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Building the Case for Data Governance

Mazhar LeGhari
Sr. Director, Information Management

§.sas | THE POWER TO KNOW.
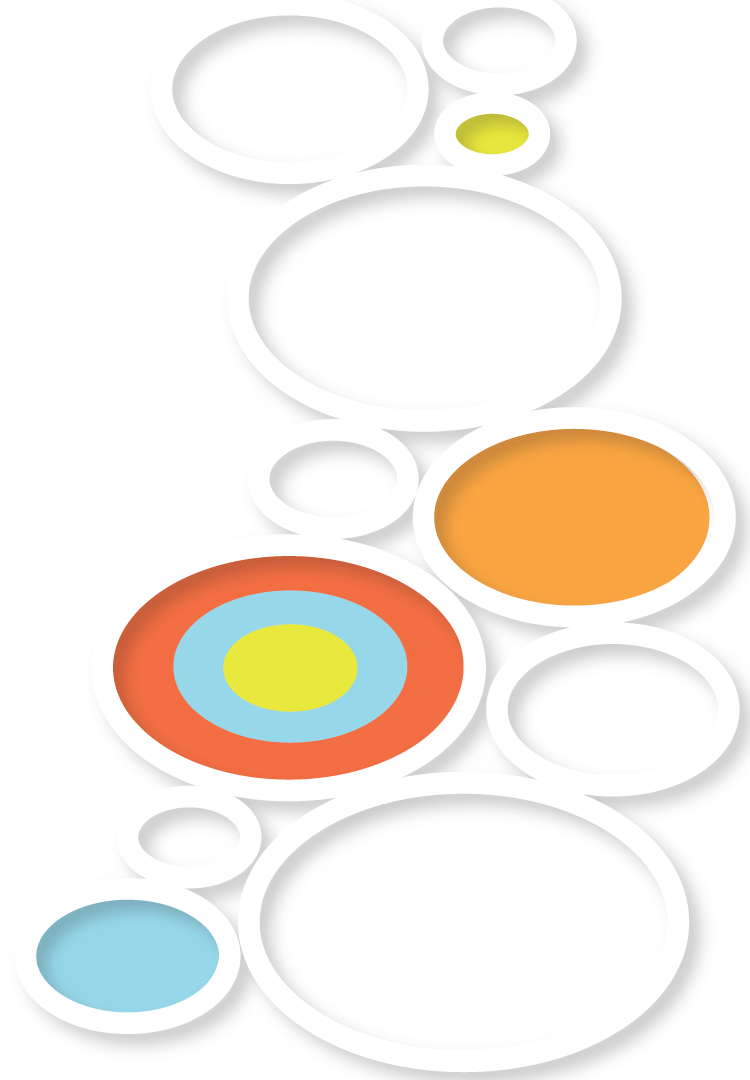
Topics

- How to Quantify the Value of Your Data

- How to Position Data Governance

- Possible Pitfalls

- Avoiding Risks

Some Definitional Level-Setting

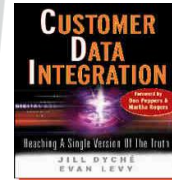**MDM:** "…a business capability enabled through the integration of multiple technologies and business processes."

FORRESTER

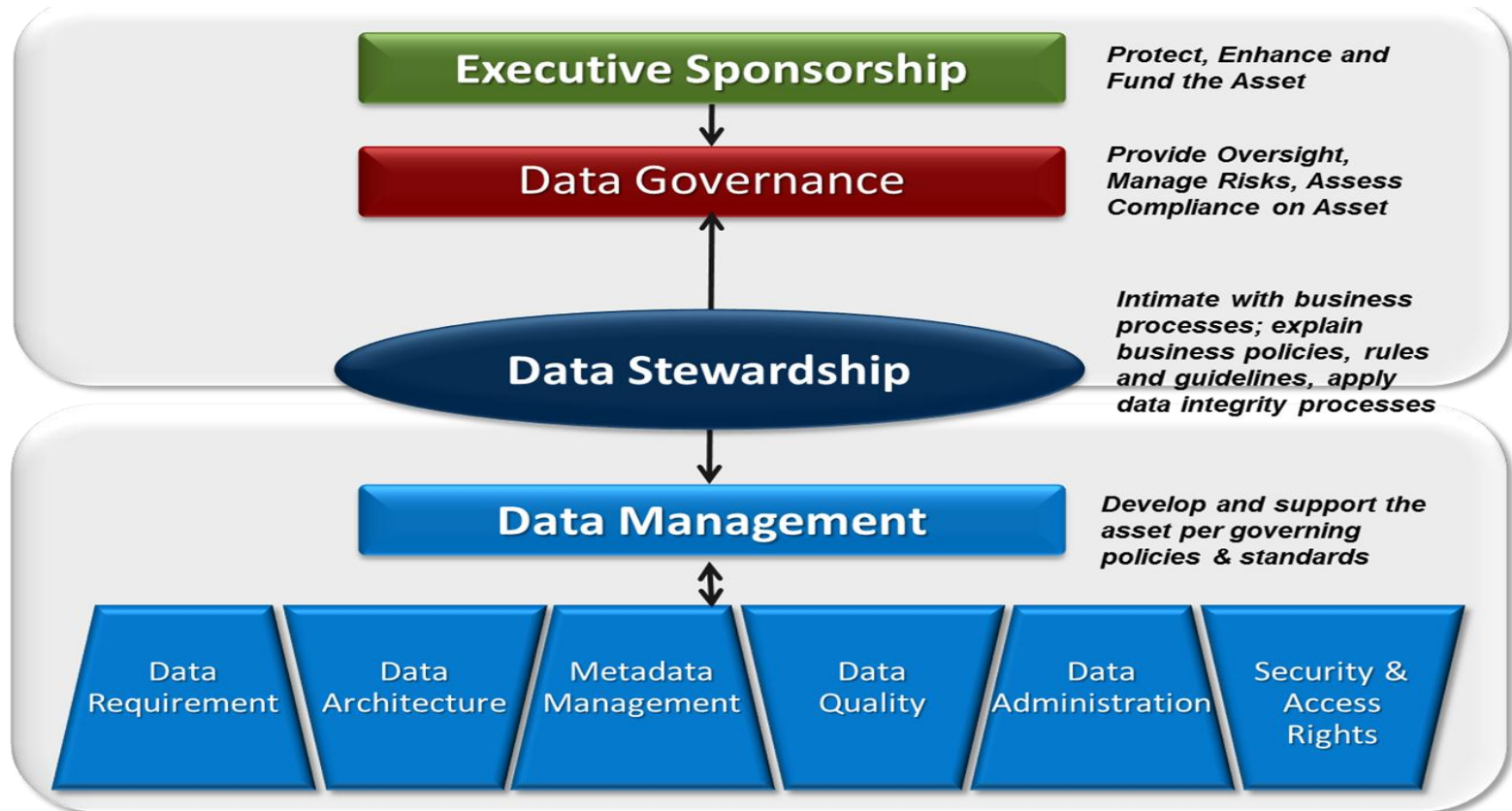**Data Quality**: "…the quality of data's content and structure (according to varying criteria), plus the standard technology and business practices that improve data…."

tdwi
THE DATA WAREHOUSING INSTITUTE

Data Governance: "The organizing framework for establishing strategy, objectives, and policies for corporate data."

-Dyché & Levy

CUSTOMER DATA INTEGRATION
Reaching A Single Version Of The Truth
JILL DYCHÉ
EVAN LEVY

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Data Governance in Context

Executive Sponsorship — Protect, Enhance and Fund the Asset

Data Governance — Provide Oversight, Manage Risks, Assess Compliance on Asset

Data Stewardship — Intimate with business processes; explain business policies, rules and guidelines, apply data integrity processes

Data Management — Develop and support the asset per governing policies & standards

Data Requirement · Data Architecture · Metadata Management · Data Quality · Data Administration · Security & Access Rights

Data Governance Council
Key Attributes & Skills

Can balance enterprise and functional/org needs

Invested in or accountable for current data initiatives

Authority to establish and enforce policies and procedures across divisions and functions
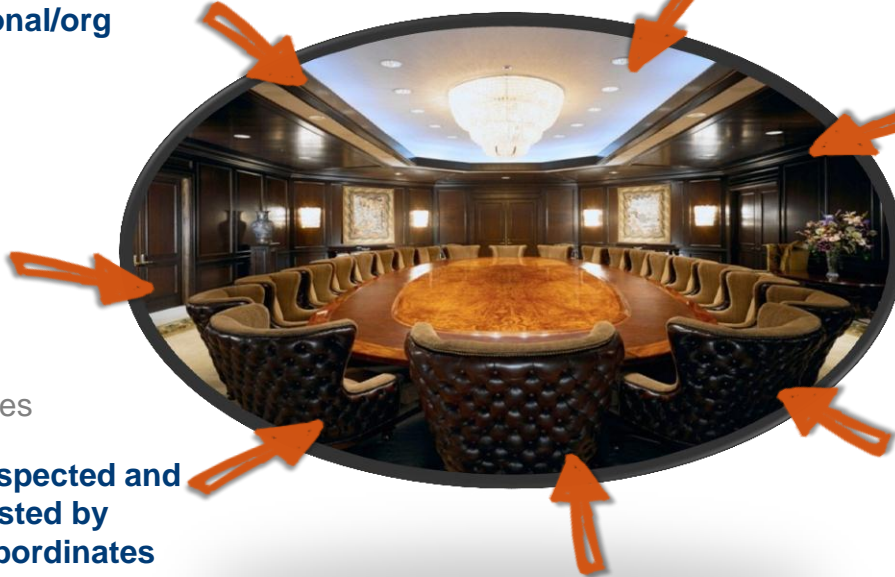
Proven "change agent"

- Effectively challenges the status quo for continuous improvement

- Takes timely and effective action when something goes wrong

- Has charisma, vision, patience & tenacity to institutionalize change

Respected and trusted by subordinates

Esteemed by their peers

Have specialized knowledge and skills associated with a particular function or discipline

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A Framework for Data Governance

PROGRAM OVERSIGHT

Layer	Content
Corporate	Strategic Priorities: Voice of the Customer; Compliance Mandates, Mergers & Acquisitions — Business Drivers: At-Risk Projects: Data Quality Improvement; Operational Efficiencies
Business Framework	Data Governance Charter · Guiding Principles · Decision-making Bodies · Decision Rights
Process & Policy	Data Stewardship Roles & Tasks
Data Management	Data Requirements · Data Administration · Metadata Management · Data Quality · Security & Access Rights
Data Governance Execution Process	People: Council, Stakeholders, Meeting Agendas · Process: Metrics Definition, Workflow, Council By-Laws · Mechanisms: Stewardship Dashboards, Workflow Automation, Data Profiling Tools

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Business Impact of Poor Data Management & Governance

Fragmented View Customers

Fragmented Product & Service Portfolio

Inability to Assess Customer Value & Risk

Difficulty Supporting Strategic Initiatives

Non-Optimized Supply Chain

Poor Customer Services & Limited Upsell/Cross-Sell

Fraud & Risk Exposure

Poor Operational Planning & Execution

Schizophrenic Corporate Management & Planning

Inability to Automate to Key Processes

Quantify Value: Understand Business Landscape

Commercial	Retail	Wealth	Capital

Loans **Mortgages** **Investments**

Individual	Group	I & P

Personal **Health** **Funds**

Agency	Distribution	Service

Citizen Services **Suppliers** **Orders**

On-Boarding, KYC, Risk, Privacy, AML

Integration Bus/SOA

Meta Reference
- ▸ Customer
- ▸ Customer contacts
- ▸ Corporate contacts
- ▸ Portfolio
- ▸ Loans
- ▸ Financial Terms

Agency, Illustration, Case, Illustration

Integration Bus/SOA

- ▸ Claims Profile
- ▸ Agency Profile
- ▸ Secured Notes
- ▸ Illustrations
- ▸ Solvency II

Transactional

Revenue Collection, Profitability, Campaigns

Integration Bus/SOA

- ▸ Citizen Services
- ▸ Tax Information
- ▸ Health Services
- ▸ Procurement/Supplier on-Boarding
- ▸ Asset Data Management

ABC Inc / **John Smith**
XYZ Inc / Jane Smith
Loans / Savings
Terms / Credit Card

Core Banking | Loans | Credit Card | Policy | Claims

ABC Inc / **John Smith**
XYZ Inc / Jane Smith
Services / Accounts
Agreements / Services

Policy | Claims | Agency | ODS

ABC Inc / **John Smith**
XYZ Inc / Jane Smith
Offers / Demographics
Segment / Campaigns

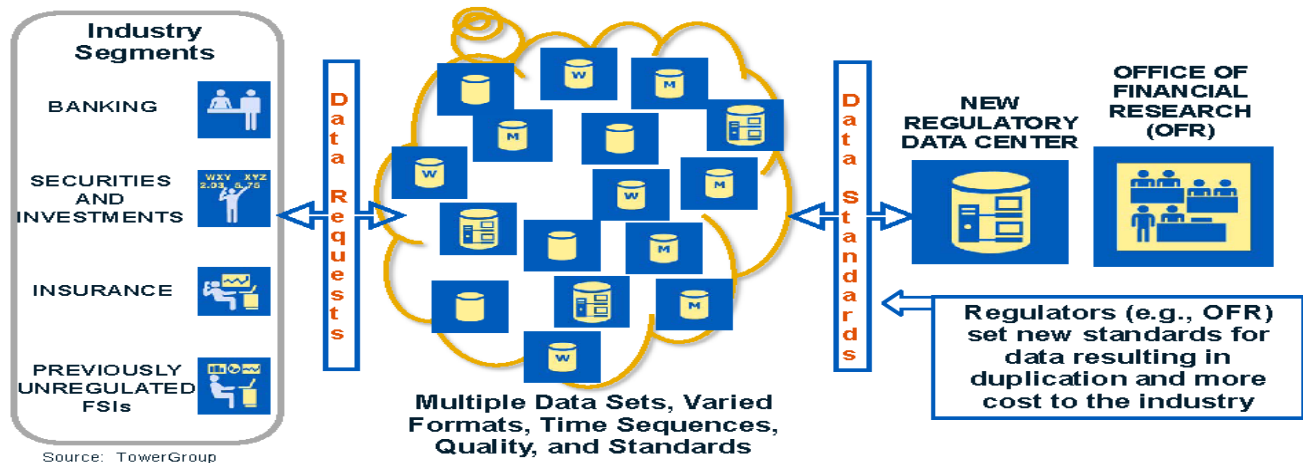Agency | Agency | Call Centre | ERP | DWH

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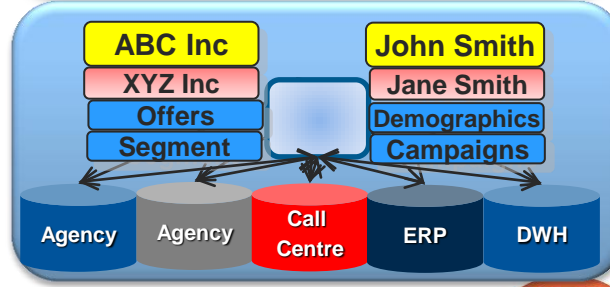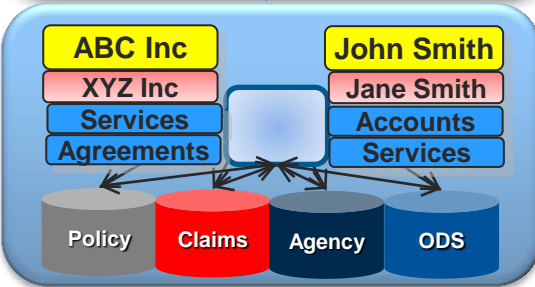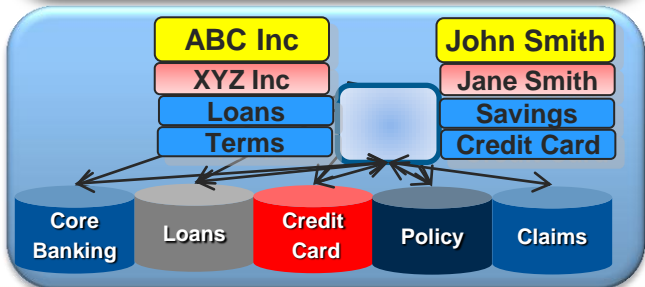
Quantify Value: Leverage Use Cases

Industry Driver: Compliance

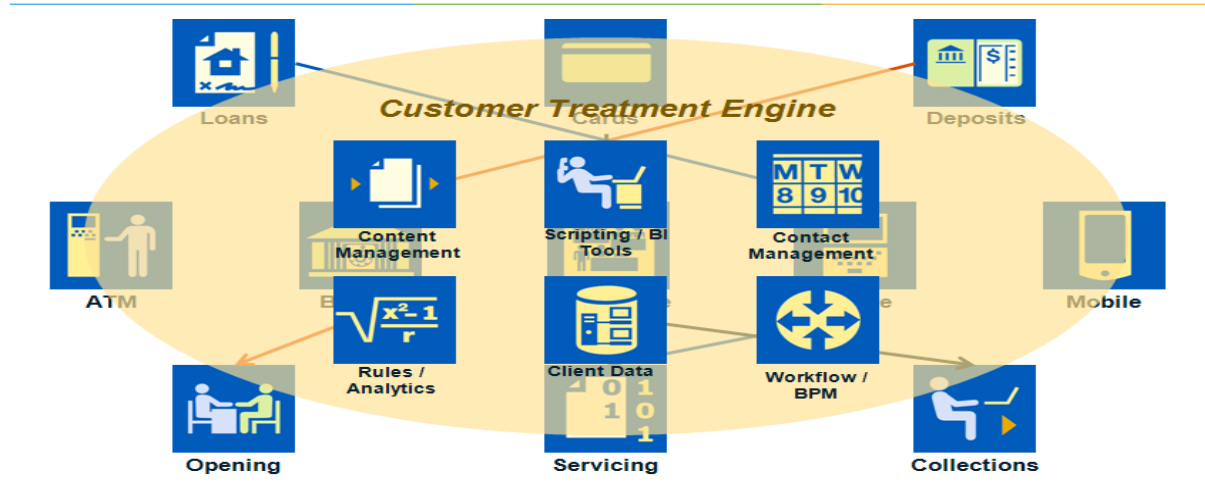Operational impact of regulatory reforms: new complications for data

TowerGroup

Industry Segments

BANKING

SECURITIES AND INVESTMENTS

INSURANCE

PREVIOUSLY UNREGULATED FSIs

Source: TowerGroup

Data Requests

Data Standards

NEW REGULATORY DATA CENTER

OFFICE OF FINANCIAL RESEARCH (OFR)

Multiple Data Sets, Varied Formats, Time Sequences, Quality, and Standards

Regulators (e.g., OFR) set new standards for data resulting in duplication and more cost to the industry

© 2010 The Tower Group, Inc.   13

Source: TowerGroup, *From High Street to Main Street…Finding business value in compliance spending*,11-2010

Quantify Value: Leverage Use Cases

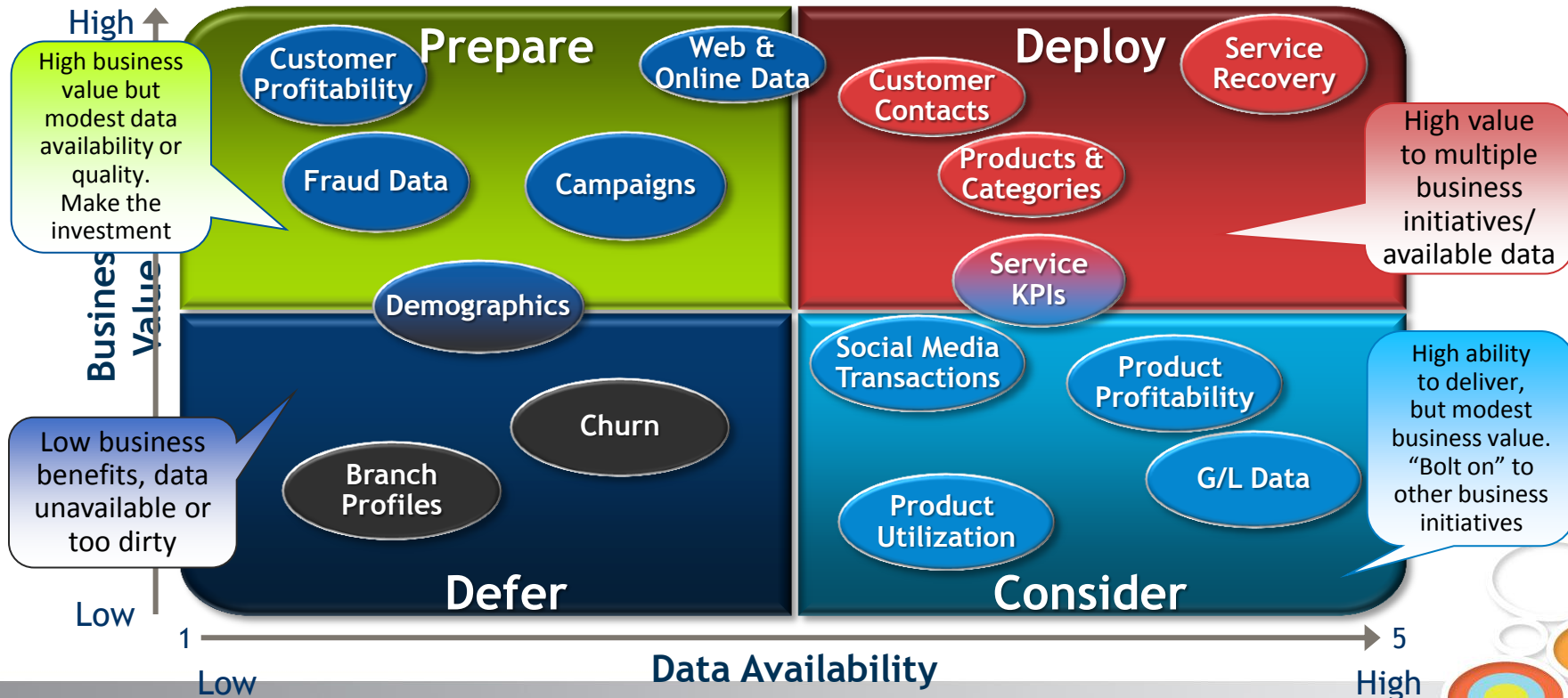**Business Function: Marketing**

TowerGroup

Next best action, no matter the product, channel or interaction

Customer Treatment Engine

Loans

Cards

Deposits

Content Management

Scripting / BI Tools

Contact Management

ATM

Rules / Analytics

Client Data

Workflow / BPM

Mobile

Opening

Servicing

Collections

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Source: TowerGroup, 11-2010

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Quantify Value: Conduct Value Chain Analysis

Quantify Value: Demonstrate Value

Increase Productivity, Efficiency

Reduce Cost or Complexity

Increase Revenues

Decrease Risk

Positioning Value: Focus on Business Drivers
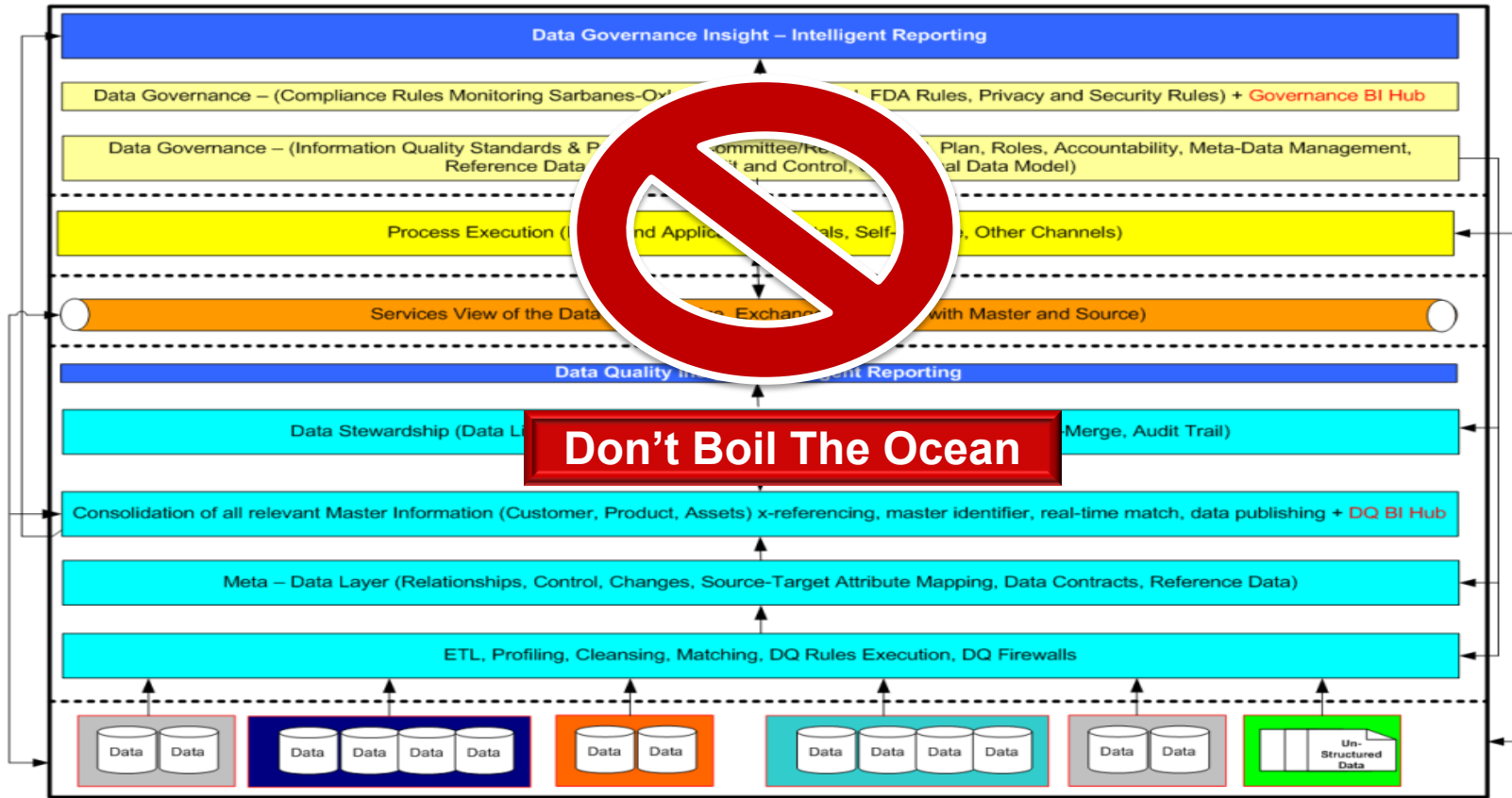
Positioning Value: Prioritize Business Initiatives

Business Initiatives

Sales Analysis — Training Events — Order Management — Vaccine Systems — Third Party Details

Information — Information — Setup — • Healthcare provider — Information

Specialty details — • Participation — Order Details — Delivery location — • Affiliations

• Event details — • Purchase history — • License details

Guest details

Corporate Customer Coverage: Who can update contact details?

Know Your Customer: How Board Information is kept up-to-date?

Procurement: Supplier Details & Product Catalogs?

IT: How are changes identified & resolved?

Execs — Planning

Business: Who decides (which stakeholder)?

Users: Data "Consumers"

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Possible Pitfalls

Commercial	Retail	Wealth	Capital

Loans	Mortgages	Investments

On-Boarding, KYC, Risk, Privacy, AML

- ▶ Customer
- ▶ Portfolio
- ▶ Loans
- ▶ Financial Terms

ABC Inc		John Smith
XYZ Inc		Jane Smith
Loans		Savings
Terms		Credit Card

Core Banking · Loans · Credit Card · Policy · Claims

Business	Residential	Data

LL	Mobile	Data

Orders, Billing, Retention, Service

- ▶ Billing Profile
- ▶ Credit Profile
- ▶ Loyalty Profile
- ▶ Survey responses

ABC Inc		John Smith
XYZ Inc		Jane Smith
Services		Accounts
Agreements		Services

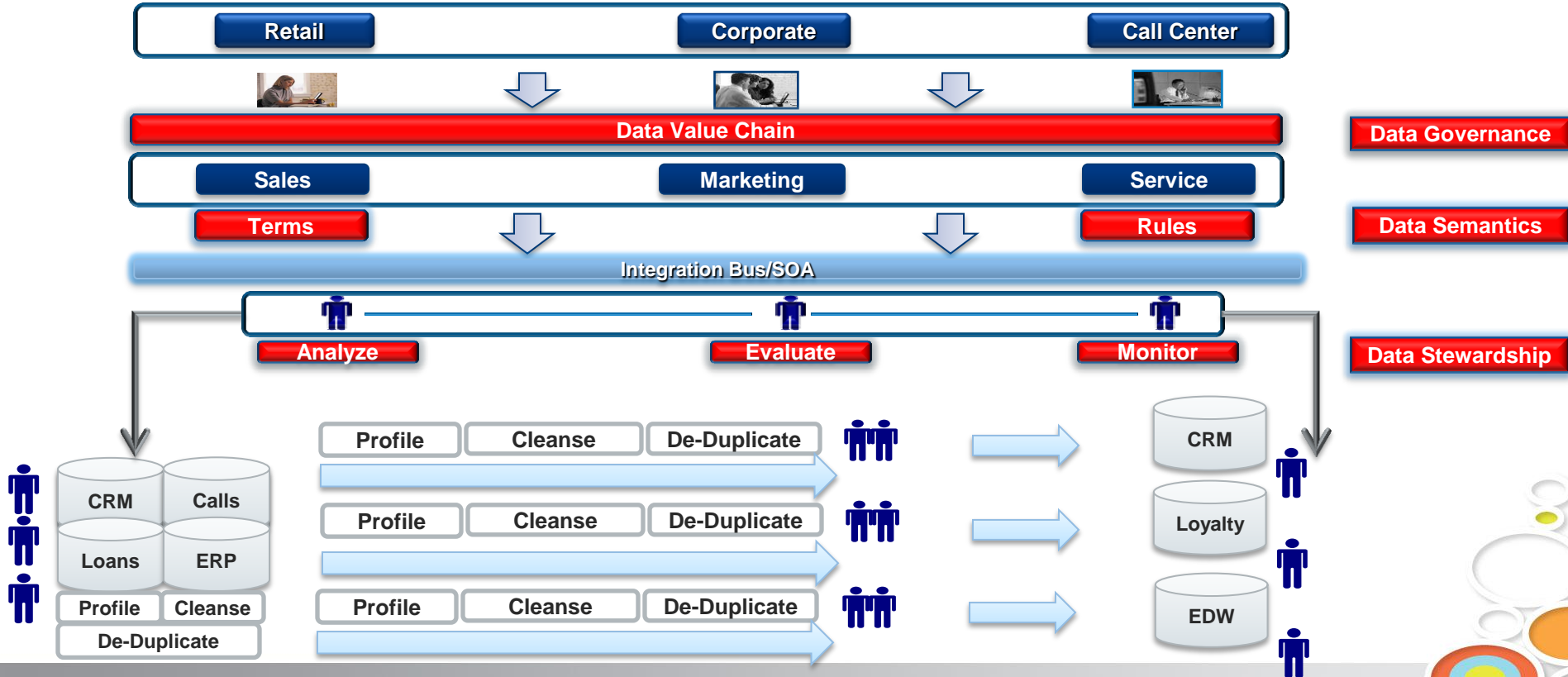Billing · Orders · Mktg · ODS
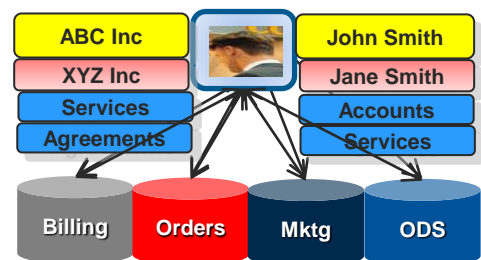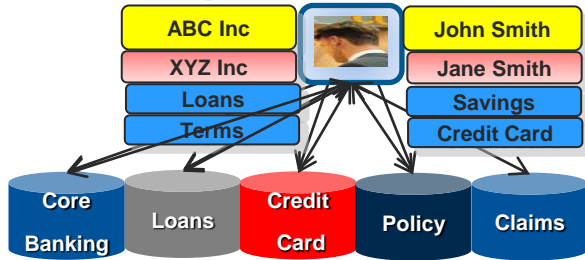
Business

Lack of Executive Sponsorship

Business Silos

Lack of Business Involvement

Lack of Data Value Positioning

Business/IT

Process Driven Data Focus

Policies and Procedures

Various Data Terms & Meanings

IT

Data Fragmentation & Silos

Poor Data Quality

Project Delays

Data Integration Challenges

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Avoid Risks: Recognize Key Functions

Avoid Risks: Facilitate Business & IT Collaboration

Retail	Corporate	Call Center

Data Value Chain

Sales	Marketing	Service

Terms | **Rules**

Data Governance

Data Semantics

Integration Bus/SOA

Analyze | **Evaluate** | **Monitor**

Data Stewardship

CRM | Calls
Loans | ERP
Profile | Cleanse
De-Duplicate

Profile	Cleanse	De-Duplicate

CRM

Profile	Cleanse	De-Duplicate

Loyalty

Profile	Cleanse	De-Duplicate

EDW

Avoid Risks: Define Scope

Customer On-Boarding

Core Banking	Corporate Customers	Terms / Business Term
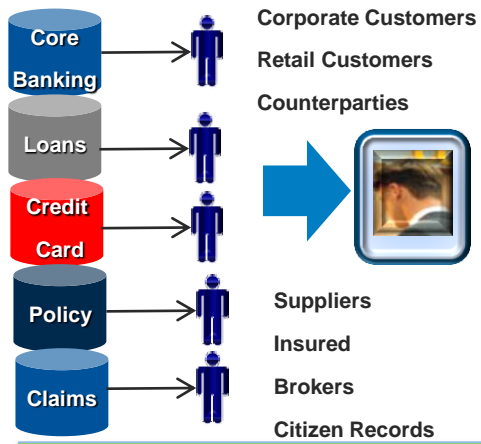
- Customer Centricity
- Segmentation
- Marketing
- Customer contacts
- Corporate contacts
- Portfolio
- Loans
- Financial Terms
- Exposure
- Compliance
- Broker Book of Business
- Life Time Value

Core Banking → Corporate Customers
Loans → Retail Customers
Credit Card → Counterparties
Policy → Suppliers
Claims → Insured / Brokers / Citizen Records

Business User — Sales / Marketing

Technical User

Hub → Customer 360
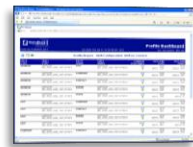
Hub → Compliance Reports, Solvency II Applications

As Is Data Management Approach

To Be Data Management Approach

Supply Chain, Procurement, Asset Maintenance

ERP / ERP / Inventory → Location/Site / Products / Assets / Supplier

Hub
- Product Catalogs
- Asset Data Mastering
- Supplier On-Boarding/Rating
- Location/Site Hub

Avoid Risks: Summary

Commercial | **Retail** | **Wealth** | **Insurance**

Loans | **Mortgages** | **Policy**

Sales | **Distribution** | **Service**

Orders | **Suppliers** | **Procurement**

Build Foundation for Data Governance Framework & Master Data

- **Define**
- **Discover**

➡

- **Design**
- **Execute**

➡

- **Evaluate**
- **Control**

ABC Inc | XYZ Inc | Loans | Terms | **Hub** | John Smith | Jane Smith | Savings | Credit Card

Core Banking | Loans | Credit Card | Loans | Claims

ABC Inc | XYZ Inc | Services | Agreements | **Hub** | John Smith | Jane Smith | Accounts | Services

Policy | Policy | Agency | Cases
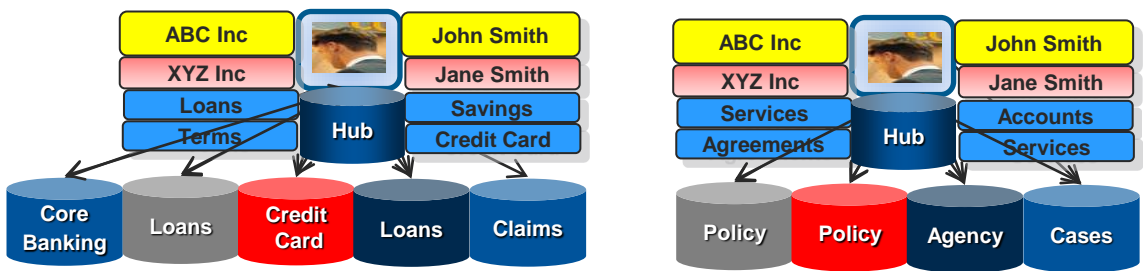
Don't Boil The Ocean

Executive Sponsorship

Business Focused

Data Governance Framework

Data Stewardship

Scope for Success

Understand Complexity

Build Roadmap

Address Data Silos

Improve Data Quality

MDM for Trusted Data

Take the Phased Approach

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What to Expect Going Forward

On-Boarding, KYC, Risk, Solvency II, AML | Agency, Health Reforms

Rapid Business Model Changes
Business and Data Silos
Information Overload
Variant Information Semantics
Information Asymmetries

Core Banking | Loans | CRM | Billing | Mktg
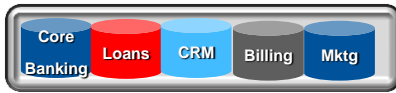
Data consumed as product of Applications

Authoritative

Information

Gap

Information

Gap

Authoritative
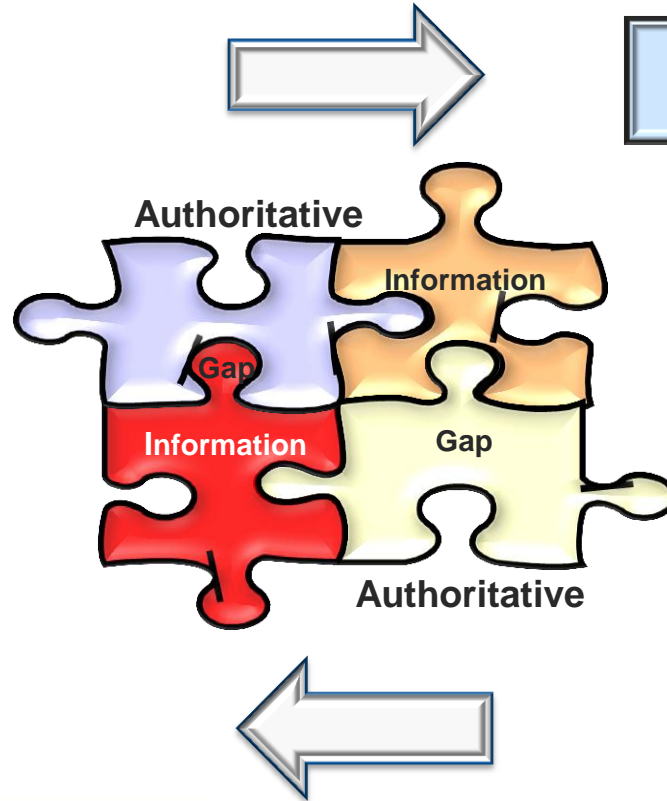
Patterns of Information Anomalies

Who is Customer?
Citizen Services
Compliance Gaps
Managing Privacy
Fraud Prevention
Campaigns
Customer Churn
Revenue Assurance
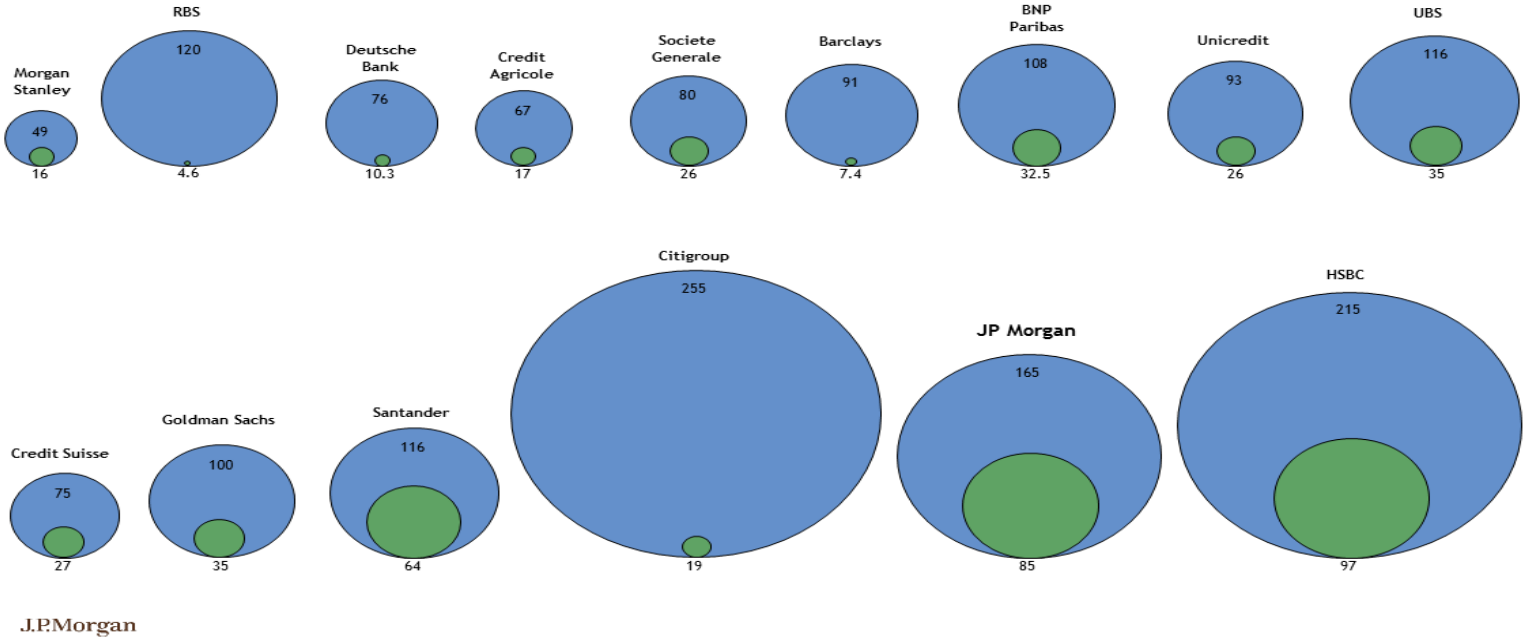
Upcoming Event – Managing Data As Strategic Asset

Jill Dyche, Vice President, SAS Thought Leadership

When asked about their corporate data strategies, many business and IT professionals produce a data model, cite the ongoing effort of building a data dictionary (usually in the form of a spreadsheet), and are in the throes of securing funding for a data quality tool. All this to support a data warehouse that's quickly being marginalized by so-called shadow IT.

Of course, your situation might not be as dire. Maybe you're just beginning your business intelligence or strategic effort and want to position data as part of your overall program. But how to get management's attention? In this presentation noted author and consultant Jill Dyché will present a framework for a corporate data strategy that transcends the platforms and buzzwords-du-jour and positions information as worthy of its own investment and inarguably business-enabling.

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