


Data

done well

How to build on your data foundation and  
be a data-driven organisation





We all know data is 'important'. We know it can improve the customer experience, increase operational efficiencies and create revenue opportunities. But how many of us are really making the most of our data? And are we really confident we are building trust by doing it safely?

This paper explores what it means to 'do data well'. It looks at the evolving challenges businesses face around data and trust. It outlines the questions you need to ask yourself to make sure you're getting the foundation right. And it shows how leading companies are striking the right balance between data-driven value creation and data governance.

# Trusted data matters

**As organisations strive to use data strategically as a business asset – in increasingly complex and innovative ways, and often with third parties and beyond – managing those risks is a growing challenge.**

Headlines are regularly exposing organisations that fail to keep their promises to customers, people, suppliers or regulators often as a result of the way they manage their data. And even though the regulatory landscape continues to evolve, it's not keeping up with the pace of change and contributing to the distrust around corporate data practices.

Having 'trust' over the collection and use of data is therefore one of the most important factors in a data-driven business. Yet many organisations still struggle with the basics of data management and governance. There are many reasons, including historical underinvestment in strategic data

management resulting in 'technology debt' and scepticism around value.

Leading organisations today recognise that closing the data 'trust gap' is a critical step in building resilience and realising the potential of their data. And to do this, they know that their data governance capability needs to evolve at a similar pace to the technology and innovation that is driving new data use.

Importantly, they understand that the role of data governance has expanded from a compliance activity to one that supports the realisation of business value.

Trusted data underpins many priorities in the C-suite

Executive	Chief Executive Officer	Chief Financial Officer	Chief Customer Officer	Chief Marketing Officer	Chief Operating Officer	Chief Risk Officer	Chief Information Officer	Chief Digital Officer	Chief Data Officer
	Shareholder return	Financial leadership	Customer experience	Brand reputation and growth	Operational efficiency	Risk management and resilience	Technology innovation	Digital transformation	Data leadership
Why trusted data matters	Return on investment from data initiatives	Revenue growth through data commercialisation	Enhance customer offerings and experience to build advocacy and retention	Maintain and enhance brand and reputation	Drive operational efficiency initiatives	Confidence in business decision making	Realise adoption of advanced technologies such as artificial intelligence	Enable integration of digital into all aspects of the business	Transform data practices to enable strategic business priorities
	Revenue growth through data commercialisation	Return on investment from cost-out and automation initiatives	Optimise customer profitability	Drive brand differentiation through trusted data commercialisation	Drive 'cost out' and automation initiatives	Meet regulatory and legal requirements	Enable data commercialisation initiatives (e.g. APIs)	Enable development of disruptive business models	Facilitate shift in focus towards trusted data commercialisation and growth

# Understand

# the data ‘trust gap’

**To close the trust gap around data, you need to understand what’s driving it. We’ve identified five key themes that can undermine trust in data and put your business outcomes at risk. The relevance of each theme to your organisation will depend on the industry in which you operate.**

## 1 New technologies are increasing the scale and complexity of the data eco-system

New technologies such as Artificial Intelligence, Machine Learning and the Internet of Things are driving an unprecedented ability to collect, process, model and derive value from personal and other data. This is leading to new demands, needs and requirements on data governance.<sup>1</sup> For example, the requirement to understand and be transparent about the data limitations or biases which may impact the effectiveness of these technologies. New technologies can also be used to change or enhance traditional data governance practices. For example, faster and more automated decision-making processes or machine learning enabled data quality profiling and anomaly identification.

## 2 ‘Data predators’ are driving disruption and competition

In the data economy today, the cost of participation is low, and incumbent businesses are under increasing pressure from new or emerging competitors – digital or otherwise (we call them ‘data predators’). There is an urgent need for a sustainable platform for managing disruption and driving competitive differentiation through data. This is where better data governance can help. It can be the mechanism that connects the enterprise and breaks down silos to better coordinate investment, maximise opportunities and tackle priority issues. It can streamline commercial decisions about data use to optimise value for the enterprise, including new products and other innovations. And it can also set you up for business model change, whether that be a divestment or setting up a ‘digitally native’ business model from scratch. As the cost of playing in the data economy rises due to more complex regulatory and customer expectations, enhanced data governance practices will be a critical competitive advantage.

1. Source: PwC, *2019 AI Predictions: Six AI priorities you can’t afford to ignore*, 2019

2. Source: Forrester, *Design data governance for the data economy: Visionary vendors and data providers address new requirements*, 2018



**Taking data to market adds a whole new dimension to data maturity. When betting company strategy on data-derived insights, data buyers become increasingly demanding of their sources. They must protect their businesses from risks to both revenue and reputation. Not only must would-be data providers build the new product or service, they must also address complex regulatory and commercial requirements.”**

(Forrester, 2018)<sup>2</sup>

### 3 Scrutiny and regulation is rising

The more you collect and use data, the more susceptible you are to shifting public policy expectations. Scrutiny of data breaches and their impact continue to receive prominent focus in the media. Obligations around the collection, management, storage and use of data are increasing, and regulators are becoming more proactive in their enforcement.<sup>3</sup> Globally, the response to the GDPR live environment has continued this trend and in some jurisdictions, regulations such as the California Consumer Privacy Act, BCBS 239 and Open Banking are requiring organisations to bolster aspects of their governance efforts, including implications for Australian-based multinational enterprises. In Australia, the Consumer Data Right, Open Data, CPG 235, proposed increased penalties for data misuse and a heightened focus by regulators on data quality in sectors such as Financial Services, are lifting the bar for both incumbents and new players.

### 4 Stakeholders expect data will be safe

Customers, employees and other stakeholders are demanding increased transparency on how data about them is collected, used and kept secure. As custodians of personal information and other business data, organisations need to protect their data to build and maintain the trust customers and other stakeholders place in them. Organisations may risk losing their right to collect and use data – their ‘licence to operate’ – if they fail in their obligations and commitments. Recent moves in Europe for example, have highlighted the unease of regulators with the so-called data broking industry. Organisations also need to make sure they keep in step with society’s changing and evolving expectations around data.

### 5 The ‘data quality’ challenge is getting more difficult

The more you use data, the more you realise how much data quality matters. Unreliable or poor quality data can significantly undermine an organisation’s ability to deliver actionable and intelligent insights. Poor data quality can negatively impact customer experience and drive operational inefficiencies through multiple touchpoints and rework. It can also lead to increased reputational and regulatory risk.

3. Source: PwC, *Privacy and Security Enforcement Tracker*, 2018

4. Source: PwC, *22<sup>nd</sup> Annual Global CEO Survey*, 2019

“Organisations struggle to corral data into useable and actionable intelligence, and the main reason for their frustration is ‘lack of analytical talent’, followed closely by ‘data siloing’ and ‘poor data reliability’. Without clean, relevant, and labelled data, organisations are stymied in their efforts to move aggressively on AI, which CEOs overwhelmingly ‘agree’ will have a significant impact on their business within the next five years.”

(PwC, 2019)<sup>4</sup>



## Data Predators: Who are they and how do they exploit your data?



May or may not be competing directly with an organisation but see value in its data and look for ways to access and exploit it



Access may be explicit (e.g. buying data through contractual arrangement)



Clandestine methods may be utilised without value exchange (e.g. harvesting via 'contractual silence' or exploiting loop holes)



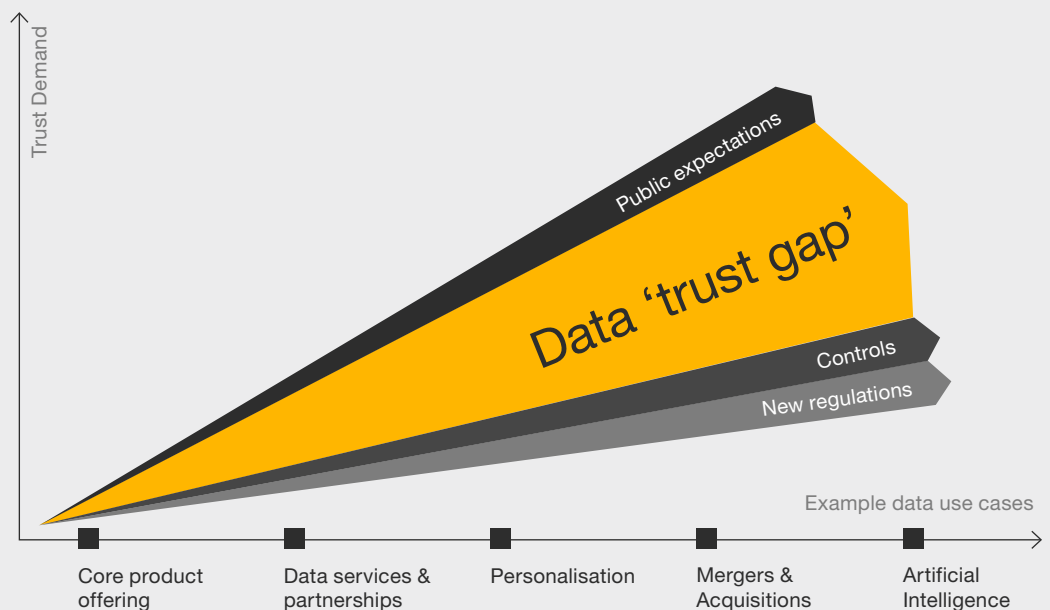
Often they do not enforce the same standards for data governance, privacy and protection as incumbent organisations, putting data at risk



May have longer term strategy to disrupt market or competitor using harvested data

## Data governance demonstrates value by bridging the data 'trust gap'

Bridging the data 'trust gap' requires organisations to consider the questions on the following page



*Illustrative only*

# How good is your data governance?

**Data governance creates a platform for bringing the business together to assess whether its data needs are being met, enabling the realisation of business outcomes and bridging the data ‘trust gap’.**

However, under-developed or ill-informed data governance can undermine the trust in data, waste organisational resources and compromise the realisation of the business’ strategic priorities.<sup>5</sup>

Consider whether you have, or are about to go through any of these events:

- You need to prove the quality of data that is reported to the market, regulatory bodies or other stakeholders.
- There is a change to regulation, or you are grappling with the complexity of overlapping regulatory data requirements.
- Your internal review mechanisms (for example, Quality Improvement Programs, Internal Audit etc) identify recurring or systemic data issues.
- You are embarking on strategic business or technology investment programs, including for new technologies.
- You are looking to commercialise your data or realise greater value from your data assets or investments.
- You are considering entering into commercial arrangements for sharing data, either internally or with third party organisations.
- You are revisiting your business model or customer propositions in response to actual or anticipated disruption from ‘data predators’.

Here are some questions to ask to assess whether your approach to data governance is delivering ‘trusted data’.

How many of these questions can you confidently answer ‘Yes’?

1	Data risk and regulatory obligations are understood and managed. Data is collected, used and managed in a way that enhances the organisation’s reputation.	Yes No	5	The key data assets for realising optimal customer, business and regulatory outcomes have been identified. Critical gaps in data assets are known.	Yes No
2	The data environment is secure and access to critical data sets is appropriately controlled.	Yes No	6	The data focus is increasingly targeted towards realising the potential in data as historical issues of accuracy, consistency, timeliness and access have been resolved.	Yes No
3	There is a high degree of confidence in internal management reporting or the reporting you provide to your stakeholders, such as regulators.	Yes No	7	For data that is shared or sourced inside or outside of the enterprise, data providers know where the data has gone and data users know where it’s come from and how it was collected.	Yes No
4	The data needs for high priority business improvement and remediation projects are understood. Work is underway to implement preventative controls.	Yes No	8	Data strategy is clearly linked to key data assets with plans in place to realise tangible business outcomes.	Yes No

If you answer ‘No’ more often than you are comfortable with, it might be time to revisit your data governance strategy.

5. Source: Forrester, *Your business is only as fast as your data*, 2018

# How leading organisations ‘do data well’

In a world where organisations are only scratching the surface of what is possible with data, the ones that succeed will be those that strike the right balance between data-driven value creation and data governance.

So, what does such an approach look like? A great place to start is making sure you are investing in all the capability areas that comprise a holistic model of data governance:

A holistic model of data governance includes six key capability areas



## Monetisation

Protect and enhance the commercial value of your organisation's data assets



## Ethics

Define the risks and opportunities in the use of data (including ethical and value-based data uses) as part of organisational value creation



## Quality

Define and manage the quality, consistency, usability and availability of data including data definitions, data discovery and lineage and metrics across the value chain



## Privacy

Define and manage the requirements to comply with legal obligations for privacy



## Protection

Define and manage data security, access and use rights and prevent data loss



## Compliance

Manage risk and monitor compliance with regulations, standards and procedures

Capability areas prioritised according to your organisation's needs

At a more granular level, the following pages outline six practices leading organisations adopt to build a robust data governance system and safely unlock the true potential of data.

1

Align data governance with your strategic business agenda

**Design a data governance strategy that prioritises initiatives aligned with business priorities**

This makes it easier to show how data governance builds and maintains trust in the data that matters most for priority business outcomes and enables more effective data innovation, as illustrated in diagram below.

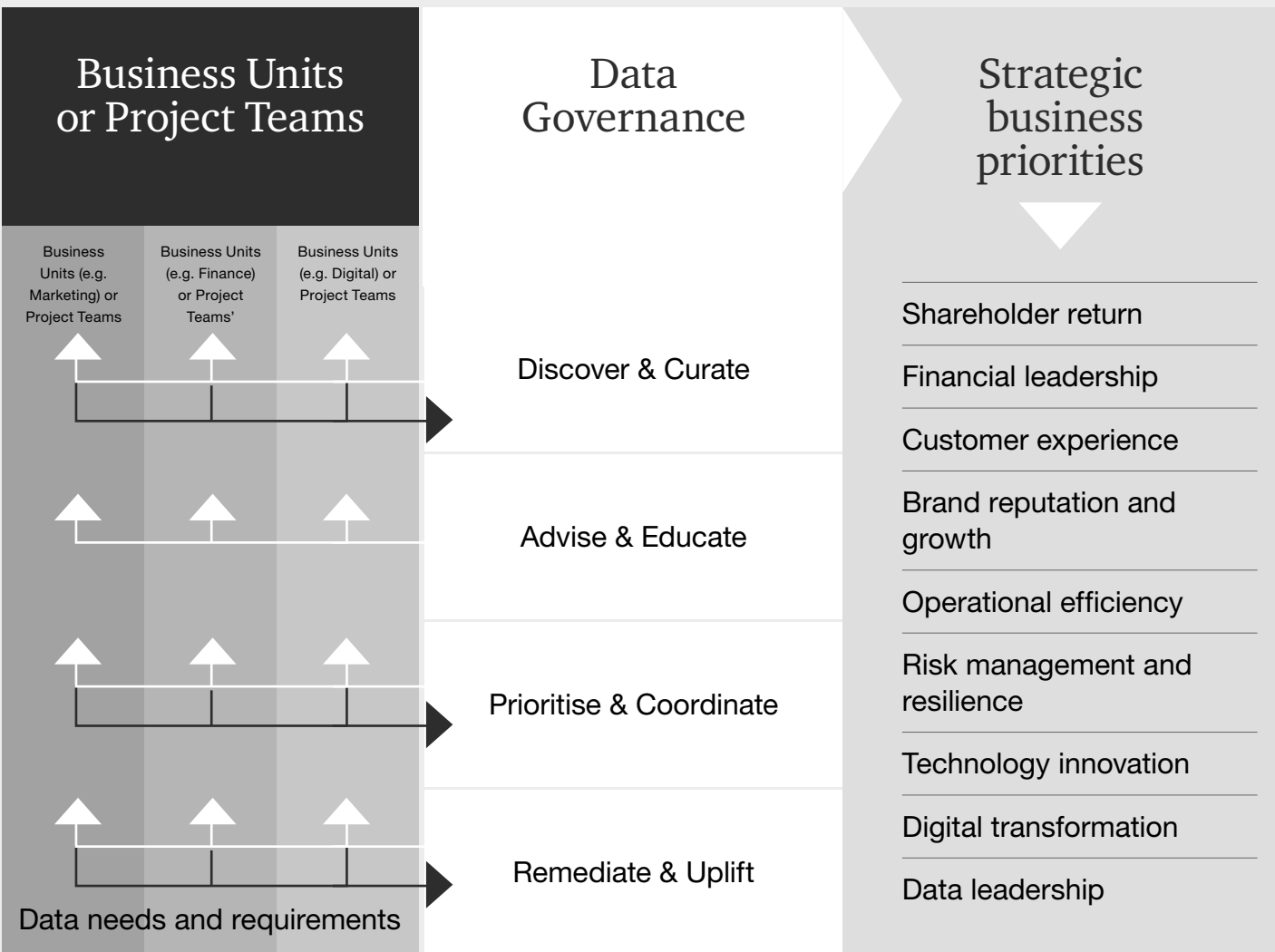
**Develop an approach that is sensitive to the business but with the backbone to stand its ground**

Embed data governance into the organisation’s funding and project delivery cycle to raise the bar in terms of expectations and demonstrate incremental change and alignment with priorities.

**Use agile delivery processes**

This can include pilots and prototypes to take strategic data use and sharing priorities from proof-of-value stage to enterprise-wide capabilities, quickly demonstrating the value of governance activity.

Data governance can cut through silos to realise business priorities independent of organisational structure and ways of working



2

Consider the long-term commercial implications of data use and sharing

**Understand the data you have and its value**

This applies internally and in the market. And know the data you don't have today that might be valuable to acquire in the future.

**Establish a consistent and coordinated approach**

Maximise return from data use and sharing by directing data commercialisation activity to the most appropriate channel to market. Monitor for the impact of 'data predators' across the business value chain.

**Data users care where data has come from, and suppliers must know where it's going**

As the data supply chain extends beyond the enterprise, concerns about data's origin, how to access it, how to use it and how it is protected extend along with it.

3

Answer the 'should we' as well as the 'can we' question

**Accept that increased data collection and use creates both opportunities and risks**

Simply meeting legal requirements is often not enough to satisfy the increasing expectations of customers, employees, suppliers and society. It is important to also be as transparent as possible on data use and its limitations.

**Explicitly consider ethical implications when evaluating new data uses**

Data uses deemed to be higher risk should be periodically re-evaluated and monitored.

**Continuously listen to stakeholder expectations**

Adapt data collection, use and sharing practices to respond to rapidly changing stakeholder demands.

Considerations for ethical data impact assessments

'should we'

**Assess**

Who are the relevant stakeholders and what is the impact for them?  
What are the potential consequences if the data activity becomes public?

**Decide**

Does the balance of benefits and mitigated risks support the data activity?

**Listen**

How are stakeholder expectations or perceptions changing the data 'trust gap'?

**Adapt**

Are you prepared to change data activities and use?

'can we'

**Purpose**

Are we being open and transparent about the true purpose of the data activity?

**Understand**

What is the nature of the data and is it fit for purpose?

**Source**

How reliable is the data source and do you have the right to use it?

Does the data provider have explicit consent to pass on the data to a third party?'

**Credentialise**

Who are the actors involved in the data activity (vendors, partners, clients)?

What are their motivations? Is their data environment secure?

4

Think beyond control – think ‘enabler’

**Data governance should sit alongside key decision-makers**

It should leverage and supplement existing capabilities, not exist in a backroom unable to influence or drive change. Just as the brakes on a racing car help it go faster, leading organisations recognise the same concept holds for the governance of data – it’s a critical enabler of high performance.

**Recognise that the role and skills of a successful data governance practitioner have evolved**

From technical and solution focussed to business change agents who are able to understand business problems, be credible and influence a broad range of stakeholder groups.

**Measure the fiscal impact of data governance investment**

This may be part of a ‘balanced scorecard’ of metrics. Share the tangible benefits delivered, the effect on the organisation’s strategic priorities and success stories across the organisation.

5

Invest in the cultural shifts required to become data-driven

**Define clear accountabilities, decision rights and processes for data**

Address all aspects of data governance from data investments and partnership opportunities, through to prioritisation of data quality remediation.

**Develop and reinforce the importance of data literacy**

Plan for the behavioural shifts required and cultivate an awareness and training program.

6

Use technology to streamline and improve data governance practices

**Combine automation with artificial intelligence or machine learning technology**

Create more sophisticated data management and governance controls and techniques. Smart automation can help employees spend less time ‘managing data’ and more time using data to pursue strategic gains.

**Start by identifying immediate areas for automation**

This includes those areas characterised by data ‘bottlenecks’. In other words, highly repetitive tasks involving data extraction, preparation and manipulation.



By 2023, AI-enabled automation in data management will reduce the need for IT specialists by 20%”

(Gartner, 2019)<sup>6</sup>

6. Source: Gartner, *Our top data and analytics predicts for 2019*, 2019

# Where next?

# 1

**Prioritise your organisation's data needs including opportunities to bridge the data 'trust gap'.**

# 2

**Tailor your approach to establishing a holistic model of data governance, including whether this capability is set-up to truly service your organisation's data needs.**

# 3

**Embed the enhanced data governance capabilities across the organisation, with a focus on enabling strategic business priorities.**

## Data Governance Strategy | Enablement | Assurance

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