

the answer's in
the data. **simple.**

Risk and Governance Week 5

Summer School 2024

Risk and Governance

Risk

Risk is the other side of the coin from Strategy. We talk about understanding where you are going on the risk and value scale being intrinsic to your data journey, but you cannot ignore either side of the coin. The value and where you are going is handed to you with your strategy, but there is more structure to understanding your risks. It may not be seen as sexy, but it is critically important that you factor this into your planning.

Your risks around data should all be linked, so you understand the inter-relationships between them. They must be regularly reviewed, not least to check that you are doing something with the mitigating actions and not just listing them.

To really understand your risk, you must clearly demonstrate the following:

- Clear short description of your information risk – this should be a very clear, concise description that explains the risk, so that anybody reading it can understand it. Completely avoid the use of any jargon and acronyms; think about somebody outside your organisation, would they be able to understand this risk?
- Early warning indicators – what metrics are you going to put in place to give you an indication that you are moving into a danger zone?
Don't worry if when you initially start this exercise you don't have the data to complete your early warning indicators. It's highly likely that you will be in a situation where you know what your early warning indicator should be, but you may highlight a future early warning indicator, and collect the data to the point where you can then usefully put it into practice.
Remember that perfection is a disease. Put early warning indicators in place with indicative tolerance levels, and monitor these to see if they are doing the job right. If they are, that's fantastic, if they're not, don't be afraid to modify them.
- Causes – make sure you look at internal factors arising from events taking place within the company, and external factors which arise from events happening outside your current organisation. Internal factors tend to be more controllable whereas there is less control available with external factors.
The causes could come from a wide range of factors, but remember to look at things around natural factors: competitive elements, any change – negative or positive – in demand force, better use of technology, human risk and changes in both internal and external control, as well as the potential for any mismanagement.
- Risk Assessment, safety, performance, finance and reputation (political) overall – hopefully your organisation has some kind of numbering system to assess your risks. Make sure you tie in with the corporate risk assessment when it comes to your data information risk and use the same system.
- Risk Assessment Rationale – this is the 'why' section. Document the rationale for the assessment, of the impact or the probability; it is important to document the

justification for each impact and the probability of it happening, in order to help communicate the significance of the risk. Likelihood – this is a pretty straightforward section. What is the likelihood of the worst outcome taking place against whatever framework your organisation uses? This will put it into the context of your other organisational risks, and help you to understand the likelihood of it happening in relation to other important risks. This means that the organisation can appropriately tailor their assets and resources to the priority with the highest likelihood of the risk happening.

- RACI (Responsible, Accountable, Consulted and Informed) around risk. For all different areas within your risk, whether they are the overall area or the requested specific areas, you should understand who is actually responsible, versus who is accountable. Whose opinion do you need to ask and who do you just need to keep up-to-date with what is happening?
- Existing controls, causes and consequences – don't assume that there isn't anything already in place. Ensure that you look for current controls that you can use to monitor this risk. Are there other processes already happening which the organisation still needs to complete that will impact this? Be honest.
- Improvement Actions – what you need to do here covers two areas. First, try to stop the risk happening in the first place. Second, minimise the impact of the risk if it does happen and you have no way of stopping it. Both of these areas will form actions that will end up in your overarching roadmap, alongside your other priorities. This is where understanding the balance between risk and value is important, because you cannot ignore either priority. Make sure you put in place tangible actions with owners and dates. They should be simple, identifiable actions that are clear, and that people can buy into. Don't assign owners if you haven't already agreed with them that they will deliver that action.

This is an area in which it is really useful to use the experts that you will hopefully already have in your company, in your audit and risk departments. You will be amazed at how often you go over the same sentences again and again, but this means the wording you end up with will be much more powerful and defensible when you start.

Governance

Good governance within an organisation is very important. Unfortunately, the word 'governance' has negative connotations; people focus much more on what they can't do and forget about all the useful things that they can do. The value of actually having good corporate governance, that also covers your data governance, means that the rules of the game are completely clear. We advocate data governance being an intricate part of the overall corporate governance, because the last thing you need to do is have people being confused by the rules of the game. In fact, making it worse, you don't want people believing they are playing different games, or trying to play the same game with different rules. It would be very confusing if the referee on the pitch was following a different set of rules to the players. Even more worrying would be if three teams walked onto a pitch, with one thinking they were playing football, one thinking they were playing basketball and one thinking they were playing hockey – that would

just descend into chaos. Remember, the vast majority of people come to work because they want to do a good job – a large part of governance is making that easy for them so they are all playing the same game.

Knowing where you are in this phase of the transformation goes beyond just knowing where your data governance is. The understanding comes from how corporate governance is delivered, used and understood within your organisation. If governance is an evil word and people go out of their way to do the opposite, then it is necessary to understand that so you can tailor your message around it. Don't create battles for yourself that you don't need.

Another aspect to consider is how people engage with governance. What we mean by this is, do people interact with governance on a very limited basis and only when they have to, or do they see corporate governance as something that they can work with for the better?

Working on any kind of governance role can be incredibly difficult because the hard part is understanding what questions to ask in order to get meaningful interactions with the departments. We have worked with lots of different organisations where departments will answer a question in a specific way, to avoid interacting with the auditing department or any other kind of governance function again, rather than taking it as an opportunity to fully understand the process they are going through. Being an auditor can sometimes feel like dealing with a very intelligent, creative three-year-old; they limit the answer so that they don't lie to you but don't feel compelled in any way, shape or form to give you the full answer (which might expose the fact that, while they didn't have a chocolate bar, as you had asked, they actually had three).

You don't want to boil the ocean with this area either. You want good governance in place across the organisation, so the focus here has to be on the data governance. The whole reason for understanding the corporate governance is so that you can comprehend the impact that has on the data governance which you are putting in place. It isn't going to solve all corporate governance issues, just ongoing issues, to make sure you don't compound anything that already exists. The other aspect to consider is, if there is good governance in place already, why would you not work with the existing framework to incorporate good data governance as part of it? This will be familiar to the organisation and leapfrog you ahead of where you would be if you tried to do it in isolation. Never attempt to reinvent the wheel. Make it better by all means – make it different to be creative – but don't make work for yourself if you really don't need to.

So, what does the referee on the football pitch have to worry about?

Firstly, it is important to be neutral, to make sure your data governance is coming from a place of neutrality. There is no point in having your governance viewed as a pet project for one particular area that can do no wrong. What this means is that you must make sure that as many people feel engaged with the governance as possible. And no, we don't mean that everybody has to mark everybody else's homework, what we mean is that they have an understanding of the overall process and how it is executed – basically, everybody agrees that the referee is on the pitch.

Your mechanism for doing this is to have your governance documented, in a place that is easy for everybody to see, and ideally agreed by your highest decision maker around data and information. The whole idea of governance isn't a complicated one. In fact,

your process around governance should be remarkably straightforward. At the highest level, is there a way of checking that your organisation does what is expected of it? That is all you're trying to do around your data governance. Try to keep the whole system as simple as possible, this is not an area to overcomplicate.

This could be part of your audit function. You could augment the standard audit function with the right questions and expertise, with the questions around data and information within the standard audit that takes place; or you could agree with your audit function that a separate data audit will take place, but work with them on the schedules. The one thing you have to make sure doesn't happen, is that you provide data audits that are completely separate from anything the audit function is doing, otherwise one area of the business could potentially be overloaded by several different audits within a short space of time.

The other key skill of a good referee is a full understanding of the rules. They must work to keep the game flowing. When it comes to data governance, it is important that an expert has had a hand in helping with the assurance activities; and obviously they have to apply these fairly. In the corporate sense, this is about making sure that there is a level of consistency that takes place in all of the governance assurance activities, so that one particular evangelist doesn't make the test harder, because they are incredibly passionate about processes, for instance.

Homework

- **Describe your main Risk around data and identify the causes.**
- **Identify the ways that your organisation governs data.**

Program Content

This is the content for the 10-week program:

Week 1 - Guest Speaker Aaron Wilkerson

Understanding the different types of CDO and what kind are you

Week 2 –To be joined by Scott Taylor

Making the case for the CDO and business case development

Guest Speaker: Scott Taylor Telling Your Data Story With the 3Vs: Vocabulary, Voice, and Vision

Week 3 - Guest Speaker

Planning for your first 100 days and beyond and The Carruthers and Jackson Data Maturity Assessment Overview

Week 4

Strategy Development part 1 PURPOSE

Week 5 - Our Sponsor MicroStrategy will be joining the session.

Strategy Development part 2 PURPOSE

Week 6 - Our Sponsor Corndel will be joining the session.

The role of People

Week 7 - Our Sponsor Praesto will be joining the session.

Methodology

Week 8 - Our Sponsor One Data Will be joining the session

TOOLS

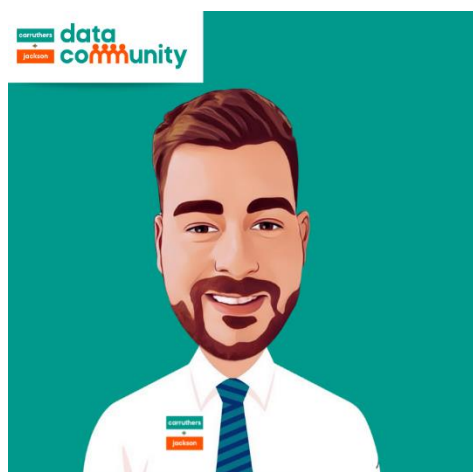
Week 9 To be joined by Kate Strachnyi

Building your team

Week 10 - Our Sponsor Microstrategy will be joining the session.

Disruption versus innovation

The Summer School Community



If you need assistance at any time, please contact your community manager s.toseland@carruthersandjackson.com

As a participant of Summer School, you have joined a community of current and aspiring CDOs, where you will gain practical advice, proven methodologies and guidance to put back into the business straight away. Your homework as you progress through the course will build a series of artifacts for you to use in your organisations.

Exclusive Community Groups

Within the Pheedloop Platform, there is an area just for you. The Carruthers & Jackson Exhibit Hall. This area will be used to share pre-class work, classroom materials, and homework. You will also be able to catch up on all sessions missed. Sam will share this link with you weekly once we begin.

We have also created a LinkedIn Group. These groups will provide an environment to network and interact with peers. Please check the groups regularly for updates and information or drop in to say hi to your fellow students.

You can access the Community Page & Groups here:

What's app:

<https://chat.whatsapp.com/CbaFoRn5JO7E596JrKsBKe>

LinkedIn:

<https://www.linkedin.com/groups/13054133/>

These groups are reserved for the sole use of the Summer School, the school leaders, and participants. Please ensure you remain respectful to other group members, at all times. Any posts that are commercial or deemed unsuitable by the group managers will be removed.