Why data governance matters - principles and best practices

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Over 10% revenue growth in the U.S. last year with a 13% increase in headcount

8,000+
PEOPLE

0,565
PARTNERS

0,058
OFFICES

$1.56bn
revenues

- 35% of the companies on the 2015 Fortune 1000 list
- 39% of the companies on the 2015 Fortune 500 list
- 54% of the companies on the 2015 Fortune 100 list
- 25% of the companies on the Russell 2000 list
Committed Oracle partner

Specialized Partner of the Year, 2014 (EPM, NA)

JD Edwards Excellence Award, 2015

Excellence Award, 2015 (Fusion Middleware Innovation at Serta Simmons Bedding)

JD Edwards Excellence Award, 2016
Agenda

1. Background
2. Principles
3. Governance and the journey to the cloud
4. Case Study
5. Demo
6. Takeaways
Data governance: background
Data governance: defined...

“Data governance encompasses the people, processes, and information technology required to create a consistent method for handling an organization's data across the business enterprise.”

But what does that really mean and how do we get there?
Why does data governance matter?

**Global competition**
- Pressure on profitability

**Dynamic organizations**
- Multi-national operations

**Regulatory requirements**
- Reporting and controls overhead

- Track / allocate expense
- Understand profitability
- Make strategic investments

- Need for agility
- Mergers & acquisitions
- Multiple platforms/Instances

- Regulatory reporting
- Corporate responsibility
- Financial foresight
- Impact assessment

Fragmented systems = high cost of information access

- Operational inefficiency
- Information silos
- No single version of truth

- Data consistency problems
- Dubious analytics
- Lack of standards
Why data governance now?

Enterprise data management strategy

Creating Business Harmony

Business Analytics
- **Foundation Analytics**
  - BI Foundation Suite, Essbase
    - CFO and working capital analytics
    - Integrated industry models
- **Pre-built Analytics**
  - BI Foundation Suite, Essbase
    - Function/role based information model
    - Transactional business intelligence
- **Information Discovery**
  - Endeca and Big Data Discovery
    - Cost and revenue data source review
    - Compliance and fraud detection
    - Multi-source predictive and prescriptive analytics
- **Cloud Analytics**
  - BI Cloud services
    - Quick start and easy to deploy reporting

Enterprise Performance Management
- **Profitability Analysis**
  - Hyperion profitability and cost management
  - Transfer pricing
  - Allocation engine
- **Planning and Forecasting**
  - Hyperion Planning
    - Cloud
    - Workforce
    - Project Financial
    - Capital Asset
- **Consolidations and Reporting**
  - Hyperion Financial Management
  - Financial Close Suite
  - Financial Data Quality Management
  - Tax optimization and provisioning
- **Strategic Finance**
  - Long term scenario modeling
  - M&A impact analysis
  - Treasury capital strategies

Enterprise Resource Planning
- **Oracle E-Business Suite**
- **JD Edwards**
- **PeopleSoft**
- **Oracle ERP Cloud Applications**

Human Capital Management
- **Global Core HR**
  - HR Cloud - Fusion
    - Benefits
    - Payroll
    - Global HR
    - Core ERP
- **Talent Management**
  - HR Cloud - Taleo, Fusion
    - Performance Management
    - Workforce Compensation
    - Recruiting
    - Learn
Why data governance now?

Enterprise data management strategy
Data governance: principles
Master data management involves approaching the sharing of master data across systems aligned with process and business owners, integration is simply ensuring data gets from one system to another in the correct format.
Data governance principles

Typical MDM change process

1. Approved changes entered into System A
2. ETL Process restructures data and adds attributes and loads to System B
3. System A admin emails System D admin with change
4. ETL Process restructures data and adds attributes and loads to System C
Data governance principles

Governed MDM process

1. Approved changes entered into central location
2. Attributes for each target application are updated
3. Changes are integrated to target applications
Data Governance Principles

Business Rules

The compilation of requirements, which can be technical and/or functional in nature, from all target applications turned into actionable maintenance routines.
Data Governance Principles

**Integrated applications**

Governance within silos is better than none at all, but it tends to slow down firm wide adoption as certain systems/groups are overlooked.
Data Governance Principles

Change management and workflow

The core of data governance is change management through human workflow. The workflow aspect of governance allows requestors to participate directly with the change management process.
Cloud migration
Transition to the cloud

While on-premises data center technology isn't necessarily on the brink of extinction, cloud computing is a relatively new option with many benefits, including scalability, agility and cost efficiency. As a result, many companies are considering migrations to the cloud over the next couple of years.

Moving applications & data outside the firewall and into the cloud is no small feat. To ensure everyone within an organization is on the same page, cloud migrations typically require an in-depth sales pitch that covers costs, tools, security, governance and talent, among other considerations.

Options for on-premise/cloud & cloud deployments:
• ON-premise system
• Engineered appliance system or private/public cloud system
• Hybrid cloud system
• Cloud system

But before taking that leap, there are many points to consider:
• Consider applications or data
• Evaluate costs
• Choose your cloud flavor
• Rethink meta & data governance & security
• Prepare for cloud migration challenges
Transition to the cloud

Hybrid cloud

- Application 1
- Application 3

Private cloud

- Application 2

Public cloud

On-premise applications
Transition to the cloud

System A
- Attributes:
  - Code
  - Attribute 1
  - Attribute 2

System B
- Attributes:
  - Code
  - Attribute 1
  - Attribute 2

System C
- Attributes:
  - Code
  - Attribute 1
  - Attribute 2

Cloud system A
- Attributes:
  - Code
  - Attribute 1
  - Attribute 2

Cloud system

MDM system
Transition to the Cloud

System A

System B

System C

Cloud System A

Cloud System B

MDM system

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<th>System C attributes</th>
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<tr>
<td>Attribute 1</td>
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Data governance in action: a case study
Data governance in action

Multi-billion dollar, privately-held company was created by the combination of the #1 and #3 US mattress manufacturers to create a company that would have a 40% US market share, and the top in the world.

Combined company undertook an Analytics initiative in order to identify profitability per customer and product, while fulfilling financial reporting requirement

Analytics capabilities
- Reporting issues due to incorrectly tagged or unused product attributes
- Common customers were not linked
- Inaccurate sales figures for buying groups and other reporting structures due to inconsistent setup process
- Labor intensive and error prone customer setup process

Sustainability
- Between companies there were dozens of reporting structures
- Most structures are updated annually spawning month’s long system/reporting update process
- Utilized an archaic ERP/Operations application with little/no validation of data entered
- Companies had separate customer and product setup processes

Scalability
- 2 months prior to go-live, company decided to reorg - combining their operations and co-brand their products
- Entire sales organization was reorganized
- Customer accounts were consolidated
- Although Product Lines remained separate, the reporting structures were aligned
Data governance in action

And today...

**Analytics capabilities:**

- The financial analysis team has been able to shift their focus from consolidating materials and reports (which *previously occupied 90% of their time*) to providing deeper, actionable analysis to make faster decisions.
- Time to produce standardized reports was **cut by 90%**, saving hundreds of hours each month for the finance department.
- It boosted the number of users accessing analytical reports by **275%**.
- The time required to **close the books was cut by 66%**, with increased financial accuracy.
- This standardization transformed them into a streamlined organization, with consolidated profit-and-loss statements, outlooks and sales structures.
- The self-service reporting tool increases visibility into performance and resources, and lessens the burden on the IT department for custom reports.
Data governance in action

And today...

**Sustainability:**
- Recently updated customer structure:
  - 800 customer groups added
  - 50 Customers moved/reassigned
  - 2 Customer Segments removed and 1 added
- Changes were defined, applied and integrated to all systems in one week

**Scalability:**
- In 2 months:
  - Defined new customer channels
  - Aligned customers with channels and assigned reps
  - Standardized product line structures across brands
Demo
Takeaways
What is your organizational approach to data governance?

- Business/information driven vs. Technology driven
- Proactive governance vs. Reactive governance
- Agile/visible vs. ETL “behind the scenes”
What is your journey to the cloud?

Hybrid cloud

Private cloud

Public cloud

On-premise applications
Contact Me

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- **June 8** webcast: Project management for HCM Cloud implementations
- **June 14** webcast: Getting to know all about you "Profile Management"
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