SearchDataManagement.com

E-Book

Enterprise data governance: How to succeed where others have failed

Successful data governance programs can help ensure that organizations have consistent policies and processes for defining, managing and using corporate data. But many data governance efforts miss the mark and fall short of those goals. This eBook, written for IT and data management professionals as well as business executives, will provide readers with tips and advice on how to avoid the missteps that can lead to enterprise data governance failures. Learn about data governance best practices and not-so-best practices, and get real-world guidance from organizations that are succeeding with data governance.

TechTarget
Where Serious Technology Buyers Decide

SearchDataManagement.com

E-Book

Enterprise data governance: How to succeed where others have failed

Table of Contents

Data governance best practices revealed at Enterprise Data World

By Mark Brunelli, SearchDataManagement.com News Editor

Setting up a data governance organization – and getting the executive buy-in necessary to keep it running – means that sooner or later the time will come to demonstrate the business value of data governance to company leaders.

But putting dollar signs on things like improved data quality and de-duplication isn't always easy, and getting the job done can require some real creativity, according to a panel of data governance professionals who spoke at the Enterprise Data World 2011 conference in Chicago.

The panelists – who convened for an hour to discuss data governance best practices, roles and responsibilities – said any justification for investing in data governance should focus on advancing business goals and enhancing the bottom line. It's important, the panelists said, to zero in on the business problems that data governance can fix and be sure to show what those problems are costing the company.

Sometimes the justification for a data governance program is clear-cut: Poor data quality is leading to a disastrous online experience for customers. But other times the process of identifying the business problems and quantifying their cost to the organization can get murky, said panelist Michele Koch, the director of enterprise data management and the data governance office at Sallie Mae Inc.

The 'five whys' approach to data governance best practices

Business users often don't understand precisely why something is a problem or how that problem translates to increased costs or reduced revenues, according to Koch. A good way to identify business problems and ultimately arrive at their cost is to start by using the "five whys" approach, she said.

That means asking business workers to describe their biggest pain points when it comes to data quality. For example, the problem could be an application or system failing to deliver reliable results. Then ask the business users why it is a problem for them. Next, ask why the organization should address the problem, and so on. Eventually, Koch said, you will arrive at a deeper issue that directly affects the bottom line. For example: Poor data quality is leading to a disastrous online shopping experience, and X amount of revenue is being lost each month.

Once the business issues are clearly defined, Koch said, the process of assigning an approximate dollar value to the problem gets easier. For example, if a salesperson spends three hours performing manual processes because of poor data quality, and that salesperson usually sells something every 1.5 hours, then the company has just failed to close two deals.

"It all comes down to increasing revenue or decreasing your costs," Koch said.

Setting up a data governance organization means defining and assigning the many roles and responsibilities associated with data governance success, according to panelist David Plotkin, data governance director for AAA of Northern California, Nevada and Utah.

Dividing up data governance roles and responsibilities

At AAA, this was accomplished by dividing up the data governance roles and responsibilities into three major categories, including the overseeing body, the business element and the IT support team, according to Plotkin.

The overseeing body at AAA is based in the business side of the company and charged with handling the day-to-day aspects of running the data governance program. For example, it makes sure the approved business glossary is readily available and that data quality standards are continually being written and enforced.

Business users understand the data they create better than anyone and should therefore be largely responsible for ensuring proper data governance. That's why the second category of data governance roles and responsibilities at AAA is all about the business.

"I tend to think of [the business category] as the part you can't get by without," Plotkin said. "You [need to] have business buy-in [and] business providing those resources."

The business level of the data governance organization consists of the data owners, or the data governors, as they are sometimes called. These are the people who make the call when questions about data policies and procedures arise.

Data stewards: The people who know your data

And then there are the data stewards, Plotkin said. "These are the folks who are out in the business; they have their day jobs, but they are the people that their peers tend to turn to with questions," he explained. "They know the data."

Plotkin said the data stewardship level is where "the real work gets done" because stewards are responsible for reporting any problems to the overseeing body – a task that often leads to new data quality policies and procedures.

The third level consists of technical personnel who can explain data quality issues that crop up – for example, as the result of extract, transform and load operations, Plotkin said. They can also diagnose issues that exist within individual systems or applications.

"I will also toss in that it can very well be true that your best allies in IT are the enterprise architects," Plotkin said. "They get what we do, in large part."

Panelist Kira Chuchom, who manages the data governance organization at networking giant Cisco Systems Inc., agreed that steering committees are a key component of the data governance hierarchy. At Cisco, she said, the steering committee is made up primarily of company executives and other key decision makers.

"We are also big believers in data stewardship," Chuchom said. "All of our data stewards [come] from the business."

Sallie Mae exec: Meetings, metrics spur data governance best practices

By Mark Brunelli, SearchDataManagement.com News Editor

Michele Koch knows a great deal about data governance best practices. As director of the data governance office at Sallie Mae Inc., Koch has spent the past five years leading a companywide governance program and making sure that the Newark, Del.-based student loan provider's business and IT operations are on the same page when it comes to data governance policies and procedures.

A frequent speaker at information management conferences, Koch says one of the keys to Sallie Mae's ongoing enterprise data governance success lies in its ability to measure and quantify the business impact that the governance efforts are having. It also helps, she says, to have a large contingent of business representatives sharing their concerns and hammering out agreements to resolve any conflicts that arise when new data governance policies are implemented.

SearchDataManagement.com spoke recently with Koch, who also is Sallie Mae's director of enterprise data management, about the company's data governance program and her view of best practices for data governance. Excerpts from the interview follow:

Did you have any trouble getting executive buy-in and sponsorship for the data governance initiative at Sallie Mae?

Michele Koch: The vice president [of IT] and the CIO bought in right away. We told them this was part of being successful, and they bought into it. I'll tell you, though – and this was a little interesting – IT middle management was much harder to sell. I really think they felt like they were already over-allocated and this was just one more thing that we wanted them to do. I did get pushback. But then, finally, our CIO told them that we are going to do this, that this is going to be part of your everyday work and that it's really not going to take up that much of your time. [That] was an eye-opener for me. I was not expecting that.

How did you structure the data governance program at Sallie Mae?

Koch: We have a data governance office, and I'm responsible for that. It includes me, my assistant and the chief data steward. So it is more like an actual team, but we have other people helping us. I'm lucky because I can tap into other resources. We established a data governance council that is made up of representatives from every line of the business – I think [we're up to] 22 to 25 representatives. We [have] IT subject matter experts, data SMEs and business SMEs who we pull in and out as we need. We have a data quality services team, which is also under me. [Everyone] on the council has their real jobs; it's just that this is another role for them. There isn't anybody who does this full time.

Does your chief data steward come from the business side of the organization?

Koch: She works in loan accounting and was our controller. She has been with the company for a long time and has also worked at a very high level at a couple of our [loan] servicing centers. She's great because she knows the business inside and out – she knows finance and the accounting [and] how everything affects our 10-K and general ledger. She also knows who to contact [when data issues arise]. That saves me a lot of time, because it would take me five phone calls to get to that same person.

Would you say, then, that she serves as a liaison between the business and IT?

Koch: You know, I think of myself as that, and I think of her as that as well. I kind of consider myself to be both business and IT. In other words, I'm not so technical where all I can talk about is the technical stuff. I'm able to take that and explain it in normal business terms. [The chief data steward] has a business background, but she [understands when we say what a certain piece of data] is going to mean. She gets that, and then she'll go and explain it to other people. It's just a good partnership.

What are some of the biggest missteps that Sallie Mae has taken on the road to enterprise data governance?

Koch: This was not a terrible mistake or anything, but when I started, I was so new to all of this that I didn't think about metrics until after it was done. And then we went back and tried to do [the metrics], and it took a lot more effort to do it after the fact. What I tell everybody now is that you should think about metrics up-front. Think about the kinds of metrics you want to track and track them as you go along. That was a lesson learned. I [also] underestimated the amount of time that it takes to do stakeholder care and to communicate, and it was a big eye-opener to realize how much of this is hand-holding and, you know, doing those five versions of every darn presentation. I still have to force myself to do that. I don't come natural to that because I'm an IT person [laughs]. But I've learned.

Could you give some examples of your favorite data governance best practices?

Koch: Well, there are a couple of things. I always say the first thing that I did right was insisting that we pull everybody together the very first time [for two days of meetings about the data governance initiative]. That was really important to kind of get everybody together in the same room. All the little light bulbs went off, and they saw how [data in] one business area could impact another business area. [Another example was] creating the "cookbooks" and documenting all of the policies and procedures – and doing that in PowerPoint. Then I could take the PowerPoint slides and make my presentations with them. That was a huge timesaver.

How do you measure the results of the data governance efforts at Sallie Mae?

Koch: We measure how the program is doing. We measure the number of issues that are opened, closed or works in progress. We measure the number of [data] fields that we've standardized and what the maturity level is for those fields. We measure the business value of working through a data quality issue. We can show potential business value if we fix the problem, and then we can show actual value, too. We've done some good work [on metrics] over the last six months.

What does the future hold for Sallie Mae's data governance program?

Koch: We're going to keep going. Our company has been going through drastic changes with all that has been happening in the [financial] markets. My thing is that we need to stay flexible and change with the company so that we can continue to add value.

A must to avoid: Worst practices in enterprise data governance

By Rick Sherman, SearchDataManagement.com Contributor

More and more companies are recognizing that they're accumulating ever-increasing amounts of data but not necessarily gaining business insights from it. The missing link is the transformation of data into information that is comprehensive, consistent, correct and current. That isn't a problem technology can solve for you: The key step is establishing a data governance program to help your organization truly treat its data as a corporate asset by enforcing consistent definitions, rules, policies and procedures.

That's the goal, at least. Although enterprise data governance efforts have been initiated at many companies, the success rate of these initiatives hasn't been encouraging. There's a lot of advice available on data governance best practices that should be adopted. The following discusses the top "worst practices" and pitfalls that enterprises need to avoid. Consider it a roadmap of red flags to alert you that your governance program may be heading down the wrong path.

Buy-in but not commitment. IT often regards data governance sponsorship as business executives writing a check and putting people on a governance committee (see below). While that is in fact a great first step, the business needs to do more. People from the business side need to create the data definitions, business rules and key performance indicators (KPIs) for a data governance program; achieve agreement on them across an organization; enforce usage and compliance; and ensure that the definitions, rules and KPIs are updated on an ongoing basis as business needs evolve and change. The reality is that in the vast majority of cases, data governance tasks are merely tacked onto a business manager's already overloaded schedule instead of being made a priority, with other responsibilities correspondingly getting taken off their to-do lists. Without a real business-resource commitment, data governance will take a back seat to the daily firefight and will never be implemented effectively.

Ready, fire, aim. One thing most of the enterprise data governance efforts I'm familiar with get right is that they need a governance steering committee and a separate governance working group. The steering committee should have business representatives from across the enterprise, and the working group typically is made up of the data stewards who do the real governance labor. What organizations often get wrong is that they form these panels and assign people to them before they really understand the scope of the data governance program as well as the roles and responsibilities of the participants. A guaranteed way to stall a data governance initiative in its tracks and have the business lose interest is to prematurely organize the management framework and then realize you need a do-over.

Trying to solve world hunger or boil the ocean. A significant trap that many data governance efforts fall into is trying to solve all of an organization's data problems in the initial phase of the project. Or companies start with their biggest data problems, issues that span the entire enterprise and are likely to be very political. It's almost impossible to establish a data governance program while at the same time tackling data problems that have taken years to build up. This is a case where you need to "think globally and act locally." In other words, data problems need to be broken down into incremental deliverables. *Too big, too fast* is a sure recipe for disaster.

The Goldilocks Syndrome. In the story of Goldilocks and the three bears, the little girl keeps encountering things that are either one extreme or another, which is precisely what happens on many data governance programs. Either the program is too high-level and substantive data issues are never really dealt with, or it attempts to create definitions and rules for every data field in every table in every application that an enterprise has – with the result being that the effort gets bogged down in minutiae. There needs to be a happy compromise between those two extremes that enables the data governance initiative to create real business value.

Committee overload. The good news about governance steering committees and working groups is that they get people representing various business units and departments involved in the governance process – but the bad news is that they tend to get a lot of people involved in the process. Often, the more people on each committee, the more politics comes into play and the more watered-down governance responsibilities become. To be successful, try to limit the size of committees to between six and 12 people and make sure that committee members have the required decision-making authority.

Failure to implement. If the data definitions, business rules and KPIs are created but not used in any business processes, a data governance effort won't produce any business value. The governance process needs to be a complete feedback loop in which data is defined, monitored, acted upon and changed when appropriate. Creating definitions and rules without implementing them is like getting blueprints drawn but never building a house. Similarly, ongoing communication about governance initiatives frequently doesn't take place. That can result in business users going back to their old habits and the data governance program losing momentum.

Not dealing with change management. If enterprise data governance is to be successful, both business and IT processes need to be changed – but seldom is the accompanying need for change management addressed. People and process issues, and the internal politics resulting from them, are challenges that need to be tackled.

Assuming that technology alone is the answer. This can be an issue within enterprises that buy master data management, data integration or data quality software – or a combination of the three – to support their data governance programs. The combination of vendor hype and high price tags often sets expectations that the software will do all the hard work and enable organizations to avoid the nasty people, process and political issues. Sorry – an enterprise may indeed find value in purchasing software but it's the internal interactions that make or break a governance effort.

Not building sustainable and ongoing processes. Even if the initial investment in time, money and people is adequate, many organizations don't establish a budget, get resource commitments or design data governance processes with an eye toward sustaining the governance effort over the long haul.

Ignoring "data shadow systems." A very common governance mistake is to focus on an enterprise's transactional "systems of record" and business intelligence (BI) systems, assuming that all the important data can be found there. But often, key information is located in "data shadow systems" scattered throughout an organization. For example, the "real" BI reports and analytical findings used by business workers often end up in so-called spreadmarts within Excel. Ignore such data at your peril.

In general, it's well understood that enterprise data governance needs to be a joint business and IT endeavor. What gets organizations in trouble is how they actually go about implementing governance programs. But if you stay away from the mistakes and missteps outlined above, you should be better positioned for governance success.

ABOUT THE AUTHOR

Rick Sherman is the founder of Athena IT Solutions, a Stow, Mass.-based firm that provides data warehouse and business intelligence consulting, training and vendor services. In addition to having more than 20 years of experience in the IT business, Sherman is the author of more than 50 articles and a frequent speaker at industry events. He can be found blogging at The Data Doghouse.

Master data governance success hinges on 'dynamic' team members

By Mark Brunelli, SearchDataManagement.com News Editor

Typical "worker bees" are incredibly valuable to any organization. They show up on time, speak when spoken to, get their jobs done and go home at 5 p.m. Just don't ask them to join your master data governance team.

Instead, a master data governance team should consist of an organization's most capable, energetic and charismatic leaders, because they will be called upon to make and enforce unpopular decisions, according to speakers at the Gartner Master Data Management Summit 2011 in Los Angeles.

"You've got to get the right dynamic people," said Joe Young, an information delivery manager at computer printer manufacturer Lexmark International Group Inc. in Lexington, Ky. "When you go from little or informal data governance to formal master data governance across an organization, you've got to have people that [can] stand up and say, 'That's not the way we do it anymore.'"

The phrase "master data governance" refers to the policies, processes, controls and audit functions used to manage and secure an organization's critical master data. "Master data" refers to an organization's common business data entities – such as customer, product and supplier – and their associated values and attributes.

In a 2010 blog post, Gartner Inc. research vice president Andrew White explained that master data governance provides a framework where processes are maintained that assure a single and consistent view of master data whenever business workers need it.

"Master data governance does not care for any one specific need; it has to care about needs for all uses – analytical, operational, transactional, whatever," White explained. "However, master data governance does not [assure] the right business decision is taken [or that] the actual desired business outcome is achieved. [Master data governance] is an enabler, not an end to itself."

Selecting a master data governance team

Many large-scale master data governance initiatives are headed up by councils that are charged with overseeing everything from defining master data to implementing programs to establishing policies and procedures. For example, a master data governance council might decide to implement a standard corporate hierarchy for master data management in an effort to increase consistency across business units.

But such decisions are often unpopular with business units accustomed to a higher level of autonomy, Young warned. That's why it's important to have master data governance council members who are skilled in the art of diplomacy.

The data management council will be charged with examining all important data and processes related to key entities such as customer and supplier. But they should also come to closely understand any interdependencies that cross multiple domains, added Jodi Maciejewski, the director of data governance at ConAgra Foods Inc. in Omaha, Neb.

"It's not just looking at the data and processes for each area," she said. "It's looking at how they relate to each and what are dependencies of those processes."

When looking for the right master data governance council members and project leaders, it's a good idea to start at the top of the organization, Young said. At Lexmark, which instituted a master data governance program three years ago, that meant getting the chief financial officer (CFO) on board right away.

"We started with [the CFO and] he got engagement from the line-of-business vice presidents," he said. "That's when we formed a council."

The Lexmark master data governance council then met regularly for six months to identify and "scope out" master data problems and begin generating mutually agreeable recommendations as to what needed to change.

"We hadn't bought any tools. We hadn't written a line of code. We hadn't analyzed one record," Young said. "Before we started anything, we got that council set up."

Council members should be flexible and prepared to adapt as master data governance policies change along with business objectives, Maciejewski said.

"You may have a plan that you think is going to work, but as you get in and start executing the plan you find out that you're not structured the way you should be or you're not looking at the right processes [in the] right way," she said. "One of the things that we've learned is that you need to be flexible."

Get business units to speak the same master data governance language

A good master data governance council should also set out to make sure that every business unit is speaking the "same language" when it comes to master data, said Jolene Jonas, a data architect with Santa Clara, Calif.-based computer processor giant Intel Corp.

Prior to implementing Intel's internal master data governance program, the company gathered key stakeholders in a room to hammer out the precise meaning of words like customer and supplier.

"It's so critical in governance that we're all always talking the same language and it's consistent across the enterprise," Jonas said. "If I have the key stakeholders together buying off on that, that's a [great] first step."