

ALDO

A DATA GOVERNANCE CASE STUDY

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INTRODUCTION

Aldo Group is a multinational corporation retailer of footwear and accessory brands with over 3000 stores across 100 countries worldwide. In 2015, Aldo launched "Aldo Connected Store" to establish its digital presence, providing an e-commerce platform enabling shoppers to enjoy a more personalized user experience and to enhance the ways they shop.[1] Since then, the company has focused on digital transformation to enable omnichannel commerce and digitize brick-and-mortar stores, making the shopping experience more fun, consistent, and profitable.

Data Governance lies at the root of any digital transformation and must be an inherent initiative to build a sustainable business model. This paper analyzes how Aldo Group has built a robust data governance model towards their journey of digitization and leveraging data for operational excellence to overcome retail apocalypse. The work is based on Aldo Group's experiences shared by director of Business Intelligence and Data Governance, David Dadou, during the 2018 Data Innovation Summit held in Sweden. [2] [5]

INITIAL STEPS

According to David Dadou, statistics suggest less than 10% of companies that deployed data governance programs have benefitted from it. The first step in carving a successful data governance framework (DGF) is to identify and address the issues resulting in such a low success rate. The issues addressed by Aldo Group are illustrated below:

1. Define Data Governance: Clearly state the true essence of data governance and what it means for the Organization and propagate the idea throughout. David Dadou defines it as "just preventing people from doing stupid things with data," and the main job is the establish such processes suitable to the company's operations.

2. Executive Sponsorship: DGF is a breathing initiative and needs constant support from top executives. The sponsor should be "a powerful leader that is embedded in your business" who can appreciate the impact of the initiative and understands that it is an ongoing activity, unlike a software deployment.
3. Change Management: Have a communication plan for data governance and create and maintain awareness from throughout all members of the Organization. Communicate the initiatives promptly to the stakeholders highlighting the benefits and have clear documentation of the processes along the way.
4. Business Driven: Data governance policies should be driven by the users who own, create, and use the data. Unless it is a software organization, most of this responsibility is in the hands of business users, and they should be involved right from the start.
5. Start Small: Identify a single business process at a time that could be improved using new technologies or applying IT tools available in-house. This could mean redesigning certain processes in order to apply DGP. David Dadou defines this as a "quick win" mentality that they named "Stealth Governance."
6. Software Tools: Though buying software by itself does not achieve data governance; these tools help automate some of the processes, once a DGF mindset is established. As shared by David Dadou, Aldo Group was able to simplify their inspection process by creating a mobile application which also ensures quality data is fed into the systems eliminating any human prone errors with an ROI of 1500%.

STRATEGY

The figure below summarizes the steps around data governance as followed by Aldo Group. An interesting idea here is that these steps follow a loop, emphasizing the fact that data governance is a continuous process, always pushing the boundaries a little further to achieve better data quality which eventually result in better data analytics.

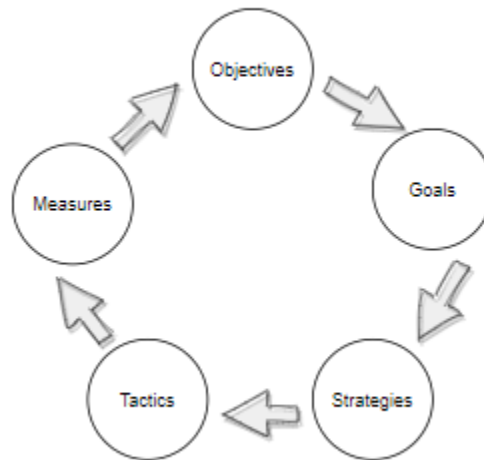


Figure 1: Data Governance Strategy (ALDO)

The process essentially involves identifying the objectives and setting goals to achieve these objectives in a timely manner. Once a goal has been set, the next logical step is to create a strategy and tactic to achieve the goal and measure the performance. This is an iterative process where the entire loop is repeated if the performance is not satisfactory by troubleshooting the potential issues and adjusting the parameters.

The company implemented this strategy using a data governance charter and through branding of the initiative. The data charter consists of a document that articulates the initiative in terms of vision, mission, guiding principles, goals & metrics, key success factors, policies to be created, procedure/processes impacted, and data ownership and its impact on the organization.

The charter represents the program to be implemented and needs to be subscribed and approved by the company's executive committee. This will ensure that the executive committee is aware of the challenges and resources needed to successfully complete the program and support the program through its implementation.

Moreover, the company involved its marketing department in a branding campaign in which a logo and a name could be identified to refer to the Data Governance initiative. The idea is to shift the focus from a concept not very well understood (data governance) to something that could highlight the initiative's advantages, i.e., better data quality. The marketing department named the initiative "Data+" (with a logo) since they saw the program as a way to "augment data." This approach promoted a change in the company's culture regarding data and data quality became embedded in their way of working.

PERFORMANCE ANALYSIS

During the Data Innovation Summit 2019, they presented three cases of how they implemented this strategy. [3] [4]

Case 1. Real-time sales figures and KPI for the sale team

The sales team was provided with a periodic report on the sales status and KPI. These reports were in the format of excel or pdf files that were difficult to access with a phone. The initiative's objective was to provide an app in which the data could be readily displayed in real-time and interacted with. They involved the VP of Sales and President of the North America Division as sponsors for the initiative. They collected the requirements and KPI with the final users (near real-time data, intuitive, possibility to function offline, platform-agnostic, etc.), involving as many people as possible with all relevant profiles affected. The project's

implementation was done following the data governance principles and resulted in a prototype that was then deployed to all the users.

The main KPI for the project was ROI and user adoption, and once the project was completed, they estimated an ROI of 1500% and user adoption of 90%.

Case 2. Manufacturer quality control

The Aldo Group purchases their products from third-party suppliers. To ensure the quality of the product purchased, they periodically send inspectors to the manufacturer premises to sample the product lines and verify adherence to the products' quality standards. The inspector used a mix of tools (excel files for the sampling data, photos from cameras, pdf reports of the inspection) in different formats sent to HQ for formatting and uploading in the data pool. They chose the Asia market as a pilot project. They defined an app that can log the sample data, take photos and generate authenticated inspection reports that can be transmitted in near real-time to HQ in a structured format. The app's introduction allowed the collection of quality control data in near real-time, enabling better overall quality control and faster decision making to address the quality issue detected.

Case 3. Understanding consumer demand for forecasting purposes

The company was using historical sales data to forecast sales. This approach is not ideal since the sales data do not capture the customer demand. The company mainly operated through owned shops or franchises, so the customer demand is represented by a customer entering the shop and making an inquiry about a product. They developed an app and provided the shop clerks with an iPad where they could check product availability (model, color, size, etc.) and at the same time capture the customers' demand. This minimized the time the clerks were using to

search the product in favor of time attending the customers and gave precious insight on the customer demand and stock levels, allowing a substantial improvement of their operations.

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