Data Governance 1.0 Is Dead, Long Live Data Governance 2.0

A white paper with special focus on the state of data governance in Australia

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Data governance is gaining traction around the globe.

For example, Australia's **DGA Code of Practice** takes effect January 1, 2018. And the European Union's deadline for General Data Protection Regulation (GDPR) implementation looms soon after in May.

These regulatory pressures, along with Australia's ambitions for data-driven societal and occupational opportunities, underscore the important role of data governance. Yet the country's organisations tend to lag behind in terms of defining what data governance means and how to approach it.

Right now, data appetites seem to outweigh the ability to properly manage and use that data. In fact, many Australian organisations lack formal data governance leadership and infrastructure. They are most often "prompted to address their information governance issues only following a legal or regulatory action, or when considering a move to the cloud which necessitated a review of exactly what data was to be moved," according to an **industry leader**.

What's more, as little as half a percent of a given organisation's data is even analysed and used. That's a significant amount of valuable information that's untapped in terms of competitive differentiation and growth.

Clearly, it's time for a refresh – or perhaps an entirely new approach. So, how do you establish effective data governance? And what can you expect to accomplish from doing so?

A New Age in Data Governance

Data Governance 1.0 has failed because it has been treated as an isolated IT program.

Consequently, the costs of controlling data risk often became needlessly excessive, and opportunities to drive business agility were missed.

But Data Governance 2.0 is dawning, an age marked by the idea that everyone – from executives on down – is invested in and accountable for data use. At erwin, we believe data governance is indeed everyone's business to create an enterprise data governance experience that makes it possible to both mitigate risks and maximize data's upsides for peak business performance.

With erwin DG, enterprises have access to a complete environment that enables the entire Data Governance 2.0 lifecycle and experience for the business and IT. It unifies critical data governance domains, leveraging role-appropriate interfaces to bring together stakeholders and processes to support a culture committed to acknowledging data as the mission-critical asset that it is, and orchestrating the key mechanisms that are required to discover, fully understand, actively govern, and effectively socialize and align data to the business.

▶ Bigger Than Risk Management

The strategic value of data governance is best summarised by a recent **ISACA survey**, which found that 90 percent of business leaders believe good data governance leads to improved whole-of-business outcomes.

However, data governance has largely been carried by IT as a risk management priority, managed independent of business context.

That's a problem because the IT team uses a range of disparate tools, such as data integration, data modeling, or business intelligence and analytics solutions, without consideration for greater business objectives. While they are very good at storing and securing data, backing it up, and complying with regulations, data management and consumption is not exclusive to the IT team. Other departments need data to drive the desired business results outside of compliance.

Take marketing, for example. The CMO benefits significantly by having access to customer data and spending trends. However, a **2016 Experian study** found that 91 percent of organisations are plagued by common data errors, and nearly 25 percent of their data is inaccurate. Given these statistics, wouldn't it make sense for the CMO to be involved in data governance?

Customer support is another example. With privacy concerns becoming even more critical, the government is starting to mandate that organisations allow a customer to completely delete his/her data from an organisation's databases, if asked. It would be inefficient to constantly refer these cases to IT, so employees in customer support need access to the organisation's customer data to securely process such requests.

▶ IT and Business Collaboration

Data Governance 2.0 presupposes that the entire enterprise benefits by approaching it as a strategic initiative, not just an isolated IT program.

Department heads from across the company work closely together and with IT to discover, understand, govern and socialise the organisation's data assets.

This shift ensures that the right data of the right quality, regardless of format or location, is available for use by the right people for the right purpose. To that end, collaborative data governance must address:

1. **Business requirements** to ensure data can be accessed and used by all departments it in real time

2. **IT requirements** to monitor and secure data while cost-effectively managing it for regulatory compliance

3. **Business-IT requirements** for role-based, contextual views of data with lineage for easy consumption, resolution of discrepancies, and change management

Enter the chief data officer (CDO) as the bridge between IT and the business to remove silos in the drive toward data governance and subsequent whole-of-business outcomes. A **recent survey** shows that globally, 82 percent of CIOs want to see a CDO within the organisation, and 88 percent of them believe CDOs add value to data management and governance strategy.

Building a Data Governance Hub

A CDO most likely will be responsible for building the infrastructure that enables an organisation to actively govern data assets and ensure their alignment with the business.

The right technology will support the implementation of a Data Governance 2.0 initiative and ongoing data use across all consumer and contributor roles.

Traditional data governance software includes a business glossary, data dictionary and data catalogue, as well as lineage mapping and policy authoring. The ability to integrate such capabilities as data modeling, enterprise architecture and business process modeling would mean asking and answering mission-critical data questions to reduce risk and realize business goals.

erwin DG confronts the issues left unaddressed by early data governance solutions. It unifies the critical domains, leverages role-appropriate interfaces, and orchestrates the mechanisms required for data discovery, understanding, governance and socialisation across the enterprise.

In addition to being SaaS-based for rapid deployment and lower total cost of ownership, erwin DG provides:

- Support for relational, unstructured, on-premise and cloud data.

- Unified capabilities to create, manage and integrate business glossaries, data dictionaries and catalogues, data quality metrics, rule authoring and data usage policies.

- Regulating data and managing data collaboration through assigned roles, business rules and responsibilities, and defined governance processes and workflows.

- Data dashboards, KPIs and more via configurable role-based interfaces.

- Key integrations with data modeling, enterprise architecture and business process modeling.

Because erwin DG integrates with erwin's data modeling, enterprise architecture and business process modeling applications, it provides even more comprehensive and effective data governance. That's because, together, they power data impact analysis, a simple and easy way for stakeholders to see all places where specific data resides to determine how changes will impact people, processes and systems before they are implemented to reduce the associated risks and costs.

▶ Getting Started

No one disputes that data governance is a necessity, especially now that costly regulations are attached to it.

The right technology will support the implementation of a Data Governance 2.0 initiative and ongoing data use across all consumer and contributor roles.

But success in modern, data-driven business also requires the ability to capitalize on access to mission-critical data and accurate insights from it. Therefore, data governance must be approached as more than a compliance issue.

So, first comes a shift in perspective that embraces data governance for its strategic value in achieving such business goals as:

- Operational efficiency
- Revenue growth
- Compliance, privacy and security
- Increasing customer satisfaction
- Improved decision-making

erwin DG, as an underlying technology engine, then can be used to address the critical elements that allow for effective data governance.

1 DISCOVER AND DESCRIBE YOUR DATA ASSETS FROM A BUSINESS PERSPECTIVE

It is important to create glossaries of business terminology and then work within the data by categorising terms, creating definitions, defining relationships and creating synonyms (amongst other things).

2 UNDERSTAND YOUR DATA GOVERNANCE ARCHITECTURE

Being able to define atomic data elements to create logical and physical data models is invaluable to a business that takes data governance seriously. Having that level of control and oversight into the data, and understanding how it is used across the company, helps to drive better outcomes and maintain data quality and integrity.

3 GOVERN AND REGULATE YOUR BUSINESS DATA

In the drive to make better use of data, it is important that you don't lose sight of the importance of governance and adequate oversight. You need to be able to assign roles and responsibilities to data, properly define the data governance operating model, and author business rules and data governance policies.

4 SOCIALISE DATA ACROSS YOUR DATA COMMUNITY OF PRODUCERS AND CONSUMERS

Finally, to leverage value from the data, it is important to build data sets, and publish glossaries and data dictionaries. Equally important is having a feedback loop allowing for issue management via the creation and tracking of data issue tickets.

Let Sandhill and erwin guide you in putting your data in context, answering the most critical questions to produce the desired results.

That's the power of Data Governance 2.0.

If you are ready to start, take erwin DG for a free spin now. ⊙→

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erwin, Inc. makes the world's No. 1 data modeling software, trusted by more than 50,000 data professionals in 60+ countries. Combined with business process modeling, enterprise architecture, data governance and collaboration solutions, erwin provides the industry's only unified data management platform that uses any data from anywhere to drive operational improvements and growth. The erwin Data Management Platform is the foundation of mission-critical data programs in government agencies and leading financial institutions, retailers and healthcare companies around the world. The company is headquartered in Melville, New York.

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