

# INITIATE DATA GOVERNANCE SURVEY REPORT

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## Executive Summary

Though data governance dates back to the late 1980s, it has experienced a resurgence of interest recently, driven by initiatives such as business intelligence, data integration, data quality management, master data management, master patient indexing in healthcare, health information exchanges (HIE) and governance, risk and compliance (GRC) mandates. These initiatives have in common powerful technologies that allow us to find, access, manipulate and share information more easily than ever before. In cases where data quality is poor, we are making business decisions based on inaccurate information, causing increased risk for our organizations.

Another driver that is sparking renewed interest in data governance is the universal need to make better business decisions in less time than ever before, often culling data from more structured and unstructured sources, with more transparency required.

Today, organizations are implementing data governance as a way to make policy declarations that, when implemented, will improve the quality of critical data and enable organizations to meet their objectives. These organizations are finding that organizational and political cooperation are “critical to quality” for data governance efforts. This survey was constructed to determine the degree of maturity and level of senior executive involvement in organizations’ data governance efforts.

### The overall results for this survey are summarized here:

- Over 90 respondents across all major industries responded, with just over 25% from financial services industries. The next largest segment was manufacturing.
- Almost half (44%) were from large organizations with over 10,000 employees and over 10 business units operating across different geopolitical cultural boundaries.
- Most organizations had no formal data governance program, and those that did had somewhat ineffective data governance results that provided mediocre policies and guidance.
- Most organizations’ data governance programs are being led by mid-level IT managers and architects.

The most surprising result was that aside from the CIO, other CXO and business leaders showed minimal interest in data governance – supporting our premise that, as a general rule, data governance advocates have done a poor job of demonstrating the value of data governance to the rest of the business.

## Background

Initiate, an IBM Company, offered a series of four data governance webinars in the fall of 2009<sup>1</sup>. Marty Moseley, the developer of Initiate's Agile Data Governance approach, worked with other experts in the field, including Jill Dyché of Baseline Consulting and Dr. Larry Dubov, also from Initiate. With over half a century of data management experience between them, the team believed that most organizations that have tried data governance have only lackluster success because their initiatives failed to meet a tangible business need. Most data governance efforts fail to capture the hearts and minds of business executives, because many organizations have positioned data governance as a "dry" IT architecture initiative instead of a business initiative, and because they have failed to target issues that matter to business leaders. Since the response to the webinars was quite good, we wrote a short survey to take the pulse of how companies were currently leveraging data governance practices.

## The Approach

The survey was constructed to gather data to support or disprove the authors' assertions. Namely:

- Successful data governance is dependent upon active executive leadership
- There is significant room for improvement in helping organizations implement effective data governance
- Today's business leaders are not materially involved in, nor interested in, data governance
- Results are lackluster and spotty in most organizations

The survey attempted to capture the position and size of the companies represented, the effectiveness of data governance initiatives, and the involvement of executive leaders in their data governance programs.

## The Results

### Section 1: Demographics

This first section of the survey was to ascertain the demographic makeup of the audience. We wanted to find if the results were true for mostly large organizations across all industry lines, or if they spanned organizations of all sizes in all industry sectors.

As reflected in Figure 1, the survey responders consisted of a diverse audience spanning seven different industries, with over a quarter (26%) coming from financial services and 22% coming from the next largest segment, manufacturing. Note that 13% of respondents were consultants, which may skew the results as their answers could either reflect their own organization or that of a current client.

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<sup>1</sup>See <http://www.initiate.com/webinars> to view this webinar series.

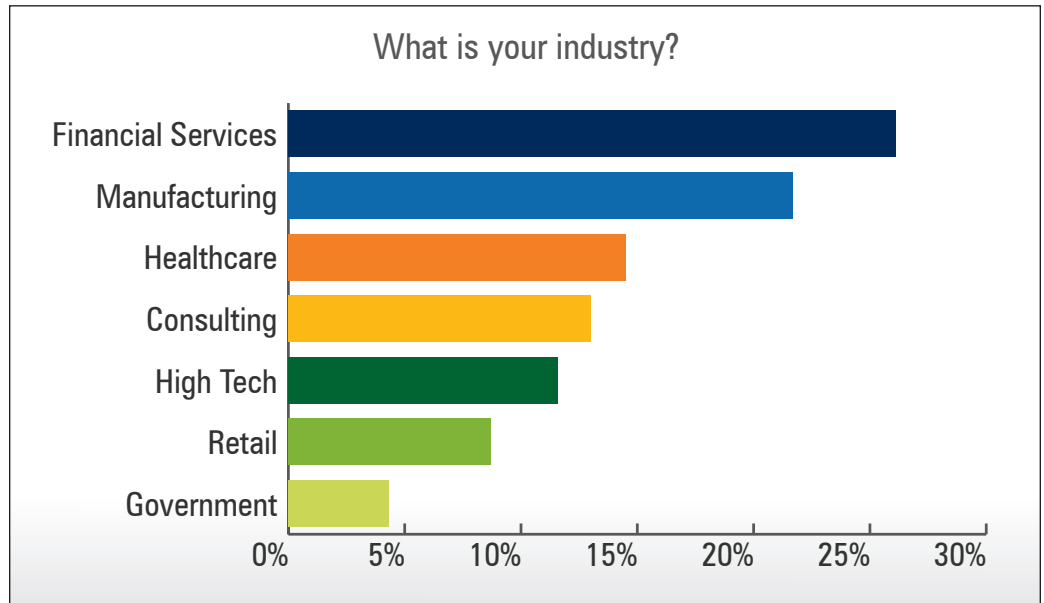


Figure 1 - Industry

Figure 2 shows that nearly half of all participants (44%) belonged to organizations with over 10,000 employees, and Figure 3 shows that over 35% of the responding organizations had more than 10 business units. This is significant because typically, the larger the organization and the more siloed the data, the greater the need for data governance to help manage data as an asset, which leads to the potential for more tangible benefits from an effective data governance program.

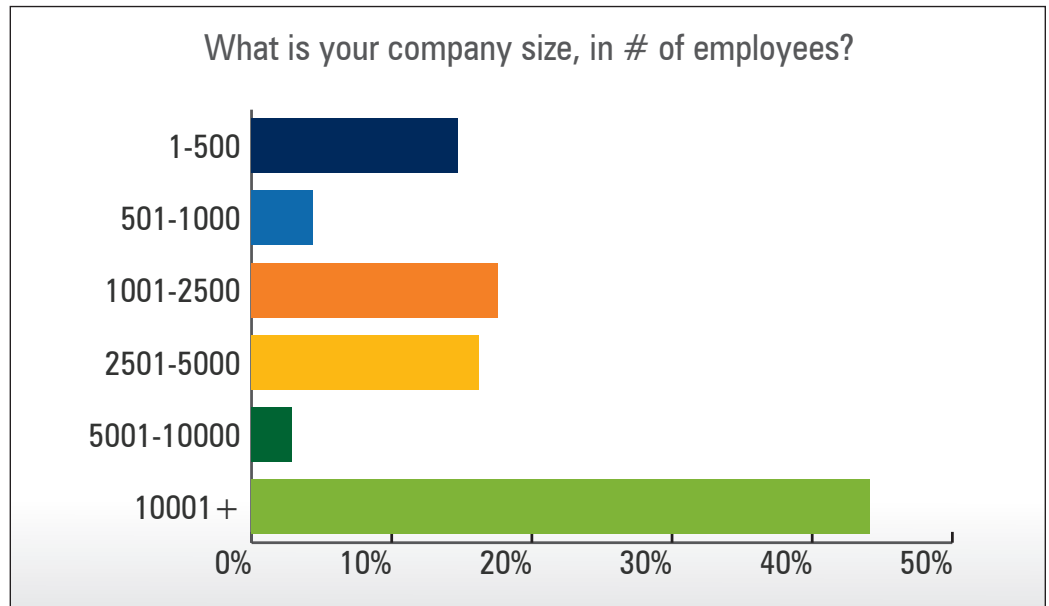


Figure 2 - Company Size

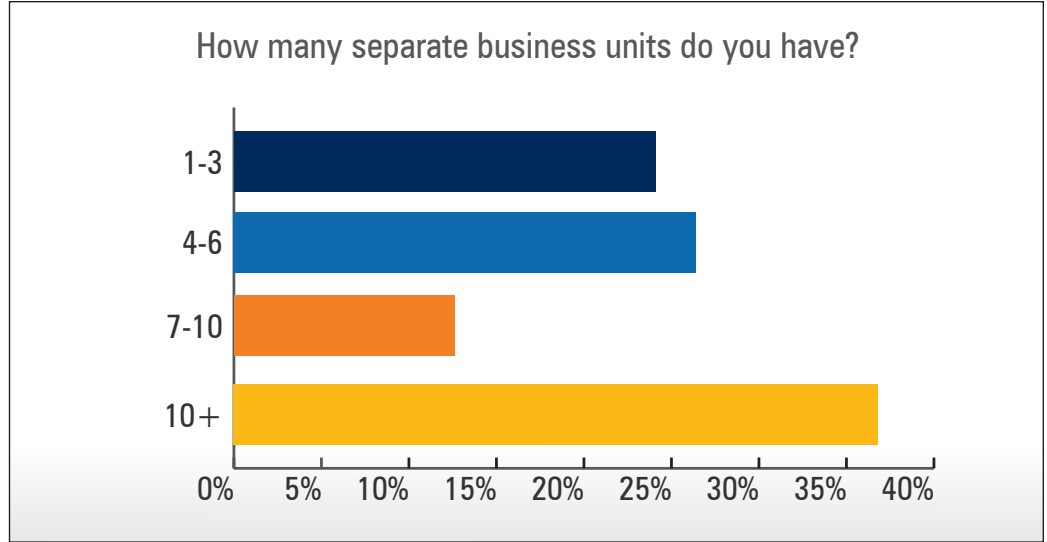


Figure 3 - Number of Business Units

As depicted in Figure 4, approximately two-thirds of respondents came from organizations whose operating units crossed cultural and/or language barriers. For multi-national organizations, data governance becomes even more of an imperative. For example, laws and regulations for governing use of personal data (privacy management) in the EU are different than they are for China, Canada or the US. So, when crossing cultural boundaries, data governance becomes even more critical to let companies articulate and reconcile policy differences across their organizations.

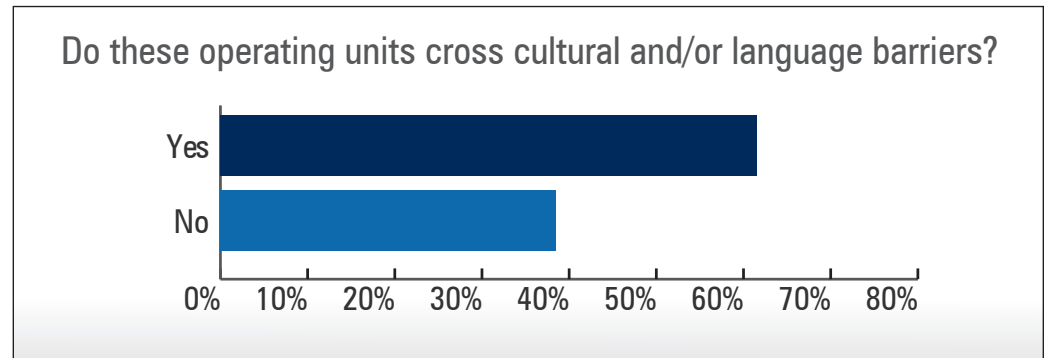
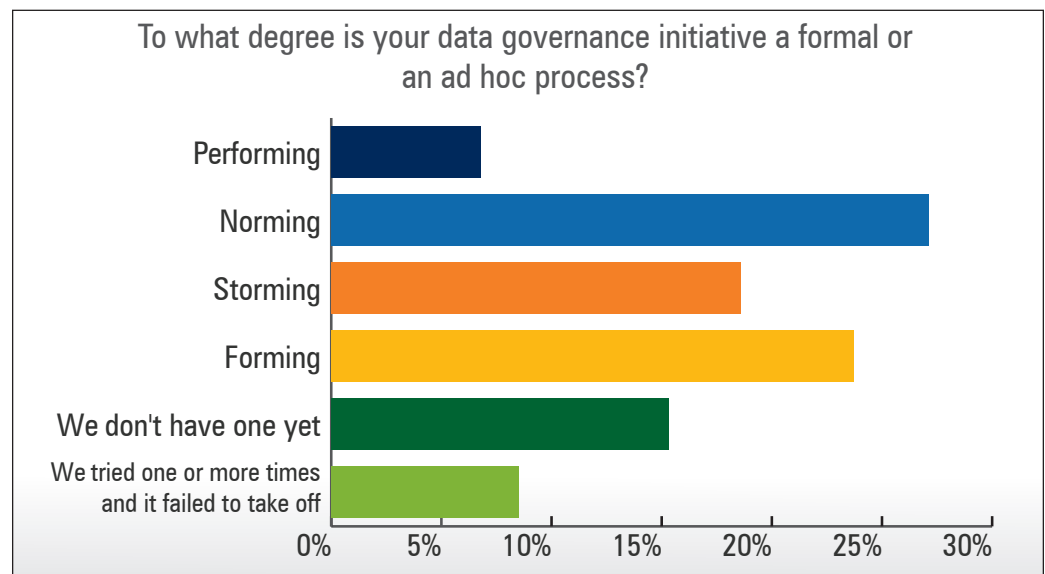


Figure 4 - Cross Cultural Operating Units

## Section 2: Data Governance Maturity

Section two tries to get at the level of maturity or sophistication of companies' data governance initiatives. We wanted to find out if these companies followed repeatable processes, if they are creating and managing declarations such as policies and business rules, and if they use formal methods or if these initiatives were more ad hoc.

Figure 5 depicts the level of maturity of participant organizations' data governance efforts. Roughly one-third of the participants have put in place formal or somewhat formal, repeatable processes for their data governance environment. The large majority either do not have a data governance initiative or have a somewhat ad hoc process in their environment. Of interest in this question is that just over 27% of respondents said that their data governance initiative is past the "forming" and "storming" stages (initial stages) and into the phase with somewhat formal methods, roles and deliverables. This seems to be in conflict with answers further in the survey (Figure 13) where it is reported that over 41% said "we do not have a data governance board," leading us to believe that most of these data governance initiatives do not have a data governance board leading it, and that they are evolving rather randomly instead of being managed towards corporate goals.



*Figure 5 - Data Governance Initiative*

Many organizations put in place data governance for improving data quality. However, a data quality program is primarily an IT-led initiative. Often, the advocates from the business side are not as involved as they should be. The results depicted in Figure 6 show that, among the survey respondents, 57% of the organizations had produced some kind of data management principles and policies. This speaks to the value of data to the organization. This was not a surprise, but seemed interesting in light of question 14, that stated that just 20% of respondents' business leaders understood data to be an enterprise asset. It is critical to data quality, we believe, that the business be involved and that data governance initiatives help drive improved business outcomes.

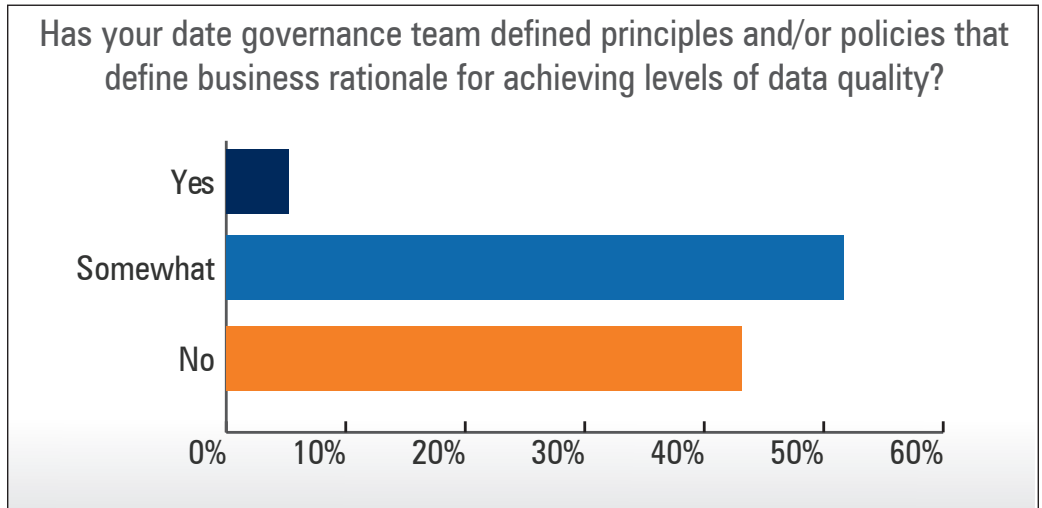


Figure - 6 Data Governance Principles and Policies

Among the survey participants, 60% had some degree of business processes and rules defined for managing the quality of their data. This seems consistent with what we’ve seen thus far in the survey. But this is done largely without active involvement with senior business leaders, as we’ll see later in the survey. If the business is not involved, how can a team guarantee that these policies and rules work across all affected organizational boundaries? There is some degree of risk here of creating more silos of policies that data stewards will have to later reconcile.

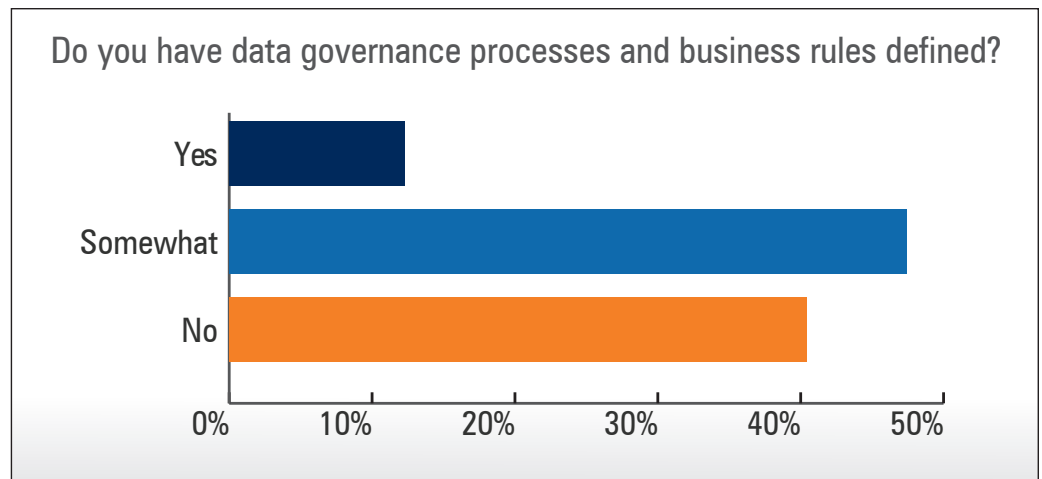


Figure 7 - Have Defined Business-driven Processes and Business Rules

In Figure 8, those organizations that do have a data governance organization seem to not be suffering from overly-bureaucratic organizations. This is comforting, because the tendency by many is to start by “over organizing” a data governance organization before tackling real data quality issues. One critical success factor for data governance is how effective these initiatives are perceived to be versus how much they’re perceived as “yet another bureaucracy.”

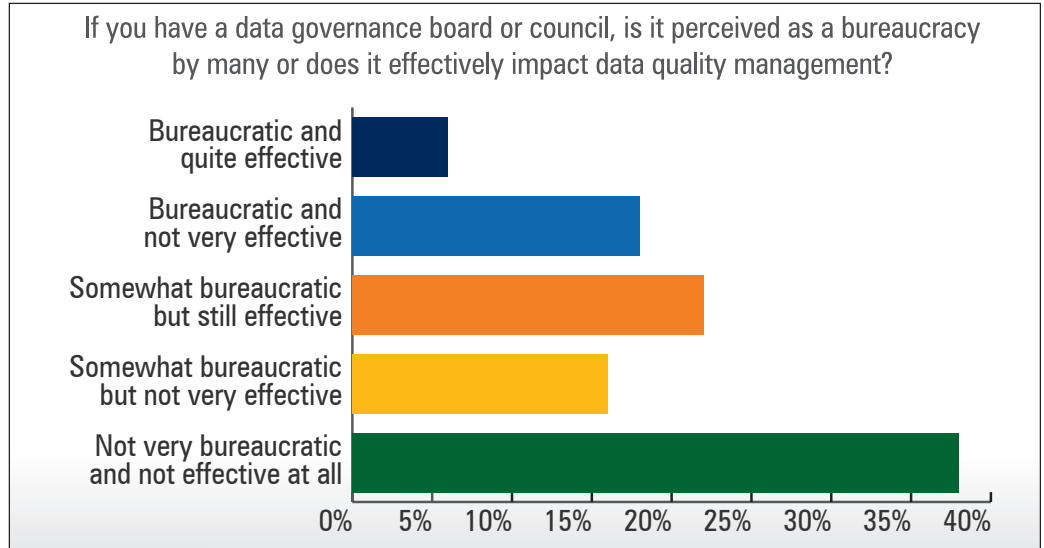


Figure 8 - Data Governance Board or Council

As an organization's IT department matures, there is typically a separation of responsibilities that occurs across different organizations. Often some form of architecture team is established, as are departments that manage larger programs. There is also the formalization of roles such as business analyst, technical architect, data analyst, and others. The question posed in Figure 9 highlights the survey respondents' maturity along the data governance implementation spectrum. Only 40% of respondents in this survey had clearly defined separation of functions, 26% somewhat defined, and a third didn't have any degree of separation of roles between data governance functions, pointing to potential issues in the effectiveness of data governance. Without these more specialized roles, the quality of the solutions recommended by a data governance board may be less than effective.

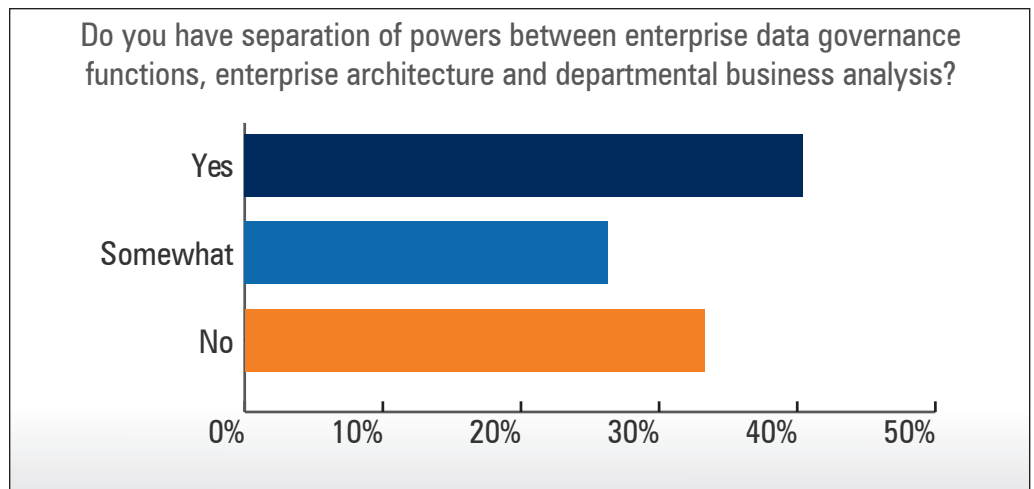


Figure 9 - Powers between Data Governance Functions

In establishing “how to do data governance,” many organizations choose to build their own, while some realize it might benefit them to license an existing framework, or choose a combination of the two. As depicted in Figure 10, measuring the 60% of responders that have data governance frameworks in place, the majority (43%) defined their own, while over 17% bought some or all of an existing framework. Participants who used an existing framework acknowledged the DAMA DMBOK (Data Management Book of Knowledge), IBM’s Data Governance Framework, or a framework offered by DGI (Data Governance Institute).

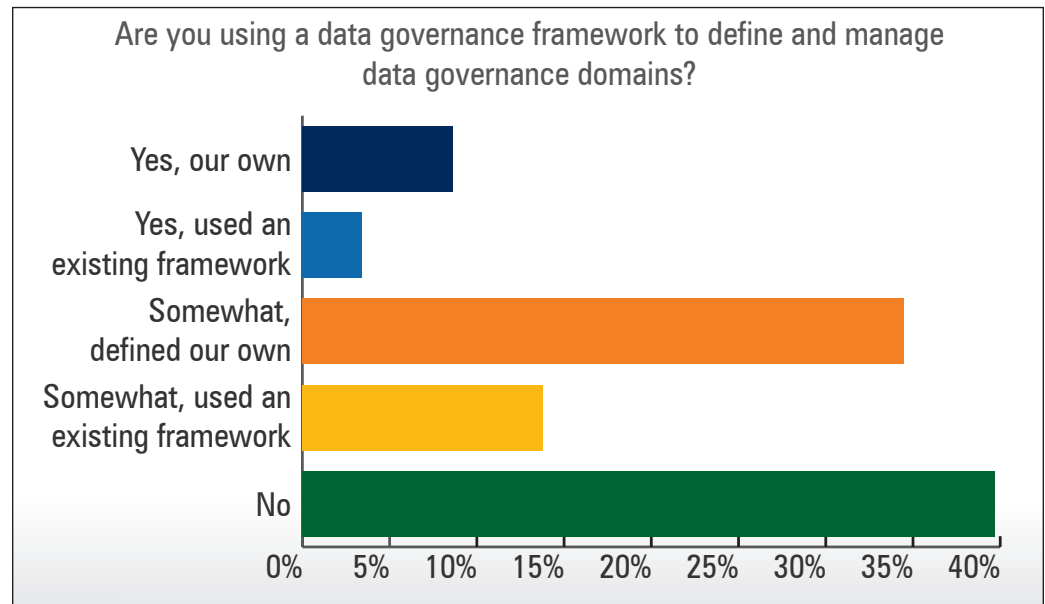


Figure 10 - Are You Using a Data Governance Framework

### Section 3: Data Stewardship and Data Governance

Once we addressed the relative maturity and effectiveness of our organizations’ data governance initiatives, we felt it would also be instructive to ascertain the maturity of the data stewardship function, since that is where most of the painstaking work is done. Many thought leaders think of data stewards as part of the “archaeological” team who are responsible for finding, documenting and repairing data quality issues. Without effective data governance, though, data stewards are left without the firm directives they need to manage data consistently across business silos. Without effective data stewards, you may have a fairly effective data governance function, yet with no one to implement and measure adherence to policies.

We asked respondents how many data stewards they had in their organization. The results of this question, reflected in Figure 11, were rather surprising. Since 40% of respondents indicated that they did not have data governance processes and rules defined, one would expect at least 40% of the answers to reflect “0” data stewards. However, it appears that even those organizations have at least one data steward. This might lead us to conclude that most of these efforts were underway without the oversight of a formal data governance program.

Also, given that the large majority (44%) of respondents had over 10,000 employees, it’s not surprising that so many respondents had 16+ data stewards in their organization.

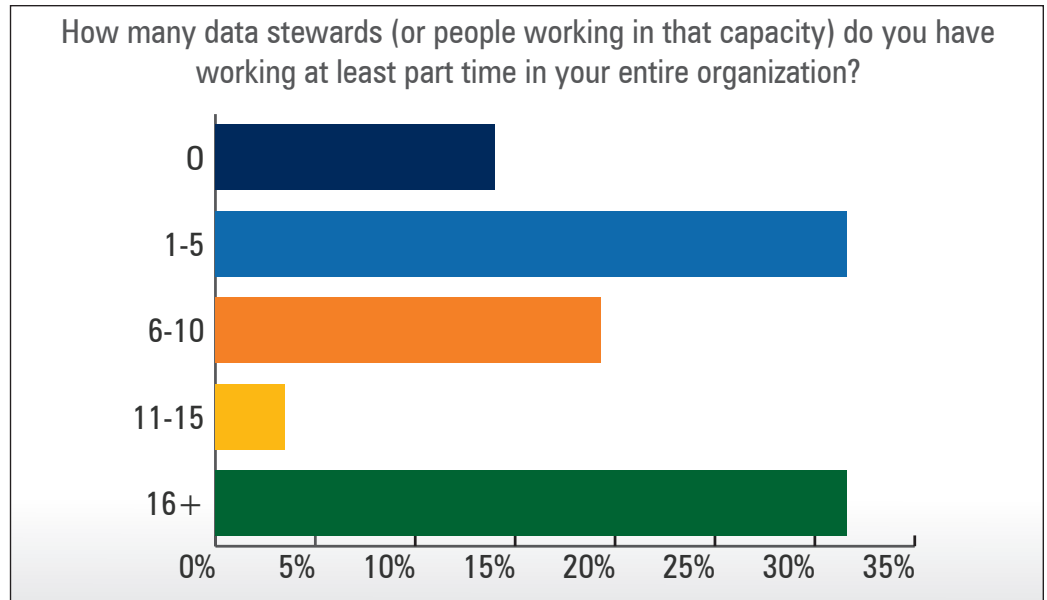


Figure 11 - How Many Data Stewards Do You Have

As Figure 12 points out, the survey participants determined that there was plenty of room for improvement for data stewards to work together, with only 2% reporting that their data stewards are well integrated into the business and work together without duplicating efforts. Our work in defining Collaborative Data Stewardship<sup>2</sup> addresses this very problem.

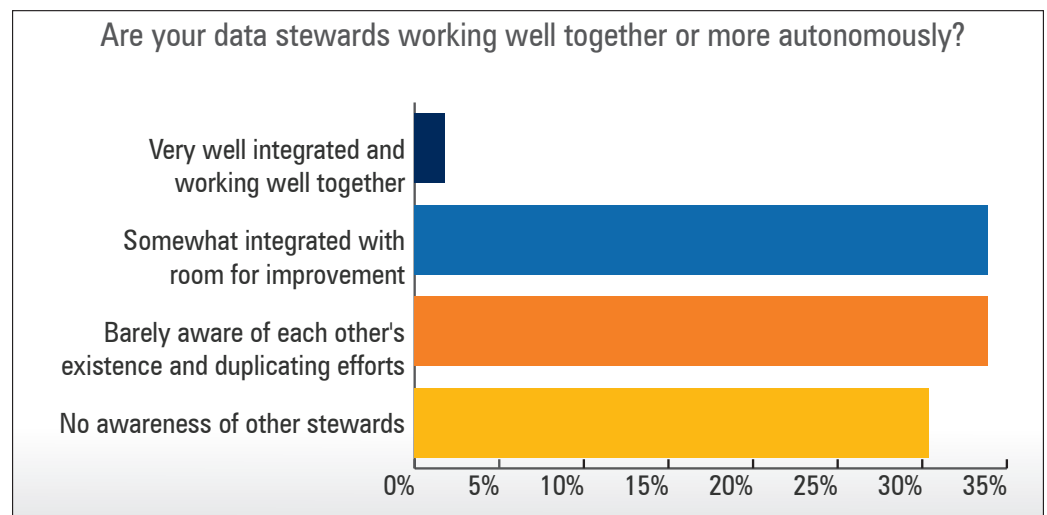


Figure 12 - Data Stewards Working Together

<sup>2</sup>A podcast on this topic can be found at: <http://www.initiate.com/feeds/Initiate-Collaborative-Data-Stewardship-Moseley.mp3>.

As reflected by Figure 13, about a quarter of respondents stated that their data stewards followed the business rules and policies of the data governance board. However, 41% reported not having a data governance board whatsoever, which is consistent with previous questions.

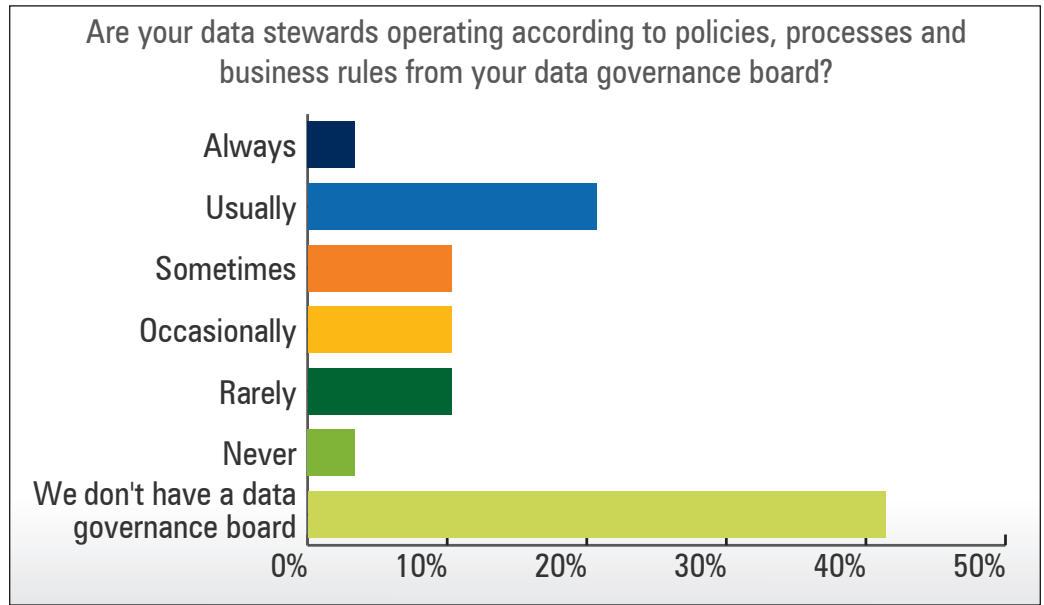


Figure 13 - Data Stewards Operating According to Data Governance Policies

#### Section 4: Executive Alignment with Data Governance

Now that we've summarized the levels of maturity in various data governance initiatives and the strength of data stewards' roles, we focus questions that try to assess the level of business involvement in data governance. As stated, the majority of organizations have not done a good job of getting our executive leaders to "care" about data quality, and to get involved in data governance efforts. This set of questions measure how much the respondents think their leaders "believe" in data quality and their interest in data governance.

The question reflected in Figure 14 addresses the level to which leadership believe that data are a shared enterprise asset, versus simply data that are required to make an application work. This may seem like playing semantics, but the difference in mindset is significant: if executives believe data are an enterprise asset (most do not, as we will show) then they will invest to protect the quality of those assets. If, however, they simply think that you need to capture just enough data to make any given application work without error, then their view of the value of data is quite low.

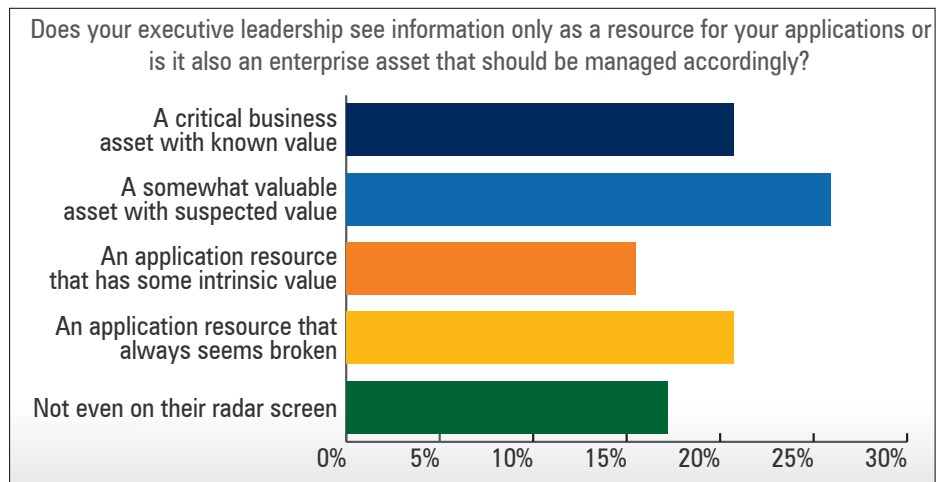


Figure 14 - Information as an asset

As cited in Figure 15, most data governance work to date grew out of the Business Intelligence (BI) or Data Warehouse (DW) world with a visceral understanding that Data Quality (DQ) management played a necessary role in achieving high quality results. The secondary drivers of data governance are Governance, Risk and Compliance (GRC) and MDM. Figure 15 points to a host of other initiatives that are high priority to data governance in various organizations. This is not surprising, given the activity in the IT sector towards selling technologies and not business solutions.

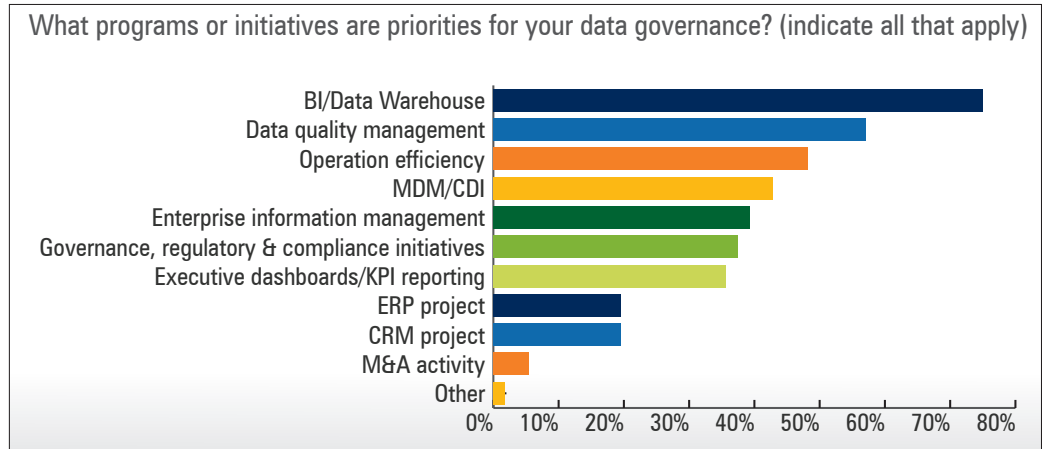


Figure 15 - Programs or Initiatives

The data from our respondents, reflected in Figure 16, is consistent with what we have seen in a majority of organizations. Namely, IT is the primary driver in data governance initiatives. The “Other” write-in category had no clear-cut results beyond what is listed in the footnote<sup>3</sup>.



Figure 16 - Job Positions Currently Involved in Data Governance

<sup>3</sup>The write-in answers under the “Other (specify)” category included: Data architect/data modelers; None-ad hoc process; Retail Services Manager; VP Master Reference Data; Enterprise Data Governance Manager; Finance Manager; Controller; Risk Management

As Figure 17 points out, the survey respondents viewed their business leaders having little interest in data governance, with the highest marks going to the CFO and the COO. This data is in line with our experience with companies across industries that by and large, data governance remains an IT-level concern, reinforcing that at a business level, more can be done to engage business leaders in depicting the necessity of data governance in their environment. The biggest surprise in this question was that survey participants' reflected that their Chief Marketing Officer (CMO) was not very involved in data governance.

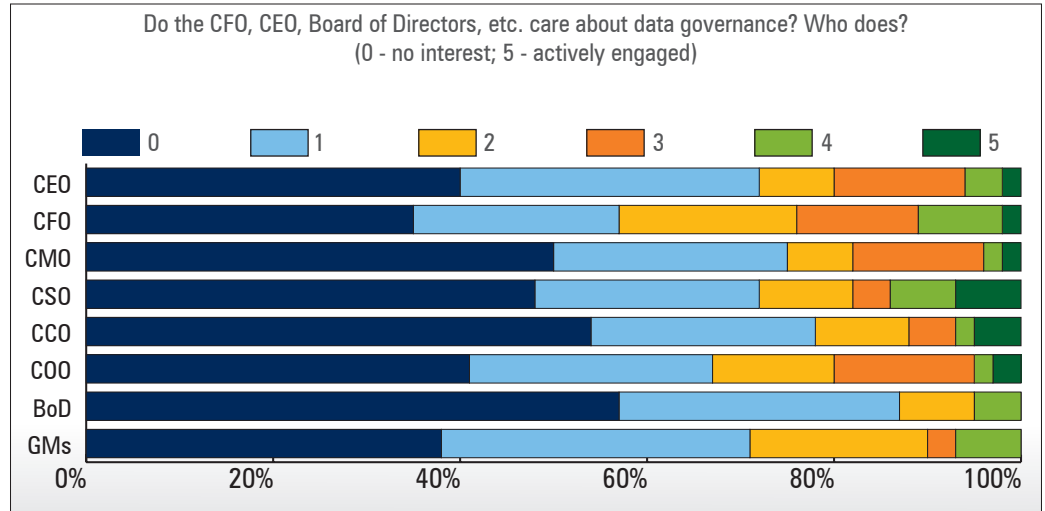


Figure 17 - Who Cares About Data Governance

## Conclusion

After sending the survey to webinar participants, and also promoting it via Twitter, the Initiate blog and LinkedIn, we collected 90 results. From the results, we can see that the state of data governance initiatives is still rather immature in most organizations. This lines up with what we have heard anecdotally, but it is good to have some measurements to back this up. The survey results revealed a surprising lack of perceived executive interest in data governance initiatives - much less executive involvement than we had hoped to find. We also found that the focus on business needs is still limited, as most initiatives continue to be driven by IT-centric projects. This is not a surprise, and not necessarily a bad thing, as those in IT usually better understand the issues caused by poor data quality and a lack of directives on how to manage data assets. We can see there are inefficiencies in the policy declarations produced by data governance boards and that most data stewards are not working well together. Again, given a lack of industry successes and standards, this is not surprising.

There are significant opportunities for improvement. Organizations must tie data governance initiatives to business imperatives and measure business outcomes impacted positively or negatively by data quality. To battle this slow evolution to the status quo, Initiate created the Agile Data Governance method. This novel approach to data governance attempts to close these gaps by simplifying the data governance process, focusing on meeting tangible business issues instead of only technology issues, and doing so in a way that resists trying to “boil the ocean.” This method borrows concepts from “lean” software development, Extreme Programming techniques and other “agile” methods of software engineering. Specifically, the agile data governance approach leverages the concept of short iterations, where each iteration involves a small team of business leaders who approve “declarations” (policies, procedures, business rules and metrics) and focus on solving data quality issues for one specific data domain or subject area. Work to date has shown that executives seem more apt to engage when there is a “light at the end of the tunnel” and a data governance iteration helps them solve discrete issues that meet business imperatives. It also borrows on the agile theme of quick delivery of actionable policies (an adaptation of daily software builds). The Agile Data Governance method helps develop policies that can be utilized immediately and do not have to go thru endless cycles of approvals. There are other qualities of Agile Data Governance online at:

[www.Initiate.com/DataGovernance](http://www.Initiate.com/DataGovernance)

Data governance is a hot topic and there are several companies attempting to implement a data governance platform. Success depends on actively engaging business leaders, focusing on solving problems that matter to those executives, and not “boiling the ocean.”

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