A comprehensive guide to data governance – and why it's important

LEAD WITH DATA Qlik Q

Data governance is the sum of processes and practices utilized by an enterprise to ensure the formal management of data assets. In an enterprise, all assets need to be managed responsibly and effectively—and data is no different. With that in mind, data governance is the framework through which a company establishes data strategy, policy and objectives.

The goal of data governance is to ensure that data within the organization is **trustworthy** and **consistent**. In the modern world, we rely on data to drive innovation, particularly when it comes to optimizing the business or exploring new opportunities. Data insights help businesses improve decision-making, enter new markets and expose blind spots in current practices.

With new data regulations coming into effect every year, data governance also helps to protect data. Failure to adequately safeguard sensitive data can result in fines for non-compliance and can also be harmful for the reputation of the company.

As for fundamentals, most well-ordered and effective data governance programs will consist of a governance team, a steering committee and a group of data stewards. These three groups work in tandem to create and enforce data policies. Other teams within the organization also play a part in governing data, particularly when it comes to enforcing policies or creating the infrastructure that supports this enforcement. For example, the IT team may implement code that can tag data. They may also restrict access to data. Restrictions are based on employees meeting the requirements for access laid out by the data governance team.
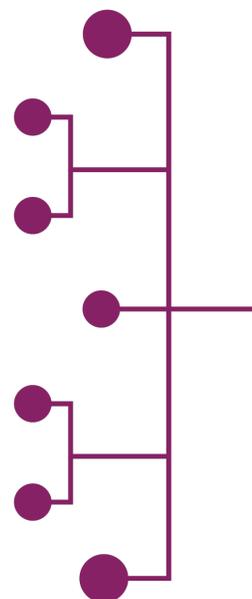
According to the latest State of Data Management report, data governance was a top 5 strategic goal for organizations[1]. Many companies are now focusing more heavily on data governance but are unsure how to structure their framework or what data governance should mean to their enterprise. This guide aims to help enterprises understand why data governance is important—as well as how to implement a successful data governance framework.

Why data governance is important

Business intelligence can only be effective when data is clean and consistent. Without robust data governance, erroneous, inconsistent or duplicated data can impede effective data analysis. For example, if customer data is siloed across different systems and there is no data governance to consolidate this data, then customer names, addresses or contact information might appear different to different teams. This data is subsequently no longer meaningful. The continued use of incorrect data can also cause friction between teams or with customers.

Well-managed data governance also increases efficiency. Good data governance paves the way for prime optimization. And simply by removing duplicate data, the risk of duplicated errors is also eliminated. Increased efficiency saves costs and the reduction of data errors reduces labor costs associated with fixing these errors.

Poor data governance is also inherently risky due to regulations. GDPR came into effect in the EU in 2018 and grants citizens more control over their data. Another example is the California Consumer Privacy Act (CCPA), also aimed at increasing data transparency and security. Noncompliance with these regulations can result in steep fines. Poorly structured data can be a security risk for the simple reason that it's easier to see unusual activity in structured data.

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[1] https://go.profisee.com/2019-state-of-data-management-report

The aims and benefits of data governance

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Siloed data

Data becomes siloed when there is no centralized system for managing data. Individual teams within the business become responsible for managing their data and this data is rarely shared between teams. A key aim of data governance is to dismantle these data silos.

Effective data management

Another key aim of data governance is to ensure that data is managed effectively and responsibly. This protects against the mishandling of sensitive data like customer details or private enterprise information. It also reduces the likelihood that data will be lost, leaked, duplicated or contain errors.

The benefits of data governance can be summarized as:

- **Improved business decision-making –** More accurate data leads to a higher degree of confidence in business decisions.

- **Improved data quality –** Less duplication and errors.

- **Regulatory compliance –** Having a robust framework makes it easier to ensure compliance and accommodate new regulations in the future.

- **Increased operational efficiency –** Business processes can be optimized based on results from data analysis.

Who oversees data governance?

For most enterprises, it's not just one person or one team in charge of data governance. Below are the key contributors to data governance within an organization.

Chief Data Officer (CDO)

The CDO is typically a C-level executive that is responsible for enterprise-wide data governance and data utilization. The CDO will typically be tasked with securing approval and funding for the data governance program. They also take a lead role in monitoring the progress and success of data governance.

Data governance manager and data governance team

In some organizations, the CDO and the data governance program manager will be the same person. In others, a different person will be appointed this role in the program. The data governance manager is responsible for managing a governance team. Collectively, the manager and team are responsible for leading meetings, organizing training sessions, tracking key governance metrics and creating governance-related internal communications.

Data governance committee

The data governance committee is responsible for defining data policies and standards. The committee is composed of executives and other high-ranking employees. They will define who should have access to what data, and how to implement these policies and procedures. Another key role they have is to resolve disputes between different teams regarding data.

Data stewards

Data stewards are responsible for enforcing the policies and guidelines set out by the committee. They typically have a deep understanding of data and governance policies and may become the "go-to" experts for questions about data. Data stewards will ensure that the policies are followed and that end-users are complying. Data stewards can be either from corporate business teams or IT.

Other key players

- **Data architects** are typically tasked with designing a plan to centralize and maintain data assets.

- **Data quality analysts** examine data to identify issues or ways to improve database designs.

- **Data engineers** are tasked with preparing and cleaning data that will be used by data scientists.

The data governance framework

The data governance framework acts as a guide that underpins the program. The framework consists of rules, policies, technologies, processes and organizational structures that form a part of the program. The framework will also detail the mission statement and goals, as well as how the success of the program will be measured. Since the framework is intended to give clarity and direction to the business, it is usually shared internally so that all stakeholders can understand the scope, goals and plans for the program.

Technology plays a key role in data governance and the technologies used in the program should be made clear in the framework. **Software implemented typically focuses on automating repetitive tasks or providing a higher degree of organization that helps support the programs.** Examples include workflow tools, data integration tools, cataloging tools, data lineage tools and analytics tools.

Implementing data governance in enterprises

- **Step 1:** Identify those responsible for overseeing siloed data within the business. This may be individual team leaders or individuals in charge of databases and managing data within applications (for example, a SharePoint lead).

- **Step 2:** The CDO and data governance manager structures the programs and engages with the individuals from stage 1. The data governance team is formed, and data stewards are established.

- **Step 3:** Now that the structure of the program has been finalized, the heavy lifting begins. Policies are created and rules are made. Key decisions about the handling of data and who is authorized to access and handle certain data are decided. Ongoing auditing policies are created to ensure that teams within the organization are complying with internal policies as well as external regulation.

This is a very high-level overview of a data governance program and its implementation. Other elements need to happen to have an effective governance initiative. For example, data must be mapped and classified. A **business glossary** must be made to ensure that teams are on the same page when it comes to categorizing data. Data should also be cataloged and indexed for easy retrieval and increased oversight.

Data governance best practices

Ensure stakeholder buy-in by encouraging data owners to play a key role in the program. When other staff are engaged who have no data ownership responsibilities, they may fear being ostracized for being "data police". Governance is necessary and effective in any modern business, but employees on the ground are often reluctant to have more rules and restrictions imposed on them. Other best practices include:

- The benefits of the program must be clear and communicated to all staff—preferably regularly. The focus should always be on how the program will improve the business.

- Design robust data governance training, both for those involved in the program and for end-users.

- Ensure internal teams agree and are made clear on who is responsible for data and who has access to data.

- Data security and risk management must be a key consideration of the program.

- Collaboration and widespread participation must be encouraged.

Several bodies promote data governance best practices including EWSolutions, The Data Governance Institute, DAMA International, and others. Engaging with these bodies can give organizations greater insight into best practices in this space.

Key challenges

No new initiative is implemented without a hitch, and data governance is no exception. Initially, some employees may struggle to see the value in the program and be reluctant to engage. This can become a roadblock to getting the program approved and funded at all. The best way to combat this is to be vocal about the benefits but also be vocal about the risks of not having a data governance program.

Another key challenge is maintaining control over data as the benefits of analysis are shared with more teams. For example, contact center teams often want a live feed of KPI metric data displayed within the workspace. Real-time analytics has inherent problems when it comes to ensuring an accurate representation of data.

The core components of successful data governance

High-Quality Data – Improving the quality of data within the organization is a key driver of data governance programs. The benefits of the program can only be actualized with high-quality data. Organizations improve data quality by conducting data scrubbing and data cleansing activities. These activities will seek out and remove duplicate data. They will also fix errors and inconsistencies.

Effective Data Stewardship – Policies and rules can only be effective if they are understood and enforced. This is where data stewards shine. They help implement and enforce data governance policies and engage end-users to ensure compliance.

Master Data Management (MDM) – MDM is a data governance discipline focused on integrating all enterprise data of a certain type (for example, customer data), into a single point of reference. This single database is essentially the master data asset for the enterprise. This master list can be used to ensure that data is consistent across the business and that all teams use the same terms for products, customer segments, projects, and so on.

Key Data Governance Use Cases – Data governance can underpin may activities in an enterprise. For example, successful data governance supports the business intelligence and data analytics teams. It plays a key role in digital transformation, a key focus of many businesses today. It helps to reduce security risks to the organization. It also helps with risk management, mergers and regulatory compliance.

As technology continues to advance in the digital age, data governance will likely become a key focus of enterprises all over the globe.

About Qlik

Qlik's vision is a data-literate world, where everyone can use data and analytics to improve decision-making and solve their most challenging problems. Our cloud-based Qlik Active Intelligence Platform delivers end-to-end, real-time data integration and analytics cloud solutions to close the gaps between data, insights and action. By transforming data into Active Intelligence, businesses can drive better decisions, improve revenue and profitability, and optimize customer relationships. Qlik does business in more than 100 countries and serves over 50,000 customers around the world.

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