

Industry Research Finds Significant Progress in Data Governance, but Major Challenges in Data Quality Remain

2017 DCAM Data Management Benchmarking Study Spotlights Progress and Identifies Key Challenges

New York, July 27, 2017: Four years after the release of the Principles of Risk Data Aggregation by the Basel Committee on Banking Supervision, the financial industry still faces challenges in fully establishing a “control environment” for data management, according to the EDM Council’s [2017 Data Management Benchmarking Survey Report](#).

The biennial study, produced in collaboration with industry leader Sapient Consulting and Pellustro, the DCAM assessment platform developed by boutique strategy firm Element22, found progress toward setting up enterprise-wide data management programs and implementing data governance. However, it also highlights several key areas where industry capabilities lag in meeting the requirements set out by global regulators and market authorities.

The survey covers 22 of the most essential concepts extracted from the EDM Council’s Data Management Capability Assessment Model (DCAM), and received responses from over 150 financial institutions. DCAM represents industry-standard criteria for measuring data management capability. Many financial institutions use it as a framework to establish new data management programs and benchmark progress.

Highlights and key findings include:

- **Establishing the Program:** Data management as a core part of the way financial institutions operate is growing, but not fully entrenched. There has been some advancement in establishing a true “data management culture,” particularly among G-SIBs and Tier 1 buy-side firms. Over 70% of the industry, and 90% of G-SIBs, now have a Chief Data Officer.
- **Governance Implementation:** The industry has made substantial progress in establishing foundational governance, defining organizational structures, implementing data stewardship and implementing operational policy. Fifty-five percent of G-SIBs report substantial progress in appointing data owners and stewards with direct responsibility for data management.
- **Content Infrastructure:** Work is underway on defining lineage, managing critical data and implementing data management glossaries. This is the core building block for meeting the regulatory goals of harmonized data necessary for linked risk analysis, but progress has been slow to mature. Only 8% of the industry has achieved the harmonization of meaning of data across all internal repositories.
- **Data Quality:** The industry is still mired in manual reconciliation of data and mapping from physical repositories to applications and reports. Trust and confidence in the data used for

regulatory reporting and business analytics remains an elusive goal of these data management programs. Just 13% of the industry has achieved the definition and implementation of control procedures for managing data quality.

- **Organizational Collaboration:** There is a growing understanding of data as a shared resource and timely progress in managing the collaboration between data, information technology, business applications and control functions such as information security and privacy. Forty-three percent of the industry reports strong and growing collaboration across IT, operations, control functions and lines of business as they gear up for data management integration.

“There are clearly some bright spots for the practice of data management,” said Michael Atkin, Managing Director of the EDM Council. “We’ve made progress in establishing the organizational frameworks, but we still have a way to go in fixing the underlying data challenges that are needed to respond to regulatory requests and innovate in service to customers.”

“The increased interest in analytics, driven by regulatory requirements, shows the shift in thinking and the industry’s desire to deliver successful data lineage programs,” said Gavin Kaimowitz, Senior Director, Global Data Management Practice Lead at Sapient Consulting. “While lineage is the second highest priority among respondents, more work is required to move from the late conceptual stage, to a fully fledged program that will undoubtedly deliver significant data quality, provenance and transparency benefits.”

“With any business transforming activities, the adoption of policies, standards and best practices follows the implementation,” said Predrag Dizdarevic, Partner at Element22. “The industry has implemented governance capabilities, but needs to establish measurement of policy adherence, program maturity and data quality to ensure continued success.”

#####

About EDM COUNCIL

The EDM Council is a 501(c)(6) non-profit trade association founded to elevate the practice of data management as a business and operational priority. The Council is a leading advocate for the development and implementation of data content standards and the publication of data management best practices. For more information, visit www.edmcouncil.org. **For a copy of the 2017 Data Management Benchmarking study please contact Michael Atkin (atkin@edmcouncil.org)**

About SAPIENT CONSULTING

Sapient Consulting combines technical and digital expertise around emerging and enabling technologies with a deep understanding of how industries operate to enable meaningful digital transformation and business process modernization. We work with organizations across financial services, energy and commodities, the public sector, and healthcare, delivering strategy & consulting, technology services and industry oriented solutions. As part of the [Publicis.Sapient](#) platform alongside [DigitasLBI](#) and

[SapientRazorfish](#), we're the enterprise business and technology arm of a leading digital transformation network. With 5,000 professionals spanning over 20 countries, Sapient Consulting is a global force for digital and technological change. For more information, visit <http://www.sapientconsulting.com/>

About PELLUSTRO/ELEMENT22

Pellustro is a cloud-based assessment platform developed by Element22 that manages the end-to-end lifecycle of capturing and verifying individual scores representing the level of capabilities or compliance with policies. Pellustro is optimized to manage the complete lifecycle of data management capabilities assessment, from capturing scores to benchmarking capabilities, based on DCAM. For more information, visit www.pellustro.com or <http://www.element-22.com>.