

Corporate Data Governance Best Practices

2006-07 Scorecards for Data Governance in the Global 5000

A CDI Institute *MarketPulse*™ In-Depth Report

April 2006

IBM recently sponsored a survey of 50+ Global 5000 size businesses regarding their investments in “data governance” and the challenges they are facing.

- *84% believe that poor data governance can cause: limited user acceptance, lower productivity, reduced business decision accuracy, and higher total cost of ownership*
- *Only 27% have centralized data ownership*
- *Fully 66% have not documented or communicated their program, and*
- *50% have no KPIs or measurements of success*

“Based on recognition of issues at hand, an improving economy, and increasing regulatory requirements, businesses are now recognizing the opportunity to take a more strategic view of data governance. Market demand for ‘data governance’ accelerators will explode during 2006-07. Methodologies which incorporate information integration, data quality, and business intelligence capabilities will be a key factor in the successful deployment of master data management solutions.”

Aaron Zornes
Chief Research Officer
The CDI Institute

**Corporate Data Governance Best Practices
2006-07 Scorecards for Data Governance in the Global 5000**

TABLE OF CONTENTS

Executive Summary	1
<i>Introduction to Data Governance</i>	1
<i>Why Data Governance? Why Now?</i>	2
<i>Industry Scorecard Survey on “Data Governance Best Practices”</i>	6
<i>Summary Survey Findings</i>	7
Detailed Survey Findings	9
<i>Overall Data Governance Plans</i>	9
<i>Data Governance Approach: Plans, Methods & Communications</i>	15
<i>Formal Roles & Responsibilities</i>	16
<i>Data Cleansing & Enrichment Tools</i>	18
<i>Measurements & Benefits</i>	20
Bottom Line - The Data Governance Juggernaut	27
About the CDI Institute	30

Executive Summary

Introduction to Data Governance

A working definition of “data governance” is: *“The formal orchestration of people, processes, and technology to enable an organization to leverage data as an enterprise asset.” Because data governance is a strategic initiative involving multiple functions across the enterprise, a data governance program should include a governing body (steering committee or council), an agreed upon common set of procedures, and a plan to communicate and execute those procedures.*

Businesses have been “governing” data for 20+ years; however, only a rare few are doing it well today. Historically, many companies assigned the governing of data to a data management group whose job it was to integrate and manage data. Today, more and more companies are recognizing the need for a broader initiative to govern data—in particular, master data (about entities such as customer, product, and supplier), which is now recognized as a critical asset that must be managed within and beyond the enterprise.

Because of escalating volumes and complexity, the challenges of data today are far greater than ever before, requiring companies to break down the stovepipes separating data across divisions, so, too, data governance requires businesses to break down functional stovepipes and integrate people across the enterprise – including corporate and divisional IT, all lines of business, functional areas, and geographic regions. Moreover, data governance must engage all levels of IT and business management across the enterprise. In other words, data governance is evolving to include centralized or federated policy management – a.k.a. “process governance.” (See figure 1 for definitions of terms that will be discussed in this paper.)

Data Governance. The formal orchestration of people, processes, and technology to enable an organization to leverage data as an enterprise asset.

Master Data Management (MDM). The authoritative, reliable foundation for data used across many applications and constituencies with the goal to provide a single view of the truth no matter where it lies.

Customer Data Integration (CDI). Processes and technologies for recognizing a customer and its relationships at any touch-point while aggregating, managing and harmonizing accurate, up-to-date knowledge about that customer to deliver it ‘just in time’ in an actionable form to touch-points.

Master Data Integration (MDI). Process for harmonizing core business information across heterogeneous sources, augmenting the system of record with rich content by cleansing, standardizing and matching information to provide high data quality in support of a master data management initiative.

Source: The CDI Institute

Figure 1 – Definitions

Why Data Governance? Why Now?

Increasingly, businesses have determined that “You can’t protect data if you don’t know what it is worth.” To know what it is worth, you have to know where it is, how it is used, and where and when to integrate and federate it. In short, it is not possible to evaluate data from a business perspective if you don’t have a commanding or oversight-level IT perspective.

“Information integration” – i.e., getting information that can be trusted to the right people and processes at the right time – is thus an essential ingredient of the IT and business processes collectively known as data governance.

Once the value of corporate data is determined, the enterprise needs to calculate the probability for risk in a business process. When management understands the value of data and the probability of risk, it is then possible to evaluate how much to spend to protect and manage it, as well as where investments should be made in adequate controls.

This risk assessment is the basis of modern underwriting and increasingly a focus of IT portfolio management as businesses look to manage IT as assets – while understanding costs, risks, and controls. Doing this systematically requires a combination of organizational structures, business processes, and technology.

In other words, management of corporate data assets requires a “data governance blueprint” for:

- Data quality
- Information integration
- Business intelligence

Therefore, a best practice within companies successfully implementing data governance is the collaboration between IT management and business leadership to design and refine “future state” business processes associated with data governance commitments. Moreover, a strong data governance function is integral to delivering reliable and usable business information. Such a corporate data governance function can help businesses avoid these symptoms of poorly executing IT organizations:

- Overly complex IT infrastructure
- Silo-driven, application area-centric solutions
- Slow-to-market delivery of new or enhanced application solutions
- Inconsistent definitions of key corporate data assets such as customer, supplier, and pricing masters
- Poor data accuracy within and across business areas

- Line-of-business-focused data with inefficient or nonexistent ability to leverage information assets across lines of business (LOBs)
- Redundant IT initiatives to re-solve data accuracy problems for each individual LOB

With an operational data governance program, businesses are more likely to benefit from:

- Uniform communications with customers, suppliers, and channels due to the veracity and accuracy of key master data
- Common understanding of business policies and processes across LOBs and with business partners/channels
- Rapid cross-business implementation of new application solutions requiring shared access to master data
- Singular definition and location of master data and related policies to enable transparency and auditability essential to regulatory compliance
- Continuous data quality improvement as data quality processes are embedded upstream rather than downstream
- Increased synergy between horizontal business functions via cross-business data usage – e.g., each LOB is able to cross-sell and upsell its products to the other LOBs' customers

While the business need for data governance is demonstrable across most industries, certain industries have special priorities – i.e., financial services providers are extremely concerned about the security of customer financial data; healthcare enterprises, about the privacy of patient medical data (Health Insurance Portability and Accountability Act or HIPAA); and, pharmaceutical/life sciences enterprises, about compliance with manufacturing regulations such as 21 CFR Part 11.

Based on recognition of the current lack of focus on managing master data as a corporate asset, an improving economy, and ever-increasing regulatory requirements, companies are now clearly identifying an opportunity to take a more strategic view of data governance as both a tactical and a strategic investment.

The Critical Role of the Data Steward

A best practice within companies implementing data governance is the assignment of a data steward – or a combination of corporate data stewards and business unit data stewards.

The primary objective of the “data stewardship” role is to synchronize data collection processes, reduce data redundancy, and increase data accessibility, availability, and flexibility in a systematic manner — i.e., to exercise quality control of data. There are typically two variants: “corporate data stewards” and “business unit data stewards” (reference Figure 3 for example of typical organizational structure within Global 5000 enterprise to support data governance). Given the pandemic shortage of such formally trained staff, these positions need close attention by IT management to ensure that the individuals they train up at considerable expense are retained within the organization.

During 2006-07, data governance will become a mainstay of large scale CDI-MDM projects as RFPs increasingly mandate that component.

By 2008-09, data stewards will be a common position in both IT organizations and businesses as enterprises formalize this function amidst increasing de facto and de jure recognition of information as a corporate asset.

Source: 1H2006 MDM Road Map
The CDI Institute

Figure 2 – Data Governance “Milestone”

CDI Institute research analysts are seeing an increasing number of Centers of Excellence (COEs) targeted at master data management — with the COE operating both a data governance team and data stewardship team(s). Often the data stewardship teams are segmented by customer type — e.g., high profit/margin vs. high risk vs. low margin in financial service providers — or physician vs. prescriber vs. Managed Care Organization (MCO)/plan vs. institutions in a pharmaceutical environment. These teams also deal with the considerable complexity and politics of managing inbound third-party data feeds – from both business partners and commercial data service providers such as Acxiom, Dun & Bradstreet, and Experian.

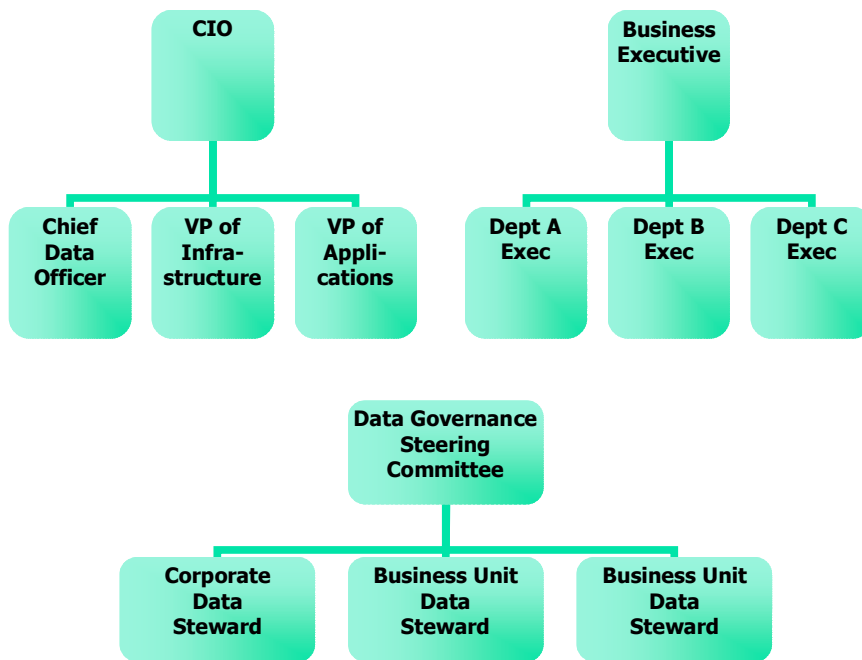


Figure 3 – Prototypical Data Governance Organizational Structure

Industry Scorecard Survey on “Data Governance Best Practices”

The data reported on in this white paper represents a CDI Institute MarketPulse™ survey performed during 1Q2006 on how companies are investing in data governance and the challenges they are facing.

The survey sample targeted both the CDI Institute’s Advisory Council members and the Business Council members, IBM’s Data Governance Council, and the IBM WebSphere® Customer Center Client Advisory Board (CAB). A number of the CDI Institute’s Advisory Council members assisted in the survey creation process by helping identify the major trends and issues which would help them in their own efforts. In all, a total of 54 IT executives at Global 5000 size firms shared their data governance strategies and business outcomes via a series of in-depth web-based and telephone interviews.

Participants in the survey included IT management such as chief information security officers (CISOs) and chief technology officers (CTOs), as well as business technologists such as corporate data stewards. Approximately 50% were financial services providers (FSPs) – primarily traditional banks (commercial and retail) and insurance firms. The other 50% of the survey sample included communications services providers, hospitality industry concerns, high technology manufacturers, and other manufacturers. Approximately 45% of the respondents were reporting from an “enterprise” data

Business Benefits of Data Governance^[0]

Data quality-enabled information integration is fundamental to “leverage data as an enterprise asset” in support of data governance programs. The overall benefits of a corporate-level data governance program are compelling:

- **Operational Savings and Efficiencies** – “Once and done” enterprise-wide services for key processes; quick analysis and answers to business questions instead of one off “projects”
- **Privacy and Regulatory Compliance** – A central location for consistent rules of visibility and entitlements (“policies and procedures”)
- **Consistent Customer Treatment** – Improved understanding of customer data across business lines for targeted sales and service
- **Mergers and Acquisitions (M&A) Infrastructure** – Shortening M&A customer, product, desktop, and billing integration timeframes
- **Revenue Enhancement and Customer Loyalty** – More intelligent cross-sell and up-sell via complete understanding of customer (profile, accounts and interactions) to leverage bundling

governance role, 21% from the line of business or divisional level, and 12% each from the corporate and departmental viewpoints.

The resulting analysis focuses on the issues of these early adopters and summarizes the lessons learned about the state of data governance in these companies.

In summary, the vital questions that this survey addressed include:

- What are the overall data governance plans for the respondent organizations?
- What are the data governance trends in plans, methods and communications?
- What are the formal roles and responsibilities of data steward(s) and other data governance team leaders?
- How are data integration and data cleansing tools being applied to data governance?
- Which metrics and business outcomes are being monitored?

It is the CDI Institute's belief that the following "2006-07 Scorecards for Data Governance in the Global 5000" represent the best knowledgebase

available for masterminding data governance strategies. Our gratitude and special thanks go out to those early adopters and industry leaders who shared their insights with us as we captured the "best practices" of these pioneers.

Summary Survey Findings

- The respondent sample reflected the bias of the survey sample in that 49% considered themselves "BEGINNING - Just defining the policy"; 25% "INTERMEDIATE - Have defined policy and currently communicating"; 12% "ADVANCED - Completed definition and communicated, begun

IT Benefits of Data Governance^[0]

IT organizations are looking towards data governance as a strategy to assist in aligning their goals with those of the business:

- **Operational Savings and Efficiencies** – A common technical infrastructure can eliminate distributed data marts and related support costs. "Once and done" business processes enabled by central data governance can dramatically reduce application-specific maintenance and manual data cleansing costs.
- **Privacy and Regulatory Compliance** – A common data infrastructure can help meet ongoing regulatory requirements and accelerate response to change.
- **Improved Responsiveness to Business Needs** – The capability to blend channels and enable common customer interactions reduces IT expenses for maintaining "one off" data extracts and point-to-point bridges.
- **Increased IT Employee Effectiveness and Retention** – Management of scarce and pricey IT employee resources is enhanced by: more focused career paths for IT professionals to blend with business management and redeployment of analytical resources freed from 'scrubbing' data.

- implementation”; 7% “NOT CURRENTLY DOING ANYTHING in this area”; and, 5% “IMPLEMENTED - Fully implemented with change management process”
- Across all industries surveyed, the individual or group responsible for the data governance initiative is most commonly a “data governance steering committee” (25%), followed by the chief information officer (15%), chief data officer (13%), chief customer officer (8%), and chief technology officer (8%); yet 20% of financial service providers use the CTO to drive their data governance processes
 - The individuals or groups most commonly involved in the formal data governance efforts are: data governance steering committee (47%); enterprise IT managers such as enterprise [data] architecture group, corporate data stewards, and IT enterprise architecture (43%); line-of-business or division IT group managers (38%); chief technology officer (34%); departmental IT managers (34%) – e.g., business unit data stewards
 - “IT governance” at 24% is the most prevalent characterization of the operational governance programs in place; 19% instead have data governance and 16% have “corporate governance” programs in place; note that while 45% of financial services providers have “operational risk management” as their mode, on a general industry basis this holds true only for 10%
 - Data governance is most often “an initiative within the IT organization” (31%); this is almost twice as likely as either “a business initiative within overall corporate governance program” (19%) or “a business initiative within overall operational risk and compliance” (16%)
 - 50% of the Global 5000 are at the “foundational” technical maturity level; almost twice as prevalent as the 26% at “basic” stage; with approximately 10% each at the “distinctive” or “advanced” levels
 - 50% do not measure data governance processes against key performance indicators (KPIs) – e.g., “accuracy of data over time,” “data completeness”; such lack of measurement capability begs for basic data governance consulting services
 - Large numbers of high-ranking managers recognize poor data governance as a problem
 - Yet only 38% have dedicated stewards
 - Moreover, financial services providers (50%) are more likely than other industries (30%) to staff full-time data steward positions

- In addition, financial services providers are twice as likely as other industries to
 - Have “advanced” data governance programs in place
 - Describe their programs as “an initiative within IT organization”

Detailed Survey Findings

The remainder of this white paper will discuss select data points from the more than fifty questions and will track the five main sections of the survey:

- Overall data governance plans
- Data governance approach: plans, methods and communications
- Formal roles and responsibilities
- Data cleansing and enrichment tools
- Measurements and benefits

Overall Data Governance Plans

This survey section focused on the topics of:

- | | |
|--|--------------------------------------|
| ▪ Responsibility for data governance | ▪ IT drivers |
| ▪ Involvement in data governance | ▪ Business drivers |
| ▪ Operational data governance programs | ▪ Data type focus of data governance |
| ▪ Locale of data governance programs | ▪ Status of data governance |
| ▪ Technical maturity level | ▪ Political structure |
| | ▪ Rollout strategy |

To assist enterprises in understanding and comparing their relative levels of data governance sophistication, our research team developed a “technical maturity model”¹ wherein organizations could establish their current level of maturity as well as understand the measurements and programs necessary to achieve the

¹ Robert Rich of IBM provided much of the thinking that led to the development of this data governance “technical maturity model”

next higher level of maturity. Given the “political” nature of governing, the CDI Institute identifies four basic levels of maturity:

- **BASIC** (“anarchy”) – Application-centric approach; meets business needs only on project-specific basis
- **FOUNDATIONAL** (“IT monarchy”) – Policy-driven standardization on technology and methods; common usage of tools and procedures across projects
- **ADVANCED** (“business monarchy”) – Rationalized data, with data and metadata actively shared in production across sources
- **DISTINCTIVE** (“Federalist”) – Based on service-oriented architecture (SOA) with modular components, integrated view of compliance requirements, formalized organization with defined roles and responsibilities, clearly defined metrics, and an iterative learning cycle

The survey clearly shows the FSPs have acquired an overall higher level of technical maturity in data governance compared to non-FSP industries. Due to their compliance and other regulatory issues, FSPs are 2-3 years ahead regarding the adoption of data governance.

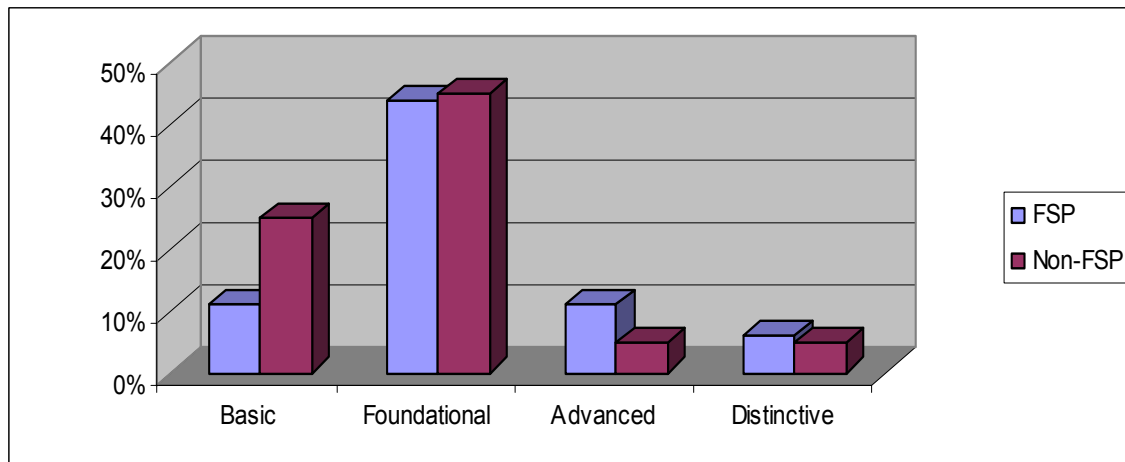


Figure 4 – Data Governance "Technical Maturity Level"

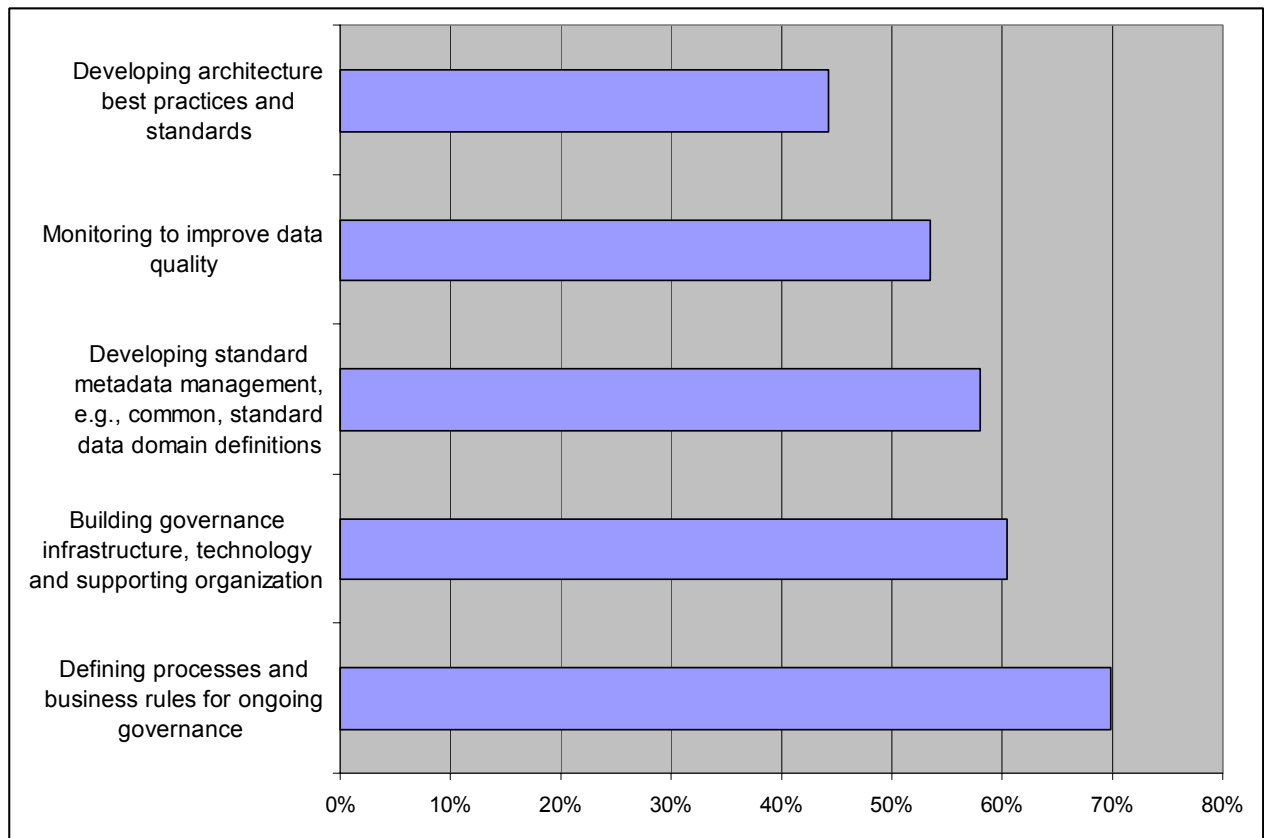


Figure 5 – “Top 5” IT Drivers for Data Governance

The above chart highlights the top five IT drivers behind data governance programs. A significant number of the survey respondents are focused on laying a foundation for the future and defining processes for ongoing data governance. Tools to address the top five IT drivers are typically not integrated – i.e., metadata tools rarely link up with data quality tools and business process management (BPM) rules engines likewise are seldom integrated with metadata or data quality tools. Based on discussions with the survey audience, we believe their consensus is that to effectively manage a full lifecycle data governance program, an IT organization needs an integrated set of tools – integrated at both the methodology and the software level.

The below chart shows that the business drivers comprise a mix between two bundles: (a) compliance “must do’s” and, (b) master data management of customer data and other data, which will lead to opening up new business opportunities [cross- and upsell] across the entire enterprise. The revenue opportunities generated by this will drive the top down adoption of data governance.

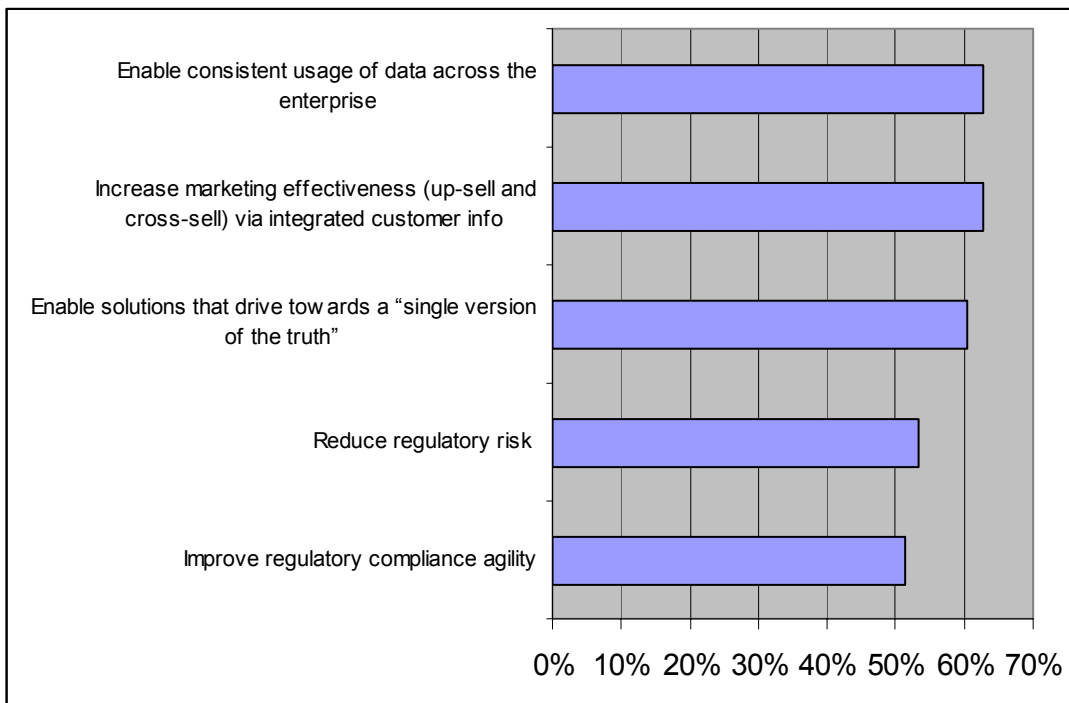


Figure 6 – “Top 5” Business Drivers for Data Governance

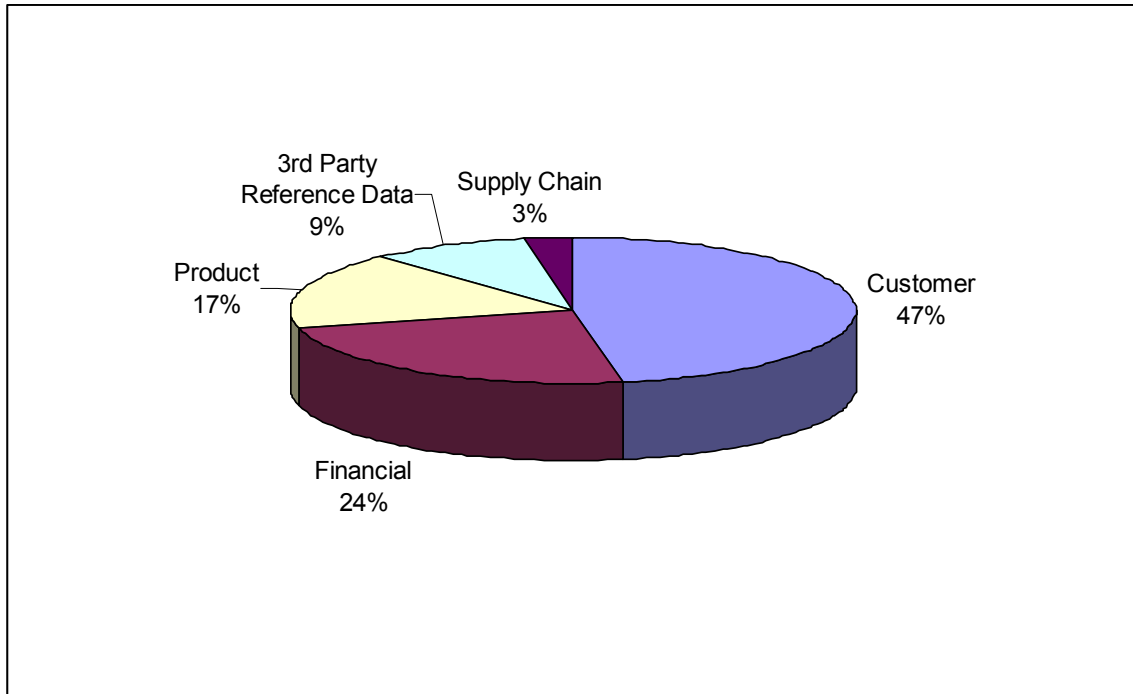


Figure 7 – Data Type Focus

The responses to a question about the types of data being governed underline the importance of integration of customer data, which today is dispersed between corporate functional and LOBs/divisions. The priority even exceeds the integration of financial data. Given the importance of financial data in compliance and the fact that majority of the survey respondents were large FSPs, one major conclusion is that customer data integration reigns supreme as a business issue across all industries.

Data Governance Approach: Plans, Methods & Communications

This survey section focused on the topics of:

- Definition of data governance
- Status of enterprise-wide data governance
- Business-wide communications
- IT-wide documentation and communication
- Data ownership

Two thirds of the large enterprises surveyed do not have a formal enterprise data governance policy today.

Moreover, 54% described their data governance policy as “decentralized, i.e., IT within business function group” versus the 22% that cited “centralized, i.e., corporate IT” ownership.

In the above context, it is not surprising that over 50% of the survey sample confirmed that even within the IT organization, their data governance policy was not documented or communicated.

Of those that do have a corporate data governance policy, 19% rely upon their “corporate governance board or steering committee” (top down) to communicate the policy; moreover, 37% cite “incremental project-level influence from business process view ...” (middle-out championship).

The top three solutions or processes addressed by the data governance framework(s) are cited as: “decision-making driven by business needs (39%); “accurate, timely reporting across programs and teams” (23%); and, “predictable approach to managing projects”. This reinforces the notion that master data management initiatives are increasingly geared more towards “process hubs’ than mere “data hubs”.

Formal Roles & Responsibilities

This survey section focused on the topics of:

- Source of data governance expertise
- Dedicated data stewards
- Data steward skills profile
- Data stewards roles and responsibilities
- Nature of data steward role
- Sourcing of full-time data steward candidates
- Sourcing of part-time data steward candidates
- Data steward functions
- Motivation of data stewards

Overall, 50% of data governance expertise is internal vs. 38% from external sources – both systems integrators and industry-specific domain experts.

These results reinforce the earlier findings of the gap between desired state and reality and therefore lead to the conclusion that companies will have to add other sources of skills, i.e., best practice accelerators from other external sources.

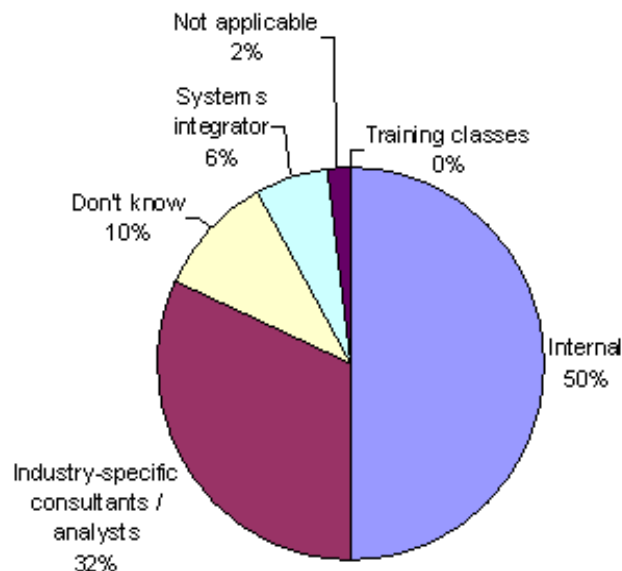


Figure 8 – Sources for Data Governance Expertise

Furthermore, of the 76% of the survey respondents stating they have a formal data governance program, the majority (54%) have not created a formal skills profile.

Data stewardship is a business-oriented function – moreover, the concept is embraced, active, generally project-oriented, and owned within the business unit (not within corporate IT). Based on answers to “Where do the DATA STEWARDS RESIDE?” 47% specify either within the business unit or the business-specific IT function with only 8% within the corporate IT function. Clearly, business is stepping up on a project basis more frequently to take responsibility for the data stewardship.

The survey sample of large enterprises called out three such business-oriented tasks as key to the role of data stewards: (a) supporting the business community regarding data quality, (b) contributing to business metadata management, and (c) participating in the political body (itself comprised of IT and business leadership).

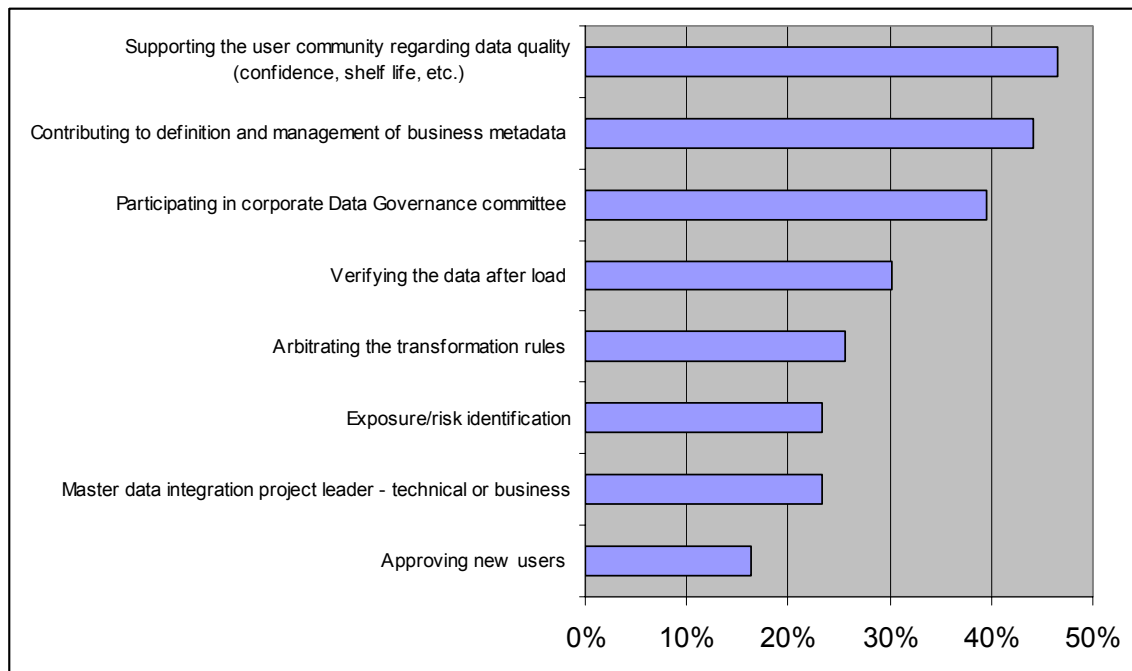


Figure 9 – Data Steward-Specific Roles

Another finding is that the vast majority of data stewards' roles are specific to an application area (61%) in contrast to the enterprise-level role (39%).

Data Cleansing & Enrichment Tools

This survey section focused on the topics of:

- Regular cleansing, standardization and de-duplication
- Trusted source
- Nature of data cleansing
- Types of data cleansing tools
- Regular correction/purge of inaccurate data
- Location of data cleansing capability
- Data enrichment techniques and tools
- Customer data redundancy

Over 63% of the businesses with data governance programs regularly cleanse, standardize, and de-duplicate their data. Moreover, based on “data governance technical maturity level”, 75% of the “distinctive” level organizations, 64% of the “foundational” level organizations, and 54% of the “basic” level organizations state this as a best practice.

While 10% rely upon external service bureaus for such data cleansing and 27% upon custom IT-built solutions, the majority at 43% utilize off-the-shelf, commercial tools. The more common types of data cleansing and enrichment tools include: match (57%), cleanse (50%), enrich (32%), profile (18%), and audit (9%).

Rules themselves are in many different places and need to be extracted out into horizontal layers and then replicated back to individual units – this is “true master data management” in the long run. The main trusted sources for update collision resolution (“survivorship”) are the internal rules engines (BPM processes) of enterprise CRM packages and master data management frameworks; however, quite notable portion relies upon third party data sources such as Acxiom, Austin-Tetra, and the likes. (The “not applicable” response is due to lack of master data management itself within these large enterprises.)

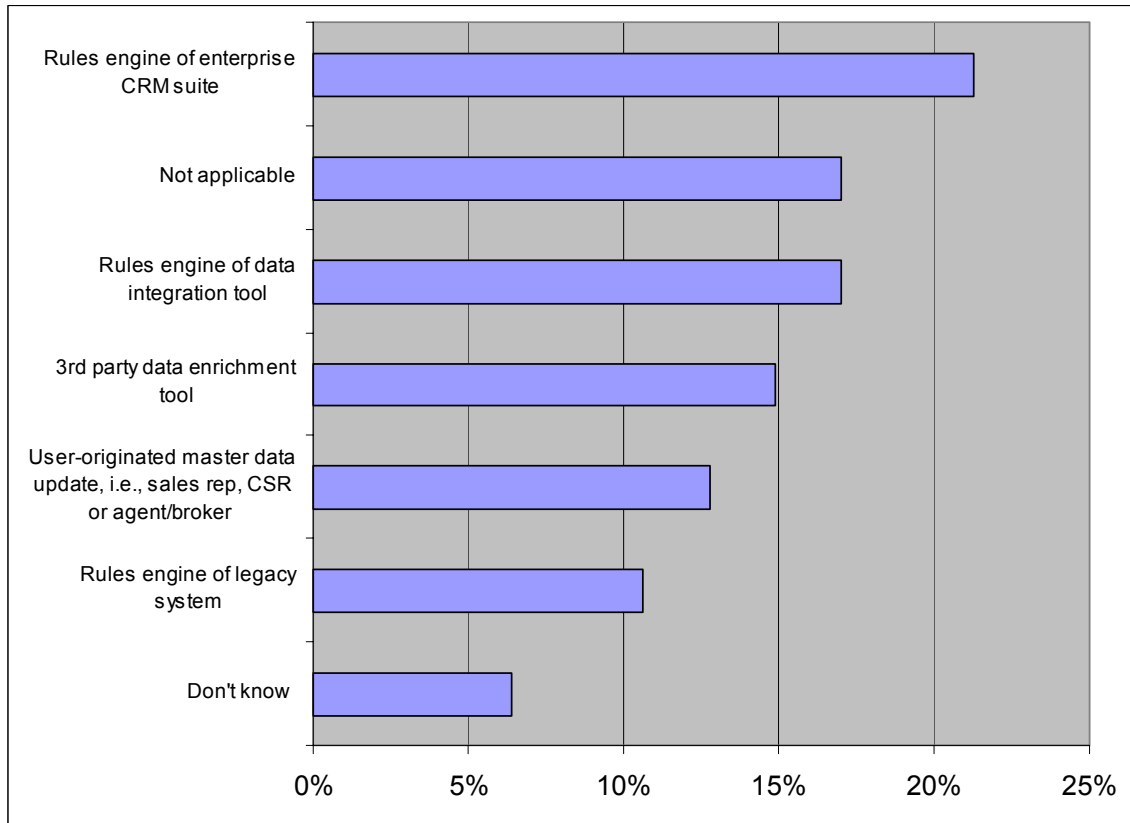


Figure 10 – “Survivorship” of Trusted Sources

Measurements & Benefits

This survey section focused on the topics of:

- Business priority of strategic business issues
- KPI measurements
- Success metrics
- Solutions and processes addressed
- Measurable business results
- Acknowledgement of impact of poor data governance
- Level of acknowledgement

Especially noteworthy is the observation that only 18% of all the enterprises surveyed formally measured their data governance program against such key performance indicators as "accuracy of data over time" and "data completeness". Of the respondents who had active data governance policies, only fifty percent had measurements in place. Those measurements most often focused on business unit-level accountability and success, i.e., "month-to-month scorecard/KPIs at business unit-level for accuracy/quality of specific data entities" at 23%, and "within specific business units' best practice" at 19%.

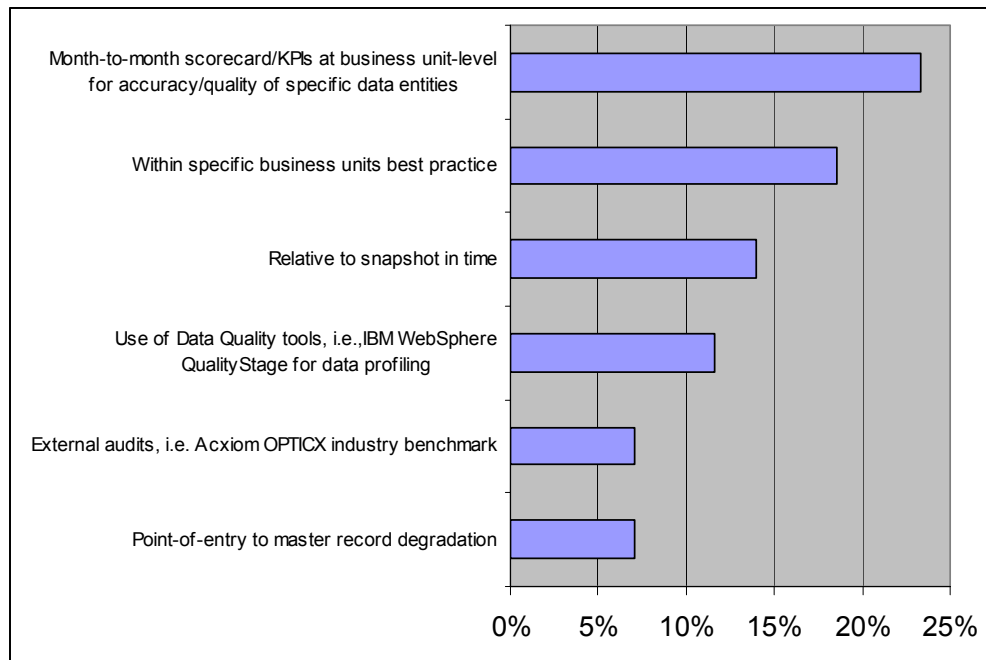


Figure 11 – Top Measurable Benefits of Data Governance Policy

The top three “measurable business results” of a data governance program were reported to be: “*establish better customer service by increasing the efficiencies of CRM applications*” (31%); “*improve brand penetration by accurately identifying “real” sales opportunities*” (28%); and “*reduce (ad hoc) data correction by cleansing the incoming data prior to update*” (19%)

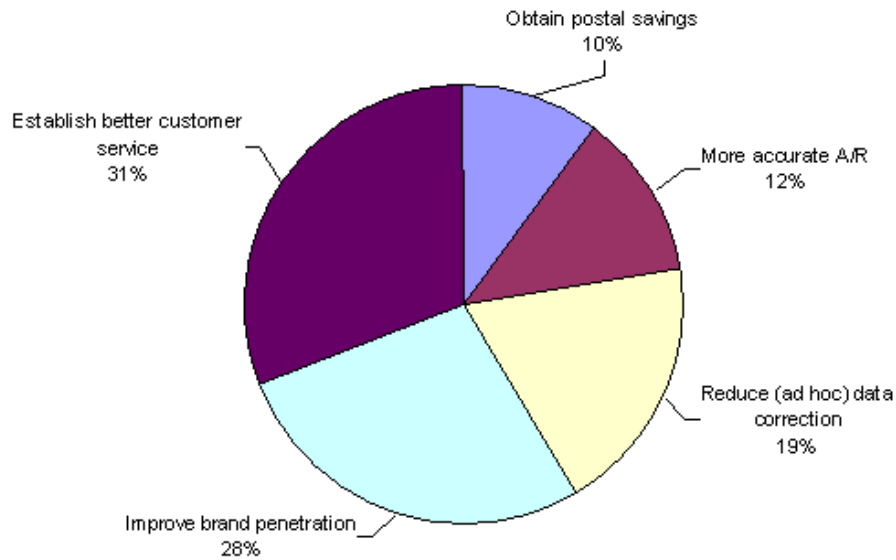


Figure 12 – “Top Three” Measurable Business Results

Bottom Line - The Data Governance Juggernaut

Data Governance Is Becoming “De Rigueur.” During 2006-07, data governance will become a mainstay of large master data management projects such as customer data integration initiatives. For the Global 5000, every MDM-specific RFP that we have been privy to mandates that the solutions provider formally specify a full data governance program – from program definition and skill profiles to execution and communication. Clearly, the duopoly of data governance and data stewardship has become not only fashionable, but also standard in large master data management projects.

Data Governance Must Become “De Facto.” As indicated by the results of this survey, as well as other analyst research, an “end-to-end customer data management” process is the goal for data stewards to manage customer master data over the full lifecycle – from creating or importing customer information, to deduplicating, standardizing, validating, enhancing and retiring it.

Data Governance Will Become “De Jure.” By 2007-08, data stewards will be a common position in both IT organizations and businesses as enterprises formalize this function amidst increasing recognition of information as a corporate asset. As governments focus more on individuals’ rights and businesses’ obligations concerning customer data, we can expect increased regulations and reporting requirements. For example, management and regulators will want to know who creates new customer information, who has the right to do so, who can update it, who can access which views of the unified customer master data, how to merge/unmerge accounts and under what circumstances, etc. Data governance will not be solely focused on the large enterprises but will increasingly be mandated upon all organizations that manage data as a corporate asset. Not only are data quality stewards or sales territory managers on the hook for the veracity of the data they manage, but also the executive ranks are aware of fines and other penalties that await those that are running a large business poorly. Evidence of a poorly run business might include inability to report to Wall Street or the government on the number of customers, patients or students whose critical data is handled by the company. Clearly, data governance will become an ever greater legal and financial liability for those large businesses that do not formalize their corporate data governance processes and positions.

Data governance is in the process of moving from de rigueur to de facto to de jure. Note that the CDI Institute’s “master data management milestones” are strategic planning assumptions to assist IT organizations and vendors in coping with flux and churn of the emerging master data management vendor landscape. Data governance is one such notable milestone as an investment

area that leading IT organizations understand to be a necessary prerequisite to technology evaluations. As the various master data management solutions mature (and the weaker solutions drop out or are acquired), IT organizations would be savvy to start defining the data governance processes for the areas of customer, product, supplier, etc. In particular, IT management must work with the business leadership to design and refine the “future state” business processes associated with the new master data commitments. It is not unreasonable to expect the systems integrator partner or solutions provider to provide both business process and IT process accelerators (e.g., templates, blueprints, and methodology) for effecting corporate data governance as part of the overall solutions evaluation and purchase.

Clearly, data governance goes hand in hand with efficient and effective information integration and business intelligence – two key differentiators in highly competitive industries such as financial services.

Ongoing data governance challenges for these early adopters are projected to include:

- Adjudicating between centralized and decentralized data stewardship
- Evolving key stakeholders from dogmatic “data ownership” to pragmatic “data stewardship”
- Upgrading the notion of “data hub” to “policy/process hub”

The CDI Institute interviewed more than fifty Global 5000 enterprises to extract lessons learned regarding the most effective “best practices” for data governance. This white paper has highlighted some of the most representative experiences and lessons learned. In summary, market-leading enterprises need to:

- Acknowledge that data governance is difficult and IT management will need to embrace a blueprint for success
- Understand the impact of data governance on information integration plans
 - All businesses embrace political structures
 - Data governance is necessary to support politics of both centralized and distributed information integration
 - Without firm commitment to corporate data governance, business unit-specific data governance projects run the risk of becoming “yet another master data mart”

- Initiate data governance initiatives via data stewardship and business metadata definition
- Embrace a corporate data governance methodology to bind process steps, skills and software together to produce data governance deliverables

Clearly, data governance and data quality-driven information integration are inextricably codependent – in both positive and negative senses of the word. IT organizations cannot “go it alone” as data governance best practice experience and accelerators are needed as confirmed by the results of the survey reviewed in this report.

Aaron Zornes is chief research officer of the CDI Institute. For additional info on this topic or other CDI Institute offerings, please contact info@tcdii.com.

Information about data quality and Master Data Integration tools from IBM can be found at <http://www-306.ibm.com/software/data/integration/solutions/mdm.html>.

Information about data governance and the IBM Data Governance Council can be found at <http://www.ibm.com/ibm/responsibility/world/security/data-governance.shtml>.

About the CDI Institute

The business mission of the CDI Institute is “To help IT organizations become more efficient, effective, and timely in their use of master data management (MDM) and customer data integration (CDI) technologies to achieve their customer-centric business goals.” Among the client activities and deliverables are:

- **CDI Advisory Council™** of fifty organizations who receive unlimited CDI advice to key individuals, e.g. CTOs, CIOs, and CDI project leads
- **CDI Business Council™** of 2,500+ Global 5000 IT organizations who receive a limited distribution, bi-weekly newsletter with CDI industry updates
- **CDI Alert™** bi-weekly newsletter provides IT organizations, CDI vendors, and investors hard-hitting insights into best practices as well as market observations derived from interactions with the **CDI Advisory Council™** and the **CDI Business Council™**.
- **CDI MarketPulse™** monthly survey results, e.g. budgets, success/failure rates, mindshare based on ongoing surveys of the Advisory Council and Business Council
- **CDI Fast Track™** quarterly 1-day workshop