

# Continuous Data Management Improvement

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Data governance - measuring and managing quality

An Experian summary report

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## *Data governance - measuring and managing quality*

Creating a sound data governance strategy is something that is rising rapidly up the to do list of many organisations today. As with many long term initiatives that span departmental boundaries, data governance requires a thoughtful holistic approach in order to keep all interested parties on board for the duration of the programme. And this, as you might have guessed, is not always an easy thing to do. The aim of this web seminar is to guide you through the stages of creating a durable and effective data governance strategy.

## *The panel: (from left to right)*

John Leonard (Research Editor, Computing), Stuart Sumner (Editor, Computing), Janani Dumbleton (Data Governance Senior Consultant, Experian Data Quality), and Jon Stangroom (Information Governance Manager, British Gas).



## 1. Introduction

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Experian Data Quality hosts regular events focusing on data quality issues and the steps that organisations in the public, private and third sectors can take to build a better data foundation.

In September 2013 Experian Data Quality continued its partnership with Computing ([www.computing.co.uk](http://www.computing.co.uk)) with a Web Seminar based on the challenges and opportunities of measuring and managing data governance. This Experian White Paper reports on the findings of the Computing Survey and summarises the opinions of the expert panel.

## 2. Meet the panel

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The panel comprised individuals from industry, Experian and Computing:



**Stuart Sumner** is Editor at Computing with 12 years of experience as an IT industry project manager, delivering corporate WAN rollouts for global blue-chip companies.



**Janani Dumbleton** is Data Governance Senior Consultant at Experian Data Quality, providing strategic advice on data governance and implementing data technologies within organisations.



**Jon Stangroom** is Information Governance Manager at British Gas, improving the quality of customer information whilst building business awareness of the value of customer data as an asset.



**John Leonard** is Research Editor at Computing, directing market research activity into many different aspects of business technology and writing features.

## 3. Data governance - what is it?

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Today, organisations - and their competitive advantage - are differentiated by the data they hold and how it is used.

It's clear that poor-quality data and the absence of properly implemented data governance strategies are likely to have serious consequences.

### Poor data costs, encompassing:

- poorly performing business critical systems such as CRM and ERP;
- wasted time, money and effort;
- loss of good customers and a failure to attract new ones;
- inability to react to fast-changing market conditions;
- poor decision making; and
- the potential for litigation should data protection rules be broken.

Avoiding these pitfalls and turning data from a liability into an asset takes careful thought — not least managing a long-term project that crosses departmental boundaries and demands organisation-wide buy-in.

## As a first step, we need to answer the question, “what is data governance?”



### Janani Dumbleton says,

“Data governance is notoriously difficult to define, which is why it’s notoriously difficult to implement. Data governance means different things to different organisations, but I think the common thread is proactive management to use data as a business driver. It’s too big to leave to chance and I believe that a single team needs to drive it, whilst also co-opting support from across the business— it’s about ‘federated responsibility’.”

“The business itself needs to quantify what are high and low impacts in terms of data quality - nobody can do it for them. Measures could include customer satisfaction, brand reputation and legal compliance.”

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“Data governance...is proactive management to use data as a business driver”

Janani Dumbleton, Experian

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### Jon Stangroom says,

“Every company needs to consider data governance — getting data organised so that, at the very least, the information they hold is accurate. At British Gas, governance has changed from something traditionally left to IT and Marketing into a business-wide responsibility where everyone contributes to its management. Collective responsibility has grown with the understanding that we need the right data to evolve.”

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“Collective responsibility has grown with the understanding that we need the right data to evolve.”

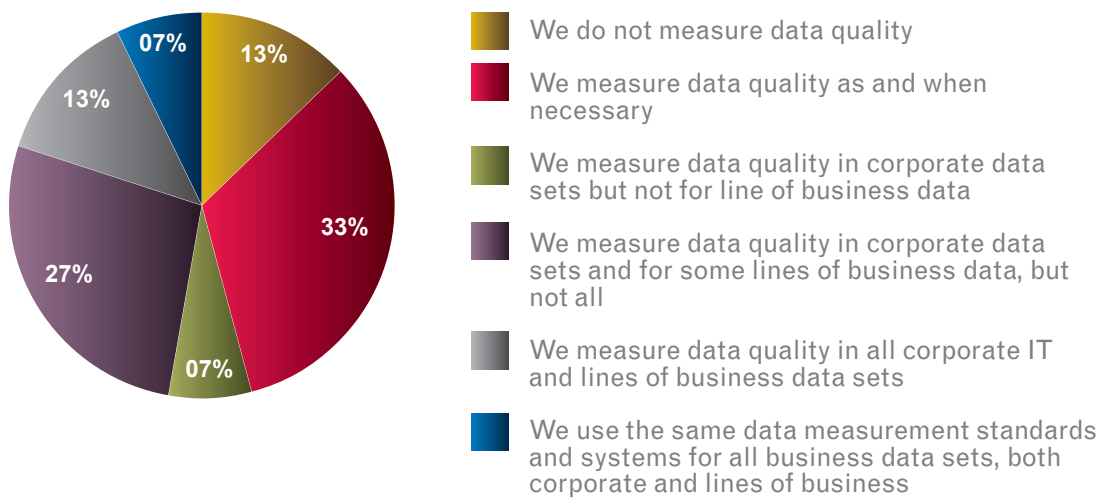
Jon Stangroom, British Gas

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Computing has carried out a survey of 120 decision makers at medium to large organisations in the UK, with key questions dedicated to discovering where organisations are in terms of data governance.

Given the importance of data governance to success, the survey's results show that a significant proportion of companies need to take rapid action.

### Survey question 1: Who is driving data quality at your organisation?



The most startling headline is the fact that 13 per cent of those organisations surveyed fail to measure data quality in anyway. This suggests that these companies' data foundations are insecure and leave them open to all the costs of poor data.

A third of companies take a reactive approach, only measuring quality as and when they need to access the data. Whilst this might seem an acceptable approach, it still leaves organisational data in a poor state, not least because databases deteriorate rapidly. Undoing the damage caused by neglect can be costly and time consuming.

The 34 per cent of organisations that measure some but not all datasets in the business is more encouraging, but governance needs to be holistic if it is to turn data into a business driver. Measurement of some aspects and not others leaves the organisation vulnerable to poor decision making.

A further 13 per cent of respondents reported measuring quality for all datasets, but just 7 per cent achieve the 'gold standard' and use the same data measurement standards across the business for consistent data insight.

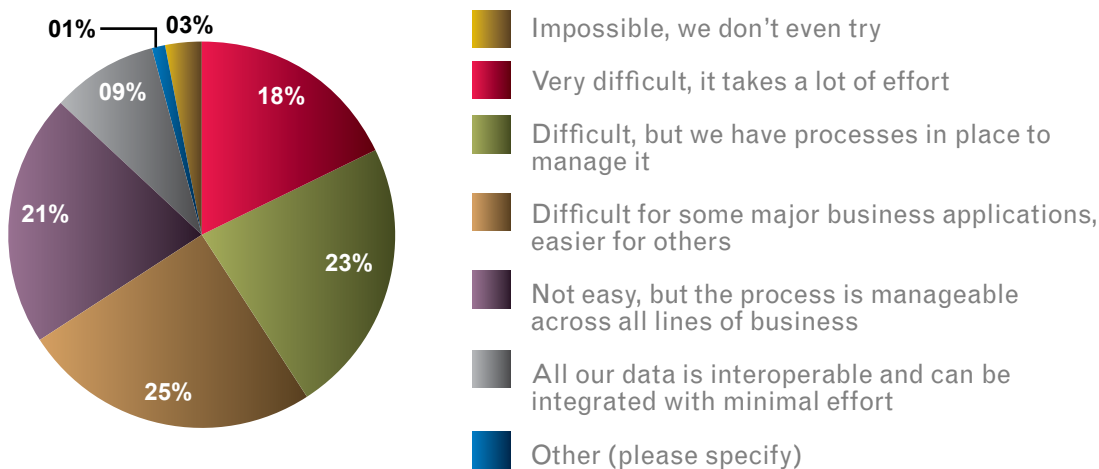
## Survey question 2: What is the involvement of central and line of business (LoB) management in the management of data across the enterprise?

Minimal	13%
Corporate management is involved in corporate IT data management, but no LoB involvement	09%
Corporate management is involved in corporate IT data management, not sure of LoB involvement	15%
Some line of business data have LoB management oversight, others do not	35%
All main business application data has separate LoB management involvement in data management	16%
All data enterprise wide is managed through a central council with corporate and LoB representation	12%

Around a third of UK companies report that LoB involvement in data governance is minimal (7 per cent), has no corporate level input (9 per cent) or don't know if there is any corporate input (15 per cent). This strongly suggests that one in three UK organisations still see data as the responsibility of 'somebody else' and is not perceived as a cross-organisational asset.

A further third of respondents (35 per cent) report that there is some, but not comprehensive, LoB involvement in data governance. The remaining third of the organisations surveyed state that they do see data as a driver, but even here, just 12 per cent achieve the data governance gold standard with data managed enterprise-wide through a central council.

## Survey question 3: How easy do you find it to pool or integrate data from your major business applications?



Once again, the survey pulls data governance challenges into sharp focus with a worrying 21 per cent of companies stating that it was either impossible or very difficult to integrate information across their businesses. A further 69 per cent found this level of data sharing difficult or "not easy". Just 8 per cent of respondents reported that they had integrated data to a gold standard.



### Janani Dumbleton:

These results are troubling, but sadly not surprising. It's clear that organisations still don't see how business success depends on effective data governance — for many data is still perceived as a liability rather than an asset. This is almost certainly down to the fact that they don't yet understand what bad data costs and what good data brings.

This is hardly surprising when you consider that there are probably one or two people within these businesses with responsibility for data governance, and this responsibility is likely just to be a small footnote in their job description. Big data, as its name suggests, is hugely important and can't be left to chance.

Organisations need to establish a centralised resource of data governance expertise that advises the rest of the business and has a view of the bigger picture to eliminate data silos — in short, a centre of excellence. Members of the team need to be data specialists because data is becoming increasingly specialised.

That's not to say, however, that this central resource is the be all and end all of data governance. Responsibility needs to extend out into every aspect of the organisation, with named and visible champions. These champions act as the eyes and ears of the centre of excellence, feeding back departmental needs and passing on best data practice.

This is all clearly an investment that needs to be driven at board level and

convincing the higher echelons of any organisations isn't easy. Senior execs sometimes ask me, "We're already making a profit, so why should we invest in data quality?"

The only way to answer this question is to present them with cold hard facts around how this profit will be eroded by poor data governance and to give bottom line projections on how much more profit they could be making.

**In the public sector, where profit isn't the primary driver, it's interesting to note that data governance is more advanced than the private sector. This is almost certainly owing to the fact that regulatory breach (alongside poor service levels and negative press) is a more tangible and an easily measured outcome.**







### Jon Stangroom:

We see data as an essential part of the business rather than a 'nice to have'. We have already created a centre of excellence, creating a cross-business working group with the specific purpose of quantifying the costs of poor, and rewards of good, data governance. Establishing this group early on is critical, simply because if you have no insight into data before you start, you can't measure the improvements that high quality management brings.

It's already paying dividends for British Gas. Before the group started, there was no link between Information Services (IS) and the front end of the business. Now IS understands how frontline staff use data and provide it in ways that are meaningful. And it's also helped us to improve staff training so that they understand WHY accuracy is important and implications to the wider business, as well as informing the technologies we needed to help staff deliver on our accuracy goals.

It's also important to understand why you want and need to improve data governance from the outset. We established three critical areas where data could make a big difference to our business: core customer information, such as contacts and date of birth; supplier information; and appliance data on our products, such as boilers and cookers. We produced a 'carrot and stick' approach to gaining buy-in for data improvements in these three areas.

In the plus column: with greater customer insight we gain the single customer view (SCV) to better meet customer needs with services that attract and retain more of them; with greater supplier understanding we improve efficiencies and get the best deals for the business; and with more appliance information we enhance, for example, cross and up-selling. In the negative column, poor data: loses consumers and risks regulatory breach; increases supplier inefficiencies, eating into our bottom line; and failure to see opportunities squanders sales.

In my experience, communication is the key to successful data management, both in terms of sharing information across the business and raising awareness of what this delivers to the bottom line.





## 6. Conclusion

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**As data becomes an increasingly important part of business operations, data governance becomes an increasingly important factor in business success.**

Whilst there is gold standard practice out there, there is also plenty of room for improvement. The overwhelming impression from the Computing survey is that many organisations have yet to see the link between good data and good business. All too quickly, this failure will begin to be felt on the bottom line - as customers vote with their feet and choose those organisations that have invested in data governance to better understand them.

**Contact Experian today to make sure that your data governance is always gold standard.**

### About Experian Data Quality

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Experian Data Quality has built up exceptional market coverage assisting customers with their unique data quality challenges.

We provide a comprehensive toolkit for data quality projects combining our market leading software with a vast scope of reference data assets and services. Our mission is to put our customers in a position to make the right decisions from accurate and reliable data. The size and scope of data management projects varies considerably but the common factor in all ventures is unlocking operational efficiency and improving customer engagement. We see the potential of data. Whether it's in enabling ambulances to be sent to the exact location of an emergency or attributing charitable donations to the people who need it the most - data accuracy makes all the difference to service provision.

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