

## Leveraging the Regulatory Stick



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Nicola will be at the **MDM and Data Governance Summit** taking place from the 23-25 April 2012, London participating in the Panel Discussion: Data Governance in a Regulatory Environment.

Nicola is an independent data management consultant, whose primary area of expertise is data governance. Nicola is experienced in designing and implementing full data governance frameworks in both regulatory and non-regulatory environments. She has worked in data management for nine years, initially for a leading UK Bank, before becoming a consultant at the beginning of 2009. Most recently Nicola has spent most of her time delivering data governance for Solvency II, but also offers data governance coaching.

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**Anyone who has tried to get a Data Governance or Data Quality initiative started, will know from experience that they are notoriously difficult to get buy in for and gain enough momentum to get started. Most people understand and accept that there are potentially huge benefits to be had, but finding a business driver that is important enough to be high on an organisations agenda, particularly during challenging economic conditions, is difficult to say the least.**

If you are lucky enough to be working in a regulated industry, compliance could be your key to implementing a successful Data Governance Programme. Take, for example, the Financial Services Industry where Solvency II is currently placing significant data quality requirements on Insurance companies, with Basel III and Dodd-Frank expected to do the same for the Banks.

Obviously the regulatory imperative means that you now have a driver which cannot be ignored, guaranteeing that elusive executive buy in. However, beware viewing these requirements merely as check list to be ticked off. To do so will only lead to missed opportunities. It is tempting (and even expected) that you only implement data solutions which meet the requirements of the regulation you are seeking to comply with. However, achieving compliance is likely to impact only a subset of your organisation and its data. You have been presented with an excellent opportunity to gain so much more out of the Data Governance and Data Quality work which you have to do, so grab this opportunity to show what a difference a well managed approach to Data Quality can make to your whole company.

Take your regulatory requirements and think wider and deeper, consider how you can use compliance as the starting place and build upon that to create an organisation-wide data quality approach. However, beware of being too evangelical and trying to be all things to all people. You are unlikely to gain permission to start a project which is significantly larger than the minimum required.

Instead develop a phased approach. Design a full organisation wide framework, but plan for its implementation on a phased basis. Once the foundations are in place and the benefits are being seen, it is easier to use the momentum gained to extend the reach of the work, than it would be to start an entirely separate piece of work at a later date.

The first phase must out, of necessity, focus on delivering that which is required for compliance, but do ensure to also include whatever else may be needed to put in place solid foundations for future phases. Precisely what this will include will depend on your organisation, its strategy and challenges. It could include identifying and training all Data Owners and Data Stewards, not just those who own and manage regulatory data, or perhaps creating an organisation wide conceptual data model.

A final word of advice, your regulatory requirements, although also covering data quality, will primarily be covering areas such as capital adequacy and it is understandable that the initial focus of the Project or Programme will be on that. Ensure that whether you are doing the minimum required or intending to leverage the regulatory stick, that the data workstream gets started as early as possible and never underestimate the amount of time and effort that a Data Governance Project takes.