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Building a Data Governance Strategy

By **Michelle Knight** on **March 25, 2025**

Organizations increasingly recognize that an effective data governance strategy determines their ability to innovate and compete. Yet according to DATAVERSITY®'s 2024 Trends in Data Management report, 65% of organizations still rate their data governance programs as being in the initial stages of maturity despite identifying it as a top priority.

This maturity gap stems from a common misconception: that business leaders can treat data governance as another compliance checklist. Organizations focus on meeting data sovereignty requirements – following the data protection and privacy laws of where their data is physically stored and processed. While these compliance requirements are important, they represent only one aspect of data governance.

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Modern organizations need data governance that does more than just check boxes. It must also support broader business objectives.

It needs to enable access to real-time insights and provide the flexibility to adapt to rapidly changing market conditions. Achieving this balance between risk management and growth requires a comprehensive data governance strategy that bridges compliance requirements with business innovation needs.

What Is Data Governance?

Companies need to understand data governance (DG) before building a data governance strategy. DG provides the framework and accountability for managing, using, and protecting data assets. While data management handles day-to-day operations and technical implementations, DG establishes the policies, standards, and responsibilities that guide these activities.

As a key component of an organization's broader data strategy, data governance provides the guardrails and guidelines that ensure strategic data initiatives succeed.

A comprehensive DG program includes:

- Clear roles and responsibilities for data stewards and owners
- Policies and procedures for data quality and security
- Standards for data usage and access
- Metrics to measure data quality and governance effectiveness
- Processes for ensuring regulatory compliance

Through this structured approach, organizations can align data activities with business goals while ensuring data quality, security, and compliance. When properly implemented, data governance provides a strategic advantage, driving better decisions and operational efficiencies that reduce risk and increase profitability.

Your Organization Needs a Data Governance Strategy Now

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organizations will fail to realize value from their AI initiatives by 2027 due to inadequate data governance frameworks.

A well-built DG strategy delivers its worth by:

- **Risk management and compliance:** In 2025, preventing risks from both cyber criminals and AI use will be top mandates for many executives. These demands also mean knowing who owns, uses, and has permission to access data. That way, organizations minimize risks of violating data regulations, like the General Data Protection Regulation (GDPR) , and internal policies.
- **Strategic alignment and decision making:** A DG strategy lays out the existing organizational capabilities, structure, and roles in its framework . It aligns these resources to the services data governance provides. This clarity extends to enhanced data-driven decision-making, an objective approach to obtaining, communicating, and trusting the insights derived.
- **Operational efficiency:** The DG strategic documentation gives the formal authority to reduce data silos and duplication, to increase efficiency. Success requires cross-functional stakeholder engagement in data management decisions. The strategy identifies these data sponsors and standards for data collection, curation, ownership, storage, processing, and use. Based on this information, companies can measure and improve their operational efficiency.
- **Business generation:** Gaining a competitive business advantage through growing opportunities requires change management and embedding cultural change into data governance. A DG strategy lays out this implementation to promote data democratization across the company, ensuring data accuracy, consistency, and trustworthiness. With the increased capability to find high-quality data quickly and a better understanding of the data's meaning and context, companies can seize new opportunities.

To achieve these objectives , organizations need to create a data governance strategy that provides a bird's-eye view of data activities and critical data elements. This strategy must then be implemented through a DG framework – a structured collection of processes, rules, and responsibilities.

Essential Steps in Data Governance

With these benefits in mind, organizations can follow a systematic approach to build their DG strategy. The following steps provide guidance for establishing a robust governance program that aligns with business objectives while ensuring sustainable implementation.

- **Assess the current organizational state and define future goals:** Any governance strategy needs to understand the firm's current capabilities and where it wants to be in the future. Where are the gaps? What is the complexity and depth of the data collected and delivered? Are there opportunities to innovate and optimize data utilization for future projects?

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Develop the framework and policies: Data governance leaders and strategic business planners, as identified in the previous step, come together to develop a governance strategy aligned with higher-level business priorities and key performance indicators (KPIs). This blueprint includes rules, processes, roles, and tools that align with business needs across the organization. Such guidance needs to consider data quality management, metadata management, privacy requirements , and policies around unstructured data.

- **Implement and Improve:** Once teams across the company buy into the DG framework and policies, they implement the structure in stages. Try to show quick wins from initial efforts and improve on critical metrics. These metrics inform, in a feedback loop, whether current data governance efforts remain relevant and adaptive.

Planning and executing these steps set the organization up to build trust while accelerating business value. However, even with careful planning and execution of these steps, organizations face challenges.

Challenges

In implementing a data strategy, a company can face several obstacles, including:

- **Cultural resistance:** Cultural resistance emerges throughout the DG journey, from initial strategy discussions through implementation and beyond. Teams and departments may resist changes to their established processes and workflows, requiring sustained change management efforts and clear communication of benefits.
- **Lack of Resources:** Viewing governance solely through a compliance lens leads to underinvestment, with 54% of data and analytics professionals finding the biggest hurdle is a lack of funding for their data programs. In the meantime, the demands of data governance have increased significantly due to a complex and evolving regulatory landscape and accelerated digital transformation where businesses must rely heavily on data-driven systems.
- **Scalability:** Modern enterprises must manage data across an increasingly complex ecosystem of cloud platforms, personal devices, and decentralized systems. This dispersed data environment creates significant challenges for maintaining consistent governance practices and data quality.
- **Demands for unstructured data:** The growing demand for AI-driven insights requires organizations to govern increasing volumes of unstructured data, including videos, emails, documents, and images. Legacy governance structures often struggle to effectively manage these diverse data types, requiring significant updates to access, use, and secure this information.

Individual and corporate data literacy – the ability to read, analyze, and argue with data – mitigates these challenges. Data literacy enables team members to better understand their role in managing

and how to proceed.

Conclusion

Building out a robust DG strategy could not come at a more critical time. Market disruptions in the last five years require a data governance to respond flexibly to data regulation complexity around data sovereignty and to capitalize on the potential with AI.

The processes to develop and implement a data governance strategy need to put organizational goals first. To that end, strategic teams need to evaluate corporate capabilities, allocate roles and responsibilities to create and implement strategy, and come to agreement on the framework and policies. Then, organizations need to create a data-driven feedback loop, using KPIs to inform governance members about necessary policy updates and strategic evolution.

Success requires ongoing training and support, so managers and staff understand how to handle and protect data while adapting to rapid changes in governance requirements. As organizations continue to face increasing regulatory complexity and emerging technologies like AI, a well-designed data governance strategy becomes essential for both protection and innovation.

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