

Best Practices for Driving a Centralized Data Strategy

Why creating the right data strategy can mean the difference between success or failure for any business.



Successfully empowering data to be a strategic enterprise asset requires finding the balance between safeguarding data privacy and risk management on the one hand, while making sure the enterprise extracts maximum business value from it to drive growth on the other. While disagreement on the right data strategy seems widespread, most agree that getting a grip on your data assets is crucial for success in the modern age of digital. That requires a centralized data strategy.

Being able to manage data has become critical to the success of all organizations. Yet even with the emergence of centralized data management functions, many companies continue to be struggling. According to the [International Data Corporation](#), less than 1% of the world's data is ever actually analyzed and up to 80% of all data continues to be unstructured, originating from for instance web pages and mobile devices. And [Harvard Business Review](#) reports that more than 70% of employees have access to data they shouldn't have access to. These figures stress the importance of applying a centralized data strategy in the right way for each organization.

Centralized Data Strategy

A centralized data strategy helps companies introduce single-source-of-truth data delivering trustworthy information that can be used for accurate analysis of performance and trends, so they can make decisions that help drive better business outcomes. It enables users to reduce the time spent on gathering data and checking for accuracy, which in turn enables them to make better decisions that leverage flawless customer experiences.

Define your data strategy

Although the basic challenges of operating enterprises have not changed, the complexity of dealing with them continues to increase. It is all a balance between time, cost and quality on one side, and complexity of new markets and technology, cross-border customers, supply chain optimization and legal requirements on the other. This requires an information strategy that is aligned throughout all organizational levels.

CDOs and data management functions need it for organizing, governing, analyzing, and deploying company information assets. Without the strategy, they will struggle to protect and leverage their data. Building a robust data strategy that can be implemented across

an entire enterprise is key to success as it enables superior data management and analytics—essential capabilities that support managerial decision making and ultimately enhance financial performance.

The strategy needs to break down the information hierarchy into organizational levels (executive, management or employee) and decision types (strategic, tactical or operational). Each of them then has to be paired with the end users, i.e., either internal or external along with their intended role within the information matrix. This is illustrated in figure 1.

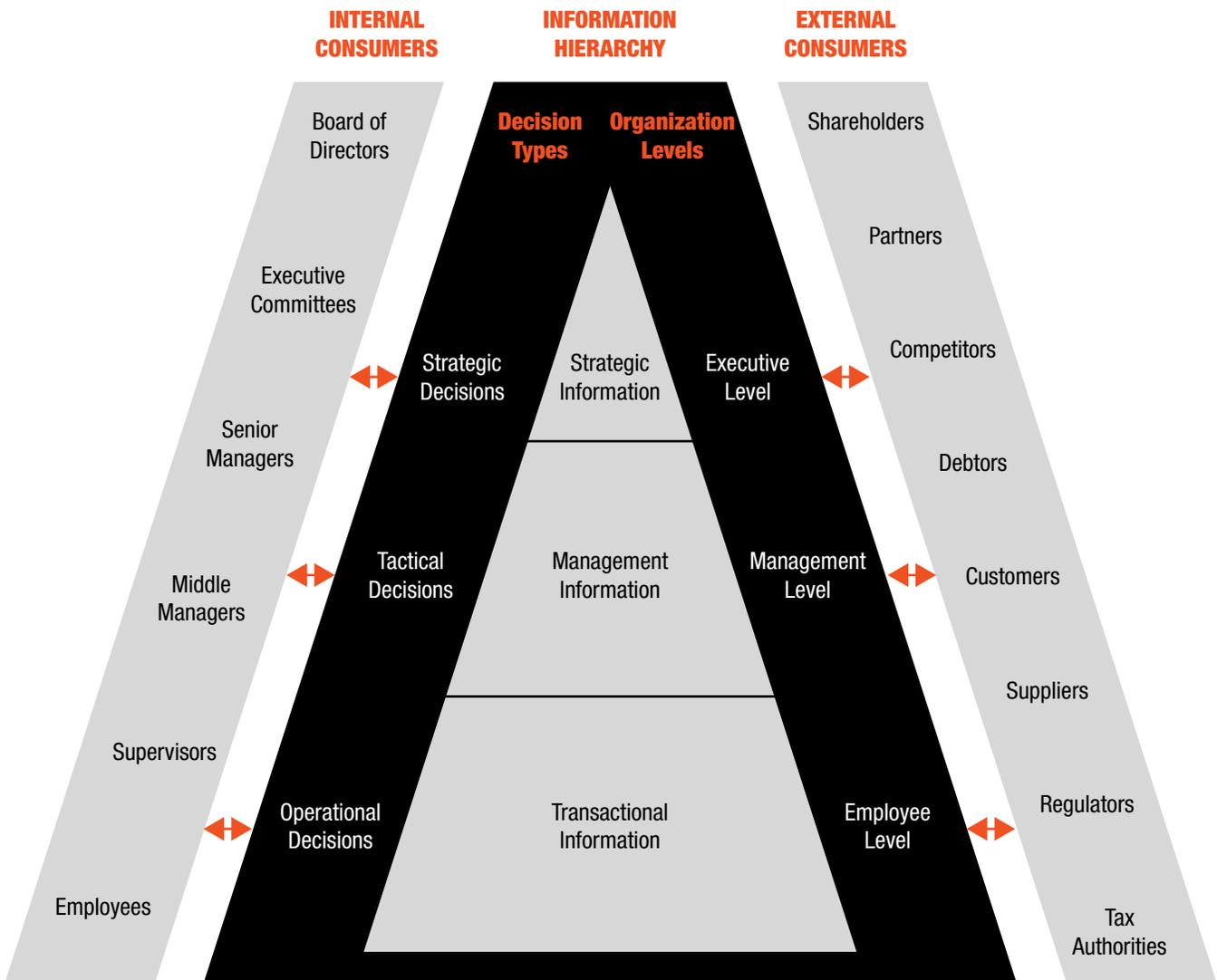


figure 1

Aligning data throughout the different levels, this method leverages drill-down functionality, reliable and fact-based decision making throughout the organization as well as consistent performance management across all business units.

Find the right technology if you haven't already

One of the biggest challenges for CDOs is to remove data silos and make data actionable across the organization without compromising security. Data stored in different and disconnected systems is difficult and expensive to update, safeguard and leverage for better business outcomes.

Master data management (MDM) systems overcome those issues by delivering efficient management of master data, giving you a single point of truth for business-critical data. It supports business initiatives through identification, linking and syndicating of information across products, customers, stores/locations, employees, suppliers, digital assets and more. But it needs to be applied in the right way.

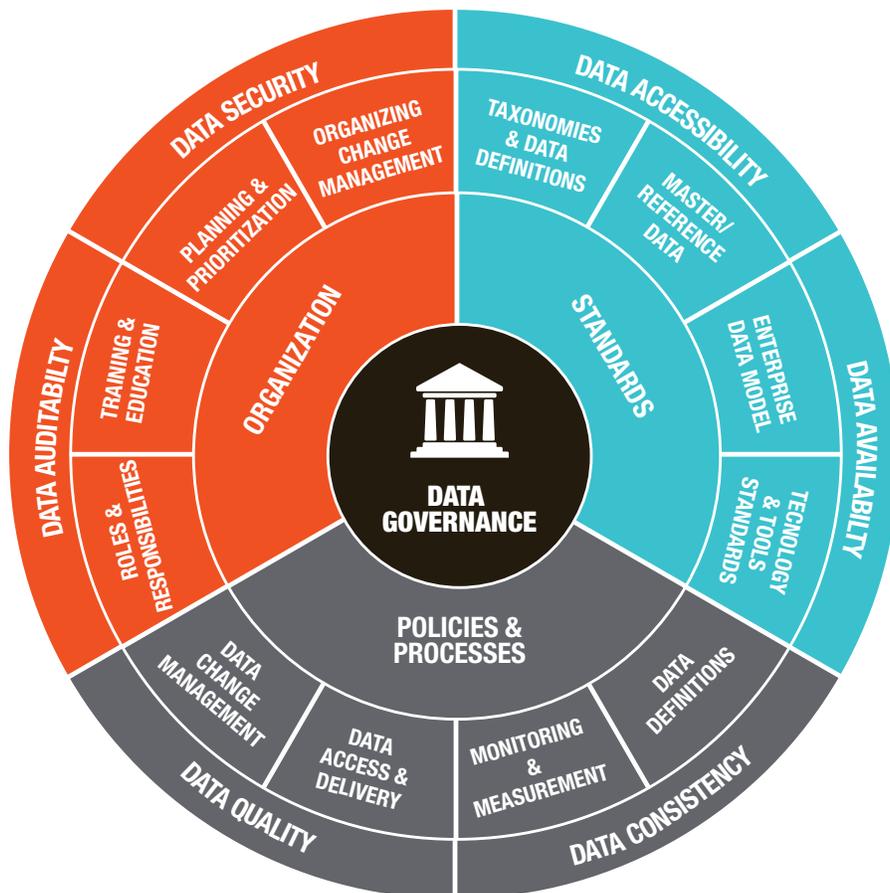
Common data problems:

- Security risks
- Poor data quality
- Disparate data
- High maintenance costs
- Inability to implement cross-departmental initiatives

Get data governance right

To extract maximum value from data, a strong data governance program is needed too. It helps to develop and manage data as a strategic business asset. The success of a data governance program hinges upon a robust data integration infrastructure. This is critical to allow for automation, management and scalability of your data governance program. It requires the implementation of policies and processes, version control and approvals with integrated workflows and business rules to maintain the accuracy and accountability of your information.

A crucial part of getting data governance right is to create the right teams and to use role-based security and access privileges in your central data repository. With that in place, the risk of the wrong people accessing the wrong information will be reduced. In addition, it safeguards the quality of your data by providing editing and viewing rights adapted to different user profiles in your system.



 POLICIES	 MONITORING	 CHANGE
Information object definitions	Data quality definitions	Process definition for changing information objects
Guidelines to secure data quality	Monitoring reports	Alignment with business and IT
Clear division of MDM responsibility	Maintenance activity definitions	

Set up a control framework

To make sure the information that flows across an organization is consistent and correct, you will have to set up a control framework. The control framework defines how you can check and improve your data quality on an ongoing basis and also how you can make sure that the information mirrors what is needed in real-life. Relevant questions to ask yourself in that process include:

- Which rules are to be followed to ensure consistent information throughout the company?
- How can the data quality be checked and improved on an ongoing basis?
- How can you guarantee that the information structures mirror real life needs?

Collaborate and create consensus

Scheduling cooperation sessions with internal stakeholders, such as your product and technology teams, is a good way of driving consensus around your data strategy. It is often the role of a CDO to bridge the business and technology sides of an organization with an aim to achieve business goals. Facilitating dialog and determining how the data flows between organizational silos is another important function of a CDO. To effectively perform these tasks, the CDO needs to have a clear view of the business landscape as well as a deep knowledge of data science tools and platforms.

It never stops

You have defined and prioritized your business data goals and strategies, prioritized projects and problems, created a strong governance program, set up a control framework and selected the best data tools. You're finished, right? Wrong. Successfully driving a centralized data strategy requires an ongoing working effort. As you make progress toward your horizons, you are going to have to evaluate the experiences you are getting in the projects you are doing and use that as a feedback loop to your roadmap. Critically important, you will need to set up regular conversations with all team members about the projects, progress and priorities to ensure they all stay on board and on the same page.

If you are interested in how the CDO can help drive business outcomes through a centralized data strategy based on MDM, connect with us at info@stibosystems.com or visit stibosystems.com

About Stibo Systems

Stibo Systems, the master data management company, is the trusted source of MDM solutions based on a unique business-first, people-centric approach. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data; empowering them to improve the customer experience, drive innovation and growth, and create an essential foundation for digital transformation. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. For more information, visit stibosystems.com.