Information Management Goes Enterprise-Wide: A Unifying Approach to Data Governance

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Agenda

Our topic – Data governance in the banking sector

Back to basics
– What is the business problem?
– Putting organization / accountabilities back into governance

Improve performance and quality is a journey not a sprint

Change / adoption
– Moving Past Conceptual – Operationalizing data governance
– Driving adoption across corporate functions & LOBs

Lessons learned – Advise from veterans with scars to prove it
Governance – Many definitions / approaches

For today’s discussion, we’ll use the following principles to define Data Governance:

• Details, standards and procedures
• Establishes a strong data foundation layer
• Enables delivery of accurate, reliable, available and consistent information to all its consumers (e.g. customers, regulators)
• Supports both transactional and analytic processes and data

Approaches and history differ. Manufacturing started bottom-up with transactional (e.g. material / BOM). Banking started top down with relational and analytical (e.g. customer / risk).

Instead of focusing on differences, let’s agree that data is a corporate asset that requires governance – and that the focus should be on tailoring each solution to organization culture / purpose.
Poll question #1

Where is your organization at in terms of implementing a Data Governance investment?

• Investigating Data Governance – See the need, but don’t know where to start
• Planning Data Governance – Have a business case and sponsorship, just planning implementation
• Mid-Implementation – Have implemented components or am focusing on a specific data assets, line of business or corporate function
• Full-Implemented – Looking for methods to expand and optimize to add continued value to organizations
• New Beginnings – Tried to implement, but have not been successful. Looking for new ideas / guidance on implementing data governance
• Don’t Know/ Not Applicable
Back to basics – What is the business problem

Focus on governing data assets in a way that optimizes business values and mitigates risk. Each industry sector has unique reliance on data. Some examples from Banking include:

- Tangible and Intangible value exists for high quality data that is optimized to support business processes.
Poll question #2

Which of the below is your organizations most pressing business problem(s)?

• Data Asset specific optimization (e.g. customer, product, supplier)
• Line of Business (e.g. Customer Acquisition / Servicing)
• Corporate Function (e.g. Finance Master Data / Chart of Accounts)
• Regulatory (e.g. Anti-Money Laundering, Personal Identifiable Information)
• Enterprise Information Asset Optimization (e.g. Data Warehouse Rationalization)
• Don’t Know/ Not Applicable
Governance requires an organization structure

Focus on establishing a governance structure that most closely aligns with your existing enterprise or program structure to improve adoption and sustained success

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<th>Description</th>
<th>Centralized approach</th>
<th>Federated approach</th>
<th>Decentralized approach</th>
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<tr>
<td><strong>Centralized approach</strong></td>
<td>• Master Data Management (MDM) owner and MDM team (Data Stewards) are full-time</td>
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<td>• Data maintenance is performed within the centralized team</td>
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<td><strong>Federated approach</strong></td>
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<td>• Master Data Management (MDM) owner has responsibility for policy and governance</td>
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<td>• Data maintenance is primarily performed in the local functional areas</td>
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<td><strong>Decentralized approach</strong></td>
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<td>• No Enterprise eMDM owner role</td>
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<td>• Centralized governance committee acts as a sounding board for enterprise-level issues</td>
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<td>• Data maintenance is performed exclusively in the local functions</td>
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## Centralized organization approach

The following approach worked well for a Finance organization that relied on centralized operations / control

<table>
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<tr>
<th>Sponsorship</th>
<th>Roles</th>
<th>Responsibilities</th>
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| Data Council Advisor | **SPONSOR** | • Highest Escalation point  
• Promote DMG |
| Data Council Members | Data Management & Governance (DMG) Champion  
Data Management & Governance (DMG) Executive  
Financial Master Data Dimension Owners  
Technology Leadership | • Governing body  
• Key decisions  
• Promote DMG |
| System Owners | Financial Data Stewards  
Financial Data Application Managers/Data Custodians | • Maintain policy / standards  
• Maintain quality data assets |
| Support Team | Data Governance Lead  
Data Management Lead  
Metrics, Measurement, and Monitoring Lead | • Compliance  
• Support DMG stakeholders  
• Full-time FTE |
Poll question #3

Who should be the sponsor and be accountable for Data Governance in your organization?

- CIO – He/she is the Chief Information Officer
- CTO – Data is owned by Information Technology and Application Owners
- CFO – Data is a corporate assets that should be managed by finance
- COO – Data is used to optimize operations and operational processes, it should be owned by operations
- LOB Executive – Each business should own the data they originate
- None of the above
Focus on continuous quality improvement
Sustained data governance is tough and covers many terrains, what compass and tools do I need to navigate

• Data Management and Governance is a set of Processes
• Processes can be Measured, Controlled and Improved
• Processes Have Variation
• Variation May be the Enemy

Remember Phillip Crosby’s rule – “Quality is conformance to requirements” *

* Phillip Crosby (Absolutes of Quality Management, 1979)
Leverage effective methodologies

Selected Six Sigma components have been highly valuable for long-term data governance programs – especially those that had significant impact on data quality

• Hoshin Plan: The Compass

• The Vital Few versus the Trivial Many - Prioritize Using A Risk Based Approach

• Identify the Critical to Quality (CTQ’s) for the processes

• Tip: Go to Gemba … Enlist the Troops

• Measure and Reduce Variation

• Rolled Throughput Yield – How many “hops” does your data have?

• Create Monitors and Controls – Upstream if Possible!

• Set Clear Accountabilities
Poll question #4

In your experience, which of these are the most effective types of Data Management and Governance metrics?

• Maturity model assessment at least annually
• Business value achieved (cost, time, quality, risk)
• Data quality / governance compliance dashboards
• Data governance adoption metrics (e.g. how many data steward positions filled)
• Reduction in redundant data stores
• Don’t know/ Not Applicable
Demonstrating value early is vital to success

Deploy a set of governance capabilities to meet a prioritized set of business requirements – then broaden the program to achieve greater measured value

Tactical Actions

1. Establish Data Governance Awareness
   - Educate stakeholders on the value opportunity

2. Define Required Governance Capabilities
   - Look for improvement opportunities across BU/GU

3. Prioritize and Pilot
   - Leverage strategic initiatives

4. Expand Across the Enterprise
   - Define the key business requirements

5. Operationalize and Sustain
   - Educate stakeholders on the value opportunity

6. Improve Continuously
   - Measure the impact of DQ on the business

Finding a Pilot – Look for areas where organizations spend its time and precious resources
Regularly measure adoption against framework

We recommend that at least annually, the maturity and adoption of the data governance program be measured against an effective framework.
Measure, measure, measure

Embed a clear, transparent method to measure adoption, value and capability maturity into the governance program

Governance Processes
- Coverage, Attendance
- Decisions Made. Timeliness

Business Value Drivers
- The Customer
- Compliance and Risk Management
- CAPEX and OPEX Reduction
- Cost of Poor Quality

Process Capability
- Policies / Standards Maintained
- Data Quality Across Data Lifecycle
- Reconciliation / Suspense Handling

Improve processes
- Root Cause / Corrective Actions

W. Edwards Deming
- “If you can't describe what you are doing as a process, you don't know what you're doing.”

Cass Brewer, IT Compliance Institute
- “When it comes to compliance, little data anomalies can lead to big expense.” *

Measure, Measure, Measure
Align with Performance Measurement Process

Measure, Measure, Measure
Align with Performance Measurement Process

Mobilize stakeholder community

Have you ever wondered how to mobilize forces and effectively operationalize new process and sustain change

Consider:
- Connecting to key Business Strategies and Drivers
- Imbedding Data Management in to Project and PMO Processes
- Leveraging the Friends of Data
- Leveraging support Organizations Like Risk, Compliance
- Leveraging existing Governance Structures like AML, BASEL
- Following the Money
- Focusing and Finish
- Making the Cost of Poor Quality Visible

Visibly reward success and innovations – establish an environment of transparency and collaboration
Poll question #5

What level of support do you have for your data governance journey?

• We have a long way to go
• We are making measurable progress
• We have strong line of business support
• We have strong corporate function support
• We have enterprise support including the executive committee
• None of the above/ Don’t know
Lessons learned from a veteran

Sustaining data governance is tough – leverage lessons that span industry, geography and data asset / domain

• Be relevant, not academic…. Must align initially with a funded initiative
• What gets measured get’s done ….Link to performance & compensation
• Communicate…. Your stakeholder will push back when it is too much
• It is political and dangerous … Use influence skills
• Know what you know…. Leverage consultants for specific experience / knowledge
• Create and leverage corporate policies…. Point to the policy/role, not the person
• Blueberry pie and ice cream…. Focus on the basics previously outlined
• Not a technology issue…. Owned by business and operations

Experience matters – establish a network of trusted peers to shared approaches and seek counsel
Technology – Avoiding excessive tool focus

Remember, it is a governance issue, but there are times when automation can make a measurable improvement

• Define
  – Workflow – Inventory, socialize definitions, workflow to automate the process
  – Metadata management, or exchange services
  – Data Registry – Identify and maintain an inventory of your assets

• Monitor
  – Profiling: Early in the project!
  – Data profiling to for current state assessment and ongoing monitory
  – Alerts Based on Triggers/Events or Statistical Controls
  – Use BI to delivery data governance compliance / data quality scorecard

• Manage
  – Master data management – model, maintenance UI, and distribution
  – Syndication Strategy Enables System Governance
  – Cleansing, Build into the Data Hub
  – Archiving, Technology Makes this More Seamless

Governance does not require fancy tools – when in doubt, base decision on data volume and complexity
Please remember

• Focus on the business problem, not just data

• Organization models are important, align them with organization constructs that have worked in your business

• Set goals and measure, measure, measure

• Technology is an enabler, not the solution
Questions & Answers
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