

Leading Bank Case Study



Creating a Culture of Analytic Decision Making

Data strategy forms impetus for change management and executive buy-in

Background

An entrepreneurial and customer-focused leading banker to the world's most innovative companies and one recognized by Forbes Magazine among America's top 10 banks, like other companies today, is drowning in data. It recognized that this problem could be turned into an opportunity to manage information as an asset and for competitive advantage. Thus, when the bank's CEO crafted a 3-month plan to support global growth, it included a **strategic pillar to establish a culture of analytic decision making** at the bank.

One major hurdle similar companies are overcoming in pursuit of data-driven and advanced analytic decision making is to **improve the timeliness, quality and consistency of data and standards**. This bank has some 200 applications that feed and consume data both for internal and customer use – comprising a spaghetti of applications that touch its two terabyte sized Enterprise Data Warehouse. With these massive amounts of information collected and the CEO mandate to activate analytic decision making, it was imperative for the bank to develop a data strategy.

First San Francisco Partners (FSFP) was selected to facilitate and validate the bank's data strategy based on best practices including Data Governance, Master Data Management (MDM) and Data Quality components. An overall data strategy was developed to address business processes and technology infrastructure along with a business case to identify areas of direct and indirect cost savings and revenue opportunities. FSFP's work formed the impetus for change management needed to support the bank's cultural change to data-driven and analytic decision making.



First San Francisco Partners was incredibly effective in helping our team articulate and gain executive buy-in to a successful data strategy. They rapidly brought together a team of subject matter experts to validate and apply best practices in all areas of data governance, data quality and data architecture.

- Chief Information Officer, Leading Bank

Faster Time to Value

To form the data strategy, FSFP facilitated and led an Information Management team through a comprehensive assessment detailing the requirements and high-level use cases to understand the needs and benefits of implementing MDM and Data Quality solutions. The assessment identified 12 areas of improvement across people, process and technology.

Within the short-term project engagement a business case was developed and effectively articulated to executive management for buy-in and approval. Following an initial 2-month data strategy planning phase, the Data Governance Organization (DGO) was created and launched. The DGO meets on a weekly basis and is the glue to enable cross enterprise collaboration around data at the bank. Early success is evident as the bank has started to focus on a common set of business priorities across the organization — activating change management across lines of business and teams to support analytic decision making.

FSFP was instrumental in delivering faster time to value by effectively accelerating the data strategy development process and developing the MDM and Data Quality strategies and roadmaps within a 4-month window from what would have more likely taken the internal team up to 12 months to plan and deploy. Executive management mandated this rapid time to deploy and the combined team met the near-term deadline.

Articulating the business case with measured cost savings and identified revenue opportunities was viable and credible when applying best practices and tapping into the extended subject matter expertise of FSFP. They effectively identified and resourced external Information Management team resources in each of the key areas of Data Governance, Data Quality and MDM—resources and knowledge that the bank lacked internally.

A Data Governance Organization (DGO) requires technologies to provide underlying support to improve the quality, consistency and usability of data.



Data Quality solutions are foundational to any data management initiative as these capabilities improve operating efficiencies and reduce the risks of making decisions based upon bad data.



MDM solutions allow the organization to focus on critical data entities (such as Client, Product and Account) to ensure data consistency, reliability, timeliness and accuracy across the enterprise.

Data Strategy Business Case Gains Executive Buy-in

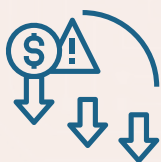
The benefits of investing in and implementing Data Quality and MDM were assessed and documented. They fell under 3 categories: increased operational efficiency, decreased risk and increased revenue.

The thorough and fact based assessment and articulation of these benefits was key to securing executive buy-in to deploy the data strategy.



Increased Operational Efficiency

By improving the quality of data through better cleansing, validation, matching, merging and updating, it was estimated that productivity improvements would be 10% in the first year and would increase to 40% by year 3. The majority of identified full-time equivalent (FTE) resources had been allocated to manual data reconciliation based on inconsistent data and to manually create and update data.



Decreased Risk

Inaccurate, inconsistent and unreliable data are primary causes of risk for a financial services institution. For example, inconsistent assignment of Credit Risk Ratings to clients and credit lines across various systems was a challenge of poor master data that impacted enterprise decision making and reporting. At the same time, accelerating requirements of regulation continue to increase the demand for more transparent data and flexible reporting. As the bank expands globally, the challenge of managing data effectively in a 24x7, multi-location, multi-time zone enterprise will not only grow in complexity but also in risk, as one piece of bad data will have the potential to move ever faster through the systems with less time available to analyze and resolve an incident.



Increased Revenue

Improved access to consistent and accurate data can drive increased market share and revenue in a variety of ways including increased “wallet-share” via improved customer understanding. With more accurate data on clients, accounts and influencers, more products can be sold into a group of customers to improve “household” penetration. Likewise, better data can drive marketing execution benefits both in terms of increasing response rates as well as purchase value per response. Less time spent searching for data or reconciling commission statements, allows relationship managers to spend more time selling and with clients.

Better customer and product data consistency and availability improves the ability to service clients and thereby reduce churn due to dissatisfaction of service. With advanced analytics and better data the bank can create models to predict a likelihood of churn based on when/why clients have left in the past. Net, customer lifetime value is increased with better customer data.



Summary

Improving the timeliness, quality and consistency of data and standards is a challenge for companies seeking to manage their growing information as assets and enable data-driven and analytic decision making. Developing a comprehensive data strategy is the first step that this bank took with vigor. The resulting data strategy and business case formed the impetus for change management and executive buy-in needed to achieve the bank's strategic initiative of creating a culture of analytic decision making. An overall data strategy should comprise Data Governance, MDM and Data Quality components to address business processes and technology infrastructure along with a business case to identify areas of direct and indirect cost savings and revenue opportunities.

- ✓ **Created a culture of analytic decision making**
- ✓ **Developed a comprehensive data strategy comprised of Data Governance, MDM and Data Quality components**



For more information on First San Francisco Partners and our data governance, data management, and other capabilities – and our work with other industry-leading bank clients – call 888-612-9879 or email gregg@firstsanfranciscopartners.com