Why You?

Chances are, when you think about taking charge of enterprise data management, the first question that springs to mind is, “Why me?” It’s a reasonable question, and after all, the growing data-management imperative has even given rise to a whole new C-suite job role, the Chief Data Officer. Isn’t this all just their problem to deal with?

Well, it’s true that enterprise data management is a big issue for the CDO, and you’ll probably find yourselves working very closely together to improve it. But, as a finance leader, poor data management impacts you and your department perhaps more than any other area of the business.

If data is managed poorly, it can have some big impacts:

- **Reporting on and complying** with strict financial and data-retention regulations can start to feel next to impossible.
- **The analytics you use** to deliver value to the rest of the business will drop in quality, in turn impacting the quality of business decisions made.
- **Huge amounts of time** can be wasted sifting through data and attempting to piece together reports, meaning that many opportunities to add value are lost.
- **Inconsistencies can creep into reports,** with huge potential ramifications for you and the business as a whole.
- **Huge risks can go unnoticed,** leading to major problems for your business in the future.
- **Information gets lost** and hidden at the edges of your data infrastructure, so you miss out on the value it could deliver.

That’s why you need to take a leading role in mastering enterprise data management. You understand what your department needs to accelerate reporting, improve the quality of analytics, and take the effort out of data governance, so it’s up to you to drive your organization towards it.
The Modern Data Dilemma

Data is one of your enterprise’s most valuable assets. It can help you learn more about your business, your processes, and your customers—enabling you to make million-dollar decisions with confidence—and it’s the fuel that drives many of your core practices and operations.

You simply can’t do without it. But with the volume of data your organization handles rising every minute of every day, and data sources becoming increasingly diverse, staying in control of enterprise data is far easier said than done.

The trouble is, not having that control can have serious implications for you and your business. If you can’t control data and manage it effectively, how can you hope to meet the ever-growing number of regulatory requirements placed on companies like yours, let alone think about getting the most value from it? And if you can’t trust the quality of the data, can you really trust the analytics and business intelligence your data supports?

The time has come for a new approach to enterprise data management—one that’s unified, simple, efficient, and built for the complex data requirements of today’s finance organizations—and it’s time for the CFO to get involved too.
Achieving Excellence in Regulatory Reporting

Few things take up as much of Finance’s time (or indeed warrant as much attention) as regulatory reporting. It’s a process that never stops, and one that consumes a huge portion of your valuable finance resources—resources that you’d probably prefer to use on innovative, value-adding activities.

The problem with reporting currently is that the disparate, complex, and often confusing way that data is managed across lines of business has turned it into a massively time-consuming and frustrating process. Since 2012, firms have continued to spend more than 50 percent of their time preparing regulatory reports versus performing analysis and review\(^1\)—which means many are failing to extract any real business value from the process.

For some companies, automation has helped. But siloed data, inconsistencies, and a lack of a single source of truth for all business data have left many institutions wondering where to start.

To help institutions effectively optimize their reporting processes in light of these challenges, the Federal Reserve has outlined a five-level reporting Capability Maturity Model (CMM). In meeting the requirements at each level, financial institutions can slowly work towards reporting excellence, by gradually improving both reporting processes and the data-management processes surrounding them.

\(^1\) E&Y 2015 Federal Reserve regulatory reporting survey
• **Level one** involves undocumented processes that are chaotic, ad hoc, uncontrolled, and reactive. This, for many companies, is the starting point.

• **Level two** requires you to make processes repeatable and document them properly. However, at this stage, repeated processes may still yield inconsistent results.

• **Level three** builds on level two, requiring you to clearly define reporting as a key business process, and document it fully.

• **Level four** requires you to quantitatively manage and control the reporting process, in accordance with agreed-upon metrics. Here, the way you manage data will make a big difference, and strong governance can directly drive strong reporting.

• **Level five** is optimization. To reach this stage, you need to continually improve processes through feedback, adjustment, and innovative use of supporting technology.

The real beauty of this model is that it doesn’t just help you improve reporting. By achieving what’s required at each stage, you set your company up for better data management and governance across the business—and by extension, lay the foundation for a more informed approach to risk management.
Progressing through each level helps your institution deliver on data management best practice. Oracle Financial Services Analytical Applications support the CMM at every stage:

- A unified data model provides the foundation for meeting multiple analytical and regulatory needs
- Common infrastructure and metadata capabilities for data lineage helps to meet the basic requirements at levels one and two
- Comprehensive regulatory reporting tools make compiling and delivering clear reports and complying with level three requirements simple
- Rich data governance capabilities and a powerful rules engine help you to create and enforce strong policies for maximum data quality, and tick the right boxes at levels 4 and 5
In any financial institution, risk is an extremely important issue. The recent financial crisis served as a sobering reminder of the impact that every financial decision you make can have, and that your attitude towards risk will always directly determine the future of your organization.

Nothing in finance is ever truly risk-free, but data is your key to understanding just how risky your options, opportunities, and operations truly are. With inconsistent, poorly managed data, you don’t get a true picture of any of them, so lucrative new opportunities remain hidden and poor practices continue that could cause serious damage to your organization.

New business-intelligence initiatives powered by clean, coherent data can help you change the way you look at risk forever. You can make sure that every opportunity you pursue has been analyzed correctly, and that the risks you do take are as well calculated as possible. And if a regulator wants to understand why you’ve made an important risk decision, you’ll be able to back up your practices and choices with clear, verifiable data at a moment’s notice.
Unlocking the Value of Internal Reports and Analytics

Other areas of your business rely on internal reports to learn more from their figures, change their processes, and make the right decisions.

Everyone in your organization depends on your analysis of the data they provide you with. It fuels their decision-making processes and helps them fully understand the results and implications of their operations.

But unfortunately, the internal reporting process is also affected by the same challenges as regulatory reports.

Today, as you read this guide, data is pouring into your enterprise through an enormous variety of different channels, and different departments often store and process it in very different ways.

If you want to complete internal reports quickly and accurately, you need to find a way to standardize it all.
The same goes for critical finance analytics, such as capital, equity, earnings, and liquidity ratios. If they’re fueled by inconsistent data, they’re going to deliver inconsistent results. And in a fast-paced business environment, insights that are based on bad data or take too long to be delivered can make the difference between seizing an emerging opportunity and missing it altogether.

It’s no use trying desperately to compare and analyze data from different silos: you first need to find a simple and effective way to unite all enterprise data.
So What Can You Do About It?

If you want to take control of data management, you have to think architecture first. Your data architecture is your key to better governance, better control, and data standardization across your business.

What you’re working towards is a single source of truth for all enterprise data; a single place where you and your team can find verified, clean, standardized data, enabling you to compile reports in minutes instead of hours and make the most of next-generation analytics.

That single source of truth, powered and delivered by a unified enterprise data architecture, will also enable you to start really doing more with your data, and improve the efficiency and accuracy of many core finance processes.

With clean, well-governed data, you can finally start exploring reliable ways of automating key reporting processes and dramatically reduce the man hours involved in achieving compliance. Data reconciliation, financial close, and a number of the other core processes you’re responsible for can also be completed much more quickly, and in a far more efficient way.

With a modern data architecture that serves everybody’s data requirements, many of the risks and challenges associated with poor data management are removed:

- Data collection and management are standardized because everybody follows the same processes and feeds data into a unified architecture.
- Rolling out new and improved governance practices is simple, and helps to keep your data clean and your company compliant.
- Putting data into the hands of people that need it, when they need it, is quick and simple.
- Data histories are readily available to anyone that might need them, removing the guesswork from verification or reconciliation tasks.
Action Points for the CFO

To summarize, if you want to drive your organization towards data excellence, and overcome the major challenges involved with reporting, analytics, and risk management, there are five key actions you need to start taking today:

- **Standardize your reporting processes**, and connect them to your single source of truth for enterprise data, helping to make the process and its outputs more consistent and reliable.

- **Work with stakeholders** from across the business to constantly improve your key processes, and look at how your data infrastructure can be tweaked to drive those changes.

- **Ensure everybody understands** what they need to do to fuel your new data infrastructure, and get the most out of it—including accessing powerful and reliable analytics.

- **Work with the chief data officer** to improve data governance and set up rules that will help you improve the quality of data used to fuel your processes and analytics.

- **Look into new ways** of bringing dispersed data silos together, and explore technology that can help you create a single source of truth for all enterprise data.
A Unified Solution for a Universal Challenge

To create your single source of truth, you first need a single, standardized data architecture. With one platform for all your data-management needs, you can start to eliminate many of the major issues that lead to slow, inefficient reporting and inconsistencies in analytics.

Your platform also needs to help you cleanse your current data and unite information silos across the business to finally bring everything together in one place.

With Oracle’s Master Data Management solutions and Financial Services Analytical Application Infrastructure, you can bring data together once and for all, access all of the data-management and governance tools you need in one place, and make tasks like reporting simple.

Ready to simplify data management, take control of governance, and get the visibility you’ve always wanted over your enterprise data?

Visit the Oracle Financial Services Enterprise Data Management Resource Center today