

Adopting NDMO as an opportunity to
unlock business value

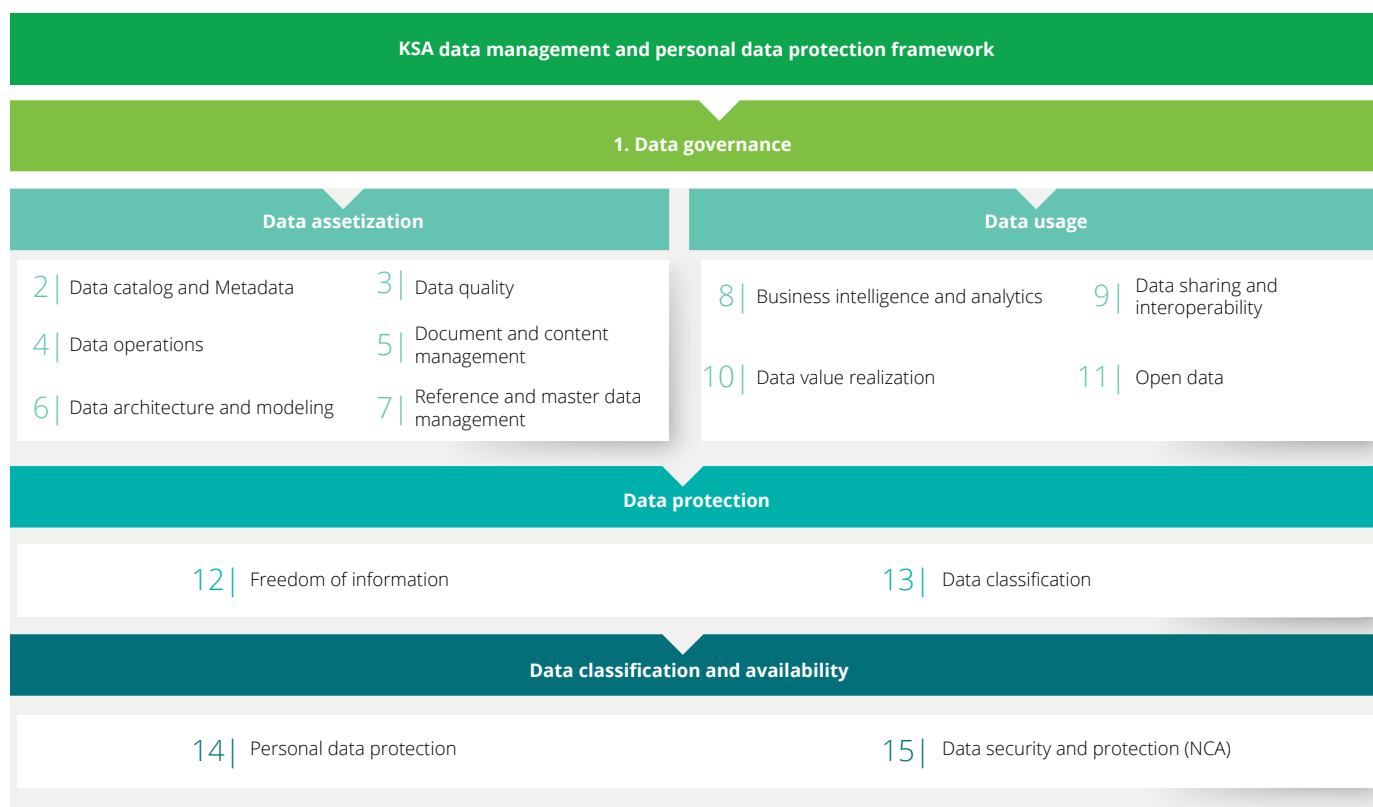
Introduction

As Saudi Arabia's digital economy continues to grow in alignment with Vision 2030 ambitions, an increasing amount of data is generated. This data deluge comes with a substantial potential to produce unique insights and generate quantifiable economic value. However, Saudi entities are unable to realize the vast majority of that potential as data is not well structured, prepared and governed. Moreover, growing risks associated with personal and

sensitive data represent another barrier to harness the full value of accumulated data.

In this context, Saudi Arabia's government has taken a solid step towards data governance and data management by establishing the National Data Management Office (NDMO) which acts as the national data regulator under the supervision of the Saudi Authority for

Data and Artificial Intelligence (SDAIA). The NDMO published Data Management and Personal Data Protection Standards with required controls and specifications for implementing and governing effective data management practices across entities. Through these standards, NDMO aims to help entities manage their data as assets and unlock its economic and innovation potential both at entity and national levels.



<https://sdaia.gov.sa/ndmo/Files/PoliciesEn001.pdf>

Figure 1: KSA Data Management and Personal Data Protection Framework

Similar efforts are happening across the world, other countries have recently enforced national data regulations which cover both safeguards that protect the rights of market players and enablers that facilitate data sharing. For instance, on June 23rd 2022, the European Union (EU) published a Data Governance Act which aims to increase the amount of data available for re-use within the EU in

order to boost data-driven innovations and enable cost reductions in data acquisition. As a comparison, The Saudi NDMO regulation turned out to be more comprehensive as it covers all the pillars of data governance and data management.

Saudi organizations need to embrace the wealth and magnitude of the NDMO framework which covers 15 different

data domains and includes hundreds of specifications that must be implemented within specific timelines defined by SDAIA. This white paper intends to first highlight key challenges that typically arise when embarking on NDMO programs then provide Saudi leaders across industries, specifically data leaders and compliance leaders, with the key factors that pave the way to successful NDMO implementation.

NDMO transformation journey

A typical NDMO transformation journey starts with a data strategy where the entity defines its ambition for the value it aims to create and designs its plan to transform into a data driven organization. As a first step of this phase, the entity's existing data governance and data management practices are analyzed and gaps against NDMO requirements are documented. These gaps fuel the development of a NDMO implementation roadmap which includes key initiatives and measurable milestones for NDMO compliance achievement.

The following phase is the implementation of NDMO specifications which consists in executing the initiatives of the NDMO implementation roadmap to progressively bridge the existing gaps against NDMO standards and increase compliance.

Finally, as the implementation of required NDMO specifications progresses, the last phase consists of establishing a robust NDMO compliance monitoring and reporting capability with the right KPIs, processes and tools to effectively measure NDMO compliance and report it internally and externally (with the sector's regulator and SDAIA).

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Figure 2: Typical NDMO transformation journey

Throughout their NDMO transformation journey, entities encounter various challenges which have to be addressed properly in order to deliver tangible impact.

What are the key challenges?

The ambitions and expectations of Saudi entities from NDMO Data Management and Personal Data Protection standards are very high, however, implementing NDMO programs has proved challenging. The following key challenges typically arise when embarking on NDMO programs:

Key challenge 1 – Limited cross-

functional collaboration: Multiple stakeholders from different business and IT functions need to work together. Miscommunication or inefficiencies across functions significantly impact the potential for value creation.

Key challenge 2 – Unperceived

business value: NDMO standards tend to be perceived only as compliance requirements undermining the tremendous opportunities they offer to create business value. This misperception hinders the engagement of some stakeholders.

Key challenge 3 – Daunting framework

to tackle: The NDMO Data Management and Personal Data Protection framework covers 15 data domains and 191 specifications.¹ Due to this large scope, entities struggle to define where to start and how to integrate NDMO standards into existing data programs.

¹ as per the latest version of KSA Data Management and Personal Data Protection Standards (version 1.5)

What is required to succeed?

Addressing the challenges described earlier paves the way to a successful NDMO journey. It is essential to address each of these challenges and convert them into key success factors when executing NDMO's Data Management and Personal Data Protection programs:

Success factor 1 – Assign the execution of the NDMO program to a single function with a clear mandate, accountability, and targets:

Having a dedicated function driving the NDMO program execution centrally and ensuring cross-functional coordination across the organization is essential to succeed.

Identification of key stakeholders, clear roles and responsibilities assignment, and regular touchpoints to coordinate the NDMO actions should be led by a strong NDMO team with consistent support from the executive leadership.

Success factor 2 – Follow a value driven approach:

Executing NDMO programs with a tailored value driven approach tightly aligned with business priorities is crucial to sustain stakeholders' engagement and achieve ultimate success.

The implementation of NDMO standards should not be perceived as red tape and distraction from core business tasks, but instead as a fruitful source of value. Therefore, entities need to go beyond the "strict and blind compliance control" approach and take necessary actions for:

- Delivering business value at regular intervals during program's execution in alignment with business priorities
- Assigning clear incentives (recognition and awards, bonus, etc.) to key stakeholders engaged in the program
- Quantifying then consistently measuring and reporting the business value derived from the implementation of NDMO standards

For instance, it is crucial that entities develop the BI and Analytics Plan (NDMO specification #BIA.1.4) according to business priorities then perform iterative and focused implementation. This approach would enable near-term value realization from data investments and pave the way for a successful NDMO implementation.

Success factor 3 – Pilot key NDMO specifications before rolling-out:

To ensure value realization in alignment with business priorities, it is vital to pilot key NDMO specifications such as data policies, data processes and analytics use cases.

Business stakeholders should be engaged in thorough piloting sessions in order to capture feedback and enable tailored enhancements before the final roll-out. These piloting sessions are also a tremendous lever to fast-track knowledge transfer and smoothen end-users' adoption.

Overarching success factor – Establish a solid data culture:

The execution of a NDMO program lasts several years – from inception to compliance achievement and continuous monitoring. Throughout that journey, it is essential to establish a solid data culture to maximize business value extraction from data assets.

We've identified four key steps to establish a solid data culture:

- 1. Initiate the drive:** Senior leadership starts embedding the ambition to establish a solid data culture in the corporate strategy. Strong sponsorship from senior leadership is vital to make a difference.
- 2. Cascade the vision:** Engage the organization in exciting initiatives to drive business value through data driven decisions. Data culture needs to touch all levels of the organization.

3. Enable talent: Recruit/train data talents on data governance, data science, etc., and establish common incentives based on outcomes.

4. Sustain engaging communications:

Regularly publish lessons learnt and success stories about data initiatives via engaging digital communications.

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Case study | How to develop a comprehensive NDMO strategy for a large Saudi entity, a market leader in its industry

The context

Following the release of the Data Management and Personal Data Protection Standards by the National Data Management Office (NDMO), the client partnered with Deloitte to execute a NDMO Strategy and Activation project. The client wanted to put its organization en route to a successful NDMO transformation with the ambition to harness the full business value of its data assets while establishing safeguarding mechanisms.

The project's objectives were to:

- Assess current data governance and data management practices against NDMO requirements
- Develop actionable roadmaps for NDMO standards implementation
- Develop key data governance artefacts
- Support the activation of the NDMO strategy.

The scope was relatively large as it included the parent company and several subsidiaries.

The challenges

- How could we enable synergies during NDMO program execution in a space where most stakeholders from different business functions and subsidiaries were not exposed to any cross-functional collaboration?
- How could we get consistent involvement of key stakeholders who often perceive implementation of NDMO standards as red tape and distraction from core business tasks?
- How could we perform comprehensive NDMO assessments and derive realistic maturity scores in a timely manner on such a large scope of 191 specifications covering multiple subsidiaries?
- How could we raise the awareness on NDMO specifications and sustain good data governance and data management practices in the long run?

The solution

Deloitte mobilized its large pool of data governance and data management experts for this endeavor. We followed the NDMO Framework and developed the client's NDMO strategy and operating model successfully solving the identified challenges, through the following:



Assigning the execution of NDMO program to its Data Governance department which was responsible to drive the program centrally and synchronize the execution of actions across the organization. This was coupled with a strong top-down endorsement from the steering committee as well as clear accountability on NDMO targets.



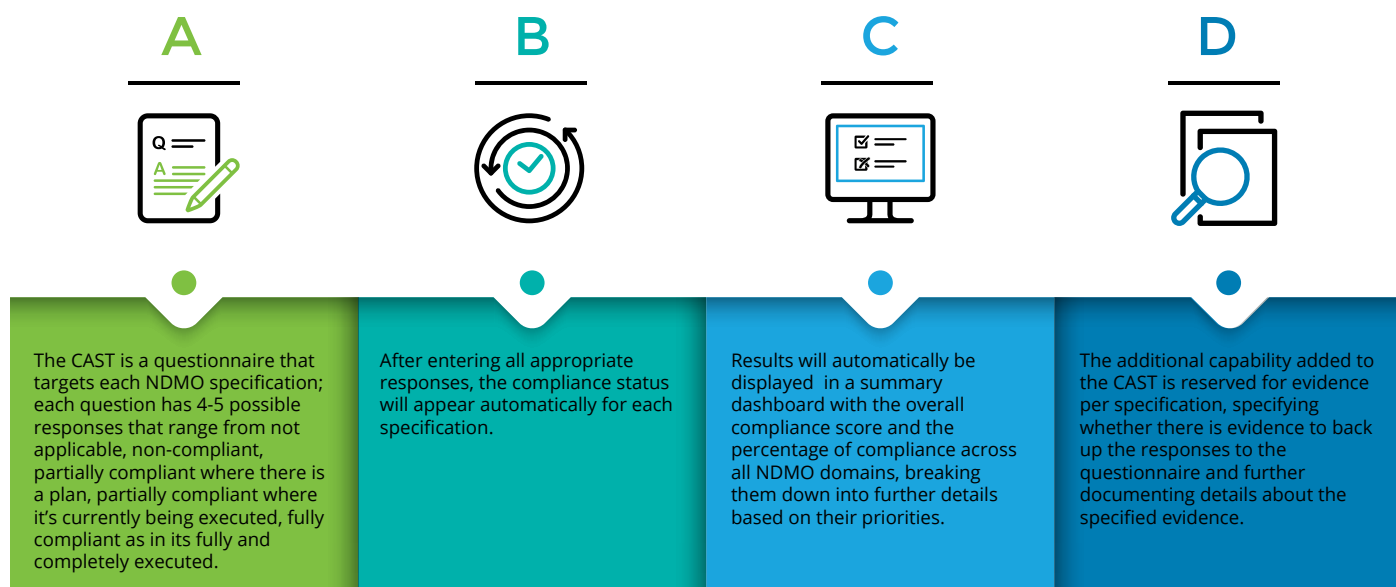
Driving the NDMO strategy with a business-driven approach by consistently linking NDMO specifications with target business benefits and embedding business priorities within the NDMO implementation roadmap.



Conducting efficient and well-organized NDMO assessments based on the NDMO Compliance Assessment & Scoring Tool¹, a Deloitte Asset which maps each NDMO specification to the target reference document(s), relevant business department(s), specific assessment question(s) and retrieves realistic NDMO maturity scores.



Assisting the client in establishing a robust data culture through initiating and cascading the vision and enabling talents via NDMO awareness sessions.



¹Figure 3: NDMO Compliance Assessment & Scoring Tool (CAST), a Deloitte Asset

Conclusion

With the acceleration of Saudi's economy digitization, it becomes ever more important for entities to embrace the NDMO framework in order to manage their data as an asset and properly address the challenges related to personal data protection. Significant value is at stake as research shows that companies who have successfully implemented data governance and data management programs gain an increase in revenue of up to 25%. This substantial business value derived from NDMO implementation combined with the innovation enablement places NDMO as a key pillar of Saudi's Vision 2030.

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