



# Data everywhere, but not what you need?

## 8 Steps to Making Your Data Useful

A common challenge we hear about in financial institutions is a preponderance of data, but not in a format that is easy to use to make data-driven decisions. Often the problems arise from data being generated in different systems that don't interface with each other. What are the best practices to collect and analyze data? As "big data" becomes less a buzzword than a simple fact of life, this question becomes imperative.

The answer, simply put, is to develop a data management plan. Depending on the size of your institution, this may seem either obvious or out of reach, but we assert that this is an essential process that can be undertaken regardless of your current data collection practices.

In our experience, one of the most crucial and far-reaching choices any company can make (at any stage) is to take the time to create a clear plan and vision for how data, analytics, frontline tools, and people come together to create business value.

A data management plan benefits the organization in many ways. It creates a common language that allows senior executives, technology professionals, the IT department, and managers to discuss what data and analysis will produce the greatest benefit and, more importantly, determines the two or three places to get started. Senior managers and other business users play a critical role in developing

the data plan, even if IT staff or consultants manage the process. Below are the essential components to a valuable data management plan:

1. **Critical Data Inventory** – Critical data is those data elements important for decision making and compliance. This inventory should be made in consultation with business users and will help set project priorities and define the project's scope.
2. **Data Integration** – This step covers the processes and tools for acquisition, composition and enrichment of data from different sources into a single unified store or view. Data integration typically is done by building an enterprise data warehouse, from which data is sourced directly into analytical engines, or into data marts that feed the analytical engines. Data integration also addresses the control processes to monitor data integrity as data flows from producers to consumers.
3. **Data Profiling** – Data profiling is examining data to collect statistics and characteristics about the structure of available data, and is a key step in the process for business users to spot-test the data. It is used to assist in critical data assessment, data classification, data integration and impact analysis.
4. **Data Quality** – Data quality evaluates whether the data is fit for its intended use, allowing end-users to reality check against what the data suggests. Business users are important participants in this assessment. Data quality is typically measured along the dimensions of accuracy, completeness, conformity, consistency, duplication and integrity, with each dimension carrying different weight based on the intended use of the data. End-to-end data quality allows for comparison of data quality across the data flow at a point in time as well as across time (trends).
5. **Metadata Management** – Metadata is information about the data itself. Metadata captures attributes of data like the type, length, timestamp, source, and owner, as well as relationships in data, and helps with data traceability and lineage. Use of uniform methods and tools for defining, collecting, and managing information metadata ensures that data is identified consistently across the enterprise.
6. **Master Data Management** – Master data or the Master file is the single, authoritative and agreed upon source of data that is critical for business operation and decision-making. It typically includes persistent non-transactional data like customer, product, employee information, and other key data as required and defined by users. Master data management ensures that there is a single consistent version of critical data used across the enterprise.

7. **Reference Data Management** – Reference data is used to classify or categorize data. An example is the product master which contains the list of all products along with their attributes. As with metadata and master data, reference data management also plays an important role in data integrity and consistency. Again, business users need to be involved to ensure that data is categorized in a way that makes sense to managers or front-line staff.

8. **Data Privacy** – This includes processes, algorithms and technology platforms which are required to ensure that the contents of any information data set fully comply with information privacy and protection laws and regulations.

Of course, once an organization has completed this work it must still execute and manage the implementation of the analytics system. For more on this complicated and challenging process, we invite you to view the recording of the recent [CapPlus Webinar: Intro to Analytics for SME Banking](#), and to [register and join us on 4 May for Part 2 in the series, covering Advanced Analytics: Origination and Risk Management](#).



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- What to do when unable to gather 'proof' of fraud...but know there is something 'not right'
- How to clearly document fraud activity
- Impact of fraud on a financial institution

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