

QUALITY, ACCESSIBILITY, AND GROWTH: THE BEST-IN-CLASS APPROACH TO DATA GOVERNANCE

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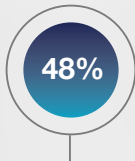


Background

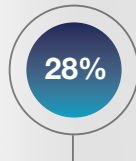
The last few years have seen a sharp uptick in the need for better data. And the urgency of this need has only increased as the variety of information the typical organization seeks to manage expands. While traditional, structured data still constitutes the bulk of information under management, third-party data, unstructured social data, and machine-generated IoT data have become significantly more important to decision makers.

To put this trend in context, consider the following question: How often does a critical decision rely solely on data from a single area of the business or a single data source? The answer here is probably “rarely.” Indeed, business leaders today want to make decisions based on data in multiple flavors and formats, and coming from multiple sources within (and outside of) the company.

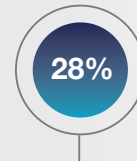
Top Data Challenges for Senior Executives



Difficulty accessing data from different business silos



Minimal or poor data quality is informing too many decisions

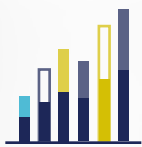


Increased urgency for fast information delivery

Mastering Data Diversity

Master Data Management (MDM) has traditionally been a technology strategy focused on centralizing and organizing data. Today, however, leading companies are taking advantage of MDM's power to make better use of their data.

In a recent Aberdeen report, we considered the ability to improve data quality, as well as the level of organizational trust in data, critical criteria of Best-in-Class companies. Interestingly, we found that improving data quality was not the sole motivator for those companies that had adopted responsible oversight practices. Rather, they turned to MDM in order to address a range of challenges in the contemporary data environment. These challenges include:



Increasingly rapid data growth

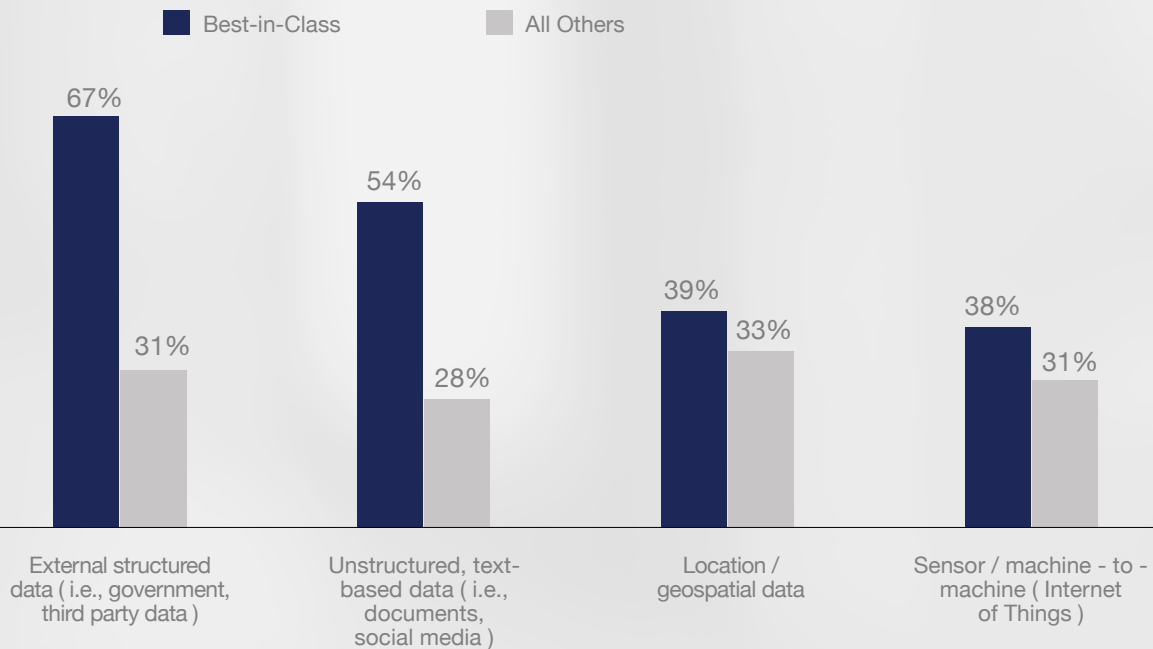


Wider disparity of sources



Greater diversity of data types

Figure 1: Top Companies Crave a Variety of Data



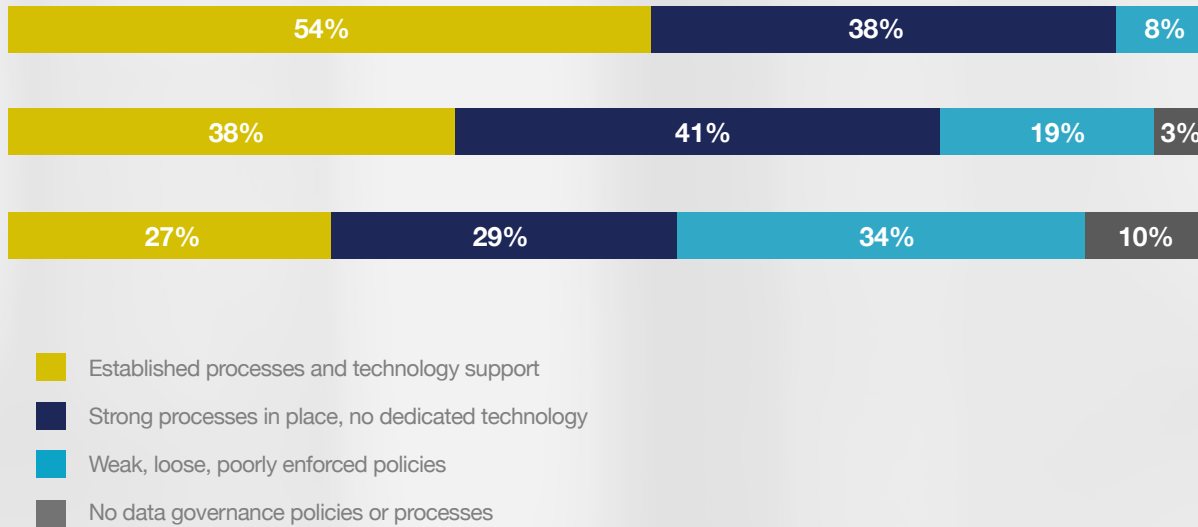
n = 139 Aberdeen Group, March 2017

Data Governance Increases Data's Value

Despite the elevated level of attention that companies devote to their data environment these days, users remain decidedly dissatisfied with their data. According to the research, 60% of respondents feel neutral or dissatisfied with their ability to share information within the organization, and 62% feel dissatisfied with data quality. These two factors alone should be enough to convince organizations of the need for strong data governance.

As it turns out, top-performing companies are much more likely to have adopted an approach to data management that both improves data accessibility and establishes a consistent system of thoughtful data governance.

Figure 2: A Judicious Approach to Data Governance



n = 139 Aberdeen Group, March 2017

Conclusion

Companies employ MDM in a variety of ways. Some use it simply as a technology platform for managing customer data, product data, or some other specific data type. Others use it as a centralized hub that handles a variety of data types from multiple domains.

Best-in-Class companies, for their part, generally adopt fairly formalized and comprehensive MDM strategies because they work with complex and challenging data environments. However, these companies also tend to view their MDM efforts as an opportunity to create real, strategic business value from their expanding foundation of data.

While some might mistakenly associate data governance with bureaucratic red tape that impedes the flow of information across the company, the Best-in-Class approach enhances data quality while simultaneously making data more portable. These top companies not only enjoy a higher degree of data quality and trust, as we have shown, but also experience substantial growth in organic revenue and profitability.

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