

# Information Governance for Financial Institutions

To transform strategy into effective actions, financial institutions must look at more than just technology; they should leverage an active information governance framework to address both regulatory requirements and impact of big data



## Regulatory requirements and new big data paradigms are increasing pressure on financial institutions to implement a best-in-class information governance framework.

For the last five years, financial institutions have faced an impressive acceleration of regulatory constraints such as Basel II/III, Solvency II, and BCBS 239. These have deeply affected the ability of key stakeholders to be mobilized on business priorities.

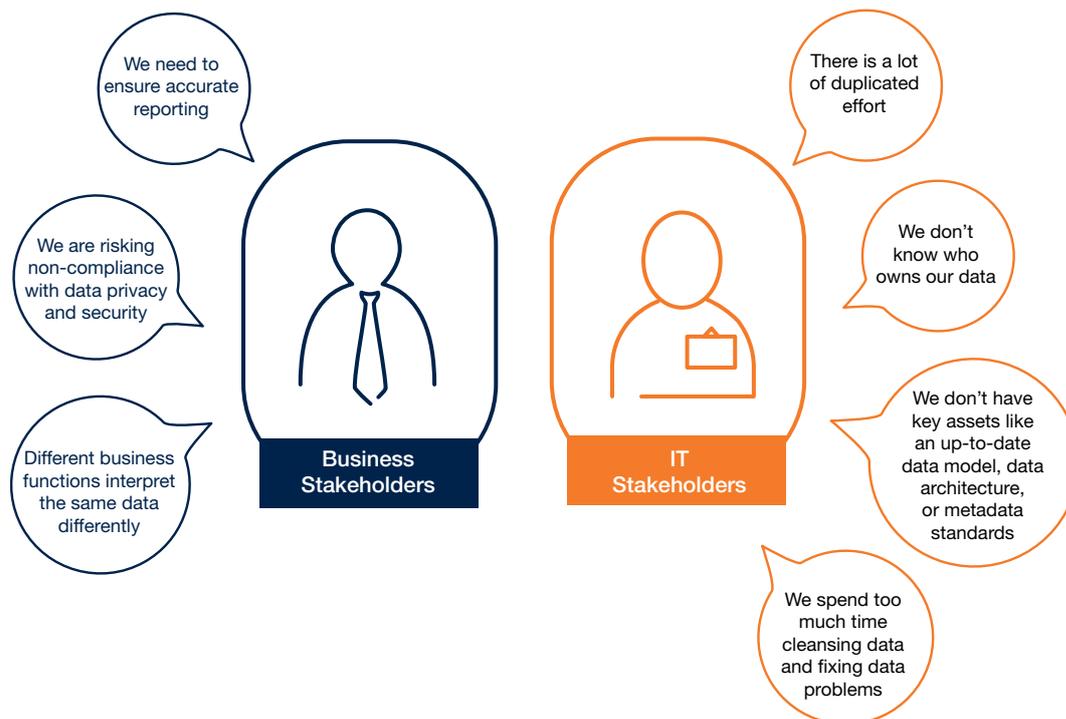
In addition, the past two years have seen the rise of big data. Together, these trends have drastically increased the complexity of information systems for banks and insurers, making information governance a top strategic priority. To meet these challenges, financial institutions are investing in the right people, processes and technologies.

Information governance is an organizational imperative for today's leading financial services institutions, but you need to understand more than just the big picture. Companies today need to know the details: where is the data coming from? Who owns it? Who is responsible for what data?

Capgemini provides information governance services to banks, insurance companies and capital markets firms looking for a cost effective strategy and implementation through our **Active Information Governance Framework**.



Exhibit 1: Customer pain points about their data



**81%**  
of reference data professionals consider data quality as the top priority in their information governance approach<sup>1</sup>

Our solution helps your institution define a structured and standardized process for implementing data management initiatives across the organization, fostering consistency, efficiency, and accountability. In addition, our solution introduces critical executive-level sponsorship while cutting costs by reducing project overlaps and improving the quality of financial, market, and risk data.

**Information governance is more than councils and committees**

Information governance doesn't mean only establishing governance bodies and councils. It combines all data aspects under a global framework: governance bodies, data stewardship, metadata, data management and data quality.

**Information governance can help respond appropriately to customer pain points**

Although IT enables and implements tools for information governance, it is not an IT initiative and should not be driven by IT. To be successful and sustainable, the mandate for an information governance program must come from the business. While an information governance program may result in a tool-based implementation that is managed by IT, that is not the core of information governance.

**Exhibit 2. Information governance should be led by business and driven by technology**

Business stakeholders should be able to...	IT should be able to...
Define knowledge based on facts in the form of <i>concepts and relationships</i> that is easily understood by everyone	Operationalize using standards-based vocabulary and business glossary
Make ownership and responsibilities transparent, actionable, and auditable as required by regulators	Monitor, enforce and report on these duties using a metadata-driven approach
Quickly and consistently locate any automated and manual adjustments made on data along with the reasons for the adjustments and impact of these adjustments to the business	Provide a solution to audit and report on when, where, how, and why data was manually adjusted and the context
Fully trace <i>atomic and calculated</i> data back to its requirements	Implement a reliable and accurate solution that provides full transparency and lineage of data and tracks where data is coming from, where it goes, who is responsible, etc
Define and provision data security policies, data quality standards, issue management processes and data sharing agreements	Inherit, conform and enforce all data policies, processes and agreements using a rule-based holistic governance solution

<sup>1</sup> FIMA - Reference Data Management Industry Benchmarking Survey 2014

# 4 Steps to Business-Led Technology-Driven Information Governance

**Capgemini 's Information Governance Center of Excellence** helps our people share knowledge, innovate solutions, build competencies, and create and distribute reusable assets, models and methodologies to deliver a seamless global experience for financial services institutions



## Step 1: Assess your data landscape

Capgemini developed an **Information Governance Framework** that gives an exhaustive view of data activities. We use this framework to measure the current state of your information governance maturity and determine the future state across 13 key components such as data privacy, legal compliance and reference data management.

## Step 2: Define your business strategy through a clear roadmap

Based on your business strategy, we help identify data that can add value and plan the operationalization through an incremental roadmap.

## Step 3: Operationalize

During the operationalization step, we help you link business assets to technology assets and implement organizational processes to support sustainable data quality.

- Business leverages the **business glossary** for requirement definition. Data definition evolves from the requirement definition
- **Automated workflows and escalation processes** help enforce governance policies and procedures
- **Automated metadata capture and linkage** enable accurate representation of data lineage and traceability
- **Rule-based governance model** within the architecture lets you effectively enforce governance rules
- Business and technology leverage a **common ontology** not just for atomic data, but also for derived data enabling common semantics across the enterprise for both data and information such as reports or dashboards
- The **governance meta-model (M3)** enables effective integration of reference data, data quality, and the business, technical, and operational landscape at the metadata level
- **Metrics-enabled tracking** and conformance of governance KPIs and SLAs
- **Holistic information governance** integrates people, process and technology to enable enforcement of data ownership/stewardship policies across the enterprise

## Step 4: Iterate!

Each iteration serves as an incremental enlargement of the data scope to increase the benefit of the informational perimeter. It also brings related processes to maintain quality expectations.

Exhibit 3. Capgemini's Information Governance Framework

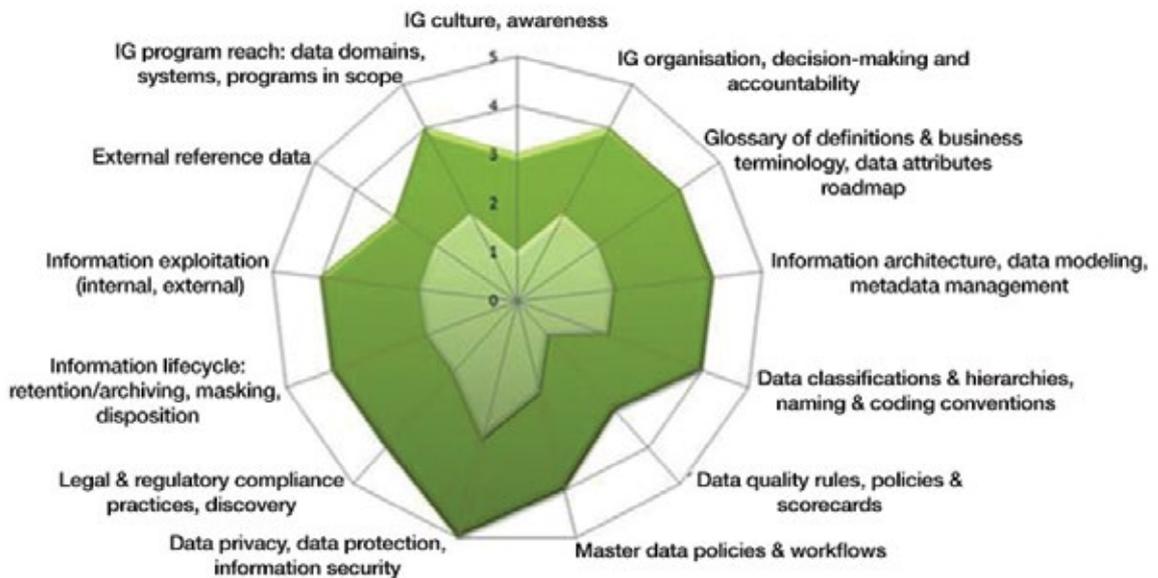
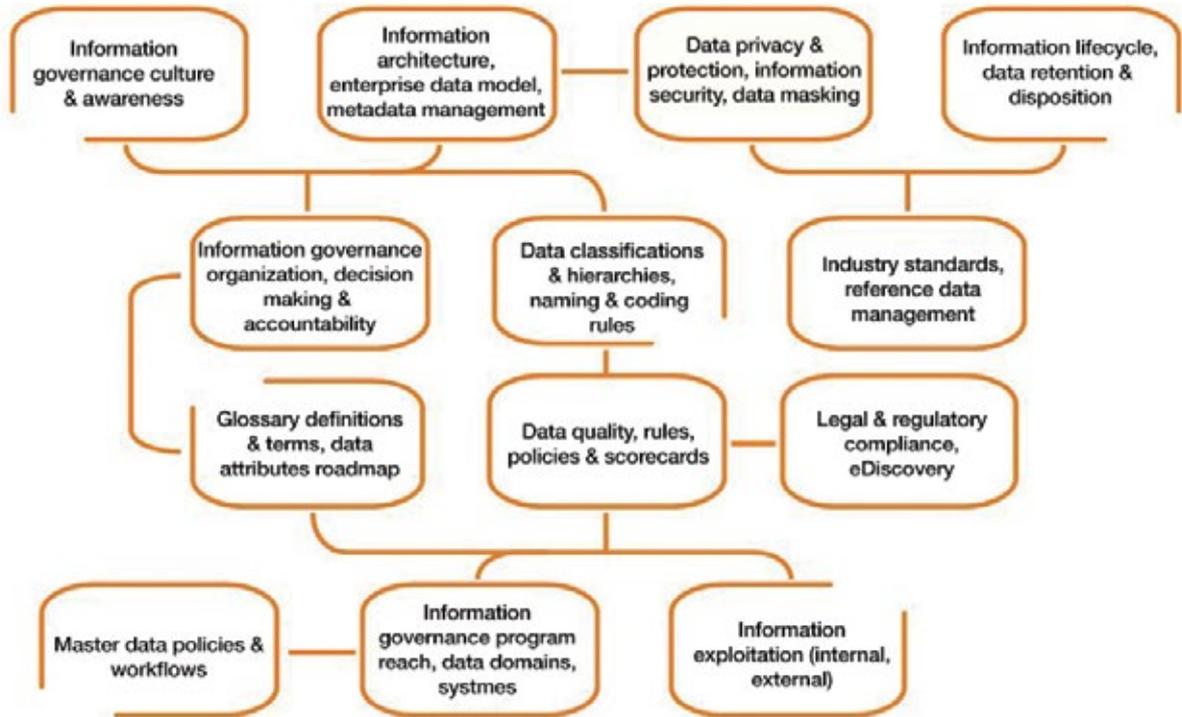


Exhibit 4. Data is operationalized based on the business roadmap

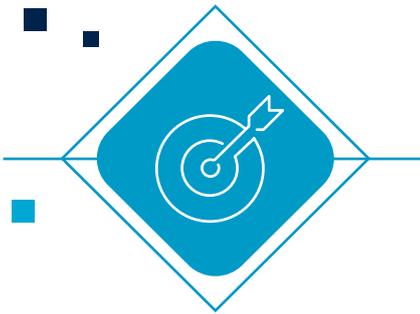
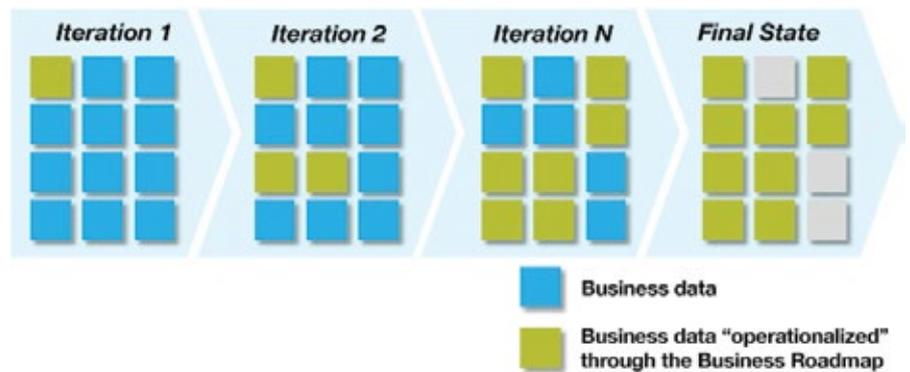
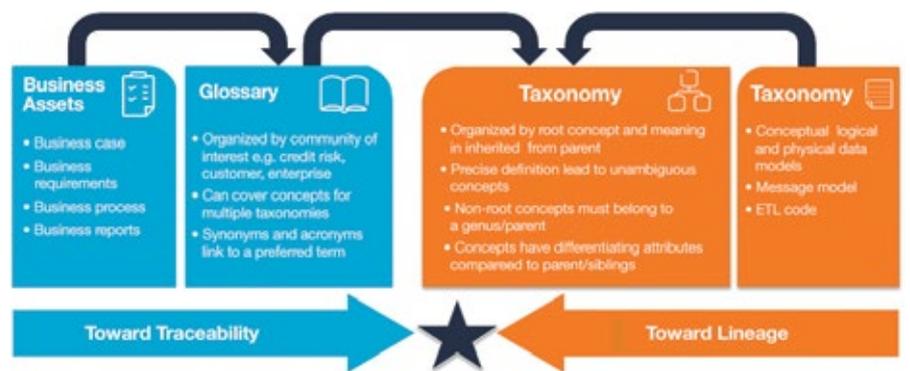


Exhibit 5. The path to operationalization



## Key Requirements Before Starting Your Information Governance Initiative

- **Gain executive sponsorship:** Any information governance within a financial institution is dependent upon executive sponsorship. Senior level sponsorship will ensure information governance remains a priority regardless of other activities taking place.
- **Understand the present state:** Before you can determine where you would like to go with an information governance initiative, you need to know from the starting point. By doing an upfront assessment, you can capture the answer to these and other key questions to incorporate into your initial governance plan.



- **Create realistic targets:** Make sure the information governance initiative has a realistic and achievable starting point. By starting on a smaller scale, you can build momentum and develop a success story that can be used to promote the information governance council.
- **Set intermediate checkpoints:** Through specific milestones, checkpoints and open discussions regarding what is or isn't working, you can help ensure the long term viability and sustainability of the governance program within your financial institution.
- **Build cross-functional teams:** Since the governance initiative will be a fundamental shift within your firm, you need to ensure that all of the key stakeholders are engaged, informed and disseminating information as needed to their teams.

#### How Should You Identify Stakeholders for Information Governance?



- Choose effective personal leaders who are in place, trusted, and empowered
- Create effective decision-making bodies and mechanisms
- Identify someone to lead the information governance initiative and be accountable who has backing from CXOs
- Build an information governance program team to define, develop, execute and sustain the program on a continual basis

#### Effective information governance should:

- Be considered a PROGRAM rather than a PROJECT. Governance should be an ongoing activity, not a temporary, one-time event with start and end dates
- Have a clear focus on business value creation
- Include specific guidelines on target markets, customers, and channels
- Contain processes to develop and sustain a multi-year view
- Drive value for leadership
- Support risk and compliance activities

Exhibit 6. Capgemini developed methodology and accelerators within our Active Information Governance Framework



Exhibit 7. Operational Enablers for Success

**1. Define the Governance Model & Processes**

**Data governance engagement model.** Recommended organizational structure for enterprise data governance, governance councils, and data management organizations which include detailed roles and responsibilities and communication model.

**Data governance operating model.** Detailed set of operating flows that are required to operationalize business as usual processes for any data governance initiative. The operating model connects the business and technology assets, key business processes and people.

**2. Select the Governance Tool**

**Data governance tool selection.** Over 50 critical data governance dimensions focused on financial services with a detailed approach and scorecard to evaluate a data governance tool. These dimensions can also be used to perform gap analysis on your organization’s current governance landscape.

**3. Operationalize & Provide Ongoing Support**

**Enterprise metadata solution deployment framework.** Contains a set of well-defined steps which are fundamental to the successful deployment and sustainability of a metadata solution that’s aligned with your institution’s overall enterprise information management strategy.

**Capgemini M3 universe.** A meta model that considers metadata from the business, operations and technology perspectives and underpins a business repository. The core of M3 is the ontology with business glossary and taxonomy of concepts serving as the common vocabulary between the business and technology.

**Business glossary meta model.** Semantics-based approach using OMG SBVR and W3C SKOS industry standards where the semantic community establishes the context for a vocabulary or taxonomy. The vocabulary encompasses the set of preferred terms.

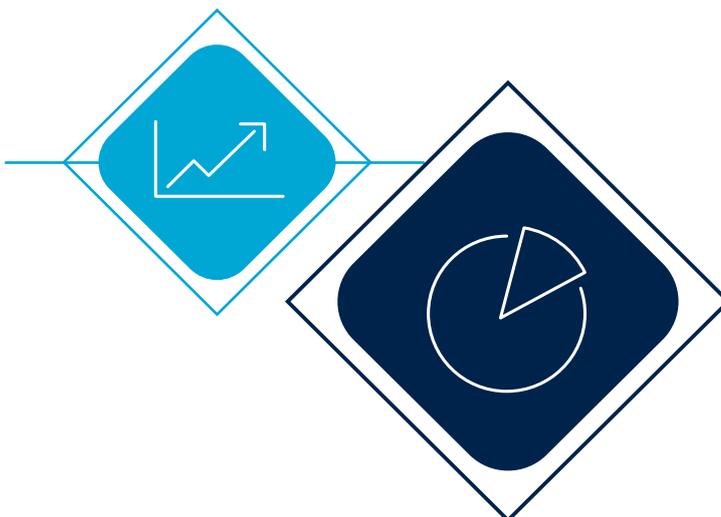
# In Practice: Major French Bank Builds an Information Governance Strategy

A major French bank wanted to identify and manage data effectively and connect data requirements with business priorities. Capgemini worked with the bank to develop a three-year roadmap for the data initiative that we're helping to implement.

To create the roadmap, Capgemini performed a current state assessment that included workshops and interviews with key stakeholders of the firm based on the Data Capability Assessment Maturity from the Enterprise Content Management Council. Our foundation roadmap includes:

- A common language dictionary to define a unique view of semantic information
- A functional services catalogue which includes 45 services around governance, quality, traceability and more
- A business use cases cartography that describes new business insights, new data for integration, and the impact on data. This cartography is linked to the functional services catalogue
- A new human resources plan that focuses on the skills required for businesses within the information landscape. The recruitment plan looks at roles such as Chief Data Officer, Data Architect, Data Steward, and Data Scientist

By providing a current state analysis, future state solution, gaps and remediation roadmap, Capgemini could quickly assess the bank's information landscape and set a path forward towards stronger information governance.



# Information Governance Strategy for Your Financial Institution

**“Between 2008 and 2013, banks in the U.S. paid more than \$100 billion in penalties and settlements”**

—Why Financial Services Firms Need a Chief Data Officer, Capgemini Consulting

For most financial services firms, data quality is fragmented and unclear within the organization. Companies often use a siloed approach to information governance that increases the risk of non-compliance. The Chief Data Office has become an essential part of data governance and control.

The Chief Data Office owns and drives information strategy, governance, risk, and exploitation, but is often merely an advisor in the implementation of information management projects. The CDO objective is to establish data as a corporate asset with an enterprise-wide information governance structure.

Within financial services, the Chief Data Office is responsible for:

- Aligning the organization around a common vision for data
- Expanding the scope of information governance
- Establishing accountability for data
- Tackling business challenges through data
- Addressing data privacy concerns
- Adapting data sourcing and storage practices for the digital age
- Establishing an enterprise-wide data governance framework to industrialize data initiatives and address compliance requirements
- Actively promoting new uses of data across the enterprise

Exhibit 8. Capgemini Data Governance and Stewardship Center of Excellence

Foundational	Solution	Business	Functional	Tools
<ul style="list-style-type: none"> <li>• Data governance strategy and roadmap</li> <li>• Data governance councils and bodies set up</li> <li>• Data governance and metadata assessments</li> <li>• Governance tools selection</li> <li>• Industry models and standards (e.g., OMG, DMN, SBVR)</li> <li>• Standards and best practices</li> <li>• Policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>• Data governance solution architecture</li> <li>• End-to-end integrated data governance operating model</li> <li>• Meta-model definition</li> <li>• Versioning and change control</li> <li>• Tool interfaces for holistic data governance</li> <li>• Metadata maintenance and governance</li> </ul>	<ul style="list-style-type: none"> <li>• Business glossary</li> <li>• CDE identification</li> <li>• Business vocabulary and semantics</li> <li>• Ontology and taxonomy</li> <li>• Data ownership and stewardship</li> <li>• Data lineage and traceability</li> <li>• Enterprise impact analysis</li> <li>• Data classification</li> </ul>	<ul style="list-style-type: none"> <li>• Data governance-SDLC integration</li> <li>• Data standards</li> <li>• Governance automation</li> <li>• Data quality-DG integration</li> <li>• Workflow definition and collaboration</li> <li>• Business, technical, operational and contextual metadata integration</li> <li>• Data governance metrics and reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Collibra</li> <li>• IBM Business Glossary and Metadata Workbench</li> <li>• Ab Initio MHUB/EME</li> <li>• Adaptive</li> <li>• DAG MetaCenter</li> <li>• AGS Rochade</li> <li>• Informatica Metadata Manager</li> <li>• SAS</li> <li>• Global IDs</li> </ul>

# In Practice: Major U.S. Financial Institution Gains Centralized Data Repository

A major U.S.-based financial institution had local, separate repositories across multiple business units which led to islands of information for functional teams such as Finance, Risk Human Resources and Consumer Lending. These separate repositories made it difficult to understand data ownership and traceability, identify consistency among automated and manual processes or manual adjustments, plan business initiatives, or respond to changing circumstances and objectives.



- Lack of an Enterprise wide repository to facilitate horizontal and vertical impact analysis across multiple applications, business units, geographies and entities with in the Organization severely restricted the organization's capability to respond to changing circumstances and evolving business objectives
- Difficulty in planning business initiatives due to lack of one click impact analysis and traceability analysis
- Identify and rationalize several redundant processes and data across the organization using information traceability and lineage across multiple systems
- Utilize best practices, standards and policies for data management which reduced training costs and testing time, minimized research and analysis time and increased components reuse
- Perform top-down impact analysis across lines of business

## Our Solution

Capgemini planned and implemented an enterprise-wide hybrid architecture repository that connects data, people, processes and infrastructure across the enterprise. We performed an initial assessment and gap analysis that revealed specific areas within the organization that could immediately benefit by leveraging a centralized repository. Using data specialists from our Data Governance Center of Excellence, we implemented a scalable enterprise repository with user friendly portals for data stewards, power users and end users. Capgemini's solution included an integrated, taxonomy-driven business dictionary, multi-level impact assessment, end-to-end data lineage and data stewardship suite, usage and productivity metric reporting, and an integrated metadata portfolio encompassing business, technical and operational data. Our solution also gave the financial institution the right tool set for data stewards to automatically and manually reconcile semantics for business terms and definitions.

## The Benefits

Our client gained an integrated solution which supports end-to-end traceability and data lineage for audits and consolidates data quality metrics at the business term level. The financial institution can also:

- Perform impact assessment and map touch points to identify lineage, data ownership and manual adjustment processes
- Create graphical lineage tracking and reporting from operational systems to the analytical systems to facilitate data lineage and traceability

Get started today by visiting us at [www.capgemini.com/financialservices](http://www.capgemini.com/financialservices) or contacting us:



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## Capgemini Insights & Data

In a world of connected people and connected things, organizations need a better view of what's happening on the outside and a faster view of what's happening on the inside. Data must be the foundation of every decision, but more data simply creates more questions. With over 11,000 professionals across 40 countries, Capgemini's Insights & Data global practice can help you find the answers, by combining technology excellence, data science and business expertise. Together we leverage the new data landscape to create deep insights where it matters most - at the point of action.

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