



Data Governance - Deloitte Point of View (PoV)

December 2022

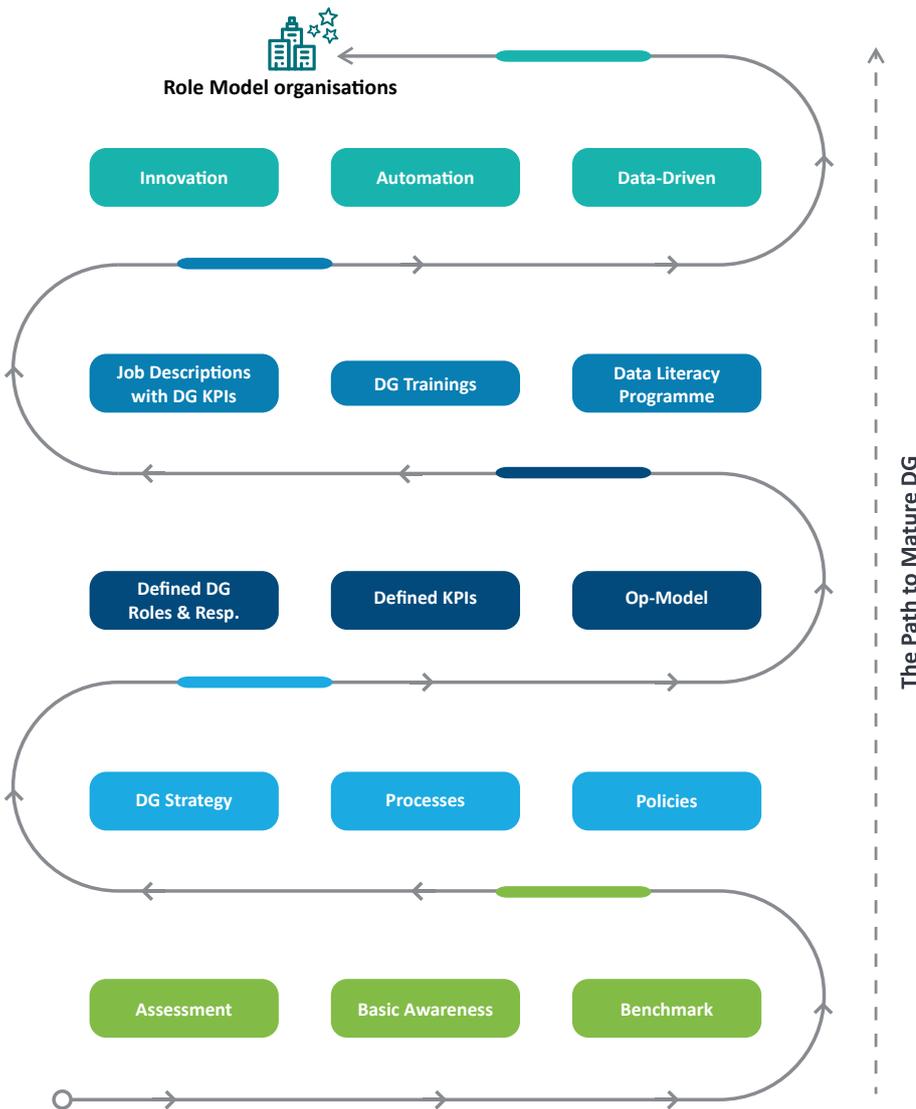


Document Overview

This article showcases Deloitte's Point of View (PoV) on **Data Governance (DG)**, which has been consolidated based on our research, observations, and experience in supporting Data Governance programmes for clients across multiple sectors and at different maturity-levels.

Throughout this document, we refer to the most mature Data Governance organisations as **'Role Model'** organisations. The journey to becoming a Data Governance Role Model is challenging, requires dedicated investment, time, and effort, and should be based on a clear strategy and roadmap. The reality is that **very few organisations** across the globe and from different industries have achieved Role Model status, but many aspire to it.

We will showcase our Point Of View on what is required for organisations to achieve Role Model status.



Throughout this PoV, some sections will include additional observations and insights based on our research and experience with clients.

We acknowledge that Data Governance is difficult, and that there are very few Role Model organisations out there, but it's never too late to start!

This PoV is designed to provide guidelines for organisations to increase their Data Governance maturity level and help move towards Role Model status.



Sharing our experiences



What is Data Governance?

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Why is Data Governance important?

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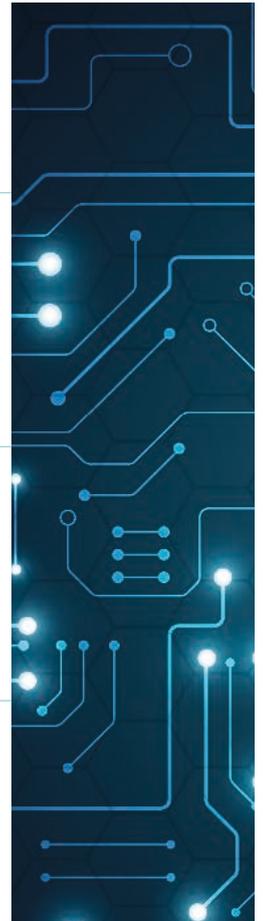
Our perspective

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What is Data Governance?

It's more than just regulation and compliance...

Some organisations we have worked with view Data Governance as a reaction to regulatory and compliance mandates, adopting a more **Defensive Mindset** - reacting to rising risks and issues, such as regulatory requirements, compliance demands, security breaches, data privacy concerns, and external pressure.

However, this approach seems to be changing. Organisations are increasingly adopting an **Opportunity Mindset**, where Data Governance is seen as a pre-requisite to becoming a truly data-driven organisation, and a catalyst to extracting business value and innovation opportunities from their data.

What is it *really* and what are its drivers?

We see Data Governance as more than just adhering to regulations and compliance – it is the key to unlocking the full potential in other Data Management & Analytics capabilities such as effective Artificial Intelligence (AI)/Machine Learning (ML), Cyber Security, Data Visualisation & Reporting, and Automation, being directly associated with making the most effective use of an organisation's data.

Data Governance is a set of quality control processes that help organisations in managing, using, improving, maintaining, monitoring, and protecting data across the organisation. It is the proactive management of data to ensure an organisation's data is fit for purpose and provides companies a framework to manage quality, access, privacy and security of its data.

Data Governance should be viewed as an enabler, supporting benefits such as greater efficiency, more innovation and insight, and higher cost savings through more effective use of data.



Why is Data Governance important?

It's a foundation to becoming data-driven

Many organisations understand the value of being data-driven and are now investing (or planning to) in Data Management, Analytics, Big Data, and AI. However, it's important to understand that without effective Data Governance controls and practices in place, these investments cannot be fully realised.

-  By 2023, **Data Literacy** will become essential in driving business value, demonstrated by its formal inclusion in over **80%** of data and analytics strategies and change management programs ¹
-  By 2026, **20%** of high-performing organisations will use connected governance to scale and execute on their digital ambitions ²
-  By 2025, **80%** of organisations will have deployed multiple data hubs as part of their data fabric to drive mission-critical data and analytics sharing and governance ²
-  By 2025, **70%** of public companies that outperform competitors on key financial metrics will also report being data and analytics centric ²
-  By 2024, organisations that lack a sustainable data and analytics operationalisation framework will have their initiatives set back by up to **two years** ³
-  **\$500B+** forecasted annual revenue in the AI space by 2024 ⁴

¹ Gartner, A Data and Analytics Leader's Guide to Data Literacy 2021

² Gartner Predicts 2022: Data and Analytics Strategies Build Trust and Accelerate Decision Making

³ Gartner Predicts 2022: Analytics, BI and Data Science Ecosystems Drive New Perspectives

⁴ IDC Worldwide Semi-annual Artificial Intelligence Tracker.



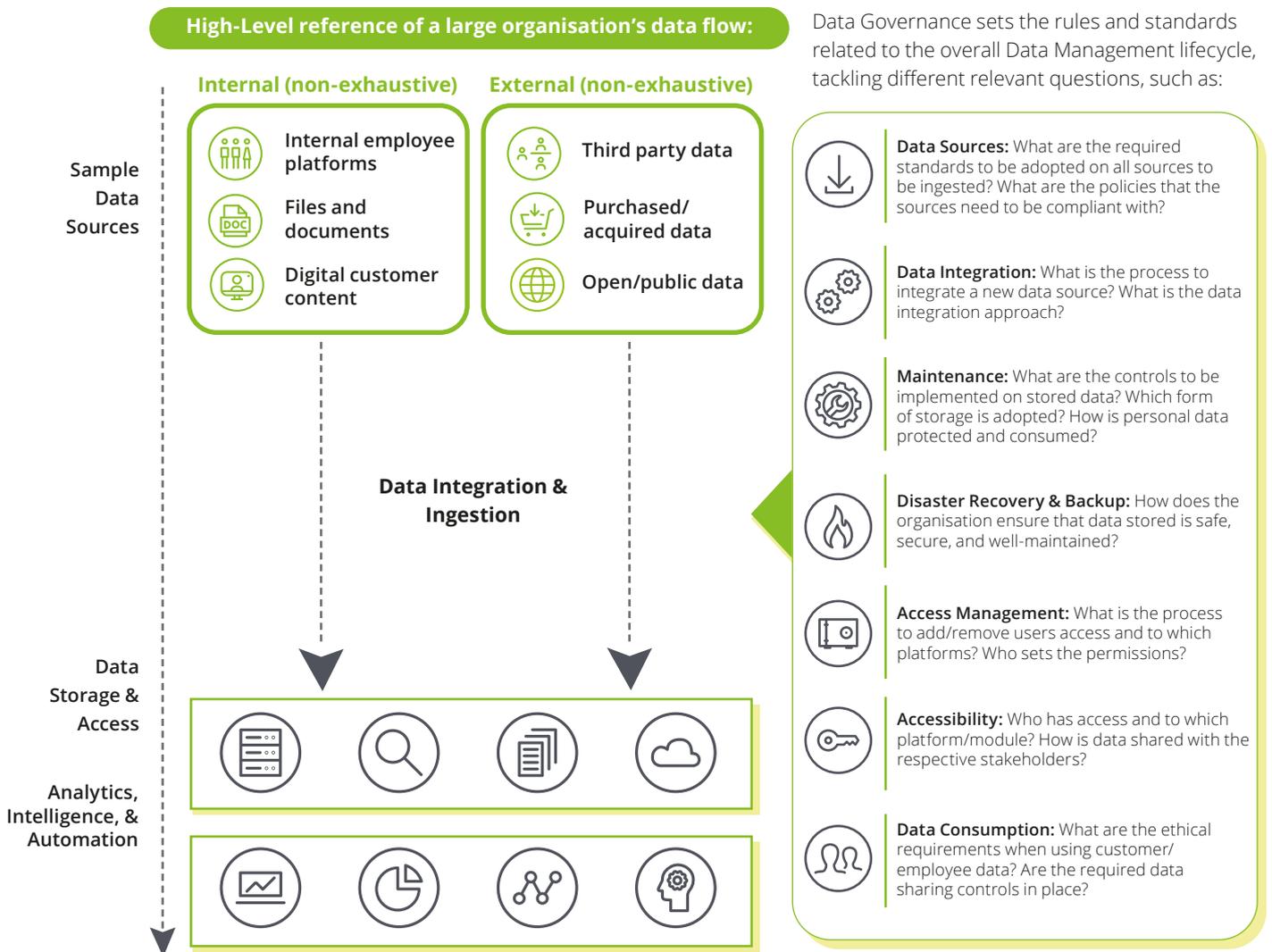
Many organisations understand the business need and value that comes with Data Management & Analytics, and have started to invest and prioritise accordingly.

However, it can be easy to overlook the importance of the role Data Governance has in ensuring these investments are fully realised.

Role Model organisations understand that Data Governance helps organisations in managing the increase in information that comes with new Data Management & Analytics programmes and capabilities.

How does Data Governance enable your organisation to become data-driven?

Embedding effective Data Governance is key to unlocking the full potential of an organisation's Data & Analytics capabilities. It sets the controls and practices required to enable data consumption throughout the Data Management lifecycle.



What does Data Governance help resolve?

Considering the relevance of Data Governance to data consumption and other Data Management lifecycle components, organisations often face a set of common pain points when effective Data Governance controls and practices are not adopted.



1. Volume & Complexity

Data is too large and complex to manage, leading to adverse impact of unforeseen data changes

Organisations are not equipped to handle the velocity, volume, and variety of data from internal and external sources. This results in missed opportunities to optimise the use of diverse data sources. Instead, data is siloed, preventing organisations from reusing valuable data to support business insights.



2. Inefficiencies

Data is fragmented with no single source of truth – making the reuse of data challenging

A lack of data standards for sharing across multiple systems and stakeholders increases the risk of re-work and duplicative spending, with some organisations likely to purchase the same data more than once.

Governing data is more time-consuming and manual without commonly defined metadata and ontologies, data assets catalogued and accessible, and support of agreed ownership and stewardship.



3. Impact to Trust and Reputation

Inability to detect and respond to requests in a timely / proactive manner

Poorly managed privacy and consent leads to a loss of reputation and trust.

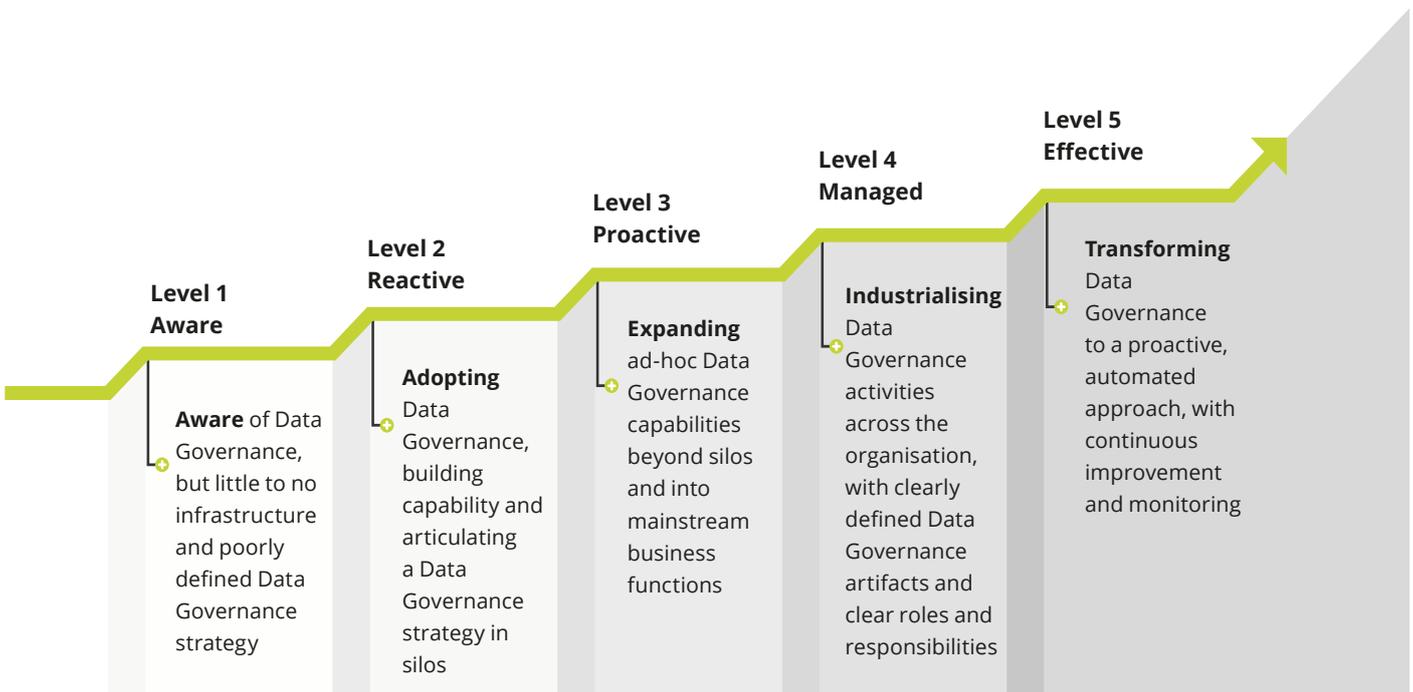
Organisations can face financial liabilities for failing to meet internal and external regulatory requirements.

In 2020, the ICO (Information Commissioner Office) fined Marriott International £18.4 Million for a data breach that affected millions of its customers' data. The breach started in 2014, but was only detected in 2018. ^[1]

^[1] <https://ico.org.uk/action-weve-taken/enforcement/marriott-international-inc/>

Our perspective – the Data Governance maturity journey

Based on the Data Governance maturity index below* we have found that the more mature organisations all acknowledge that Data Governance is an ongoing activity which requires investment, time, and effort. The below figure showcases Deloitte’s Point of View of mature organisations’ common practices.



Organisations aspiring to reach Role Model status (levels 4 & 5) work towards:



Investing in their own capability



Improving Data Culture, by initiating a Data Literacy programme with defined learning pathways



Allocating budgets dedicated to ongoing Data Governance monitoring and improvement



Building a Data Governance strategy and roadmap with clear initiatives



Establishing & formalising Data Governance roles and responsibilities



Prioritising, rolling out, and monitoring quick wins which demonstrate business value

*Based on Gartner Inc. (2020): Create a Master Data Roadmap With Gartner’s MDM Maturity Model

Our perspective – it’s all about mindset

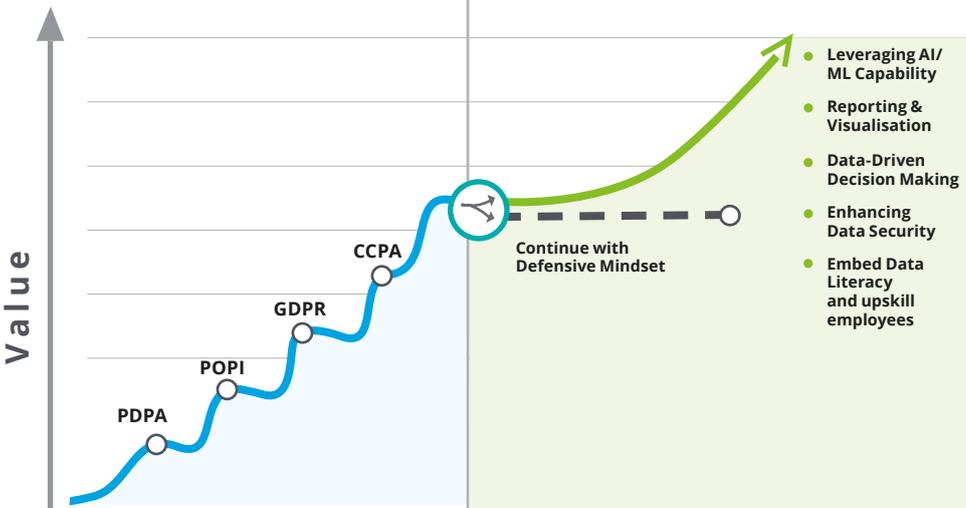
Major organisations operate in a rapidly changing environment, with disruption coming from the political, economic and technological spheres. Shifting from the Defensive to the Opportunity Mindset is what sets apart the Role Models from other organisations, allowing to drive more business value through Data Governance.

The Defensive Mindset

Up until now, the main priorities for Data Governance have surrounded achieving and evidencing regulatory compliance.

The Opportunity Mindset

Achieving regulatory compliance is a minimum requirement – organisations who adopt the Opportunity Mindset use Data Governance to drive business value.



Understand

Understand data to achieve the highest quality results



Monitor

Observing data across key business processes



Control

Implementing detective and preventative controls



Unlock Value

Reap the reward of data-driven decision making

Value

PDPA: Personal Data Protection Act
 POPI: Protection of Personal Information Act
 GDPR: General Data Protection Regulation
 CCPA: California Consumer Privacy Act

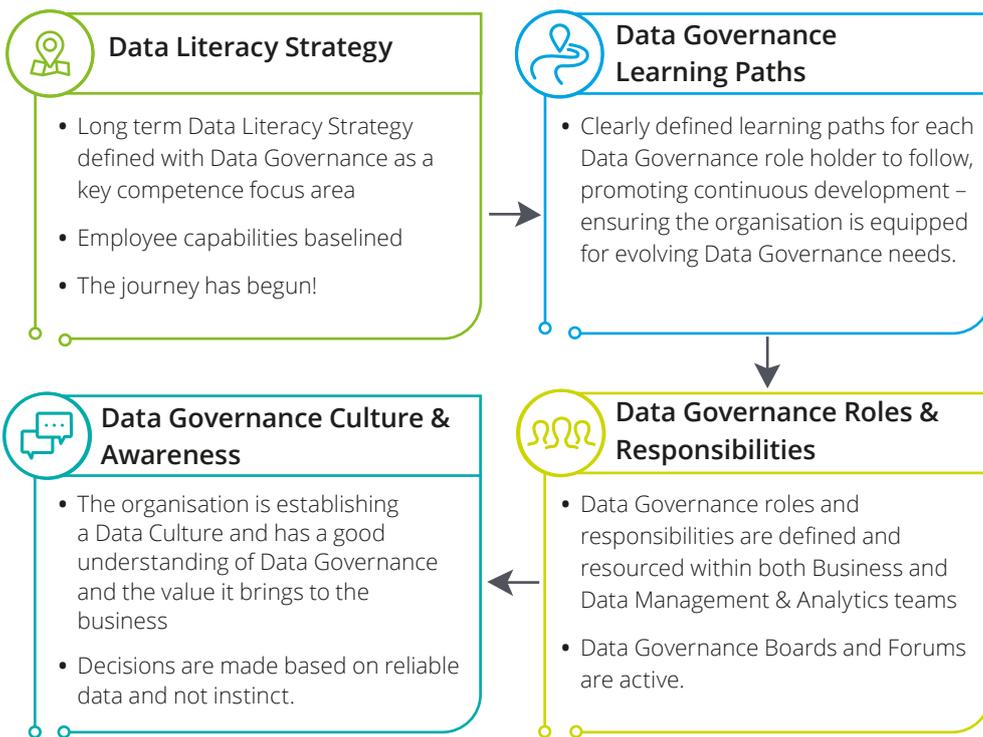


Historically, most organisations would treat Data Governance as a response to the introduction of new regulations e.g. GDPR (EU), CCPA (USA), PDPA (Singapore), POPI (South Africa), etc.

However, we see that this mindset is changing, with organisations realising additional benefits (besides compliance) that come with having the Opportunity Mindset, such as enabling data-driven decision making, managing organisational performance based on data, improving reputation and trust, reducing operating costs, and identifying profitability opportunities.

Our perspective – Data Culture and building Data Literacy is key to enhancing Data Governance

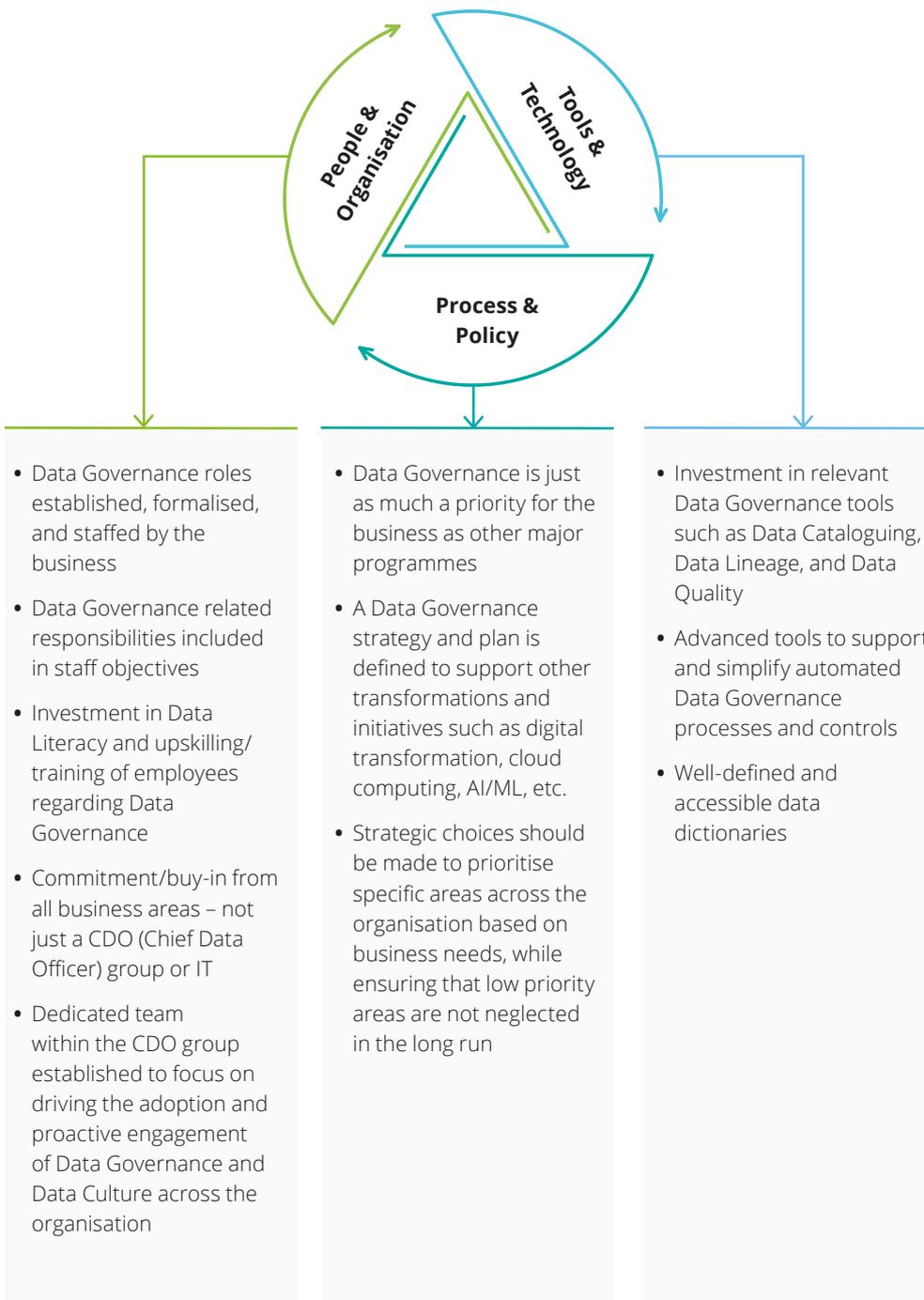
Data-driven organisations who invest in upskilling and developing the Data Literacy capabilities of their workforce are more successful in consistently unlocking value from their data. Role Model organisations aim to embed Data Governance and Data Literacy into the normal ways of working, enabling a self-fulfilling, enterprise-wide Data Culture.



Data Governance must be part of your wider Data Culture and Literacy strategy and is the first step in becoming a data-driven, Data Governance mature organisation. Role Model organisations understand that Data Governance is a ‘team sport’. All employees should be made aware of the importance of Data Governance. The majority of an organisation’s employees use data as part of their daily tasks and should be upskilled to use and manage the data effectively - this includes Data Governance. Employee learning approaches should not be a ‘one size fits all’. In order to capture and generate engagement and excitement, a series of learning methods and mediums should be adopted, including formal, informal and on the job learning opportunities.

Our perspective – what does good look like?

Based on our research, observations, and client engagements, we have identified multiple characteristics as components of People, Process, and Technology which contribute to effective Data Governance.



Role Model organisations ensure that Data Governance is embedded into their ways of working. This is typically guided by a federated and nimble Data Governance group which is able to advocate the importance and value of Data Governance to each part of the business, enabling them to govern and manage their own data.

It is important to highlight the business value of Data Governance to everyone within the organisation, both top-down and bottom-up. This will help in the promotion and adoption of key Data Governance practices and tools.

Strategic decisions should be specific to each organisation's needs, challenges, and priorities, as well as industry requirements and best practices.

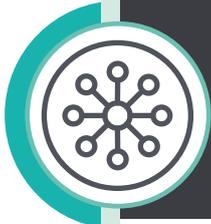
Our perspective – key considerations

There are a number of considerations and success factors that have proven to be critical for building effective Data Governance.



Ownership

Data Governance is not just a Business or Technology responsibility; it is everyone's responsibility. People throughout the organisation need to be incentivised and shown the fundamental value data brings to them and their respective functions.



Business Alignment

Business strategy alignment, early involvement, and buy-in from executives, data producers, and data consumers in the process are key to building effective Data Governance



Added Value

The benefits and added value of Data Governance should be continuously monitored through the adoption of measurable and actionable KPIs which demonstrate how Data Governance helps address business and data challenges.



Flexible

The Data Governance roadmap should consist of several 'quick wins' with structured initiatives that are flexible to adapt to changing business needs and demands to help drive and scale momentum and value.



Integrated

Data Governance initiatives must be aligned with and integrated into the organisation's overarching Data Strategy and roadmap.

Our perspective – key takeaways



It's never too late to begin your Data Governance journey

- As we've highlighted throughout this PoV, there are very few Data Governance Role Models out there.
- Many organisations struggle to understand the real value and need for Data Governance, and hence delay beginning their Data Governance journey. It is never too late to start, but the sooner, the better!



It's not just compliance, there's opportunity too

- Achieving regulatory compliance is a minimum requirement for all organisations.
- Ensuring that your organisation's culture and mindset is focused on the opportunities and value derived from good Data Governance, such as enabling other Data & Analytics tools, is a key step in implementing successful Data Governance.



Data Governance is hard work, but small steps lead to big rewards

- Implementing effective Data Governance is difficult – however, ensuring that your organisation adopts the right mindset and culture is crucial. There are multiple business, technology, and cultural factors to consider when commencing your Data Governance journey.
- Data Governance strategy and adoption is a continuous process. The aim is to embed effective Data Governance and Data Culture across the organisation.
Short Term Focus = Short Term Value.

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