Enabling efficiency through Data Governance: a phased approach

Transform your process efficiency, decision-making, and customer engagement by improving data accuracy

An Experian white paper

Experian™
Data Quality

Table of contents

1. Introduction

In 2012, Experian undertook a global research survey with Dynamic Markets* which reported that 89 per cent of companies surveyed agreed that departmental funds had been wasted due to data inaccuracy, and 66 per cent further believed that the best way of reducing waste through poor data quality is by increasing efficiencies within their organisation.

Data accuracy and quality can be a moving target and implementing fixes without understanding the underlying causes can be very time consuming and expensive in the long term.

This paper discusses how adopting data governance through a phased approach can help you understand these underlying causes and introduce efficient solutions that improve data accuracy and quality.

> "Data governance…is proactive management to use data as a business driver"

About Author

Janani joined Experian Data Quality in 2011 as a senior consultant, providing businesses with strategic consulting integrating Experian data and technology within enterprises. Her current focus is management consultancy specialising in data governance and strategy, where she oversees the development, promotion and delivery of data governance, data quality strategy and data lifecycle management consultancy.

Prior to Experian, Janani held roles as a business and technology consultant over thirteen years delivering high-value and challenging business projects, with a focus on data modelling and quality, business process improvement, enterprise architecture, business intelligence and multi-channel customer relationship management. She has experience in implementing business processes and supporting technologies for a variety of industry verticals in the UK and USA, covering high-tech, retail, telecommunications, manufacturing, travel and transportation, leisure, business services, local government, business support, education, insurance, banking and finance.

Author
Janani Dumbleton

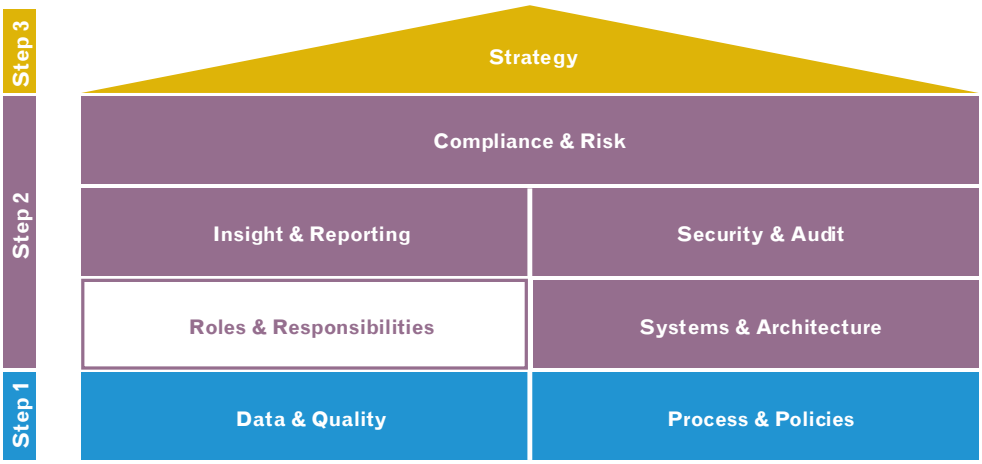
Data Governance Specialist
Experian Data Quality

*The Data Revolution: Liberating lost budgets, an Experian Research paper - 2012. Publish date: March 2012. Written by Dynamic Markets and Experian interviewing 903 companies across the UK, US and France.

2. What is Data Governance?

Data governance is a quality control discipline that covers the acquisition, management, storage and usage of information or data within a business, with the objective of maximising the value of the organisation's data assets. In layman's terms, it is getting your data and related processes in order, so that the business can derive value from it.

Data can be transient in nature, whereas other business focus areas such as processes, people, compliance and management performance indicators can change the accuracy and relevance of data. Data governance aims to understand these focus areas, their impact on data and recommend controls that achieve improvements to data management. We see these focus areas as building blocks that help businesses achieve the efficient management of data, and have been incorporated into three manageable steps to help businesses adopt data governance.



2.1 Three steps to efficiency through data governance

1

Step 1
This stage is essential to the adoption of data governance, as it produces the foundation knowledge required to understand how data is currently managed in the organisation.

Data and Quality; understand the data collected by your organisation and the current level of quality and accuracy:

The level of inaccuracy of data and the related business impact is important when building a business case for governance driven change. Defining the criteria for what good data should look like and setting a tolerance level for inaccuracies, can help organisations identify the worst offending data issues. Profiling data, identifying issues in accuracy and integrity, prioritising business relevance and impact and performing root-cause analysis, enables a lean approach to tackling poor data quality. The outcome of data quality analysis

could result in an improved definition of data, identifying data quality monitoring controls and highlight other focus areas that impact data quality.

Processes and Policies; understand how data is acquired, processed and analysed within the organisation:

Knowledge of how data is acquired changed and transformed; i.e. the data process lifecycle can reveal inconsistencies, repetition and inadequacies, leading to wastage through inefficiency. Poor data processes can be a direct cause of poor data quality. Mapping business critical data quality issues to the data process lifecycle can reveal inefficiencies, and identify initiatives to improve processes, such as business process improvement, systems implementation or user training.

2

Step 2

Adopt additional focus areas that are relevant to your business or have been highlighted as potential areas for improvement through the foundation step.

Roles and Responsibilities; understand the people who work with data, the roles they play and their responsibility towards data:

Lack of responsibility towards data can be one of the key factors leading to data inaccuracy. Identifying who is responsible, accountable, consulted and informed (RACI) about data can reveal overlaps and gaps in data ownership. Overlaps can lead to process reviews to ensure that relevant users have consistent quality standards when processing data, while any gaps identified can provide opportunities to implement corporate data ownership, through implementation of roles such as data stewards or custodians, and the implementation of a data governance office.

Systems and Architecture; understand the systems that support the acquisition, transformation and storage of data:

Disparate systems and varying system architecture can lead to multiple definitions of data across the organisation. Inadequate checks and balances incorporated into systems can lead to the poor control of data quality. A review of data definition and data quality validations across systems can reveal inconsistencies in how these are applied, and identify corrective measures. These measures could result in the creation of a meta-data dictionary that could be used when designing new systems and when implementing consistent data quality tools during data migration, real-time data capture and batch processing of data.

Insight and Reporting; understand the business metrics that drive the importance of data:

Definition of management key performance indicators (KPIs) drives the relevance of data and impacts data quality controls. Poor data quality then directly impacts the insight derived through these KPIs and increases risk to the organisation. It is critical to understand how a KPI is defined and calculated to understand the impact of inaccurate data feeding business insight. A review of business KPIs can lead to monitoring of data critical to insight, and incorporation of data quality as a part of management KPIs.

Security and Audit; understand the security and audit requirements around sensitive data:

Security lapses can lead to increased risk in data management such as users having access to sensitive data, unauthorised changes to data leading to quality degradation, and data processes that violate industry regulations. Regular audits of data, systems, responsibilities and processes against the corporate

security policies can help reveal these lapses and incorporate mitigation through tighter controls within systems and processes.

Compliance and Risk; understand the impact of industry regulations, business compliance requirements and the risk imposed by poor data:

Industry specific compliance and regulations can impact how data is processed in the organisation. Lack of conformance in highly regulated industries like the financial services and telecommunications can result in hefty fines, and poor data quality with processes being perceived as a risk. Incorporating compliance audits that compare the impact of current data quality and processes against the regulations set out by industry bodies can ensure organisations mitigate these risks by incorporating the necessary checks and balances in existing systems and processes, and on-going control through management KPIs and monitoring systems.

Step 3

Build your on-going data strategy and use data governance to review and refine strategy.

Strategy; define what data is important to the organisation, how it should be processed and the levels of data quality that are required to maintain confidence in the insight and value derived from it:

Data strategy defines how the organisation implements, manages and derives insight from data. A complete data governance review, including all of the focus areas described above, will enable the organisation to revise the data strategy to match current and future business needs. Through this data strategy, senior management can assign priority on improvement initiatives recommended by the data governance programme and ensure they are part of the on-going data strategy. The revised data strategy can then be used as an input to any future governance reviews.

Implementing data governance is a process of continual improvement and the typical stages described below are intended to be repeated on a regular basis.

Analysis: Evaluate the impact of the focus areas on data, identify areas for improvement, and prioritise by business relevance and impact.

Recommend: Recommend solutions that improve priority areas identified in the analysis phase.

Implement: Implement solutions by priority, adopting data quality improvements and systems efficiencies recommended through the governance programme.

Control: Monitor priority areas and measure improvement, feedback anomalies to the analysis phase.

The process can be time consuming if it has to be repeated across multiple data types or business processes. By breaking the data governance focus areas into manageable steps, organisations can begin with the foundation step, and then choose to adopt additional steps based on highest business impact. Furthermore, adopting some simple principles in the analysis and control phases can make data governance more proactive, lean and agile.

Lean Analysis

Relating data quality issues to tangible and quantifiable management performance indicators and business impact measures, enables the prioritisation of areas to improve. The data governance team can be lean when allocating resources that recommend and implement, and provides the basis for long term planning of data governance.

Agile Monitoring

Implementing data monitoring systems that are designed to address priority areas already identified during the analysis phase, can serve as an early warning system for potential risks. The data governance team can be agile in identifying high risk issues and proactively analyse for underlying causes.

‘By breaking the data governance focus areas into manageable steps, organisations can begin with the foundation step, and then choose to adopt additional steps based on highest business impact.’

4. Recognising the benefits

By covering a broad range of business focus areas that influence and impact data, data governance highlights the importance of data, proactively monitors risks, and sets the course for managed correction. Data governance can result in various efficiencies such as improved user processes, implementation of monitoring systems and system improvements that support business

The benefits of adopting efficiencies brought by data governance include;

- Maximise the value of data by identifying, quantifying and correcting data quality and process issues.
- Improve the return on investment in process and infrastructural investments around data quality through proactive monitoring.
- Enforce business and regulatory data policies ensuring any potential risks introduced through poor data processes are mitigated.
- Build the business case for data quality and process improvement by making the impact tangible and quantifiable, and gain the necessary management buy-in.
- Achieve consistent and optimal best practice in data management across the organisation that can adapt with change.

Data governance supports the development of a holistic data strategy and adoption of data quality as a management performance indicator, which can be the driving force in improving data management efficiencies.

Experian Data Quality can help your organisation adopt data governance, understand the impact of poor data and implement data quality solutions that improve overall data management efficiencies. Contact us to understand how our data governance consulting services, software and data assets can set you on the path of data management efficiency.

About Experian Data Quality

Experian Data Quality has built up exceptional market coverage assisting customers with their unique data quality challenges. We provide a comprehensive toolkit for data quality projects combining our market leading software with a vast scope of reference data assets and services. Our mission is to put our customers in a position to make the right decisions from accurate and reliable data. The size and scope of data management projects varies considerably but the common factor in all ventures is unlocking operational efficiency and improving customer engagement. We see the potential of data. Whether it's in enabling ambulances to be sent to the exact location of an emergency or attributing charitable donations to the people who need it the most - data accuracy makes all the difference to service provision.

For more information please contact us:
T (61) 3 8699 0100 | E info@au.experian.com | W edq.com/au