GOING BEYOND TRADITIONAL DATA GOVERNANCE:
SIX STEPS FOR BUILDING AN INFLUENTIAL DATA-DRIVEN ORGANIZATION
In an environment of rapidly evolving technology, customer behavior, and competition, data has become one of an organization’s most important and valuable assets. Cutting-edge reporting and analytics tools and sophisticated data warehouses are helping organizations extract greater value from their wealth of data—but those are only part of the equation for ensuring access to clean, reliable, and useful data. Effective data governance—the people, processes, and tools for managing complex and interrelated data across the organization—is also critical to establishing and sustaining organizational focus on data.

This article describes the evolution of data governance and how integrating change management principles when introducing data governance to an organization could be the tipping point for transforming a firm into a data-driven enterprise. It also shares an example of a data governance structure that has proven effective for data-rich, mid-sized organizations.
The wake-up call

It’s 2:00 am, and the head of the Analytics team receives a call from the Chief Information Officer. Something has gone terribly wrong with an ETL job that was supposed to run last night. The team members crawl out of bed and scurry to their computers, groggy and anxious to find and fix the problem. For the next 16 hours, the team attempts to address the issue, all the while receiving notes from the CIO imploring them to work quickly as he is concerned about the organization’s perception. Finally, after nearly 20 hours of analysis, the team resolves the issue.

The Analytics lead seeks to understand the root cause of this issue to prevent it from occurring again. After completing a thorough analysis, the team learns this incident affected one person whose focus was an innovation project taking place “on the side.” In fact, it was not at all related to the organization’s core business. Yet, the entire Business Intelligence team halted its regular responsibilities for two days to resolve the “issue.”

This real-life incident illustrates how organizations that lack data governance often respond when issues arise: reactively rather than proactively.

In fact, it serves as a valuable wake-up call, both literally and figuratively, for moving to a more strategic approach.

Organizations spend millions of dollars annually to fix data issues that recur on a daily, monthly, or quarterly basis. Some organizations have established a data governance structure to minimize the resurgence of data issues, but they see little improvement from these rigid and time-consuming processes. Moreover, many still struggle with how to establish a data governance structure that accommodates their ever-changing operations and goes beyond offering guidance to actually influencing employees’ actions.

What is data governance, and why is it so important to business?

The volume of data continues to grow exponentially, and today’s organizations cannot deny the importance of enhanced information to their day-to-day processes. But to benefit from that data, they must be able to manage it effectively. “Data governance” resonates as a concept for doing so, yet few organizations have uncovered the full power that lies behind those two words.

Prior to the Internet boom, data was an output of running the business, and companies primarily used data for transactional purposes. Over time, though, organizations sought to make more sense of their data and began consolidating information into central repositories and warehouses.
These organizations established governance for particular warehouses and repositories, yet they still lacked a holistic view of data management.

Today, the ability to understand and leverage complex and interrelated data can make a true difference in performance and competitive advantage. Accordingly, organizations need to identify and pursue the data initiatives that are most important and will have the greatest impact on strategic objectives. This enhanced focus on data is fueling a demand for value-driven data governance.

In short, data governance is the set of structures, people, and processes that support data management and ensure a high level of data quality across an organization. Each organization’s approach to data governance will be unique and should align to cultural tendencies.

Organizational change management and alignment

Understanding the changes required to introduce data governance is vital to the successful implementation of data governance. Data governance has far reaching implications for most organizations. It not only requires new roles or processes, but relies on new accountabilities, ties with other enterprise functions and most of all — encourages new behaviors and ways of thinking.

A few examples of these types of change include:

- Need for common process terminology that enables common data definitions (e.g., in CRM – consistency in definitions for a “lead” or “prospect”)
- Broader changes and impacts such as linkages with functions (e.g. enterprise risk management, knowledge management or performance management)
- Focus not just on data integrity – but how data can and should be used in different processes and to achieve different outcomes

The concept of organizational change management (OCM) has been around for decades but has only emerged as a formal discipline in the past 15 years or so. At one time, “change management” was something managers did within their teams. Organizations referred to it as “the people side of change.”

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Now a formalized discipline, organizational change management permeates all people, processes, and tools— and it isn’t just a concern for the upper levels of leadership. Given the rate at which change presents itself today, most organizations recognize the importance of this discipline to their day-to-day operations. Organizational change management becomes crucial as the increasing complexity of systems forces firms to address ever changing business and IT environments.

Organizational change management has multiple facets, as it:

- Ensures that impending change supports strategic objectives and aligns with cultural norms
- Considers the full impact of change on the organization and areas for alignment
- Prepares stakeholders for upcoming change
- Engages stakeholders throughout the change process

Organizations can expedite the path to enhanced data governance by integrating OCM principles with their implementation plans. A thoughtful OCM approach reduces business disruption and prepares individuals for change, which in turn improves productivity and enhances the speed at which the business realizes benefits of data governance.

When considering the changes associated with implementing data governance, don’t underestimate the importance of effective communication and collaboration throughout the process. Each change will require distinct actions on the part of certain stakeholders, and their participation and responsiveness is essential to a successful organizational shift.

**Key considerations for implementing data governance structures**

An organization embarking on the journey to establish a data governance (DG) function should consider three key OCM elements in order to “right size” the team that will support this function. These include culture, the change network, and training.

**Culture.** When establishing a Data Governance team, it is important to make sure the team supports established organizational values and works in a way that is consistent with the organization’s cultural fabric. It is also important to consider the firm’s appetite for change. By painting a realistic picture of the amount of change an organization can sustain, efforts to position a formal Data Governance function within the organization and prepare employees for change will be more effective.

**Change network.** It is also critical to engage the right individuals to support a data governance initiative. Key roles include team members, champions or evangelists, and an executive sponsor. To bring the right people on board, the organization should first solicit volunteers and interested parties, as these individuals will be able to demonstrate the passion required for
the initiative. As the change network extends beyond volunteers, care will be required to ensure the organization is engaging all the necessary stakeholders—including the right blend of business-unit participants, detractors, and promoters.

Training. Although everyone deals with data on a daily basis, this doesn’t mean everyone has the skills necessary to govern data across an organization. Training is often an afterthought when introducing data governance within an organization, but it is critical to have a training plan from the outset that helps set and guide expectations. The training plan should anticipate a learning curve, which may produce some level of regression before the organization begins to see the positive impacts of the training.

Six steps to establishing an influential data governance framework

Although it is important to tailor development of a data governance framework to the specific organization, following these six basic steps can help establish an influential and effective data governance framework that is consistent with cultural values.

Align. Start by understanding the organizational landscape and considering the cultural and strategic requirements for establishing a new structure that supports the organization’s goals.

Appeal. Promote the opportunities that will stem from data governance in order to establish relevance and a sense of urgency. Ask key leaders to help deliver these messages across the organization.

Engage. Engage the right stakeholders to be part of the Data Governance team and build a broad change network comprised of people with various skills and perspectives. This change network also can serve as a great pilot audience. Engaging these key individuals to establish preliminary processes and a general approach will help build substantial momentum for the broader effort. One of those early activities should be to refine the process by which the team prioritizes data issues, changes, and projects.

Act. Identify data stewards and subcommittees within the organization to act on the established processes and initiatives. Initiate data requests and document the respective steps for taking action on those requests. Then, institute processes and procedures using master data management and data quality management tools such as Microsoft Master Data Services and Data Quality Services.
**Unite.** Make sure the group connects periodically to promote collaboration and ensure progress against measures set out at the beginning of each data initiative. The frequency of collaboration will vary by organization complexity and size. In addition, it is important to support knowledge sharing by providing training sessions for any newly introduced tools or processes.

**Convey.** Measure the results of each data request or initiative and communicate those results to the organization through various media. Consider leveraging the established change network to share this information. Although presented last, this activity is critical from the start and throughout the process to ensure people value the effort and are aware of how it impacts them. The “what’s in it for me” message should be a capstone for each conversation.

Although the focus may be on establishing a data governance framework, don’t overlook the substantial effort that will be required to sustain the framework. This requires mechanisms for individual accountability; thus, executive engagement and sponsorship should be present and visible from the outset.

In addition, the presence of multiple committees and working groups serves to hold one another accountable. The trick is ensuring sufficient leadership attention to each of the committees in order to clear hurdles and roadblocks promptly.

**A successful data governance structure—in tangible terms**

Although effective data governance structures can take different forms, all share some common elements:

- A tie to the overall business strategy
- Shared business/IT ownership
- Linkage with other enterprise and IT process and governance structures
- A focus across data, with an emphasis on how the organization uses data to drive innovation, continuous improvement, and/or effective decision making

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**SAMPLE DATA GOVERNANCE ORGANIZATION**

- **Information Technology Stakeholder**
- **Business Stakeholder**
- **Executive & Business Unit Sponsorship**
- **Data Governance Council**
- **Data Stewards**
- **Data Governance Coordinator**
- **Project Task Force**
The graphic above is an example of a data governance structure that has worked well for data-rich, mid-sized organizations.

This model links to the corporate strategy by integrating input from executive and business unit sponsors, ensures continued focus on data through the Data Governance Council and data "stewards", and it is responsive and timely as once an important project is identified a cross-functional project task force is engaged for execution support. Through a coordinator, it ensures centralized accountability and alignment with other governance processes. Most of all, the model fosters effective communication through champions at various levels.

**CONTACT THE AUTHORS**

**Mike Hughes**  
**Org Change Management Lead**  
Michael Hughes, a Senior Director in West Monroe Partners’ Operations Excellence practice, is a highly regarded business transformation executive with expertise in the areas of strategy, leadership development, performance management, change management, organizational design/alignment, training, culture change, business planning, IT strategy, and process design/improvement. Hughes has more than 23 years of experience navigating all facets of change to deliver technology-enabled business transformation programs across an array of industries.  

mhughes@westmonroepartners.com

**Gordana Radmilovic**  
**Data Governance Lead**  
Gordana Radmilovic is a Senior Manager, within the Advanced Analytics practice of West Monroe Partners. With nearly eight years of experience across numerous industries, Gordana focuses on developing data-driven organizations that are able to use insights to make better business decisions. Gordana specializes in business intelligence concepts, including analytics strategies, data governance frameworks, and reporting & data visualization and is known for her expertise on large, complex engagements.  

gradmilovic@westmonroepartners.com