Data Governance Analysis and Recommendations for Merrilton Bank

Status of Merrilton Bank's Essential Data Governance Components

1. People - Current Status: Merrilton Bank operates in departmental silos with specialized roles in Business Analytics, Data Warehousing, and IT departments. The Business Analytics department manages predictive models while the Data Warehousing department handles historical data. The IT department supports technical needs but does not influence data policies or procedures.

2. Technology - Current Status: The bank uses a centralized data warehouse with data marts for specific departments. The bank's automated application scoring models are cloud-native and rely on historical data. However, data integration from various sources remains an issue.

3. Process - Current Status: Processes for data governance are not standardized across departments, leading to frequent ad-hoc changes. Each department has its policies and procedures, which are not synchronized enterprise wide.

4. Content - Current Status The bank holds extensive data sets on lending repayment, fraudulent behaviors, and operational indicators. However, data governance elements related to content management lack coordination across departments.

Data Governance Gaps

1. People - Gap: Lack of cross-departmental coordination and standardized data governance roles and responsibilities.

2. Technology - Gap: Issues with data integration from various sources, which hinder the effective use of predictive models.

3. Process - Gap: Absence of standardized and synchronized data governance processes across the enterprise.

4. Content - Gap: Inefficient data management practices and lack of a cohesive strategy for content governance. Issues with data quality lead to unnecessary costs and delays when prepressing data for ingestion.

Origins of Gaps and Opportunities for Improvement

- Origins of Gaps
  - People: The departmental silo structure limits cross-functional collaboration and unified data governance.

- o Technology: Existing IT infrastructure supports departmental needs but lacks integration capabilities.
- o Process: Independent departmental processes prevent the development of enterprise-wide standards.
- o Content: Disparate data management practices result from decentralized content governance.

- Opportunities for Improvement
  - o People: Establish a cross-departmental data governance committee to ensure standardized roles and responsibilities.
  - o Technology: Invest in integrated data management solutions to enhance data sharing and predictive model accuracy.
  - o Process: Develop and implement enterprise-wide data governance policies and procedures.
  - o Content: Create a unified content management strategy to ensure consistent data quality and availability.

Challenge - Readiness and Standards

- Response to Sudden Surprises: The bank's ability to respond to economic downturns and new federal programs is limited by the identified gaps. Thus the bank lacks resiliency in the face of adversity and has a limited ability to take advantage of opportunity.
- Readiness for New Programs: The current state of data governance may hinder the effective administration of new loan programs.
- Existing Standards: The bank needs to align its data governance practices with existing standards for reporting, compliance, data protection, and security.
- Best Practices: Implementing best practices in data governance will enhance the bank's emergency readiness and operational efficiency.

Recommendations for Agenda Items:

1. Establish a Specialized SBAP Unit
   A dedicated unit will ensure focused and efficient management of the SBAP, enhancing   compliance and performance monitoring.

2. Enhance Data Integration Infrastructure
   Improved data integration will support the accurate and timely processing of SBAP applications, ensuring better service delivery and compliance.

3. Standardize Data Governance Processes Implementing
   Standardized processes will enhance data quality and governance across departments, reducing the risk of errors and non-compliance. Standardizing data guidelines coupled with quality reporting to ensure standards are being followed.

4. Develop a Unified Content Management Strategy
A cohesive strategy for content governance will ensure consistent data management practices, improving data availability and reliability for decision-making.

Sources / works referenced:
- Data Governance: How to Design, Deploy, and Sustain an Effective Data Governance Program by John Ladley, 2019

- What is a Data Governance Framework? Examples & Models. https://segment.com/data-hub/data-governance/framework/

- DGI Data Governance Framework. https://datagovernance.com/the-dgi-data-governance-framework/

Summary
By addressing these recommendations, Merrilton Bank can enhance its data governance framework to better support the new SBAP and ensure compliance with federal requirements. Implementing these changes will position the bank to respond effectively to future challenges and opportunities.