

# Closing the Data Divide Between Business and IT

## Simple Steps to Integrate Efforts and Improve Data for Business Use

White Paper  
sponsored by  
INFORMATICA®



*Aligning Business and IT To Improve Performance*

**Ventana Research**

6150 Stoneridge Mall Road, Suite 350

Pleasanton, CA 94588

[info@ventanaresearch.com](mailto:info@ventanaresearch.com)

(925) 474-0060

[www.ventanaresearch.com](http://www.ventanaresearch.com)

## Table of Contents

The Data Divide between Business and IT .....	3
Methods Proven To Align Business and IT.....	4
Value of Business and IT Collaboration .....	6
About Ventana Research.....	8

## The Data Divide between Business and IT

The use of information technology and its management by the IT organization is a foundation element of business today. However, in many organizations business and IT remain poorly aligned, diverging on issues such as the prioritization of projects, how best to use the IT budget to support the business and how to prioritize data availability, and all too often not discussing these issues. This is problematic; organizations are most effective when business units and IT are on the same page, making collaboration a much desired goal – but one that can be challenging to achieve.

One area where the challenge becomes evident is in managing data to support timely decision-making and efficient business operations. Data is essential to virtually every core business process, as well as to support business intelligence, the complex steps required in mergers and acquisitions and the tasks mandated by governance, risk and compliance (GRC). This incessant, intense demand for data places extreme pressure on business and IT to work more closely together than ever before. But unfortunately the divide separating business and IT has been getting larger in recent years.

When business lacks confidence that IT can meet its needs for the right data at the right time and the two parties aren't collaborating well, business managers often shift to doing their own data processing, using analysts as their data factories. In doing so, they create local databases and spreadsheets to satisfy their data needs.

Moreover, analysts typically use spreadsheets to document and store their specifications for data integration and data quality, leaving it to IT to interpret those specifications and translate them into code – a time-consuming and inefficient business process.

Using spreadsheets carries with it a cost, since manipulating data locally for the sake of expediency inevitably will create quality and maintenance issues. The same is true of the common practice of circumventing IT by copying and pasting data from reports and applications into spreadsheets. Our 21<sup>st</sup> Century Spreadsheets benchmark research confirms that the result of these practice is data chaos: More than 45 percent of organizations reported that finding major data and formula errors in spreadsheets is a common occurrence.

**The incessant, intense demand for data places extreme pressure on business and IT to work more closely together than ever before.**

To be sure, there are exceptions, instances when localized line-of-business investments in analytics-based tools help. But these nonetheless also create individually managed data silos that can have different definitions of basic data elements such as products, customers or locations or can use different calculations for metrics such as cost, profit and revenue. Or a business manager may turn to "the cloud" – to using applications and tools resident elsewhere and accessed via the Web on a rental or software-as-a-service

basis – without understanding the associated risks of data exposure, siloing or unavailability.

There are inevitable results of this shortcutting and ad hoc data management: It increases the likelihood that the business is running on inaccurate data, important data cannot be accessed or even found when it is needed, and these difficulties build further mistrust in the organization's core information systems.

These local data solutions and the lack of collaboration around information management occur not just in one business unit; if there's a reason for you to do it, the same likely is true in other lines of business as well. Thus, this data divide is neither unique nor infrequent; it is a widespread, complex challenge.

It's also an important one. Alignment across business and IT that yields timely, effective data access is at the center of a number of very significant initiatives. For most organizations, for example, improvements both to the customer acquisition and retention processes and the customer experience require not just accurate data but timely access to it as well. Then there's the importance today of an organization's operational efficiency, where timely access to the status and performance of processes can be critical to know where and when changes need to be made across products and services or within the workforce. For this all to work, IT must support the business and its analysts by providing the data required both for business operations and for decision-making, regardless of where it resides.

**Data must be managed in a disciplined way, using an approach that is coherent, integrated and collaborative.**

### **Methods Proven To Align Business and IT**

Data, the DNA of an organization, must be managed in a disciplined way, using an approach that is coherent, integrated and collaborative. No organization can maintain its competitiveness while suffering from a data disconnect between business and IT.

Rather, integrated data management should rest on a foundation of clarity about the mission and a commitment to shared responsibility. The mission should include guaranteeing availability of data that is of high quality and consistency, so that business need not doubt the accuracy of the data delivered by IT. Data availability should be calibrated to need so it is as timely as the business process requires.

These requirements are easy to enumerate but challenging in practice to satisfy. Efficient data processing depends on IT understanding these objectives and business accepting its responsibility to communicate clearly and on a timely basis as needed its data needs. Establishing such basic tenets will do much to advance the alignment of business and IT.

But agreement alone is not sufficient; more must be done to ensure continual improvement and the development of reliable, repeatable procedures. Doing so means embracing the set of processes called data governance while taking steps to ensure communication and collaboration between business analysts and IT that is more effective than merely transmitting spreadsheets containing data specifications.

Data governance is the program, set of policies and toolkit of technologies that will create ever greater alignment between business and IT as they work to commonly defined objectives following a set of rules developed collaboratively. The rules and method interface with a set of technologies that will ensure consistency in the access to and integration of data and also will address and improve its quality and consistency.

How data is managed is unique to a given organization. Developing its policies and processes requires understanding thoroughly the structure and attributes of the data – how entities like customers, products, services and locations need to be grouped together and rolled up into hierarchies and what the common attributes are that are used across business processes

and decision support or performance management systems. And it requires rigor in codifying the measurements and analytics that are applied to determine key business metrics, from something as simple as units sold to the profitability of a product. These measures also must be structured to enable comparisons to historical activity and to projected results across future time periods.

**Deploying processes to better govern and improve data policies is a project like any other, requiring vision, sponsorship and leadership.**

Benchmark research on data governance conducted by Ventana Research indicates that these policies and processes are not yet widely deployed; only 38 percent of organizations have done so. But this number is certain to increase, as only 9 percent of the research participants reported they are very confident in the quality of their enterprise data. To do so will require some work, though; there inevitably will be arguments and finger-pointing that can be resolved only by mutual understanding of the responsibilities of both business and IT. Deploying processes to better govern and improve data policies is a project like any other, requiring vision, sponsorship and leadership as well as a time line and resources. But done right, it will yield a common set of defined set of data structures and definitions that will reveal the path to the much-discussed topic of master data management.

Utilizing common technology to facilitate collaboration and to perform data-related management tasks across business and IT is essential. In fact, our research showed that the presence within the organization of disparate sets of data-handling and collaboration technology is seen as the top barrier to data governance by 59 percent of organizations. A common set of capabilities cannot be provided to management and analysts across business and IT using email or spreadsheets. More effective tools are needed to deliver

common sets of capabilities – performing analyses and reviews of data, determining the impact of potential changes to data, implementing and communicating policy changes into systems and resolving any resulting conflicts – that are at the top of the needs list for organizations deploying processes for managing data across business and IT.

Data governance and managing data quality with technology across business and IT go hand in hand. The research shows that addressing data quality and consistency was organizations' second greatest concern, indicated by 40 percent of organizations. This is an issue that can be addressed through purpose-built dedicated technology. The research shows that organizations' drivers in seeking new technology tools are improving data quality, data profiling and metadata management, all of which contribute to better

**Organizations that have reduced their data divide substantially report that they find significant value in improved communication and consultation.**

collaboration across business and IT. But they are determined to be discerning buyers as well, evaluating usability by role and the software's functionality for their business, the top two technology and vendor considerations in the data governance benchmark research.

### **Value of Business and IT Collaboration**

The value of collaboration is widely acknowledged. Those organizations that have reduced their data divide substantially report that they find significant value in improved communication and consultation as it provides the markedly better responsiveness they need to successfully address serious business issues and processes. The improvement to productivity in such an organization, in both business and IT, can be significant, as is another key value gain in the savings of time that can be used to increase the throughput of other work that is essential to business. Moreover, 59 percent of the organizations participating in the Ventana Research data governance benchmark research reported that one benefit is gaining a better return on existing investments.

The gains in time and optimized use of existing investments are not fully leveraged, however, if the business does not at the same time improve the quality of data for decision-making and improve operational efficiency, which were top benefits identified by organizations that have deployed data governance processes and supporting technology. These tangible benefits offer the opportunity for an organization to improve its performance by using the higher-quality data to improve its agility. It could, for example, assess its governance or examining the performance of critical business processes. But no matter what the business need, it will be more ably addressed with the assurance of the availability of accurate, timely data.

The path for organizations that want to gain better alignment across business and IT to address their data needs is quite direct. Leadership and sponsorship both must come from business and IT. Both organizations must

participate actively in the committees and in the establishment of the governance and collaboration policies that are to be enforced for the good of the organization and its data.

Addressing an organization's data issues requires first assessment and then repair. In this, IT must be an enabler and not a barrier. The assessment will be built on a benchmarking of current activities and then analysis of trouble points and bottlenecks that offer the best potential for improvement; you can't fix everything at once, but you certainly can start a journey of iterative and continuous improvement. Since 45 percent of organizations already know their data is inconsistent between applications and services, it will not be difficult to make progress.

The path to data improvement leads through the following steps; the specifics will vary depending on the maturity and competency of the organization and its use of processes and policies:

1. **Establish or improve your data management through a program and a plan.** Assemble the leaders and coordinators across finance, operations and IT into a well-defined program with a mission framed to achieve tangible business benefits. The team must be able to design and maintain policies and rules for deployment that fit into your technology environment where they can be referenced and adhered to.
2. **Build a benefit-based plan for investment.** The shared responsibility for managing data assets requires collaboration to deliver tangible benefits. This comes with a cost, but should be viewed as a shared investment rather than being supported just by IT or just by business. Clarity is important; most organizations fail to establish the precise business benefits and joint cost savings that will be part of the investment and so conclude, incorrectly, that the TCO will be too high.
3. **Understand your data.** Too many organizations make assumptions about their data without really understanding it. In fact, we found that fully one-third of organizations had to modify their program because they did not have adequate knowledge of their data, hierarchies and metrics.
4. **Use technology.** Adopt technology that is proven to work in your enterprise and effectively automate collaboration. Ensure that it will work across both business and IT, supporting roles in a way that is aligned with their skills and tasks. In particular, look for tools that empower the business workforce to do more to helping with improving the quality of data. Do not let a presumption of the importance of a preexisting technology standard or the prioritization of an existing provider stand in the way of determining the right choice.
5. **Build collaboration into the process.** Effective collaboration and the sharing of responsibility is essential. This requires people, process and technology work to establish a closer working relationship among IT, business managers and the analysts who are held accountable for providing data to management for a range of decision-making and informative purposes. The faster your organization can integrate tasks

and accelerate the completion of the data management tasks, the quicker you will realize the benefits needed.

6. **Take action.** Determine what you need to make improvements and collaborate efficiently across business and IT.

It's simple: Aligning business and IT into a cohesive, collaborative group focused on the mission of improving the quality and use of data assets will yield positive results for your organization. It will produce an organization in which business and IT work within the same environment and use tools that are adapted to specific roles but rest on a common technology foundation. If your organization is not performing at the level you expect, consider whether you need to make some changes in how data is governed to enable your organization to reach its full value.

## About Ventana Research

Ventana Research is the leading benchmark research and advisory services firm. We provide expert guidance to help organizations manage and optimize performance – to become not only more efficient but more effective. Our unparalleled insights and best practices guidance are based on our rigorous, research-based benchmarking of people, processes, information and technology across business and IT functions worldwide. The combination we offer of benchmark research, thorough market coverage and in-depth knowledge of hundreds of technology providers means we can deliver business and technology education and expertise to our clients where and when you need them. Ventana Research provides the most comprehensive analyst coverage in the industry; more than 2.5 million business and IT professionals around the world benefit from Ventana Research's insights. To learn how our benchmark research and assessment and advisory services can improve your organization's performance, visit [www.ventanaresearch.com](http://www.ventanaresearch.com).