Realizing the Benefits of Enterprise Data Governance
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Have you ever sat in a meeting where everyone has a different number for the same performance measure? The usual outcome of this is spending the next hour trying to reconcile the differences rather than making the important business decisions required.

Upon further analysis, it is likely everyone will have the right number according to the system from which it was derived. The differences can likely be attributed to inconsistent hierarchical master data across these systems. This is not a new problem. It has existed ever since the point that organizations implemented a second business system. But today, the problem is magnified across the many systems most organizations have and by the large numbers of changes today's business environment generates.

It is therefore essential for organizations to effectively manage hierarchical master data across multiple information systems. Organizations need to move beyond the mix of email, spreadsheets and adhoc systems that many currently rely on to execute this extremely important function. Numerous organizations are turning to enterprise software solutions like Oracle Data Relationship Management and Oracle Data Relationship Governance to help them deliver enterprise data governance (EDG).

The Benefits of Good Enterprise Data Governance

- **Easy change management**
- **Ensures data alignment**
- **Enables simple governance**
Why is Enterprise Data Governance Important?

Hierarchical master data is shared across many enterprise systems. For example: John (Sales Representative) who works in California (Territory) sells 10,000 (Quantity) of a new widget (Product) to a customer (Customer) based in New York (Geography) for $50,000 (Total Sale) on December 15, 2014 (Date). Taken together, this information is about one transaction, but included in the transaction are individual elements of master data—Sales Representative, Territory, Quantity, Product, Customer, Geography, Total Sale and Date.

These individual elements must be identified and changes to them must be managed across the enterprise to ensure data integrity. For instance, John could be moved to a different territory or the territory could be assigned to a different geography. Without good Enterprise Data Governance, transaction data cannot be analyzed or reported in a meaningful way.
Today’s Enterprise Data Governance Challenges

How do most enterprises manage hierarchical master data today? Remarkably for something so important, they do it through conversations, telephone calls, spreadsheets and e-mail. For example, if a departmental manager wants to add another cost center, or if management wants to move facilities from human resources to finance, the business decision must first be approved by all the relevant decision makers. This takes time.

Once the change is approved, IT receives the request to make the change and ensure that it ripples through all of the enterprise’s transactional systems, data warehouses, business intelligence and enterprise performance management solutions. Because changes are made manually, often the end result is a lot of people making a lot of mistakes with a lot of mission critical data—mistakes that go undiscovered due to a lack of visibility or traceability in the process.

This is compounded by the sheer number of changes that take place in enterprises today. We constantly cite the increasing rate of change in business which inevitably leads to increasing change in hierarchical master data.

Manual Data Governance Leads to Mistakes and Lack of Visibility and Traceability
Modern Enterprise Data Governance

As organizations grow and evolve, the number of systems they have increases, therefore it becomes essential to manage hierarchical master data. These systems, and the resultant information silos, increase with mergers and acquisitions, departmental initiatives, or just due to legacy system proliferation. Data consistency, integrity, quality and accuracy suffer. And, no one trusts the information and insight that ensues.

The modern approach being taken by many World Class organizations is to centralize hierarchical master data within a purpose built system. This provides enterprises with a solution to build consistency despite endless changes within the underlying transactional and analytical systems.

Enterprise Data Governance Provides Consistency, Alignment and Compliance

Modern Enterprise Data Governance minimizes the time spent synchronizing information by helping business users manage changes—the result is they spend less time reconciling the numbers and more time on the business issues at hand.
World Class Enterprise Data Governance

World Class performers experience significant benefits from taking a modern, centralized approach to enterprise data governance across their entire business systems landscape. It is only by centralizing all aspects of enterprise data governance that World Class results can be achieved. The key characteristics of how these organizations approach enterprise data governance are:

- Use a centralized process to submit requests for changes to hierarchical master data that can be used by business users across the enterprise
- Empower users to easily make hierarchical master data changes based on their role or responsibility
- Enable easy comparisons between versions of hierarchical master data
- Automate distribution of hierarchical master data and mappings between transactional and analytical systems
- Stimulate collaboration between business & IT to ferret out data issues and resolve them proactively
- Have fully transparent activity trails that enable regulatory compliance and risk mitigation
- Lower total cost of ownership versus external Business Process Management platforms through greater leverage and reuse of hierarchical master data
- Enable flexible configuration of workflows and data structures to keep up with changing business needs
### World Class Benchmark

#### Enterprise Data Governance

<table>
<thead>
<tr>
<th>Category</th>
<th>Total Finance Cost as Percentage of Revenue</th>
<th>Finance Staff per US$B of Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>World Class</td>
<td>0.6%</td>
<td>40</td>
</tr>
<tr>
<td>High data standards</td>
<td>1.06%</td>
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<tr>
<td>Medium data standards</td>
<td>1.38%</td>
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</tr>
<tr>
<td>Low data standards</td>
<td>1.64%</td>
<td>101.5</td>
</tr>
</tbody>
</table>

*Source: Hackett Group 2015*
Oracle Enterprise Data Governance

Oracle Enterprise Data Governance solutions (Oracle Data Relationship Management and Oracle Data Relationship Governance) help organizations to capture business changes and apply them with consistency and accuracy and to proactively manage changes in master data across operational, analytical and enterprise performance management silos.

Oracle Data Relationship Governance provides the change management and data quality remediation workflows essential for front-line business users, subject matter experts and signing authorities. Oracle Data Relationship Management delivers timely, accurate and consistent master data to drive ongoing operational execution, business intelligence and performance management.

Oracle Enterprise Data Governance solutions ensure data quality, policy compliance, repeatable business processes, cross functional collaboration and change awareness throughout the enterprise.

Realizing Significant Benefits from Oracle Data Relationship Management (DRM)

Cost effective dimension/hierarchy management

- Strongly Agree: 40%
- Agree: 60%
- Neither Agree Nor Disagree

More consistent reporting

- 60%
- 40%

Hierarchy alignment across EPM/BI and operational systems

- 80%
- 20%

Source: Oracle Customer Value Index Study