# Data Governance Insights:
# Lessons from the British Government & US Banking

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# MODERATOR



## Wayne Hoff

Leader, Records and Information
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**NOVA Chemicals**

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- Peer network of RIM/IG professionals
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**Follow Up Email Sent 24-Hours After Webinar**

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# Data Governance for US Agencies: Lessons learned from the British Government and US Banking Sector

George Tziahanas
VP of Compliance

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# Agenda

- Data Governance Lessons from a Fox Hunt and 220-Year-Old Legal Case
- Modern Data and Information Landscape
- Lessons from the British
- Lessons from the US Banking Sector
- Conclusion

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# Modern Data Governance: A Foxhunt Shall Lead the Way

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# A Fox Hunt, a 220-Year-Old Legal Case, and a Lesson For Modern Data Governance

*Pierson v. Post* is a seminal 1802 property case

In analyzing the case, the court considered historical text from Justinian's 6$^{th}$ century code, various 13$^{th}$-16$^{th}$ century writings, and the British Common law

What Lesson to Draw: It was the text (data) the court used, not Justinian's 6$^{th}$ century vellum or parchment
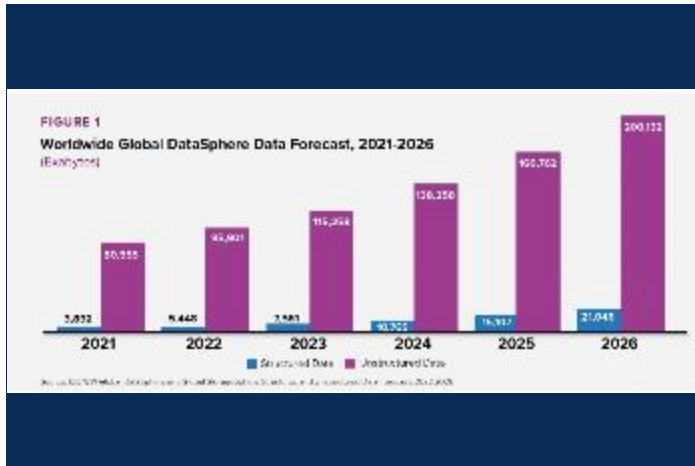
**Leave the vellum and parchment (legacy systems) behind**, **build governance strategy around data and information**

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# Modern Data and Information Landscape
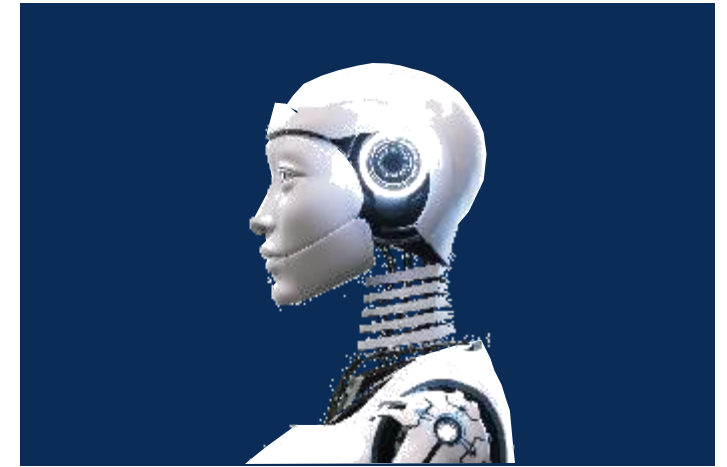
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# Changing Data Landscape



### Continued Data Growth

Harnessing data's value and mitigating its risks becomes more challenging.



### Security, Privacy, & Compliance

Volume of data also creates risk, need to balance with insight



### Artificial Intelligence (AI)

Pressure to deliver on promise, while maintaining control

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# Data is a Continuum, Platforms Need to Adapt

**Unstructured**                                                                                      **Structured**

                                                                                                              **ERP**
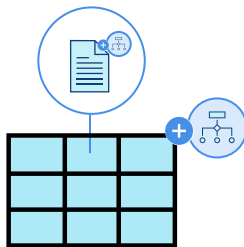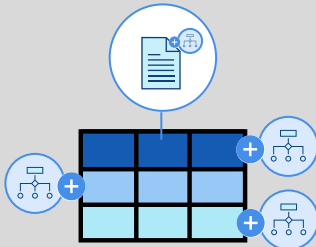
Electronic
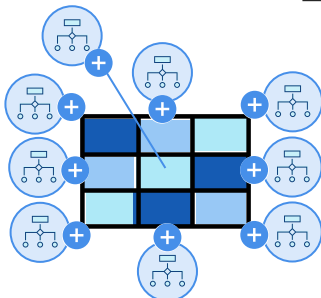Communication

Files and
Documents

Metadata and
Associated
Document

Structured Flat
Files, Mapped to
Metadata
(w or w/o associated
documents)

Export Data
directly from
Applications or
Databases.
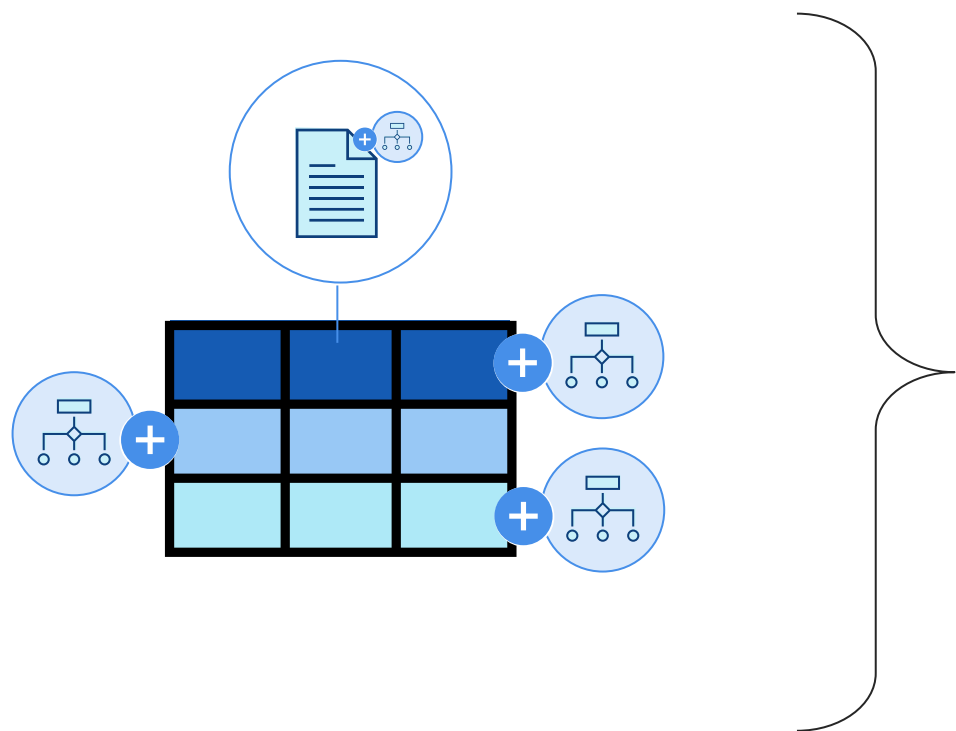Maintain tables
structure for
reporting

Model, transform
and ingest
millions of
transactions
across thousands
of tables

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# Data Governance: Many Obligations

## Data



## Common Obligations

| | | | |
|---|---|---|---|
| Legal & eDiscovery | Security | Privacy | Data Sovereignty |
| Retention & Disposition | Compliance | Data Analytics | Operational Access |

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# Data Governance:  Value, Risk, and Time

**1** Data value decays over time

**2** Risk increases
- broad data access
- aging systems
- fading memories

**3** Time for data governance

**4** AI/ML/Advanced Analytics derive additional value

# Lessons from the British

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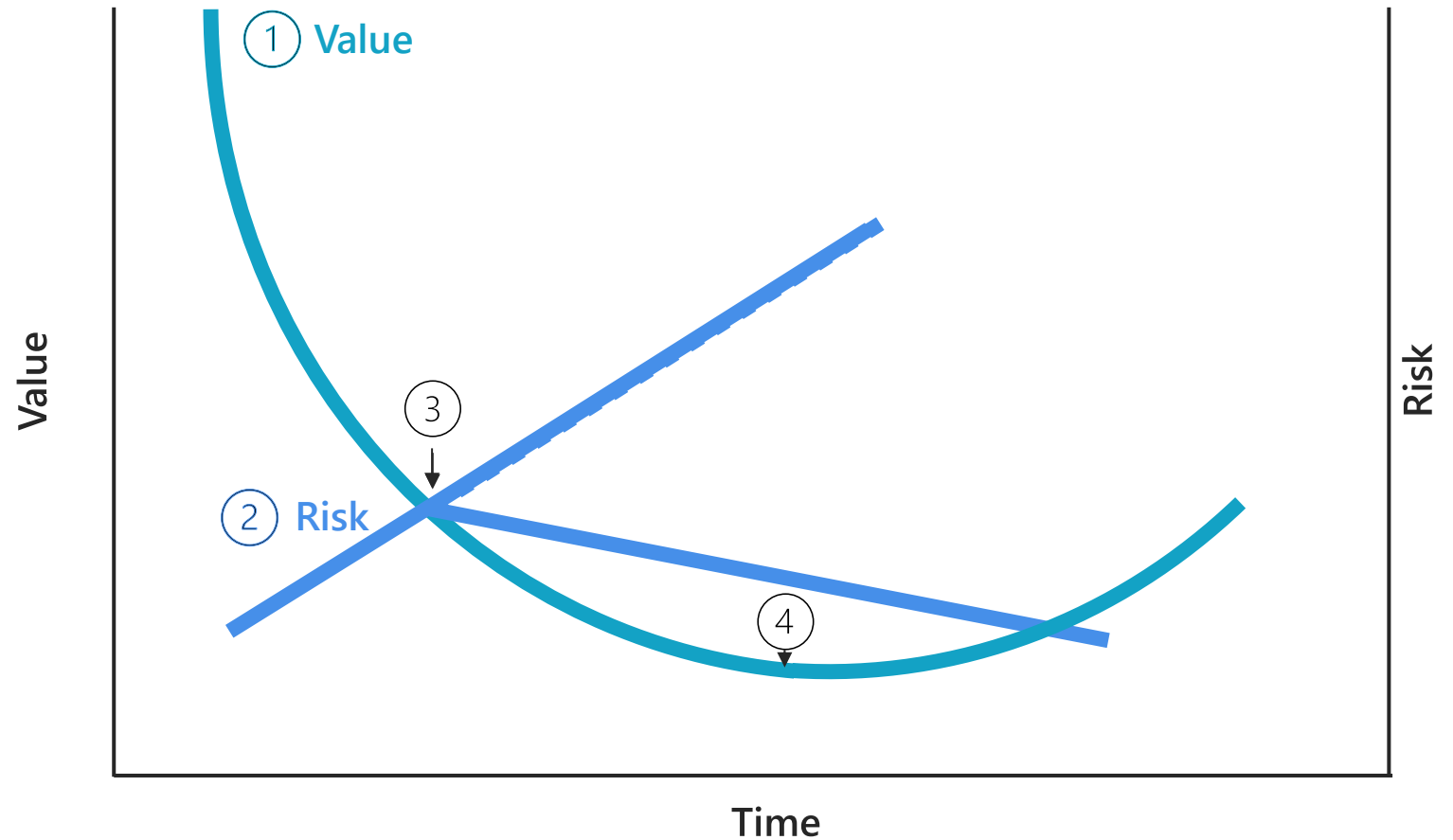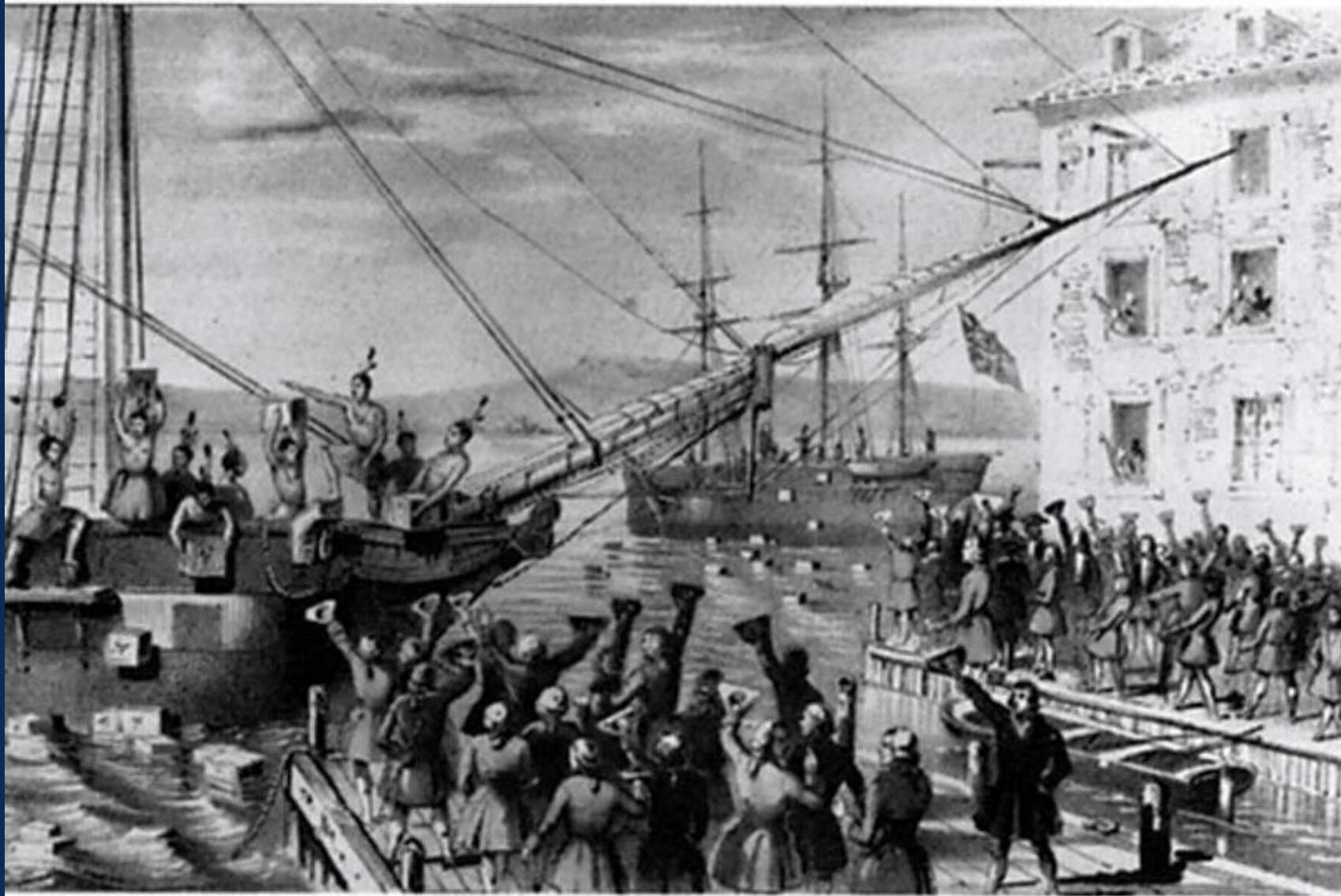
# Challenges for a National Court System

Executive agency in a justice department that supports 4 million court cases every year

Faces significant challenges **managing its vast, fragmented data landscape**
- Employs ~19,000 staff, operates from about 600 locations across the country
- In final phase of a **program designed to make the justice system more straightforward, accessible and efficient**.

**One of the obstacles** to making their digital services "modern, reliable, efficient, and accessible to all" was their **considerable use of outdated, legacy technology** across the organization
- Some systems dating back to the 1990's
- Gaining insight and value from data required significant manual intervention

Several systems were being operated in parallel with their replacements, simply because the data they contain is **subject to record retention requirements** and must remain accessible

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# The Cost and Risks of Legacy Environments

## Increased Costs

Support – operating both new and legacy systems concurrently and using hard-to-find legacy components and skills add to overall support costs

Administration – gaining access to data trapped in siloed systems requires time and effort that often becomes a barrier to informed decision making

System – licensing, supporting, and maintaining duplicate systems simply to have access to data is expensive and counter to the agency's environmental sustainability objectives

## Increased Risks

Security – Vendor phases-out security updates/patches and support, increasing risk of a data breach or service disruption

Availability – System components and knowledge are harder to find, increasing risk of outages and downtime

Compliance - inability to meet data privacy, security, retention and deletion requirements of new regulations like GDPR

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# Opportunity and Objectives

Used the **results of the legacy technology assessment** to determine which of the five "Rs" of legacy technology management **– retain, retire, replace, rehost or re-platform** – best met the agency's needs.

Together, our partner Through Technology and the agency **prioritized activities according to their budget**, and level of **risk** posed by the legacy technology

Their legacy application retirement and data governance strategy had **additional objectives:**

- Eliminate the dependency between the **data and the outdated system**

- Centrally collect, manage and provide secure access to any format of historical data from any of their business applications and file systems.

- Create a **data resource rather than repository for accessibility** to users and make it analytics and AI ready

- Ensure data is **retained, protected, and disposed** of in compliance with agency requirements, **well beyond the lifetime of the legacy applications**

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# Solution

By mapping the metadata and schema of data collected from source systems to the agency's overall data classification framework, the agency can according to their governance policies.

Since each data class can have its own metadata schema rather than being confined to a fixed taxonomy, empowers the agency to better tailor governance policies and search characteristics. This approach enables the agency to:

- **Ensure structured data** from business applications and **unstructured data** from file systems are captured in full context, and processed and previewed cost-effectively
- **Cost-effectively accelerate search** and retrieval **across large data sets** through dynamic, metadata-only indexing and fine-tuned search characteristics
- Maintain **a record of data lineage, provenance, chain of custody and full audit history** for each data object and its associated actions throughout the data's lifecycle to ensure authentic, trustworthy, defensible data

## Benefits

- Lower costs
  - **Project Save $135+ million** in operational costs
- Scalability – process and store petabytes of data
- Highly secure, agency controls:
  - Azure tenant
  - Data storage – geo-location, immutability
  - Security configuration
  - Encryption keys
  - Data – non-proprietary format, so no vendor lock-in
- Improved compliance
  - Consistent data management across systems
- Greater productivity
  - Centralized management / access control
  - Employee self-service
  - One search across multiple systems

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## Situation

- **Bank is growing through acquisitions**
- Data retention requirements and decentralized management of record policies has led to:
  - **Growth in # of operational legacy** systems
  - High legacy application expenditures
  - **Increased data security risk** posed by unsupported end-of-life applications
  - High tier 1 data storage costs due to presence of inactive data
  - Lost data insights because **data in legacy systems is inaccessible** to analytics team
- **Limited cloud resources** to implement strategy

## Solution

- Their Microsoft partner introduced them to Archive360 (A360) and their Unified Data Governance platform.
- Platform provides **governance of ALL types of data**, cloud infrastructure, and security protocols as well enables them to:
  - Manage data more consistently, efficiently and cost-effectively
  - **Quickly decommission** legacy applications and retire data from production systems,
  - **Provides new, trusted data source** for analytics, ML and AI

## Business Impact

- **Business case** revealed average legacy application cost $300K/year
- Forecasted to **nearly $40 million** over 5 years
- **Estimate Savings $3 for every $1 spent**
- **Leveraging savings** to implement their cloud-based data governance strategy
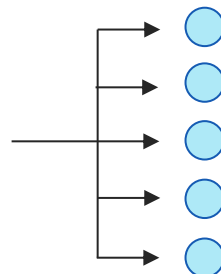- Accelerating cloud adoption by leveraging **provider cloud expertise**
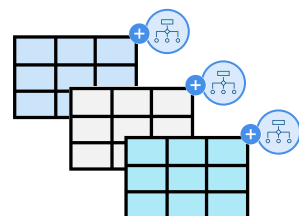
# Approach to Application Data

**Connect**

**Map relationship & archive selectively**
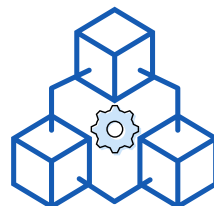
**Manage**



**Object-Level Governance**

**Business Object/Record Level Governance**
- Granular governance, search, retrieval, and discovery
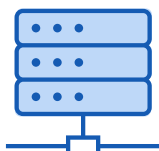- Parsed and stored as individual objects/records (and associated files)

**Bulk Governance**

**Analytics Engine**

Superset
tableau   Power BI
SQL Query

**Bulk Governance**
- Ingest large-bulks sets of data; managed as large aggregated files
- Governance at aggregated level
- Data analysis (Hive) for search, retrieval and discovery

**NAS/Shares**

**Unstructured Files**

**File Data**
- Ingested directly from NAS/File shares
- Granular governance, search, retrieval, and discovery

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# Case Study 3

## Company

**Name**      Global Investment Bank

**Employees**  80,000+

**Customers**  Governments, corporations, institutions, individuals



## Challenges

- **Hundreds of homegrown record archives** for disparate systems
- **eDiscovery and regulatory requests**, record classification/ policies required IT assistance
- Large data volumes **– Petabytes**
- SEC, CFTC, and MiFID Compliance Requirements

## Details

- Records management with encryption, classification, masking at onboarding
- **Onboarded 6PB in 6 months**
- **Forecasted to grow to 100+ PB**
- All corporate records (except eComm)
- 250 business units

## Benefits

- Scalability to accommodate PBs of data
- Ability to retain data in the region it was created to **meet data sovereignty** requirements
- **Dedicated SaaS deployment** enables them to control data processing and security configuration
- Control of own encryption keys
- **Keys managed / stored by bank outside platform**
- **Encrypt / mask data** and control entitlements at the **field level**
- No vendor lock-in

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# Q&A

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