

White Paper

Data Governance Complexity

“Data Governance” – Why it’s a recipe for safe business growth – by Fergus Kennedy, Head of Compliance and Information Systems, Pulsant.

The potential benefits that data can bring a business grow as companies develop and look to harness that data to drive enhanced understanding of their own organisation, the markets in which they operate and the customers with whom they engage. Yet, as businesses mature, it becomes ever more important that they fully understand these information assets.

Indeed, having a coherent understanding of its data governance, in other words the overall management of the availability, usability, integrity, and security of the data it employs, is critical to any enterprise. It’s a complex area and becomes more so as businesses ‘spread their wings’. Yet, it’s important that every organisation is aware of the complexity of their own data governance requirements and that their approach to these is able to mature over time.

As an organisation expands, so too does the number, consciousness and definition of information assets within that business - and by extension the complexity of its data governance needs. Small changes in each area will have a significant impact on this complexity.

Pulsant has developed a formula to express this. In our view, data governance complexity is a function of the number of information assets identified within the business multiplied by the number of locations at which data is held and transit points through which it passes multiplied by the number of people and user groups who are accessing and using them. It can rapidly become a real management headache for businesses. Moreover, the more complex the data governance, the more complex the risk, which in turn makes data even harder to manage.

Data Governance – Keeping it Simple

Data governance can be a foundation for growth - either fiscal, in terms of capability, or with respect to keeping up with the market and the competition. But in order to grow, organisations in these sectors need to simplify their approach. That means focusing on streamlining and rationalising their information assets, number of locations and transit points; and the number of people accessing and using their information.

In this way, they can not only reduce the complexity of data governance but also the cost and subsequent business risk of not addressing the issue. Ultimately, understanding data and applying good governance to it is a key element of running a healthy enterprise, whether that business is a public, private or ‘third sector’ organisation.

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Overview of terms

Business Continuity

Keeping your business operating, across IT, people, processes and infrastructure.

Disaster Recovery

Protecting your IT systems from disruption.

Back-up

Protecting your data.

Simplification – Starting to Put Together an Approach

So how can organisations go about this? Their focus should be on simplifying governance complexity by reducing the elements of the equation referenced above. As part of this process, they will need to split out their information assets, including customer information, business and financial; and marketing and advertising information, in order to address each element separately.

That does not mean, however, that they would need a separate asset for every nuance of their information. Rather they would look to group those assets to make the process more efficient and effective.

Remember - simplifying and streamlining the complete approach is key. By consolidating their storage and backup requirements to a third party's managed environment, businesses can retain contractual control; full knowledge of the location of their data and who is accessing it while at the same time understanding the transit points in and out of that data.

It is certainly a much more simplified approach than managing their data, using a distributed tool set; a range of different data protection rules and contracts and across multiple geographic locations and therefore making themselves subject to a broad range of data sovereignty regimes.

Turning to a trusted third party who can manage access to their data remotely on their behalf by maintaining agreed connections and users allows organisation to simplify their user groups and rationalise the numbers in each, enabling them in turn to achieve a significant reduction in the overall complexity of their governance.

Applicable Environments

The above outlines Pulsant's approach to streamlining data governance complexity but within which market environments is this methodology best applied?

It is an approach that is likely to fit any growing business: including start-ups; SMEs or companies that are rapidly developing into medium or mid-size enterprises. But whatever the sector or size of organisation, the approach needs to be consistent. The simpler it is, the better the governance will be and the less the chance of any serious issues occurring.

Typically, as they grow, SMEs and start-ups are likely to migrate from having a computer room in their office to another business managing that computer room on their behalf, most commonly in a central location, so it is available and accessible to all relevant staff.

Organisations will then have the flexibility of being able to tap into that capability as and when required but at the same time 'handing off' the complexity of the management of that environment to a third party, saving them money as a direct result.

It is an approach that resonates across a wide range of vertical sectors, each with their own specific challenges that make simplification of the data governance environment a desirable objective.

The public sector, for example, is governed by procurement rules. The finance sector, on the other hand, is driven in part by the need to comply with the latest industry regulations, including those laid down by the Financial Conduct Authority (FCA). Regulatory oversight is an ever present issue for organisations in this sectors. Credit card providers, for instance, have much to lose from poor data governance. £120 per card is a typical penalty for losing card data, so if they lose 4,000 cards, they may be risking a half a million pound lawsuit and significant damage to their reputation into the bargain.

The charity sector is typically budget-restricted. It is looking to increase capability for as little as possible while keeping costs low. At the same time, these organisations are responsible for managing the medical records of vulnerable people, which if lost or stolen would carry a high risk of reputational damage.

Scoping the Benefits

Risk management is by its nature a time-consuming exercise. Reducing the complexity of a business's data governance will in turn reduce the time and cost of risk assessment and management. Making their data governance less complex will in turn enable organisations to focus on their key governance challenges and consequently have a clear view of associated risks.

In line with this, they may decide to use a third party provider who has external validation and assurance from recognised business, together with associated certifications, to manage the business for them and help them reduce their data governance complexity.

Such an approach will never completely remove the responsibility for an organisation to understand their liability. But third party providers can help eliminate the need for the business to worry about the physical security requirements around their data by moving it to their own offsite datacentre and taking over its management.

Equally organisations can take advantage of the investment these providers make in technology security and segregation and in technical skills and expertise to help address the data governance challenges they might have, and deliver significant reductions in data governance complexity as a direct result.

Find out how we can help your business:
call **0845 119 9911**

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