

DATA AS AN ORGANIZATIONAL ASSET

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Until recently organizations had been managing their data under the premises that its main function was to support the underlying business processes. This allowed for the dissemination of local or siloed and unconnected data management practices each following its own particular criteria.

However, during this last decade external factors have been putting pressure on the way organizations think creating the need to transform its data management practices.

Digital and analytical technology explosion

Internet
Communication channels
Massive data handling

Regulatory framework context

New regulations are created, and existing ones exerted upon

Relationship personalization

Client relationship increasingly personalized

VUCA context

Business Models becoming more flexible and adaptable

1. Digital and analytical technology explosion

The universalization of Internet and the creation of new communication channels has favored the development of innovative business models which, supported in technologies that allow for the massive management and analytical interpretation of data, compete with, and even disrupt, entire industries.

2. Relationship personalization

This flexibility demands for the development of personalized relationship models, normally referred to as new customer's profiles, on top of the traditional mass-market models of relation that will continue to exist.

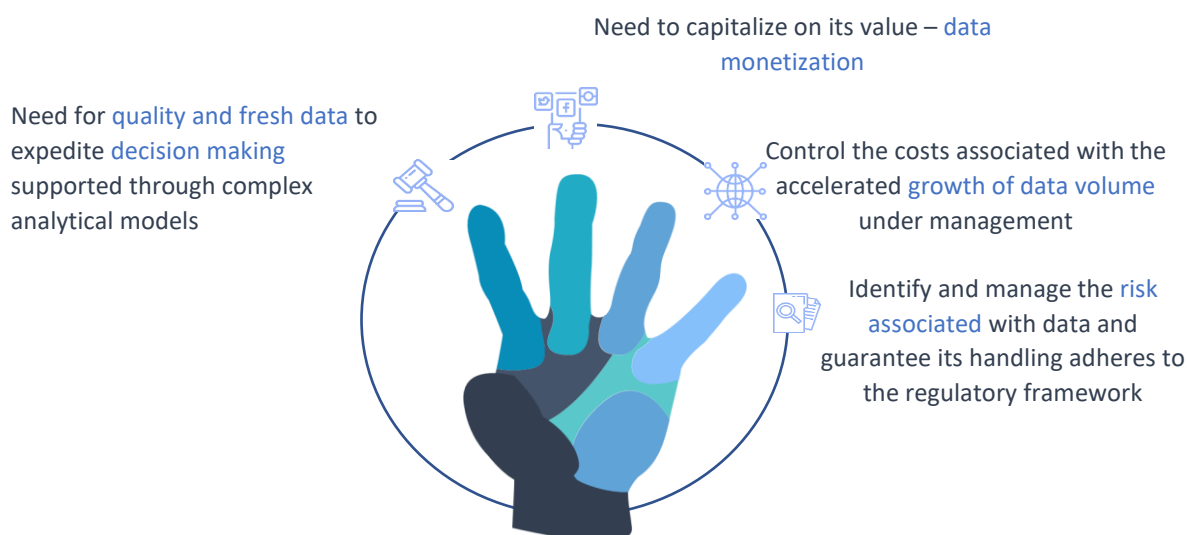
3. Regulatory framework context

New regulations emerge on unprecedented domains and existing ones are intensified by the day. To continuously and quickly adapt becomes the norm and an organizational imperative, where data plays a central role.

4. VUCA context

The uncertainties at medium and long-term are stimulating companies, for one hand, to introduce flexibility and speed as strategic business elements, and for the other hand, to optimize its processes in order to reduce costs without impacting the quality of its products and services.

This new context is mandating that, directly or indirectly, diverse stakeholders on the organization present growing demands as to how data needs to be managed. Nonetheless, without transformation it is unfeasible to attend to those demands since data management has traditionally been focused on satisfying the purposes of business processes.



These demands entail that data needs to become a central piece in company's strategies, managed as an asset through the same criteria as other asset classes:

- ❖ They must be invested upon.
- ❖ They must be preserved.
- ❖ They must be managed throughout the lifecycle.
- ❖ They must be managed from a company-wide point-of-view.
- ❖ They must be managed considering the risk and potential they entail

THE CURRENT SITUATION OF DATA GOVERNANCE

In 2019 Bip surveyed its customers in the financial sector to analyze the level of implementation of data governance practices in the sector and the strategy adopted by these companies in their transformation process towards a datacentric model considering four different dimensions.



From the strategic and organizational points of view, the survey results provided us with two main insights:

- 1. A significant number of the companies are aware of the importance of data for their performance and **having launched a Data Strategy program in order to enable a Data Driven approach**
- 2. From this universe of companies that have already started their data program, approximately 60% have adopted an incremental transformation strategy based on use cases or in strategic datasets for the company.

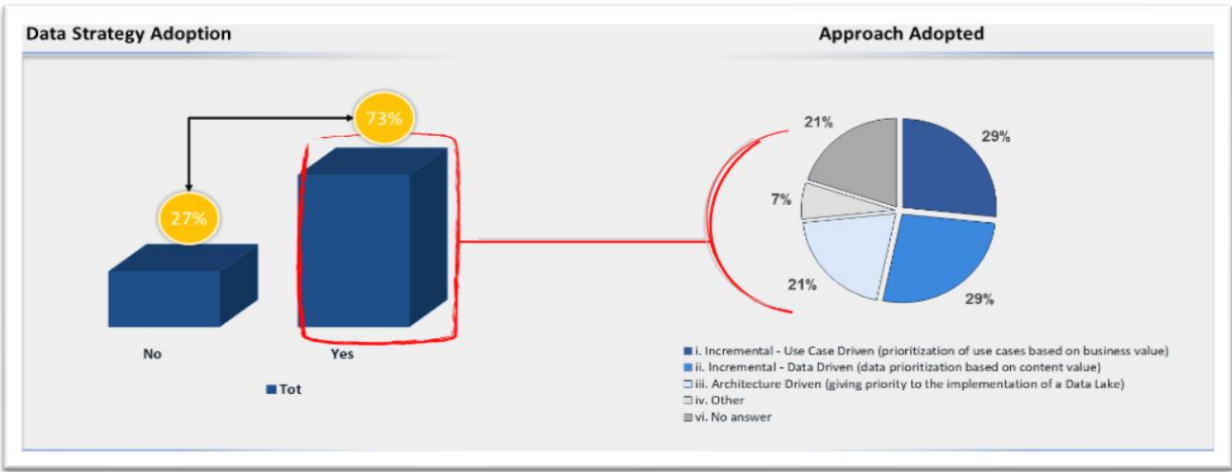


Fig. 1 Conclusions from Bip survey

- 3. From an Organizational point-of-view, the position of Data Governance function depends on the business strategy adopted by the companies and moves from the CFO/CTO orgs that with a prime concern with regulatory reporting issues, to the BI-Analytics orgs that are more oriented to provide quality data for use in BI and analytics processes for multiple purposes.
- 4. Almost 70% of the surveyed companies have created a **Data Governance Office** to coordinate the data management transformation process and officialized the **CDO role**, figure responsible for data management in the organization.

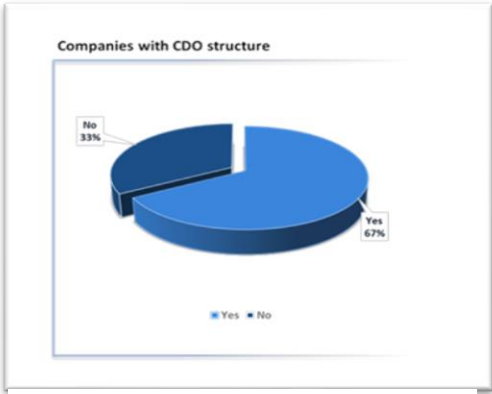


Fig. 2 Companies with CDO structures

DATA 360° AS THE KEY TO TRANSFORM DATA MANAGEMENT

Through the survey presented before we see that a majority of companies have already realized that data is a strategic element to sustain its competitiveness and have started to implement governance practices in order to help them transform the way they currently manage their data with the objective of steering their business model towards a data centric one.

Bip’s approach

Considering the above, similarly to some of our clients, at Bip we practice data governance from a pragmatic point-of-view. This pragmatism, nonetheless, must not make us lose sight from its transversal nature and global transformation objective. To sustain this balance, the data governance model Bip proposes is structured around four principles:

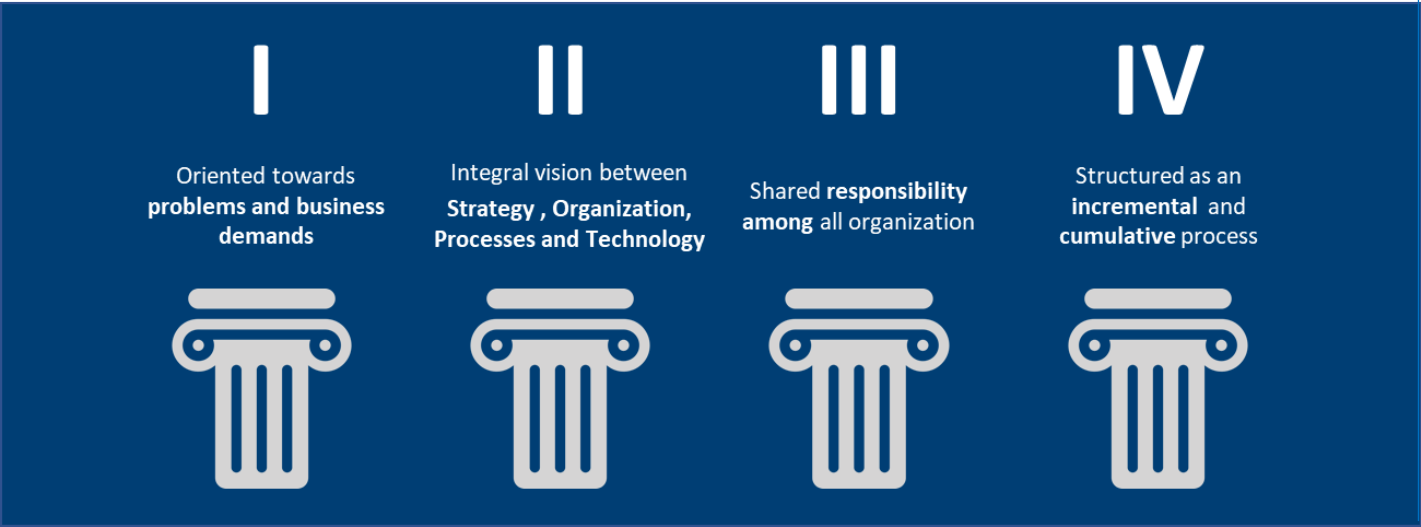


Fig. 3 Bip principles for Data Governance

Considering these principles, at Bip we embrace this transformation process with a 360° vision considering the transformation Strategy, the Data Governance and the respective use cases (BI & Analytics).

The Strategy for Data, understood by the definition of the roadmap to be pursued, must determine the BI & Analytics use cases to benefit from the new Data Governance practices. This way both these three disciplines complemet each other through a joint macro-process helping organizations transform their data management in a strutured and controlled way.

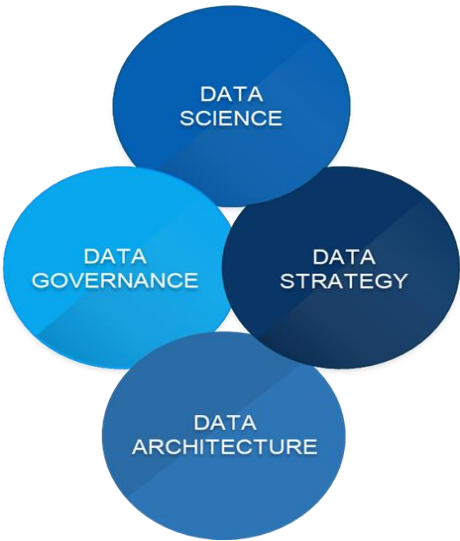


Fig. 4 Data 360° vision

Bip methodology identifies four phases on the journey organizations need to follow in order to fully implement a data governance program.

0. Initial Phase - Conscience

The organization is aware of the need to change the way it is currently managing data, although lacks the know-how to act upon. It needs to put in place a data governance program and define its transformation strategy.

1. Knowledge

Data governance program guidelines have already been defined, together with a transformation strategy and an initial action roadmap put together (non-binding). The organization still needs to put together the capacities (knowledge, technology and resources) needed to evolve through the program.

2. Application Phase I: Growth

Data management initiatives are under execution in concrete terms and control over strategic data subsets is being put in place. Governance is already structured and officialized under corporate organogram with binding OKRs.

3. Application Phase I: Maturity

Organization is mostly aware of data governance. An integral view of the business is becoming increasingly possible from the data available and complex, enterprise-wide initiatives are becoming viable under controlled costs and risk.

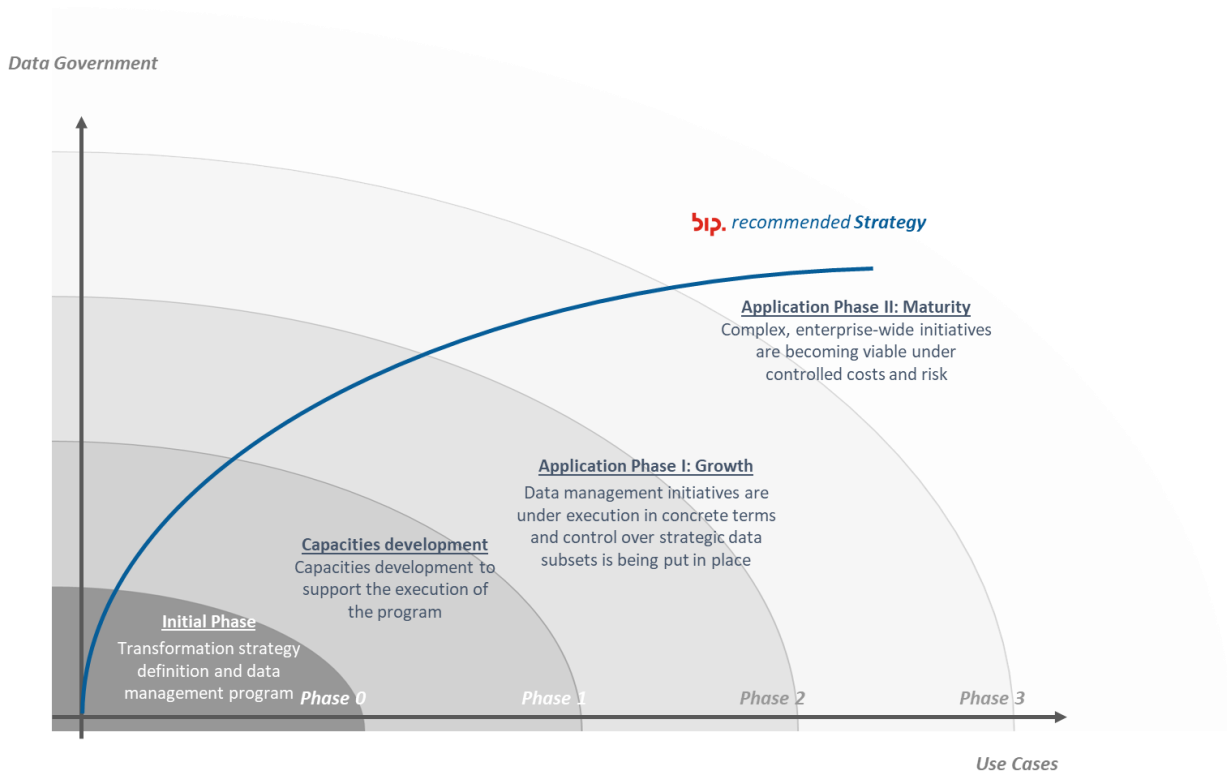


Fig. 5 Bip recommended approach

Bip’s expertise from its ample experience in projects of data management and governance allows us to support companies throughout their transformation process, both at the beginning of the journey by helping them defining their strategy, and also during later stages of maturity through initiatives or use cases that capitalize on their analytical capabilities.

CONTACTS

Andrea Taglioni

Lead of Big Data and Advanced Analytics Competence Centre at Business Integration Partners - Italy
andrea.taglioni@mail-bip.com

Hugo Gomes

Senior Manager at Business Integration Partners - Spain
hugo.gomes@mail-bip.com

Eros Frigerio

Lead Data Scientist at Business Integration Partners - Italy
eros.frigerio@mail-bip.com

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