frameworks is a strategic imperative and while there are many components of becoming a data-driven organisation, the most critical component is developing a Data-Driven Culture.

Your culture, after all, is what constantly reinforces and maintains your organisation's ability to use data to make better decisions. You can have the best technology available and even hire really smart people, and yet, still not be a data-driven organisation. Culture is the foundation that must be built to create a self-sustaining and lasting data-driven organisation.

With more and more companies dipping their toes in the 'big data' pool, the need to become data-driven has never been more critical, which is why we've compiled our **Top Six Tips to Effectively Build a Data Driven Culture.**

Tip #1: Build Trust in Data and Align to Business Goals

Trust in your data is arguably the most important tip as there's nothing more disastrous to your data culture than when people start to distrust the data. Building trust in data requires having quality data that is aligned to your business objectives.

It's very hard to analyse and extract something valuable from poorly organised, inaccurate, dated information. Therefore, you should develop clear mechanisms regarding the collection, storage, and analysis of data. Make sure all your data inputs are centralised in a single location for easy integration and regular updates. This way, your employees can gather the most recent information from a single place and make more accurate decisions.

Tip #2: Gain Executive Sponsorship

Your organisation must have executive-level sponsorship to foster a data-driven culture. Changing culture is a massive transformation. There will be resistance and hurdles that buy-in from the executive team will help navigate much more smoothly than a grassroots effort. This top-down approach is the best because there are going to be silos within your organisation that might not see the value in the holistic effort of transforming to a data-driven culture.

An increasingly common executive position that is responsible for fostering a data-driven culture is the Chief Data Officer (CDO), who is best positioned to sponsor this change.

BUILDING A DATA-DRIVEN CULTURE

Tip #3: Invest in the Right Resources

Data and analytics employees are critical for building understanding of data and analytics company-wide, yet the most frequently cited challenge to developing enhanced analytics capabilities, by far, is recruiting staff with the necessary skill set.

By developing an internal data and analytics culture and ensuring you have employees with expertise in analytics quality assurance you build a solid foundation for effective data management, use and future business growth.

Tip #4: Get to Know your Silos and Destroy Them

Silos are groups/departments within an organisation that don't share data/knowledge with other parts of the organisation limit effectiveness. How can you have a data-driven organisation, and culture, when you have parts of the organisation that don't share and operate under the same processes as the rest of the organisation? The most effective way to kill your silos is to leverage your executive sponsorship, but also to develop genuine relationships to understand their silo so that you can speak to the benefits of the change you are helping to drive.

Tip #5: Ensure that Data is Accessible

As you break down your silos, you will uncover hidden data that no other parts of your organisation knew of. With a well-planned approach to data governance, you can start to share much of this information in a way that is accessible and easy to use by other parts of the organisation. Data from different systems/silos/departments, when combined, can create better insights.

Data can be considered an asset when its accuracy is trusted, its provenance is well established, and its security is ensured. To ensure this, you should consider a layered approach to make data available in a manner for which its security, governance and confidentiality is not compromised.

Tip #6: Make the Right Decisions

Finally, harvesting all of this data is more cost than value if it's not being properly used to make decisions. CIOs need to lead the charge in a top-down approach to create a data centric culture by creating processes for decision-making that reflects data insights, as well as empowering analytics centers to provide automated insights and encompass data from a wider range of channels. Data without decisions is like burying your money in the ground.



If you're interested in learning more about building a data-driven culture, driving quality and accountability, and exploring the case study examples of the benefits of unlocking big data potential through effective governance, then join us at the **Data Governance and Management Summit 2020**.

The event, held in Melbourne on the 25th – 27th February brings together over 16 local and international data governance experts from the likes of Walgreens Boots Alliance (USA), Data Governance Australia, the Australian Taxation Office, Transurban, ANZ Bank and BHP.

For more information, grab a copy of the event guide now!

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