Data Governance Best Practices

QWARE

Introduction

Poor data quality is an issue that continues to plague CRM systems. However, with the ever-increasing value placed on quality data, especially with the advent of AI, ensuring your Dynamics 365 Sales (CRM) system is free of duplicates and contains quality data is essential to the success of your business.

Establishing a strategic Data Governance Program will ensure high-quality data is maintained and will also help maintain compliance with industry and government regulations.

About QWARE Limited

QWARE™ Limited has been in the Customer Relationship Management (CRM) marketplace for over 25 years. We are a Microsoft Dynamics 365 Independent Software Vendor (ISV) and with over two decades of product software development and experience in delivering best-of-breed, Value-Add solutions across a wide range of industries, QWARE™ have built a deep level of expertise in the world of Microsoft Dynamics 365, with offices in Europe and North America.

What is Data Governance?

Data Management Association International (DAMA) defines it as the exercise of authority and control over the management of data assets.

Gartner defines it as the specification of decisions, rights, and an accountability framework to ensure the appropriate behavior in the valuation, creation, consumption, and control of data and analytics.

No matter the definition, we will explore the fundamental data governance principles and review some of the data governance's best practices to help you be successful at implementing a Data Governance Program.

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Why is Data Governance needed?

Let's explore some of the main benefits organizations should consider implementing a Data Governance Program.

Security
- Internal – Security across departments
- External – Government regulation compliance (GDPR, CCPA / CPRA, others)

Avoiding Inconsistent Data Silos
- Sales numbers differing across systems – due to poor integration rules
- Record types not clearly defined (Customers vs Prospects, etc.)

Improved Data Quality
- Poor decisions are made based on poor data
- Defined process ensures proper guidelines/policies are followed
- More effective AI for better decisions, marketing and efficiency

More Efficient Systems
- Less work for IT staff
- Can move resources to other areas to support business

Consistency (Trust in data)
- Single source of the truth (Customers, orders, products, etc.)
- Across all systems (Front office/Back office)

Let's look at each of these benefits in more detail.

Security

Maintaining proper data security both internal and external is paramount to maintaining the health of your data and should be part of any Data Governance Program to be implemented.

From an internal security point of view, you must ensure that users have the right roles and security. If you are onboarding new employees, you should determine what rights they receive to the data and how do they receive access.

Externally, you need to ensure you are compliant with any government regulations in your region and you are properly prepared in case of a data breach.

Do you have a plan in place in case of a ransomware attack? Have you defined steps to ensure compliance with government regulations in your region for topics like how you should notify your customers in the case of a data breach, or comply with their "right to be forgotten"? The fines on some of these regulations are very high. For example, Europe's GDPR has tiers of fines, the first one is 2% of your annual revenue or 10 million Euros, whichever is higher!

The bottom line is you need to be prepared and compliant with any governing regulations in case of a security breach.

Consistent Data Silos

To ensure high data quality, it's very important to avoid inconsistent data silos. For example, if you are in a sales meeting and your CEO asks you what your sales figures are, you don't want to be in the position of reporting $1 million but the finance team is reporting $750,000 because your data is not integrated consistently.

Other things which may be contributing to inconsistent data silos include standards not being consistent when sales and marketing users are entering data into the system. For example, marketing could have a different definition of what a customer is versus what Sales defines as a customer and these records could be tagged differently as a result.

Also, consider if data is being constantly imported into one of your systems, the data might be synced with existing systems and rules should be in place to ensure duplicates are not created.

Having a Data Governance Program to set the rules for such instances is invaluable.

Improved Data Quality

Implementing a Data Governance Program will help improve and maintain data quality by establishing policies and guidelines for:

- Removing and preventing duplicates
- Capturing complete data
- Designing efficient forms for easy data capture
- And so much more.

More Efficient Systems

Having a more efficient CRM system will lead to more efficient users across all departments. Imagine all the time saved by your IT department if your data is clean. They will no longer have to keep running dedupe sessions, updating and verifying data, or fixing security issues with the data. With a good Data Governance Program in place, users are going to have a lot more time available to do other important tasks, instead of navigating through duplicate contacts to find the right information.

Consistency (Trust in data)

Assuming you have removed and maintained a duplicate-free system, you will have a Single Customer View (SCV) instead of disparate data across multiple records. By maintaining a SCV, your system will have a single source of truth, allowing users to find records more easily and reducing data entry. All of this leads to consistency and trust in your CRM system with a single version of the truth when you are looking at orders, products, contacts, or accounts, and of course, across all your systems, both front-end and back-end.

Why Data Governance Often Fails

There are several reasons why Data Governance Programs fail, including:

- A lack of understanding of what it entails.

- A plan that is not well defined.

- Responsibilities are given to people who are already too stretched to give data governance the time required to properly implement and maintain it.

- Executives do not understand it is an organization-wide issue and not just IT's responsibility and therefore do not allocate enough resources or enforce its policies to be successful.

- The ROI is not clear for executives and therefore they do not fully understand or support the initiative.

 Let's review some data governance best practices.
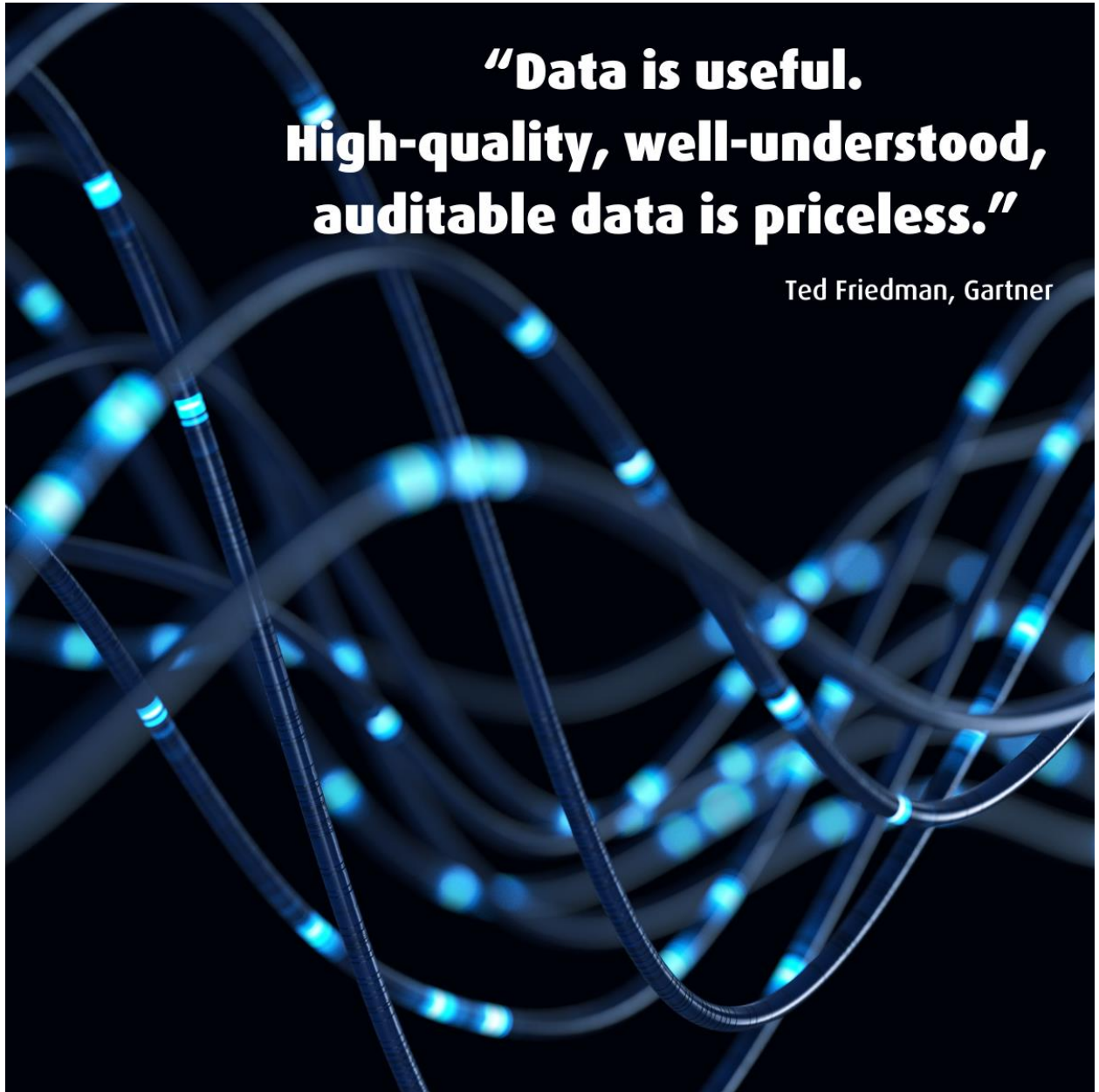
"Data is useful.
High-quality, well-understood,
auditable data is priceless."

Ted Friedman, Gartner

Implementing a Data Governance Program – Defining Roles

Whatever the size of your organization, you should have the following data governance roles identified. If you are a smaller organization, you should assign these roles to the right people, alongside their everyday tasks, with some people having multiple roles.

Here are the roles and their responsibilities:

Executive Level Sponsor
- Secures by-in from other groups/departments
- Representation of the Data Governance Program to other executives
- Provides overall guidance to the Data Governance Council / Team

To implement a Data Governance Program, you will need an Executive Level Sponsor to ensure buy-in and have the power to hold others accountable. The Executive Sponsor will need to ensure that the data governance plan is run as an ongoing program. Their job is to secure buy-in from other groups across the organization and be the Data Governance Team representative to the executives.

Data Governance Administrator
- Face of the Data Governance Program (forms the Data Governance Council)
- Facilitates meetings, delivers information to the team, and drives initiatives.

This person is the face of the program, the person who is going to form the Data Governance Council. They will facilitate the meetings, deliver the information, drive the initiatives, and be the go-to person for the program.

Data Governance Council
- Comprised of members from across the organization
- Sets the strategic goals and directions of the Data Governance Program
- Makes the decisions regarding subjects like:
  - Data Quality standards
  - Architecture
  - Legal Compliance

This group is set up by the Data Governance Administrator, who is also a member. The Data Governance Council will be comprised of members across the organization, from the IT team, department heads, end users, etc. The Council sets the strategic goals, and the program's direction and sets priorities. The Data Governance Council makes all the decisions about what will be included in the Data Governance Program. For example, the standards, processes, architecture, and legal compliance.

NOTE: The Data Governance Council's job is to provide oversight of the data assets, to ensure consistency and compliance, to keep customers' data safe, and to ensure trust in its accuracy and completeness.

Data Steward

The Data Steward is the most important role. Their responsibilities include:
- Day-to-day caretakers of the data
- Define how data access is provided to users
- Define metrics and enforce changes across all departments

The Data Steward enforces the rules that the Data Governance Council has set and is the day-to-day caretaker of the Data Governance Program. They define access security, enforce if people are complying, and work closely with all the department heads and users to ensure that the Data Governance Program is being followed.

You may need more than one Data Steward, especially in larger organizations. For example, there may be a Business Data Steward who knows all the business processes, while a Systems Data Steward will know and oversee the various systems like finance, sales, marketing, etc., and understands how these different systems communicate.

Consumers

The Data Consumers (Users) use the data daily and are on the front lines, so we want to ensure they are happy but also provide feedback to the Data Stewards about any issues they are encountering (duplicates, invalid/incomplete data, etc.).
- Use data daily
- Front-line of data usage
- Report issues with the data

The key here is to think about how you can help consumers do their job better. Give them reliable, accurate, and complete data that is easily accessible on the dashboards and reports they are using.

Drafting the Data Governance Charter

The Data Governance Charter is an outline of why you are implementing data governance and the scope of what it is going to cover, including:

- The systems involved - Single system or multiple systems integrated
- Processes that need to be governed
- Data Governance Council members and their responsibilities
- Success measurements
- Identify key metrics (KPIs) used for performance
- How is the system going and are there any amendments needed
- Security (Internal and external procedures)

The Charter needs to cover various situations including what your plans are if you have a data breach, or the steps needed if someone wishes to unsubscribe. Other topics like security policies for internal access when new employees are onboarded, or move to a different department and when they leave should be fully documented.

The data governance regulations have timelines defined for these items, and you need to document how you will meet those. The Charter needs to be accessible to all staff including new employees, and talking of new staff, your Charter will also need to detail how you are training them and your existing staff on data processes and regulations.

Your Data Governance Program should have regular reviews and be part of your data strategy meetings, or an agenda item in your monthly existing business review meetings. You need to monitor and discuss how things are going after implementing the program and how it can be improved without disrupting your entire workforce.

For example, you should review your dashboards, and determine how you can make them more concise. Is the executive dashboard showing all the key metrics required? These small monthly improvements will improve your data quality over time.

Approaches to Implementing a Data Governance Program

The following are two popular approaches when implementing a data governance plan.

Standard Approach
The Standard approach is used by organizations that want to establish a full Data Governance Program. A summary of the steps to implement include the following:

- Review the existing system – reuse what already exists, fill gaps, etc.
- Build a Data Governance Charter and assign roles
- Create written policies and procedures
- Train users
- Track compliance and refresh training as needed

Passive Approach
Designed for smaller organizations, especially start-ups who may have limited resources or time to develop a full Data Governance Program.

- No major changes, just fill policy gaps
- No new titles/roles
- Formalize existing policies and procedures

- Review existing documentation
- Ensure written policies are easy to find and read
- Add regularly scheduled data governance meetings
- Lay a foundation and slowly build on it
- Start with one area, for example, dashboards and reports, instead of taking on too much initially

Maintaining a Data Governance Program

Remember, data governance is not a one-time project but an ongoing program and should be monitored and adjusted as needed to ensure it is effective and being followed by all members.

You didn't invest all that time and effort into it, to end up right back where you were. It is also important to keep on top of any new government regulations relevant to your region, your customers' locations, and/or industry that could impact your policies.

Let's discuss some things that will help maintain your Data Governance Program.

Data Governance Council Meeting Cadence

Having a regular Data Governance Council meeting cadence is vitally important. Make everyone part of it to ensure healthy data habits. As part of your meeting's agenda be sure to cover the following:

- Discuss if goals are being met
- Any issues that need to be addressed
- Status of duplicates or other data quality issues.
- How is user adoption
- Any change in priorities
- Document how the council communicates changes and to whom and define priorities.

Maintaining a Healthy Data Ecosystem

Now that you have invested resources and time into implementing an effective Data Governance Program, it must be maintained to ensure it continues to be effective. Here are some things to keep in mind.

Measure the Effectiveness of Your Data Governance Program

- Periodically measure critical data points to ensure compliance
- Are expected metrics being met?
- Run routine data quality health reviews to ensure data quality remains high

Document Policies

Be sure to create detailed documentation of your Data Governance Program, ensuring that any documentation is:

- Accessible and easy to digest for new users.
- Clearly defines any roles, responsibilities, and processes.
- Updated as needed including keeping up with changing regulations

On-Boarding New Systems

When onboarding a new system (Sales, marketing, ERP, etc.) be sure to apply your data governance standards and policies. Some things to look for include:

- Are third-party vendors adhering to your standards, especially regarding protecting any of your data they may be handling?

Off Boarding (Retiring) Old Systems

When retiring a system, be sure you have the proper steps in place to ensure any data that was part of that system is being handled per your data governance policies, including:

- Is your IT staff ensuring any data used in the older system is properly migrated and removed from its former database?

- If ending a third-party vendor relationship, how are they ensuring your data is handled or deleted properly?

Summary

Implementing a Data Governance Program is essential to maintaining high-quality data and keeping users and operations running smoothly.

Whether you phase in data governance slowly or dive in aggressively, organizations will see tremendous benefits for years to come.

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