

DATA MANAGEMENT CULTURE.
DATA STRATEGY
AND DATA
GOVERNANCE.

EXECUTIVE SUMMARY.

The explosive growth in data is leading to a need for digital transformation of businesses, as the only way for them to succeed in the new digital economy. This transformation requires a shift in emphasis from data as an enabler of process to data as a process driver.

Organizations that appreciate the strategic importance of data and the need for change also need to realize the necessity of basing this change on a data management culture. Though encompassing both a data strategy and a data culture, this is different from, and more comprehensive than, either.

It is enterprise-wide – recognizing that data can no longer sit exclusively in the IT domain but must be part of the whole organizational structure. It appreciates that good data governance is good business governance. It understands the different types of data, and how to optimize their usefulness. It knows that the new business models, new products and new services of the digital economy demand not just new processes and new technologies, but an entirely new and long-term mindset – a data management culture that will help their company to transform, survive and thrive.

WHY BUSINESSES NEED A DATA MANAGEMENT CULTURE.

Most leading and forward-looking organizations recognize the strategic importance of data for their future. This is why the majority are in the process of undertaking a data-driven digital transformation. A data management culture will make this process easier and more effective.

Company culture is transforming through new business models, new products, new services, and a new approach to customer engagement. Businesses that want to survive the upheaval and thrive in the new digital economy appreciate the need to build a data-driven, intelligent enterprise for the future. To help them achieve their long-term vision, they need a data strategy to address the issues raised by digital transformation, to help overcome the challenges, and to ensure they can capitalize on the opportunities.

Although many successful organizations already have a data strategy and data governance in place, and perhaps even pride themselves on their data culture, this is not the same as having a data management culture.

A data strategy is only a means of describing the capabilities required within an organization to achieve its aims. The strategy details how to use data, capitalize on it and monetize it. Yet just like any other asset, data does not take care of itself. It needs to be maintained and cared for to ensure it continues to provide what the enterprise needs, with optimum efficiency.

In the same way, data governance is simply a means of helping organizations move towards fitness for the digital economy, by adopting disciplines, principles, ideas and practices that unlock data's value and help realize the value of a data management culture.

Even a data culture is not the same as a data management culture, in that it only understands the functional need for data, and not the organizational need. It is proficient in collecting data, but not necessarily in collecting it from the right places. It fixes data with a limited organizational scope, rather than with a wholly understood organizational scope. Lastly, it assumes that "if data looks right, then it is the right data", whereas a data management culture never assumes, but knows when data is right.

However, the greatest difference between those businesses without and those with a data management culture is that the former consider and use data as a mere enabler of process. The latter use data to drive process.

ADOPTION OF A DATA MANAGEMENT CULTURE.

Despite a growing understanding of the need for a data management culture within companies, it is not yet being widely adopted – for a number of reasons.

These reasons are partly historical. Businesses traditionally tend to operate in silos, focused on completing clearly defined projects, one step at a time. A data management culture, on the other hand, requires a whole-enterprise point of view. All silos collaborate, all are accountable for data, and all are empowered to think and act at this higher level with its wider perspective.

Inevitably this change of viewpoint and approach will not happen unless driven from the top down. A data management culture is as important as any other aspect of the organization and, rather than being an IT project, is a collaboration between the business functions and the IT department. As such, the CEO must take ownership, supported (naturally) by the Chief Data Officer but also by the CFO and the COO.

Only then can the culture have any chance of being successfully adopted and accepted from the top floor to the shop floor.

THE ROLE OF DATA STRATEGY IN A DATA MANAGEMENT CULTURE.

A data strategy should exist to underpin the business outcomes the organization wishes to achieve. These outcomes may be driven by innovation and change within the company, or by performance and insights.

A data strategy will affect the data supply chain, data governance and data management practices, and will function to bring together all these disciplines, and all the related cross-functional roles and responsibilities, to drive data management collaboration and help build the data management culture. A data strategy is not that culture, but it is a significant step on the journey towards it, helping organizations to put data at the heart of their business.

The data strategy that helps organizations to undertake their digital transformation journey can be broken down into four areas.

1.

The adoption of cloud or hybrid data management. By becoming cloud first – or at least by moving towards a cloud-first approach, businesses will become more agile.

2.

Data governance.

This is essential for compliance but can have beneficial repercussions far beyond the legal implications: providing quality data which can be used for other purposes.

3.

The adoption of next-generation analytics, enabling organizations to make better, more informed decisions.

4.

360° engagement to gain a full picture of the customer or supplier: helping to provide insights, enhance the customer experience or supplier relationship, and the final step on the digital transformation journey.

THE ROLE OF DATA GOVERNANCE IN A DATA MANAGEMENT CULTURE.

DATA DEFINITIONS.

Data is not an amorphous mass. It can be broken down into four areas in order of increasing data quantity: Master Data, Reference Data, Metadata and Transactional Data.

MASTER DATA.

Data unique to each organization, representing the agreed objectives shared across the enterprise. It is a single source of common business data, used across the enterprise's numerous systems, applications and processes, and all its departments, divisions, companies and countries.

REFERENCE DATA.

Defines the set of permissible values to be used by other data fields. These values include currencies, country codes, units of measurement and so on. Typically, it will not change greatly in terms of definition, apart from occasional revisions.


METADATA.

Data which provides information about other data. It enriches data by facilitating the discovery of relevant information. It also helps to organize electronic resources, provide digital identification, and helps support archiving and preservation of the resource. For example, technical metadata is data about processes, tool sets, repositories etc., while business metadata defines the data and its functionality and elements, and how it is used within the enterprise.

TRANSACTIONAL DATA.

Describing an event (the change as a result of a transaction). This data always includes a time dimension, a numerical value and reference to one or more objects. Typical transactions are finance orders, work plans and delivery records.

**GOOD DATA
GOVERNANCE
IS GOOD
BUSINESS
GOVERNANCE.**



GDPR has helped to focus the minds of businesses and organizations on the need for effective data governance. However, data gathered to meet the regulations is not limited to being used only for compliance. It can also be used to help companies transform and thrive.

Effective data governance will not only unlock the value of data but will also help to realize the true value of a data management culture: because at heart, good data governance is good business governance.

When data governance is ineffective, organizations make assumptions about data that are unsupported by facts. They make decisions every day based on insufficient understanding of, and context for, the data on which they base them. The result can be missed opportunities, errors of judgement and action, overconfidence and misunderstandings. When data governance is effective, it helps to define, measure, and fix data quality issues, to provide useful, high-quality data which can be used to achieve the company's aims – while still meeting compliance and security requirements.

Intelligent data governance enables companies to utilize what they know or discover what they can utilize. By bringing together all the data types, and ensuring the quality of all the data, it can be used to answer relevant questions, drive effective decisions and contribute to value.

Because of the variety of data sources involved, and the breadth of uses to which it can be put, it is essential to realize that data governance is a “team sport” across the whole enterprise and goes far beyond IT. It is not just about the technology, but the people, their skills and – ultimately – the data management culture within which they operate.

However, it is important to remember that, just as a data strategy is only a means of describing capabilities and therefore a pillar of a data management culture, so data governance is not a strategy in itself but only a pillar. It supports agility, supports change, supports the strategy, and helps businesses build a data management culture that enables them to achieve their objectives, at the pace they choose.

USE CASE.

Agile Solutions' Project Everglades was undertaken to move the company from a traditional business approach to a data-driven approach. The aim was to combine data from consulting, marketing and sales – and from multiple platforms – to provide greater insight into how the company is operating, rather than relying on instinct.

This also involved a shift from manual and paper-based processes, a reduction in data duplication, and a move from rudimentary end-of-month statistical reporting to more in-depth, more useful, day-to-day reports.

The objective was to provide opportunities for innovation and to facilitate management and mitigation of business risk.

The first step was to look at the available data, decide what information it was providing, learn from it and reapply it. This meant discovering what data was available, its quality, its timeliness and its visibility. This would in turn enable the development of KPIs to drive the business strategy.

The next step was to better combine applications and data integration to create an improved data supply chain. Data was moved from the company's 25 cloud platforms into one agile data lake, and then into a self-service reporting data model.

And finally, a data management culture was embedded across consulting, sales, marketing and HR, rejecting the traditional divisional approach in favor of an enterprise-wide view.

The outcome was a user-centric, frictionless data management platform, providing a distributed set of connected data across the enterprise, which has both operational efficacy and relevance, and delivers an achievable value proposition.

CONCLUSION.

There is an explosion in data volume. Global data center traffic is on target to reach 15.3 zettabytes a year by 2020. Over 92% of this data center traffic will come from the cloud. Much of the data will be of new types, coming from 20 billion connected devices such as mobiles, from the IoT, and from social media. And many of the 325 million (and growing) users of business data will also be new.

The good news is that the data, used correctly, can be immensely valuable in helping organizations to achieve their objectives.

However, there must be a significant shift in the way data is perceived and managed. It should no longer be seen as an enabler of process but as a driver of process. It should no longer be considered solely an IT remit but a business remit. And data strategy and data governance should not be considered as ends in themselves, but as essential pillars supporting something far more useful than a data culture. That is, a data management culture towards which all organizations should strive.

To discover the agile route to developing a data management culture, contact Agile Solutions now.



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