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10 Facts You Need to Know About

Enterprise Data Management

And What You Can Do About Them

Introduction

As the value of enterprise data grows, and the amount of it within organizations increases, more and more financial institutions are looking for new ways to manage information, and master it once and for all.

If you want to master data management in finance, there's a great deal to control and unify, and a lot of essential business practices that your decisions and investments could impact, so it makes sense to seek out as much information as you can before you get started.

There may be many questions you need to ask that relate specifically to your situation and data challenges, but here are 10 things that every financial services organization needs to know before starting to explore new strategies for enterprise data management.

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# Data Management Has Become an Issue for Everybody, Not Just Every Institution

Driven by the need to compile an increasing number of regulatory reports and maintain higher levels of data visibility, governance, and control, many organizations are now actively making efforts to improve the way data is managed across the enterprise.

But as companies have been devising their new data-management strategies, many have come to realize that if you want complete control over data across its entire lifecycle, proper data management has to begin with the people that are using, collecting, and storing it.

From origination to collections, treasury to risk management, and compliance to regulatory reporting, everyone in your institution is either a stakeholder or contributor to data management. It's up to you to ensure the right processes are in place to help them adhere to data-management best practices, and that there's a modern infrastructure in place that supports those processes fully.

Action point:

Review how you manage data governance, and create new rules that help everyone fuel a smarter, more integrated enterprise data infrastructure.

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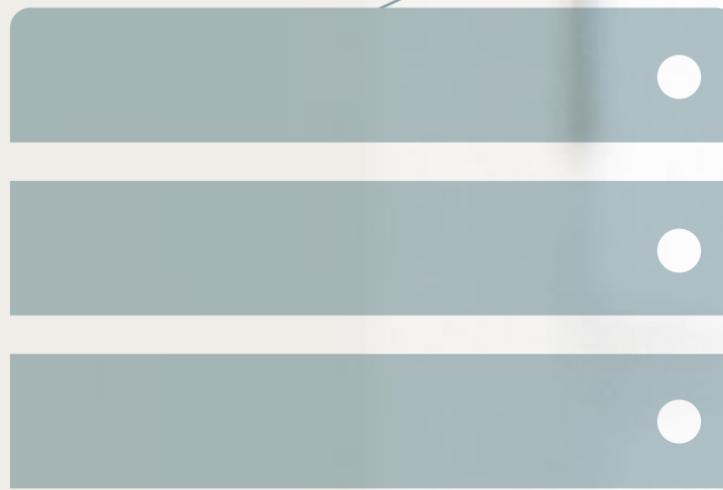
There's Huge Value Trapped In Your Unstructured Big Data

Action point:

Explore technology that can help you bring all enterprise data together, assess its quality, and operationalize information stored in silos throughout the organization

While most organizations and individuals are aware of the power and value of enterprise data, there's a worrying trend towards only using data that's easy to access and explore. 79 percent of respondents to the 2015 Chartis Risk Data Aggregation and Reporting Systems Survey don't view unstructured big data as significant—a figure that's particularly worrying when you consider that 80 percent of all data in a typical financial institution is unstructured.

From an analytics point of view, that unstructured data is invisible. If it happens to contain important information pointing towards emerging trends, they'll simply go unnoticed by the institution – leading to both lost opportunities, and an inability to respond to threats.

Clearly, without exploring this data, organizations are only ever getting part of the picture. If you want to unlock the full value of your data, you need to find new ways to standardize it and turn siloed, unstructured data into highly visible, accessible, and analytics-ready information.

Data Management Is the Reason Why Regulatory Reports Take You So Long to Compile and Complete

Reporting is a huge part of what the modern financial services organization does. You're legally obliged to comply with many regulations, so it's only natural that a large amount of your organization's time and effort is dedicated to completing them properly. But the problem is, they're taking most companies far longer to compile and submit than they should.

Since 2012, firms have continued to spend more than 50 percent of their time preparing regulatory reports versus performing analysis and review[1]. For most, that's turned them into simple box-ticking exercises rather than a valuable exploration and analysis of key enterprise and risk data.

The root cause of these long reporting processes is poor data-management. Because information is hard to compile, compare, and analyze efficiently, the whole process takes far longer than it really should. By solving your data management challenges, reporting can be accelerated and you can start using it to learn more about your current position rather than just doing what you need to and getting reports out of the door.

Action point:

Fuel reporting processes with a single source of truth for all enterprise data. Higher- quality, better-managed data means more reliable, faster, and more consistent reporting outputs.

[1] E&Y 2015 Federal Reserve regulatory reporting survey

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BCBS 239 Is Nearly Here, But Very Few Organizations Are Ready

BCBS 239 marks a major change in the focus of regulations. Going deeper than previous mandates, BCBS 239 aims to push financial institutions to excel in data management, governance, and control.

It makes sense from the regulator's point of view, because better data management means greater visibility of operations, easier tracking of data lifecycles, faster reporting, and even changing attitudes to risk (thanks to greater data-driven insight). But the simple fact is that many institutions simply aren't ready for it.

Action point:

The principles of BCBS 239 don't just give us insight into what the future holds for the world's top 30 banks--they're a sign of what's to come for all institutions. Prepare for regulators to be just as interested in your data infrastructure and governance policies as they are in the data itself.

Thirty major global institutions were selected and instructed to meet the new guidelines of BCBS 239 by January 1, 2016, but not a single one was able to. Many indicated they would need years to fully achieve it and meet every standard outlined.

Difficult or not, it's coming—and it's proving to be an effective motivator for organizations to invest in new data-management platforms, solutions, and infrastructures. The 2015 Enterprise Data Management Industry Benchmark Report found that a huge 73 percent of organizations named BCBS 239 as the primary driver for their data-management investments and efforts.

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Data Quality Is Becoming a Key Area of Focus for Everyone

With data accuracy and integrity appearing as key principles in BCBS 239, maintaining high-quality data has never been more important for financial institutions. It's no longer enough to just keep track of your data, understand where it's come from, and be able to present it on demand—it now also needs to be of the highest possible quality.

For those that are already cleansing, streamlining, and standardizing it, the benefits have been clear. Higher-quality data improves the quality and speed of reporting, and helps you deliver valuable analytics to business decision-makers that can help them seize opportunities or avoid potential risks.

Action point:

Seek out technology that can help you cleanse your existing data, as well as ensure the quality of all new data being created and brought into your organization.

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Risk and Data Strategies Need To be Closely Aligned

Often, risk and data-management strategies have been treated separately within financial institutions. But as time has gone on, more organizations are realizing how closely linked the two really are.

Better-managed data can help drive better-managed risk thanks to the greater visibility that everybody gets when data is clean and easily analyzed through a single source of truth.

But data doesn't just help detect risks and minimize their impact; it also plays a pivotal role in helping you take calculated risks that deliver the best returns.

Action point:

Use powerful new analytical tools to identify both risks and opportunities, and ensure that your risk experts understand how they can get the most from a modern data infrastructure.

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Very Few Companies Have Mastered Risk Data Management and Reporting Yet

As shown by the failure of 30 top banks to meet the requirements of BSBC 239 by January 2016, many institutions that are devising and implementing modern data-management strategies are only just setting out on their journeys.

Mastering enterprise data management within a financial institution can feel like a mammoth exercise, with so much disparate and unstructured data to get under control. But for those willing to take charge of the change and put in the effort required to do it now, there are huge opportunities to get ahead and gain competitive advantage

Action point:

Explore technology that can help you bring all enterprise data together, assess its quality, and operationalize information stored in silos at the edges of your organization.

Data Management and Regulations Have Changed, but Many of the Original Drivers Remain

Action point:

Don't get so swept up in changes that you lose sight of the original drivers of stronger data management. Security and data quality need to be at the front of your mind when planning infrastructure changes.
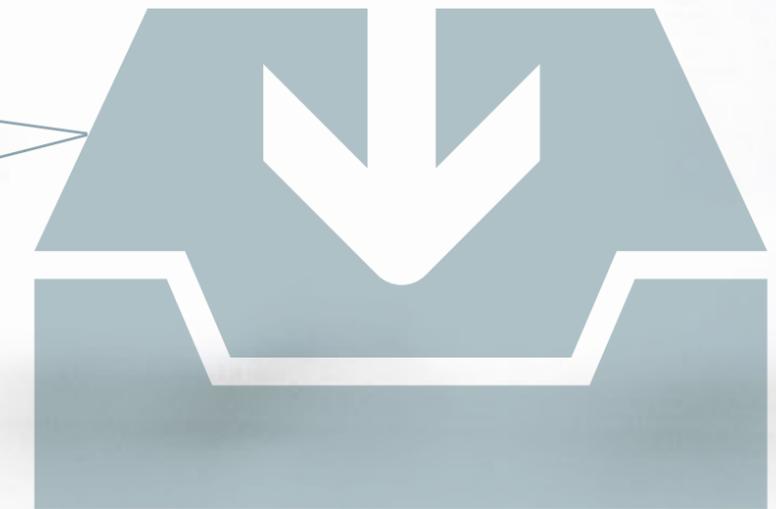
With each new regulation, the regulatory environment changes. Focuses shift between mandates, and the motivations for reporting and compliance seem to change. But, through all of the changes you've faced in recent years, the core drivers for regulatory reporting have persisted.

Maintaining high-quality data is still essential if you want to prove that your business is behaving ethically, and acting with your customers' best intentions at heart. It's also critical to identifying any bad practices within your business and stopping them before they become an issue.

It's even still an important part of keeping data secure and protected against costly breaches. With the cybersecurity landscape constantly changing and new threats emerging every day, the best way to keep your data safe is to fully understand where it is, how it's being handled, and how it could be vulnerable.

There Are a Lot of Solutions Available That Can Help

Because managing enterprise data, compiling information on risk, and reporting have become such time-consuming and complex processes, there are a lot of new solutions available that can help. From process automation to data-standardization tools, there's a simple solution for every enterprise data management challenge.

What you're aiming for is a single source of truth for all clean business data and information. It's all about standardization, and if you want to bring all of your data together, you need to look for a single platform that contains all the reporting, cleansing, standardizing, and analytical tools you need.

Action point:

Critically assess the solutions available, and find a vendor that can provide you with a unified solution to the unified challenges of enterprise data management in finance.

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The Time to Take Action Is Now

With pressure mounting to improve all aspects of data management within your institution, now is the time to create a strong data management strategy and find the technology that's going to help you create a single source of truth for all enterprise data.

By getting this platform in place now, you can get ahead of the organizations still considering and planning their data-management strategies. With complete, clean enterprise data available at a single glance, and all your analytical apps integrated in the same place, you'll have everything you need at your fingertips.

With the right platform in place, you can:

- Complete reports quickly and efficiently

- Standardize all data across your enterprise and make it highly visible to anybody who needs to use it

- Ensure compliance with current and new regulatory standards

- Improve business intelligence and learn more using analytics

- Improve the way you manage and monitor risk—and make sure the risks you take are well considered and calculated

- Gain a deeper understanding of operations throughout your enterprise, and resolve issues before they become a problem

Action point:

Start meeting with key stakeholders from across your institution today to create a new, formalized data management strategy--and discuss the technology that can help you ensure that it's successful.

Get Started Today

With the Oracle Financial Services Analytical Applications suite of solutions for data management and governance, you can bring your entire data environment together in a single place. It can help you standardize the way data is managed, and build the infrastructure you need to comply with regulations, learn from your data, and turn data management into a source of competitive advantage ahead of the rest of your industry.

Find out how you can get started today by exploring the materials available in our enterprise data management resource center, or visit our website to learn more about Oracle's data-management solutions