RESEARCH BRIEF
RESEARCH & ADVISORY NETWORK

Apply Principles of Data Governance 2.0 to BI Governance

DREW SMITH, VP ANALYTICS LEADERSHIP CONSORTIUM, IIA

OCT 2021

BI is Essential to Govern, Lightly

As data, and the business intelligence it feeds, continues to increase in volume and importance and is used by more people across organizations, up and down the corporate hierarchy, a dilemma has arisen. Both data leakage and poor decisions from substandard business intelligence (BI) can sink a business, yet oppressive data and BI governance destroy the organization's will to use data. This, of course, will lead to a certain death as competitors leverage data and BI for competitive advantage.

> *Don't govern and die. Over-govern and die slowly.*

Effective data and analytics and BI leaders are leaning into this dilemma with new thinking and new structures for data and BI governance. At the heart of this new thinking lies three key ideas.

- Data, analytics, and BI enabled decision making are so critical to future success that leaders must **take this challenge head on, with senior leadership involved and broad engagement across the organization.**

- The ability and the interest in data and BI will only increase as the share of digitally native workers becomes the majority, so leaders need to **put in place methods and tools that tap this data centric talent now.**

- The growth of data and the technology that enables that data to become business intelligence is not abating, so **now is the time to invest in lightweight and robust structures and tools that can adapt to the inevitable changes**

This paper focuses on BI Governance but leans on the principles outlined in the International Institute for Analytics research brief called "Data Governance 2.0: Enabling Digitization and Analytics". There are three main drivers of this approach, the first two of which have been outlined in the section above. Specifically, like effective BI, well-leveraged data is how companies win in today's market. Additionally, the need to govern to just the right level is the same.

Over governed Data Governance programs have been the bane of many a data-hungry coworker. This points to the third reason. Early data governance, which we call Data Governance 1.0, has been a massive failure. Since BI governance is a newer, less well-known discipline there is a lot to learn from these failures, and we think it's worthwhile avoiding the pitfalls of Data Governance 1.0 when deploying BI governance.

Data Governance 2.0 Shows A Better Way

One of the big lessons of the failure of the first generation of Data Governance that should apply to BI governance is a focus on the end goal – better business outcomes. This might sound obvious but it bears repeating in the context of any governance discussion. Governance discussions are too often about restricting and not often enough about empowering. This shift to empowering and enabling better use of data is critical in the new generation of Data Governance and it should be the same BI Governance. In BI Governance

the focus should be on getting the right information to the right user with as little friction as possible. This might seem like a semantic discussion, but it's critical to approach governance with what you *want to achieve, not what you want to prevent.* BI governance should focus on outcomes. Specifically:

- Who is getting value from the BI?

- Who is delivering the best BI (as judged by the above)?

- What BI needs are not met and what are overserved?

The other critical shift in the new way of running data governance is a shift to a more user-centric approach and using the energy of those working in data and BI to drive the governance. Think about it like moving from an encyclopedia approach to a wiki approach. While there will be situations where the BI governance is centrally controlled and managed by a few, the default stance should be more bottom-up than top-down. As you deliver a more user centric BI governance a natural focus on transparency will be needed. When a centrally driven decision has restricted access for a BI user, it must be clear to that user why it's so and to whom they can connect if they feel the restriction is inhibiting their ability to deliver the best outcome.

BI GOVERNANCE GUIDING PRINCIPLES

As stated in the beginning the data and BI landscape is changing rapidly, so the creation of a BI governance program should be based on high-level principles instead of hard and fast rules.

Here are the top 5 guiding principles that drive BI Governance:

1. Informed BI users are better decision makers, so effective BI governance makes this a priority across the organization

2. Effective BI governance focuses on relevant content- right person, right time, right info, right format

3. Transparent BI governance ensures engaged BI users with high trust

4. Those impacted by BI Governance should be prominent and trusted voices in the creation of governance routines and the selection and deployment of supporting technology

5. Robust and flexible BI governance is the only effective route to scale BI across organizations

A Fight Not Worth Fighting

This paper specifically avoids focusing on one BI delivery systems and designing a governance process around these technologies. We at the IIA have personal and client experience with all the major vendors, like Alteryx, Qlik, Tableau, Power BI, Looker and more. And we all have personal preferences for a given technology or a couple of technologies depending on the organizational environment. "Personal" preferences, however, is all they are, and personal preferences exist in your company for these tools. These preferences are not likely to be swayed by fancy four-square examinations by experts or emotional pleas, like "if we don't consolidate BI systems, I will quit." As business users become fluent in a tool these preferences become intrenched. So, we encourage you to avoid the temptation to start (or restart) your BI governance program with a "technology consolidation".

BI Governance – Drive from Strategy and Action

Effective BI enables decision-makers to take decisions quickly, with confidence. The components to this effectiveness – the correct data, fit-for-purpose analytics and visualization, provided to the right decision makers requires expertise in each area. Best in class in BI governance secures that role of this expertise is clear to all. Effective BI Governance also brings in the wisdom of the crowd. Of course, if the BI is not addressing the key strategic priorities that drive the business, the correct data, great analytics, and compelling visualizations won't mean much.

Below is a decision-making and information flow diagram that facilitates this "top-down/bottom-up" and expert and crowdsources approach, while ensuring that the business priorities are fed in and fed back into.
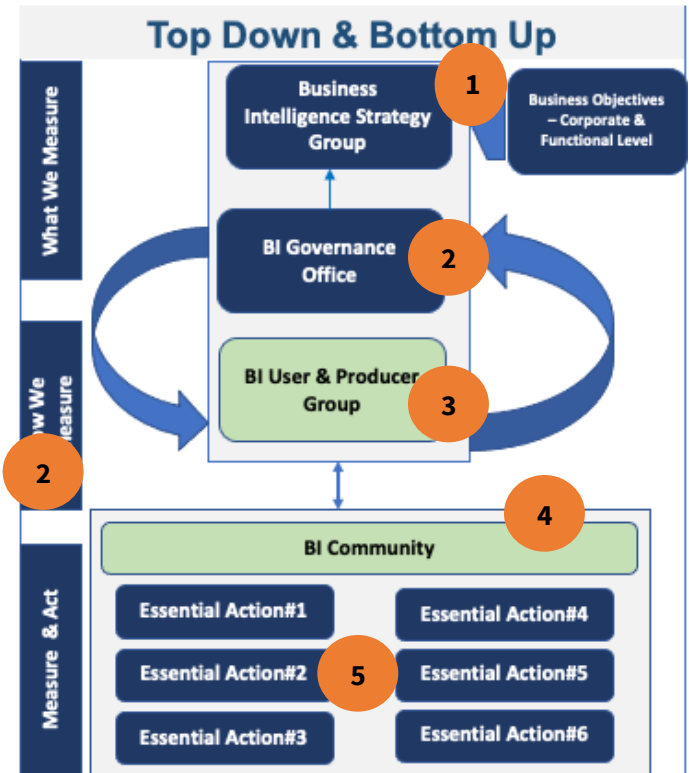
① Effective BI Governance can map to strategic priorities in two ways. First, the BI Center of Excellence should be staffed with leaders who can interpret the organization's overall strategic direction into a BI Strategy that ensures that right data as well as the most effective analytics are deployed, nurtured and replicated. Less obvious and maybe, more importantly, effective BI can measure the use of analytics targeted toward strategic priorities and quickly respond if the leaders in those areas are underutilizing BI.

A small focused BI governance group can ensure that the foundational components (infrastructure, data access, analytical and visualization tools and talent) are in place. They do this by understanding the BI strategy (built on the larger company strategy) and

expertly translating that into BI needs. Additionally, they take the feedback from the BI user and BI producer work group, who in turn lean on the wisdom of the crowd, and secure suggested new BI reports, approaches, etc., are compliant and can be scaled.

3 This might be the most important group in this set up. This is a combination of expert users, key persons in BI enablement and expert producers that confirm the wisdom of the crowd and push the best ideas into the BI Governance office to secure those ideas scale.

4 Whether they produce BI or consume it, or are working in the critical infrastructure, they are in the BI Community. Effective BI will measure the actions of each one separately and as a group to surface the most influential members of the community and to match profiles to access rights with as little manual work as possible. Effective BI Governance for this group means they can access and trust the BI they need with little to no friction.

5 Effective BI will allow you to focus on certain content through tagging and scoring. Again, this is a mix of expertise and wisdom of the crowd governance that identifies the BI that's the most connected to your strategy (point #1) and the BI that the crowd deems most usable. Of course, these two things should very often be the same, and effective BI governance, like the structure above, supported with effective tools can help you bridge any gaps.

BI Governance – Keeps Energy for BI High While Lowering the Risk

Ironically governance is not a four-letter word, but data is. Still more and more folks love data and the business intelligence it brings. Still, no one loves to be "governed" even if we accept it. Folks very much like to be supported, enabled and included and that's what effective BI Governance does. Done well it can be extremely unintrusive, highly engaging and still very effective at both accelerating the value of business intelligence and mitigating risk. This is a tricky balance and so many simply skip it altogether, but this is a bad idea and kicking the can down the road won't make the challenge any smaller. Instead get started now, with this lightweight framework, consider it an active pursuit, and build, as you go.

About the Author

Drew Smith

With close to 20 years of experience, Drew has worked on both the business side of analytics, leveraging insights for business performance, and on the delivery side of analytics, driving the use of enterprise analytics. As the VP of IIA's Analytics Leadership Consortium, he engages with analytics thought leaders and top analytics practitioners in the IIA Community to deliver impactful meetings and valuable content, helping keep analytics leaders in the lead.

Other papers include

DG1.0 and 2.0

Self Serve

Operational Model

5 Things to Obsess About

Before joining IIA, he led the data analytics and governance team at IKEA's global headquarters in Europe. He used analytics heavily in various leadership roles across the IKEA value chain in both the United States and Europe. He credits his business success largely to his early and avid adoption of analytics to help drive his decisions and is passionate about helping other organizations do the same. He received his MBA from Penn State and his undergraduate degree from Boston University.

IIANALYTICS.COM