Data Governance

10 Mistakes to Avoid

When Launching Your Data Governance Program

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SAS best practices
THOUGHT PROVOKING BUSINESS

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FOREWORD

In their book, *Judgment: How Winning Leaders Make Great Calls,* management guru Warren Bennis and his co-author, Noel M. Tichy, explain that judgment is a process and not a single event. Good judgment and sound decision making are at the heart of data governance.

These days, big data means petabytes, and companies are wondering what's next. (Answer: exabytes.) Despite the buzz, data proliferation isn't the biggest challenge. Applying robust processes around data, and aligning organizations and skill sets around those processes, continues to beleaguer well-meaning managers eager to spearhead the charge toward being data-driven.

Companies that have developed sustained data governance programs have shown us that it can't be done in a vacuum. Effective data governance aligns with job roles, business processes and innovation. (Walmart recently opened its Data Café, a hub where analysts can perform in-depth analysis and discovery, breathing new life into pricing, inventory and merchandising decisions.)

Your company's culture is indispensable in informing the right way to govern data, a point we hope to drive home in this white paper. When you review the mistakes that otherwise earnest companies have made in their quests to apply rigor to their data, you'll see why our mantra is: There is no template for data governance. And hopefully, you'll realize what you need to do now.

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SAS Best Practices

MISTAKE #1

Failing to Define Data Governance

Data governance has become a veritable rubric for all things data. Google the term and you'll come up with references to data quality, metadata, data warehousing, data ownership and data security, to name just a few. We define data governance as the organizing framework for aligning strategy, defining objectives and establishing policies for enterprise information. What is really important is how you define data governance and how your organization understands it. As nascent as it is, data governance has failed in more than one well-meaning company because people misinterpreted its meaning, its value and what shape it would eventually take in their companies.

The most common definitional mistake companies make is using "data governance" synonymously with "data management." Data governance is the decision rights and policy making for corporate data, while data management is the tactical execution of those policies. Both require executive commitment, and both require investment, but data governance is business-driven by definition, while data management is a diverse and skills-rich IT function that ideally reports to the CIO.

Unlike CRM, which – after an initial failed attempt – would simply be rebranded "The Voice of the Customer" and relaunched, once data governance becomes a dirty word, an organization rarely gets a second chance. "You can't use the word governance here," one brokerage company executive confided recently. "We'll have to call it something else." Attempts at euphemistic substitutes don't hide the fact that definitional clarity and a firm vision for data governance do matter.

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MISTAKE #2

Ready, Shoot, Aim: Failing to Design Data Governance

As with any strategic initiative that enlists both business and IT and is process-centric and highly visible, data governance must be designed. Designing data governance means tailoring it to your company's specific culture, organizational structure, incumbent ownership environment, and current decision-making processes. It means articulating the value for cross-functional and formal decisions about corporate information – whether by minimizing compliance exposure or security breaches, over- or under-communicating to customers, consolidating product catalogs, or supporting dozens of other potential business drivers. No two companies treat these issues in exactly the same way, and data governance is never exactly the same across companies.

Consider two of our clients. One, a multinational bank, is hierarchical and formal. Decision making is top-down. Budget sign-off goes high up in the organization for relatively meager expenses. Executives are big on "town hall" meetings and roundtable discussions. Consensus reigns.

The other client is a high-tech firm where even business execs are tech-savvy. People come to work at 10 p.m. with a six-pack, the dog, and some really good ideas, and start coding until 10 the next morning, when they'll toss the empty beer cans in the recycling bin, load the dog in the back of the Subaru, and head over to the trailhead. These guys fix their own problems and make their own decisions. Anarchy is the rule.

Data governance looks very different at these two companies. At the bank, three different governing bodies are involved in the data governance process, each with its own checks and balances. The high-tech company relies on established yet grassroots effort. The stewards use an online knowledge base to submit decisions for review, subject to occasional tie-breaking by executives. These stewardship units are endorsed by divisional managers, who want to see measurements for data quality, integration and deployment velocity improve.

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If we had arrived at either of these companies with a "best practice template" for data governance, we would have been met with rolled eyes and the requisite explanations of "why we're different here." The high-tech company would have laughed us out of the espresso lounge, had we recommended a single business sponsor. Conversely, the bank requested a formal mission statement with formal hand-off points across different committees for its governance council. In both cases, deliberate data governance design ensured that governance supports the company's culture, organizational structure, implicit hierarchies and way of doing business, while making sure its value is well understood and ultimately measurable.

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MISTAKE #3

Prematurely Launching a Council

We see it all the time: An earnest visionary perceives the need for data governance. She decides that it's time for formal consensus and enlists an executive to support her effort to convene a "council" of data stakeholders.

An e-mail invitation goes out for the council meeting. It's a lunchtime event – "Please make your selection from the attached menu" – and nearly every invitee shows up. The visionary begins discussing how data is an asset and that the company needs to begin managing it as such. Heads nod. The visionary goes on to explain that the newly formed council should meet regularly and discuss the company's prevailing data issues and address any open problems. The follow-up meeting is scheduled.

Fewer people show up to the next meeting. Someone complains that the company has never really defined the term "customer." Someone else pipes up about bad data on the billing system. A sidebar conversation starts on CRM consolidation. The next meeting never happens.

In this all-too-common example, data governance isn't overtly canceled. It simply fizzles like a damp firecracker. The problem? See Mistake No. 2. Well-meaning people who see the need will gravitate toward the "who" conversation (Who should be on the council? Who will sponsor it?) before understanding the "what" and the "how." Until a core team of stakeholders deliberately designs a data governance framework (including guiding principles, decision rights, and the appropriate governing bodies), no sanctioned, cross-functional council will have either the clarity or the mission to effect change. There is no free lunch.

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MISTAKE #4

Treating Data Governance as a Project

In a well-intended effort to fix what's broken, many companies will announce data governance with much flourish and fanfare. An executive might assemble a cross-functional team, extracting its members from existing projects, creating an ersatz data governance SWAT team. Others will hang the Center of Excellence shingle and treat data governance as an isolated organization of data-savvy individuals. Still others will inaugurate a data quality task force and call it data governance. In each example, data governance is formed as a discrete effort, when in fact it should be "baked in" to existing development and decision-making processes.

As those of us in the data warehousing world know all too well, when an initiative is deemed a project, it is, by definition, finite. One data governance project we know was positioned as an 18-month effort to "get our data house in order," as if, once finished, the company's data would be perfect and everyone could return to their day jobs.

The reality of data governance is that it should be continuous and systemic. As information needs change, data volumes increase, and new data enters the organization via new systems or third parties, decisions about how to treat, access, clean and enforce rules about data will not only continue, they'll likely also proliferate. A structured, formal, and permanent process for making these policies and decisions should be retrofitted into the way a company develops its data and conducts its business.

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MISTAKE #5

Ignoring Existing Steering Committees

A key indicator of data governance success is an environment that encourages decision-making bodies. Call them councils, steering committees, management roundtables or advisory teams. These bodies are usually composed of individuals from across business functions who have both the authority to make decisions and the accountability to ensure that those decisions are enacted and ultimately drive business improvements.

In instances in which the company has already institutionalized steering committees, it would be foolish not to use their knowledge and clout. An executive steering committee at a medical equipment firm reviews data governance council decisions relating to government and legal compliance and functions as an escalation mechanism. This not only provides the trustee council with external checks and balances, but it also culturally sanctions data governance. At a retailer, the data governance council includes a seat for a member of the business user advisory team, who arrives just in time to review and approve a set of data correction rules.

We owe it to you to add here that steering committees aren't always the answer. Companies lacking clear strategic directions or solid measurement practices are prone to solving these problems through new organizational structures, including steering committees. The implicit expectation is that bringing people (often the same people responsible for vague strategies and measures!) together will be the solution. Absent sound objectives and processes, the steering committee quickly loses value and becomes another casualty of a broken corporate culture.

By inviting incumbent decision-making bodies to participate in the data governance process, you effectively institutionalize data governance as a component of corporate policy making. You also implicitly enlist the support of a variety of individuals, and change occurs one person at a time.

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MISTAKE #6

Overlooking Cultural Considerations

A client recently confessed that "in our organization, anything-to-one is a tie." Although data governance council members were active and engaged, seemingly straightforward decisions nevertheless caused deadlock. A lone dissenter could hold the process hostage. Suggestions to appoint a chairperson to break "ties" were met with disfavor. Participation in the process waned.

Changing entrenched organizational paradigms and behaviors is perhaps the biggest obstacle for any governance effort. Examples include a corporate culture that stresses consensus over clear accountability, the absence of decision-making protocols, individuals unaccustomed to making decisions, or poor communication and planning. Common organizational constraints can derail governance before it begins.

Regardless of your organization's explicit structure and biases, establishing unambiguous decision rights is a requirement for governance to thrive. Existing cultural norms should inform, but not necessarily dictate, how decision rights and accountability are assigned. Effective governance often challenges intrinsic ideas about what decision making means. Therefore, the governance program must also clearly articulate its mission and value; develop communication plans; and plan for, champion and reward change – often one business constituent or person at a time.

Remember: One size does not fit all. The design of your governance must address the unique challenges and biases in your organization. Although change is hard, companies with effective governance processes can generate up to 40 percent higher ROI on their IT investments than their competitors, according to MIT researchers Peter Weill and Jeanne Ross.

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MISTAKE #7

Prematurely Pitching Data Governance

In today's environment, executives and staff alike are wary of the sweeping reforms and lofty benefits typically promised by enterprise programs. (Remember CRM?) As a result, even the most crucial enterprise data governance effort can start with one mark against it. Soliciting C-level executive sponsorship, broadly evangelizing expected outcomes, or establishing working teams without a clearly defined vision or framework to achieve the intended solution are all fraught with risk.

In the first phase of its data governance program, a national financial services company solicited several business and IT subject-matter experts to function as data stewards. The stewards were tasked with identifying high-impact data issues within their domains that governance would rectify. The stewards did an excellent job. The problem: there was no defined procedure to validate, prioritize or resolve the ever-increasing flood of identified business problems whose root causes could be attributed to data issues.

In this all-too-common example, a team was assembled and significant effort expended to expose some particularly painful data sores without a method to heal them. A majority of the issues uncovered were good candidates for governance, but the lack of appropriate expectation-setting prior to the exercise led to frustration and mistrust. Data governance became the proverbial dirty word, and getting business owners back to the table to talk about how to implement governance and close the loop remained an uphill battle.

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MISTAKE #8

Expecting Too Much From a Sponsor

Executive support and management sponsorship for data governance are critical. A motivated sponsor, with a clear vision and the ability to communicate it to both senior executives and those he manages, is an important contributor to governance success. That being said, there is a limit to what even a great sponsor can be expected to do.

Consider this scenario: A company initiates data governance after a strategic business intelligence program fails to deliver expected results due to various data issues. At the CEO's behest, key business stakeholders from each region are elected to a data governance steering committee. At the initial meeting, the CEO describes his vision for data governance, outlines some expected outcomes, and bids the group adieu. His expectation? That the stakeholders will move the ball forward and define a plan for execution.

Sponsors, particularly those at the executive level, believe that value lies in their support, not their participation. They are, therefore, best used to communicate the vision and objectives of data governance to their respective organizations. When it comes to sanctioning and evangelizing the program or rallying the troops, nothing beats an effective and engaged sponsor. Just don't expect them to do the heavy lifting involved in data governance design.

Sponsorship for the data governance program will change over time to reflect current business priorities and needs. The framework and process under which governance executes should not.

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MISTAKE #9

Relying on the Big Bang

The mantra "think globally, act locally" is particularly apt when embarking upon data governance. The issues addressed by data governance are far-flung and pervasive, ranging from arbitration of cross-functional data usage to information privacy, security and access policies. As a result, governance initiatives attempting to address an array of enterprise needs in one big bang are quickly squelched by role confusion, prioritization debates, "emergency" development projects, and a general backlash of the incumbent culture.

Add the inevitable kinks to be worked out in any new process, regardless of how considered the design, and failure inevitably follows.

To avoid these risks, successful programs begin with a series of tightly scoped initiatives with clearly articulated business value and sponsorship. In the case of one pharmaceutical company, a state compliance reporting project served as the initial proving ground for governance. As state reporting issues were resolved, the director of compliance unveiled the program's success to other decision makers in their respective areas. The success of the initiative was related to the effectiveness of data governance, thereby encouraging participation among additional stakeholders and helping to enlist new sponsors.

As the old saying goes, Rome wasn't built in a day. Neither is a mature enterprise data governance program. While an incremental approach takes time, not to mention patience, it engenders business support by demonstrating the value of governance in a context relevant to each stakeholder or sponsor. Most important, a phased approach establishes data governance as a repeatable, core business practice rather than a standalone "once and done" project.

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MISTAKE #10

Being Ill-equipped to Execute

Most companies do a good job of implementing governance policies within the scope of an initial business process or application release. However, the need for ongoing maintenance and auditing is frequently overlooked or underestimated. Data is constantly being generated. New applications are added. Business processes change. Users come and go. As a result, data management becomes a full-time endeavor. Anyone who has been involved in a massive, one-time data clean-up or conversion project, only to have "dirty" data reappear over time, understands this all too well. Vigilance is required to monitor compliance with existing standards, enforce new behaviors and ensure that old habits don't creep back into common usage.

We define data management as the tactical, day-to-day execution of data governance policies. For example, a typical data governance policy may mandate that sensitive customer data be stored in secure formats and available only to authorized users. Implementation of an appropriate storage algorithm and ongoing maintenance of user permissions are data management functions typically handled by resources in IT, security, or by a formally designated data management group. Such a group should be equipped to tackle these issues as the business continues to evolve.

Data governance and data management are symbiotic by nature. They're interconnected by both process and skills, and reliant on each other for success. The same could be said of the people responsible for them. The most relevant and vital data governance policies are inconsequential ensconced in a binder on someone's shelf.

Indeed, to be valuable, to propel the business forward, data governance must be practiced. It must be measured. It must demonstrate positive outcomes and hard payback. Ultimately data must be managed in a structured, tactical and repeatable way. It's hard. But the alternative – raging data unchecked and unmanaged – is in the long run much, much harder.

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