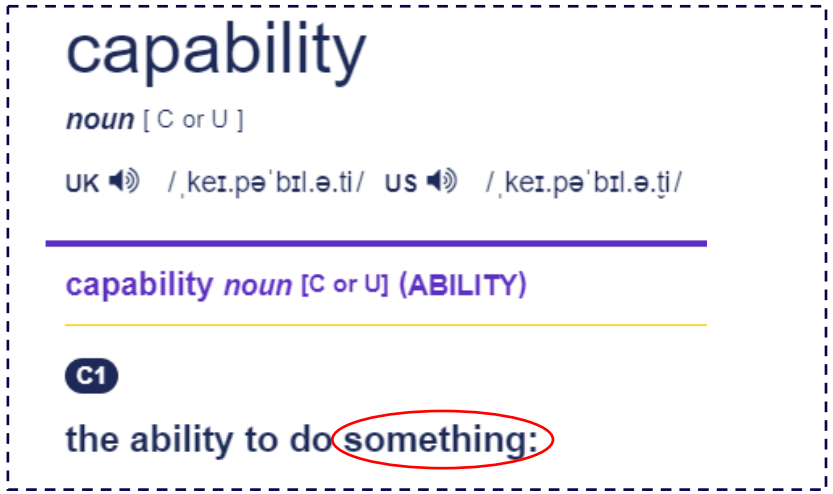
Victorian Centre for Data Insights

Data governance as an organisational capability

Topics covered

- Introduce VCDI
- Define ‘data capability’
- Argue that data governance is the most important factor
- Discuss some of the issues with data governance in the VPS
- Explain what VCDI is attempting to do about it



Cambridge Dictionary definition

Victorian Centre for Data Insights

VICTORIA
State Government

VCDI is the Victorian Government's centre of excellence for data and analytics. It drives a critical agenda for the Victorian Public Service.

Our partnerships and projects help deliver key commitments, improve the government's bottom line, and develop data capability across the VPS.

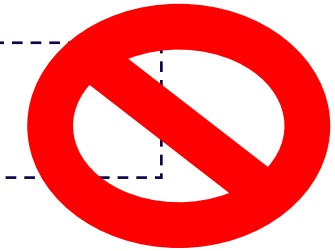
Building data capability: a common mis-step

"Data (and its analysis) is the most significant renewable resource discovered this century."

Productivity Commission, *Shifting the Dial*

We need to build data and analytics capability

Quick, hire some data scientists!



Defining data capability

capability

noun [C or U]

UK /ˌkeɪ.pəˈbɪl.ə.ti/ US /ˌkeɪ.pəˈbɪl.ə.ţi/

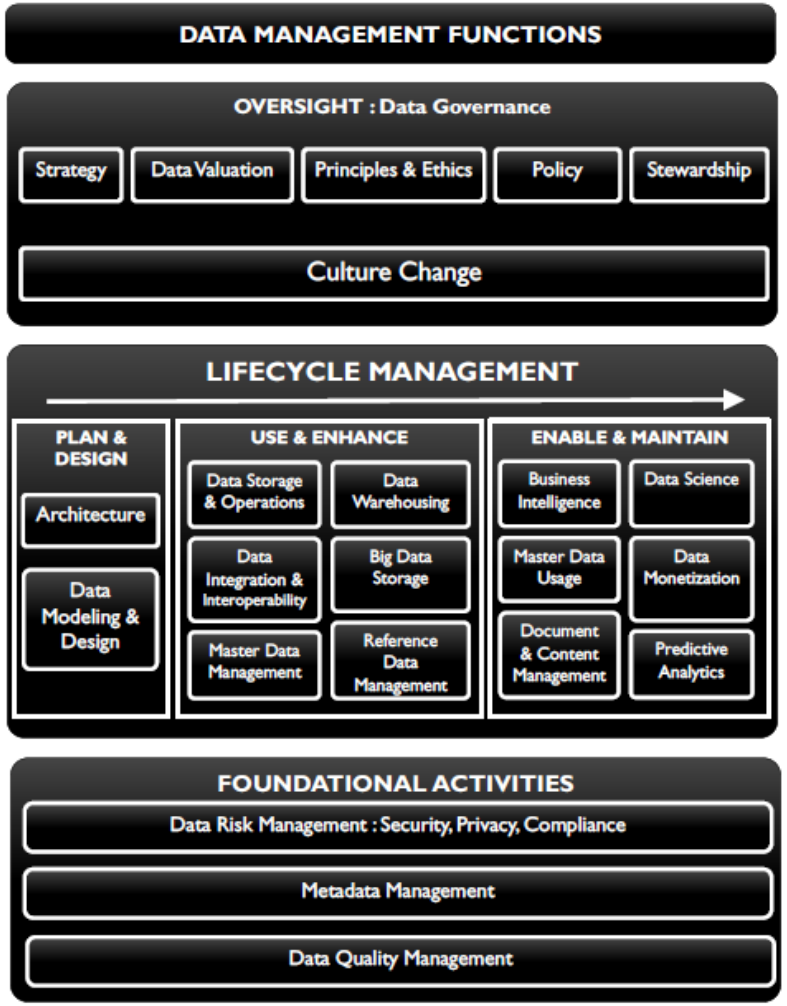
capability *noun* [C or U] (ABILITY)

C1

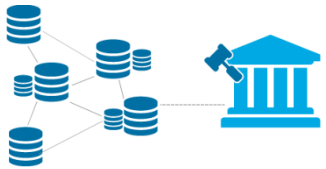
the ability to do something:

All of these functions are the "something"

DAMA Data Management Body of Knowledge



Data Governance: the top layer



- DG is the strategic layer that sits above other data management functions. It is:

  "The exercise of authority and control (planning, monitoring, and enforcement) over the management of data assets." (DAMA)

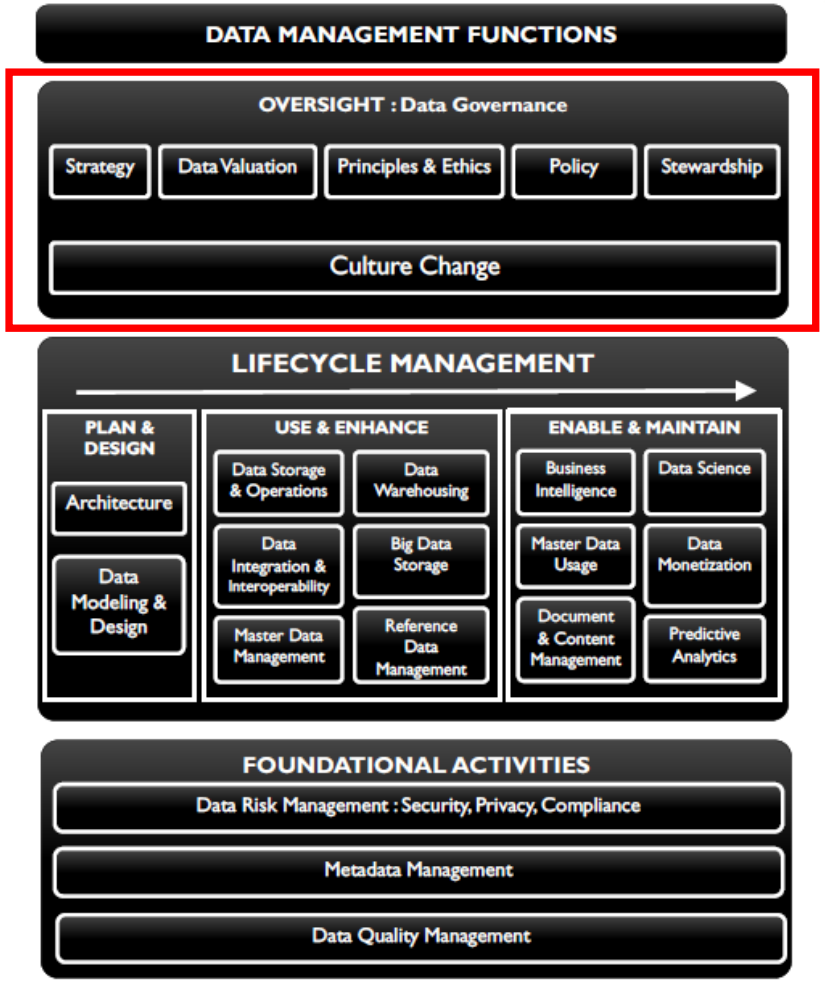
- DG is the most important factor in an organisation's ability to derive value from data.

- It is the only way to drive a coordinated data management program

- DG is the job of **business executives, not IT**. If it's delegated, it's dead.

The most common definitional mistake companies make is using "data governance" synonymously with "data management."

Jill Dyché and Kimberly Nevala



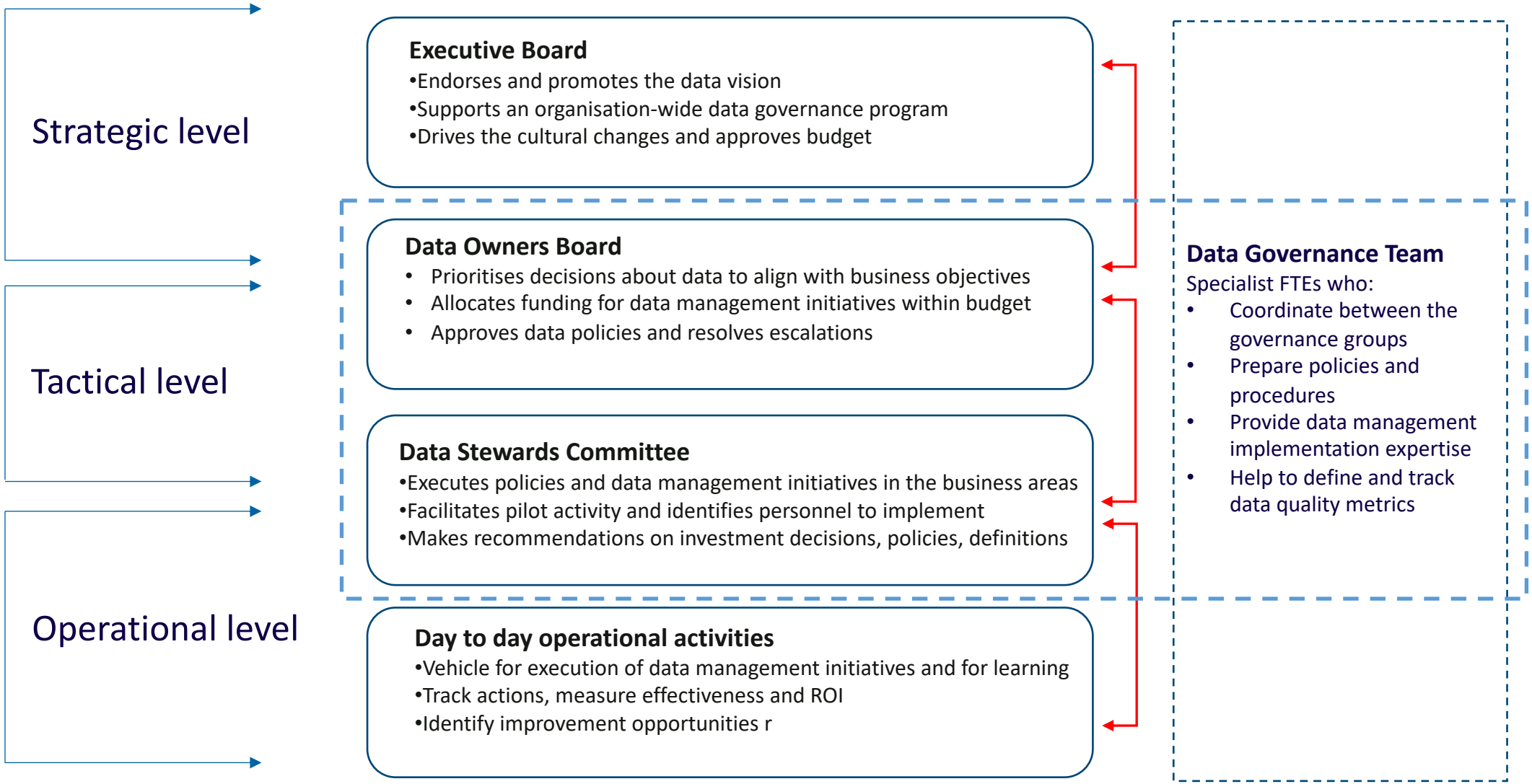
Data governance must focus on the big questions

DG focuses on insights, savings, and risk. It tackles questions like:

- What business objectives and questions can't we address due to poor quality or missing data?
- How can we use our data to find savings and reduce waste?
- Which investments in our data will give us the best ROI?
- Where do we need to share or acquire data to unlock insights and savings?
- Are we using consistent terminology for data, for example when we talk about 'peak hour' or 'client'?
- Do our policies aid good data management, or do they create confusion and unnecessary red tape?
- Where are our big exposures in terms of privacy, ethics, and poor quality data?

By focusing executive attention on these types of questions, DG is the best vehicle for building executive data literacy.

The mechanics of data governance



Regulation is driving data governance globally

Figure 21: Regulatory Compliance

From Dataversity report, Trends in Data Governance:
https://s3.amazonaws.com/external_clips/2956460/7_74342_TrendsinDataGovernanceandStewardship_final.pdf?1547483532

Infringements of GDPR may be subject to fines up to 20,000,000 EUR, or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher

"GDPR? Scary."

Former Executive of US multinational

Three problems with data governance in the VPS

The VPS governs its data poorly, if at all. There are positive signs that agencies are beginning to take data governance seriously, but this opportunity will be lost unless we address the underlying problems.

	Problem	VCDI response
1.	In the absence of guidance, agencies are paying consultants for bespoke data governance frameworks, which is wasteful and creates fragmentation	Provide simplified, consistent data governance resources based on industry standards
2.	VPS agencies don't have the capability to run data governance programs, which means they fail to launch	Provide data governance expertise as a service until agencies can build internal capability
3.	Executives don't properly engage, because they don't see the value and don't see it as their problem	Facilitate targeted discussions with execs about the value they can generate through data governance

Our commitment in the VCDI Strategy to address DG

Response 2: Govern our data to maximise value and remove waste

When implemented in a strategic way, a strong set of decision rights and accountabilities enables an organisation to make efficient, informed choices about its data assets.

There are some barriers to achieving this. The Victorian Auditor-General has labelled the VPS information and data management environment "fragmented and confused".[8] The current complexity contributes to a culture of delegating decisions to process and technical experts. This separates organisational investment decisions and data governance activities in ways that prevent value being derived from data assets.

This strategy responds by drawing on leading practices for accountability-based data governance. Contemporary thinking emphasises non-invasive and iterative implementation. This includes:

- Designing pilot initiatives to learn more about which approaches are most effective in each context.
- Investing in high-impact activities to educate executives about what can be achieved.
- Using champions and existing networks rather than enforcing rigid pre-defined processes at operational level.

Actions

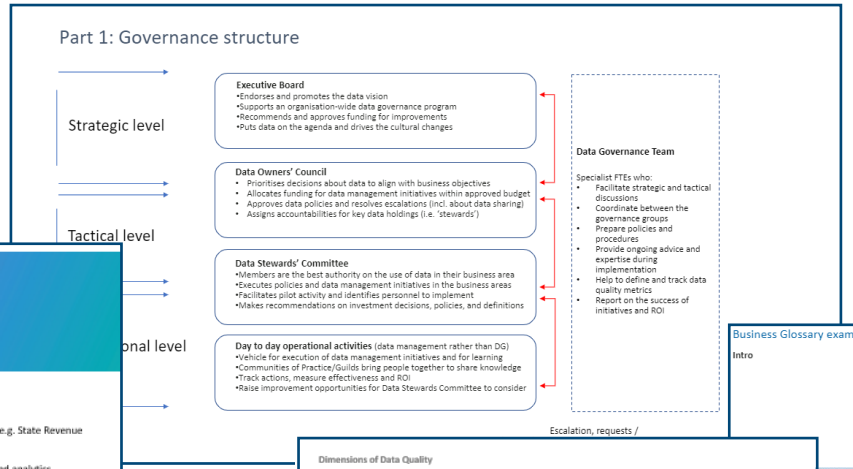
A Develop template documents for leading-practice data governance.

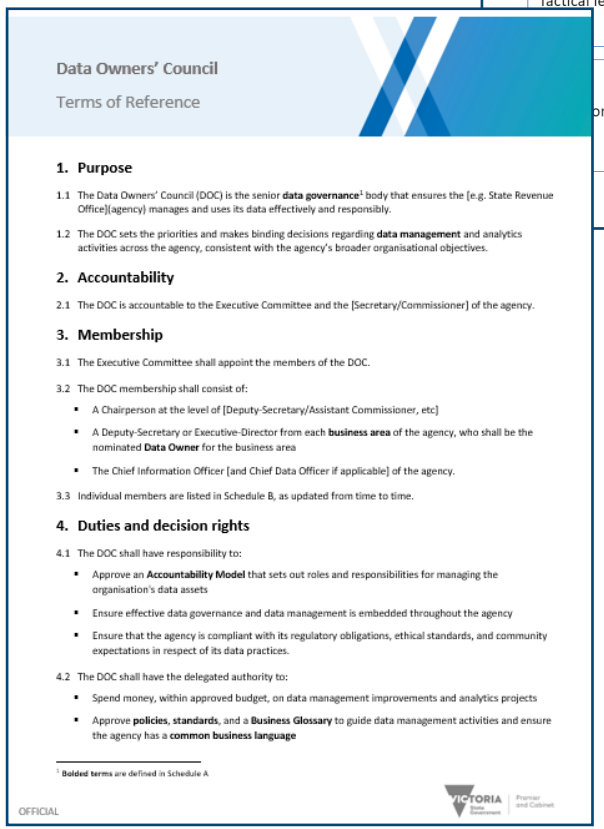
B Pilot a data governance coaching service with a VPS agency that has secured strong executive support.

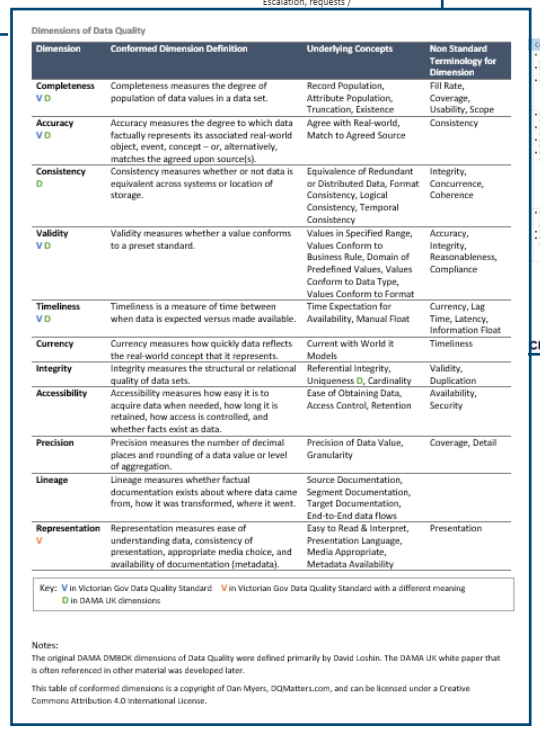
C Refine the data governance approach and replicate in other VPS agencies.

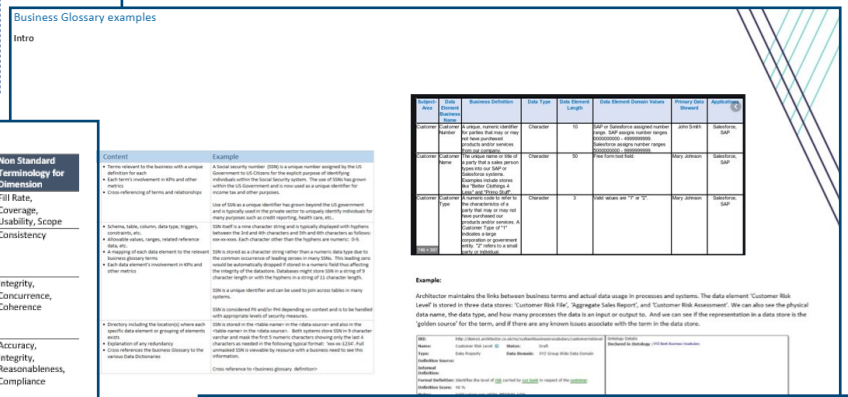
VCDI Strategy available at the following link:
https://www.vic.gov.au/victorian-centre-data-insights-strategy/introduction

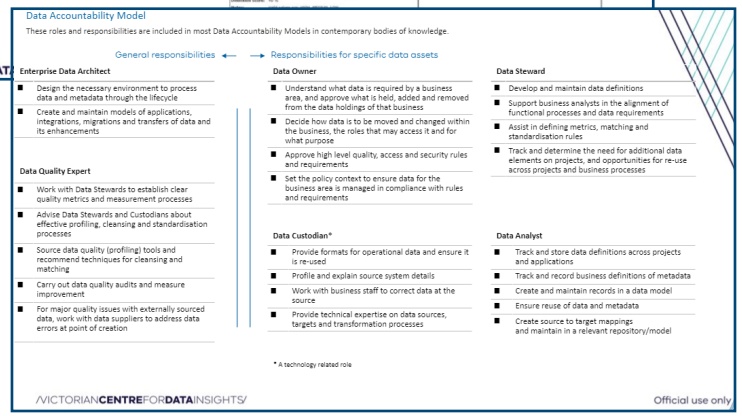
A. Develop template documents for leading practice data governance











B. Pilot the service with a VPS agency with strong executive support

VCDI proposes a very simple, two-phase approach to launching a data governance program with minimal cost overhead or disruption to business.

Phase 1: Foundational activities:	VCDI supporting activities: phase 1
1. Hold discussions with divisions across agency to identify key data holdings, based on their value to the agency and the risks associated with them	1. Facilitate the discussions to ensure that they are targeted and address all aspects of value and risk
2. Identify appropriate Data Owners and Data Stewards for those holdings	2. Ask the right questions to identify the appropriate accountable individual
3. Establish the Data Owners Council and the Data Governance Team	3. Co-design foundational artefacts (e.g. terms of reference, business glossaries etc)

Phase 2: Start governing data	VCDI supporting activities: phase 2
1. Formalise stewardship accountabilities and establish Data Stewards' Committee	1. Provide artefacts and facilitate discussions to help Committee to function properly
2. Hone in on areas for improvement to support identified agency objectives (e.g. data quality, sharing, integration etc).	2. Advise on and test the feasibility of improvement programs, and provide support during implementation
3. Develop core policies and procedures identified by Data Governance Team	3. Input into new policies and procedures as they are developed

C. Scale

1. Demonstrate the return on investment and effort, using the pilots as ‘lighthouse’ projects
2. Refine our products and service offering through the pilots
3. Advocate for other agencies (and the big departments) to run data governance programs
4. Consider policy changes at a whole-of-government level to foster better data governance practices

British Telecommunications Group – DG Case Study

- BT, a former public entity, had data issues across the business, including:
  - No single record of customer of customer, causing problems with billing, delivery, repair and marketing
  - No view of how data was used by multiple business areas, resulting in suboptimal data capture
  - Approx. 15% of assets did not appear on the inventory system
- Improvement began in 1997 with a £20,000 data quality, starting with name and address data in Retail division
- Pilot paid for itself within 3 months through postage savings, which justified dozens more projects
- Program made enterprise-wide in 1999, coordinated by specialist team, an IM Forum and champions in each line of business
- Established reusable methodology for improvements, requiring strong businesses cases for each project with a quantifiable ROI
- Benefits included:
  - Better asset tracking, decreased inventory costs, avoidance of capital expenditure, improved asset utilization
  - Revenue recovery and creation, including correct bills for products and features
  - Better staff morale and retention rates (and higher productivity!)
  - Enablement of electronic business and increased customer satisfaction
- During a seven-year period, BT achieved a cumulative £700 million in business benefits
- Practices are now baked into BT operations, and the company is well-placed to benefit from GDPR.

See: Organizing Data Governance: Findings from the Telecommunications Industry and Consequences for Large Service Providers file:///C:/Users/vict7c5/Downloads/Otto_OrganizingDataGovernance_2011.pdf

Examples of quick wins from DG

Fast issue resolution

- Staff at an **insurance company** who priced policies were neglecting to collect customer D.O.B because it had no impact on price and they were not incentivised to do so. This made integrating data to get a 'single view of customer' impossible.
- DG Council fixed problem by realigning incentives and setting clear expectations.

Common definitions

- The Loan Services and Risk areas at a **financial institution** were using different definitions of 'delinquency date', making reporting difficult and causing much confusion.
- DG broke the deadlock and ensured the new definition was entered into a Business Glossary, which not only cleared up the confusion but freed up resources by enabling Risk to use the Loan Services reports rather than generate their own.

Data quality efficiency gains

- A **company** with no master data was losing 27K a month due to returned mail and need to outsource address standardisation. They implemented a program to:
  - add enforcement at data collection to only allow valid addresses
  - purchase outside data on valid addresses and run standardisation on existing addresses.
- Within 3 months they recouped the cost of the program and were generating significant month-on-month savings.

Better intelligence for operations

- A **shipping** company realised trucks were leaving not fully loaded. This was due to poor, inaccurate product-size data.
- Implemented a project to fix product-size dimensions and enabled 19 trucks to do the job of 20: a 5% increase in productivity.

Examples taken from Data Plotkin's *Data Stewardship: An Actionable guide to effective data management and data governance*

For further case studies, or to discuss VCDI's data governance services, please contact joshua.strong@dpc.vic.gov.au

Victorian Government
Solicitor's Office

Multi-agency information sharing

12 March 2020

Rebecca Radford
Managing Principal Solicitor

Agenda

Practical steps and tips for sharing

- Information which identifies people/impacts on individuals' rights
- Between two or more government agencies to achieve a legitimate objective

Victorian Government Solicitor's Office

1. Know your information and authorising environment

Multi-agency issues

- Reconciling different authorising environments
- Different interpretations of principles/law
- Unwillingness to share

Tips

- Create the right culture
- Map information flows
- Streamline legal advice process
- Victorian Data Sharing Act?

Victorian Government Solicitor's Office

2. What's the practical solution look like?

Multi-agency issues

- Incompatibility of systems and process
- Outdated systems with limited functionality
- Different risk appetites

Tips

- Early information on what's possible
- Get a subject matter expert on the team
- Revisit legal advice and Charter assessments as the solution develops

Victorian Government Solicitor's Office

3. Document your sharing with PIAs and agreements

Multi-agency issues

- Ineffective PIAs or reconciling multiple PIAs
- Difficulties in negotiating information sharing agreements

Tips

- Be strategic with your approach to PIAs
  (share them and revisit them)
- Ensure an ISA clear as to what each agency will do
- Governance processes plugged into each agency's governance process
- Allocate resource to manage

Victorian Government Solicitor's Office

What's in your Information Sharing Agreement?

What and why we are sharing information, and our authorising environment

What each of us will do and how? For example:

- Protections for the information including how it will be stored and maintained
- How will agencies manage data security incidents (including breaches)
- How will we make decisions/govern this arrangement

Manage the agreement

Victorian Government Solicitor's Office

1. Know your information and your authorising environment

2. What does the practical solution look like? Still authorised?

3. Document sharing through effective PIAs and practical information sharing agreements

Victorian Government Solicitor's Office