

# Data governance as a practice is maturing



By [Gary Allemann](#)

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Data is now widely acknowledged as an asset and as such, businesses are increasingly embarking on data governance strategies, enabling them to understand the financial value that their data holds and the associated risk that goes hand-in-hand with this. They are also developing a keen appreciation of the impact of poor data practices and quality on the business.



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"Data governance is a strategic business programme that determines and prioritises the financial benefits data brings to organisations as well as mitigates the business risk of poor data practices and quality," according to Michelle Goetz, analyst at Forrester Research. Fortunately, data governance as a practice is maturing and there are a number of clear indicators that confirm this.

The technology research and advisory industry - players such as Aberdeen, Bloor, Forrester and Gartner - make a living from producing and selling reports that give prospective clients advice on technologies to manage specific business problems.

## Research delivered

Analysts have been delivering research on data management disciplines such as data integration, data quality and master data management for years. The first Gartner Magic Quadrant for Data Quality tools, for example, was released nearly ten years ago. While Gartner's first Magic Quadrant for Data Governance is still pending, analysts such as Bloor Research and Forrester Research have delivered reports recently. The 2014 Forrester Data Governance Wave positions various vendors based on their ability to provide a sustainable solution and bridge the IT/business divide

These analysts do not deliver reports for which there is no market. A 2015 Forrester Data Governance Wave is pending and is a strong indication that the market for data governance solutions is both growing and maturing. Data governance is no longer just for highly regulated industries such as financial services. In our market, which is arguably less mature than Europe and the USA, we are seeing more and more interest in data governance principles from clients in manufacturing, hospitality, government and retail, amongst others.

## IT spend out of control

This is being driven by the realisation that poor data management practices cost money. IT spend in many companies is out of control whereby a large proportion of spend is poorly allocated. Companies that are beginning to measure the cost of rework, project delays and operational issues linked to poor data management have recognised that they can achieve significant savings by governing data better.

Big data is also raising awareness of the value of better-managed data. Big data is exciting to executives as it promises to deliver new insights to business users, enabling them to improve customer profitability, loyalty and satisfaction. It simplifies the data management issues associated with large, diverse data sets.

Yet, without governance and data quality, big data solutions struggle to scale. The executive focus on big data has extended into a focus on data which is beneficial to drive data governance and for data management in general. Good corporate governance is increasingly linked to sound information governance. Regulations and frameworks such as Sarbanes-Oxley (SOX) and South Africa's King III require board level responsibility for data.

## **PoPI Act**

Privacy regulations, such as the South African Protection of Personal Information (PoPI) Act, also have a strong data governance element. This bill forces companies to govern how they capture, store, use and dispose of personal data. Simply identifying where personal data is stored and how it is used is a significant challenge for most companies.

Data governance teams can provide the frameworks for ensuring these regulations are adequately supported. Where companies previously focused on structures and processes, we are now seeing more attention on deliverables. Many early adopters found that, after months of meetings and after building large teams to manage data, they had very little to show for their data governance efforts. In most cases, these programmes were passive in nature - in effect they were waiting for problems to occur and then putting processes in place to resolve (or debate) the issues.

Now, companies want to get value from their governance programmes quickly. Governance programmes must identify and manage data related risks before they become issues; must govern the documentation of data assets such as the business glossary, or reference data; must go beyond tracking poor data quality to implement sustainable improvements and must provide auditors and regulators with the information needed to meet compliance requirements.

Roles such as the chief data officer are emerging to take executive responsibility for data management. In many cases, their primary focus is to set up data governance and data quality initiatives, define data strategy, and bridge the gap between business and IT from a data perspective. Data stewards are being employed to report into this structure and assist with governance tasks.

## **ABOUT GARY ALLEMANN**

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