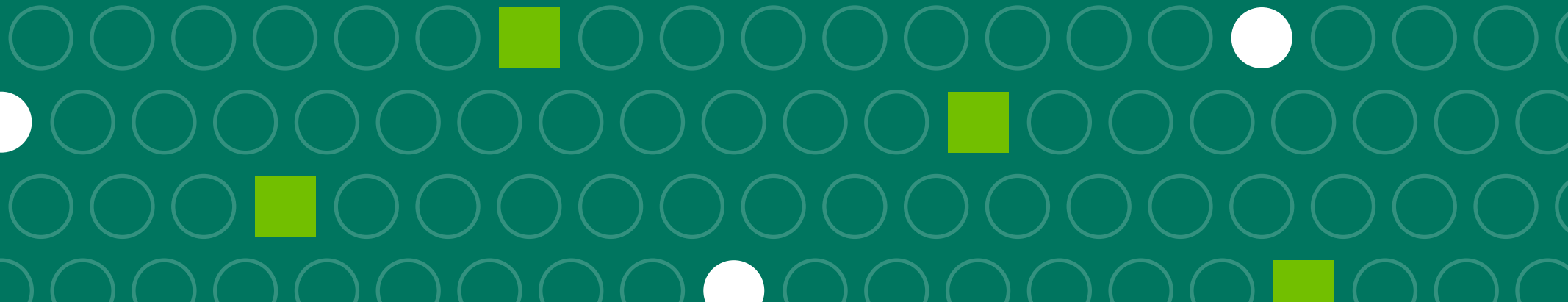


The top 4 challenges to achieving trusted business reporting

Why executives don't trust their data



Trusted business reporting: why is it a challenge?

Business reporting is vital for any organization. Decision makers at data-driven organizations need the right information to guide their business. But achieving trusted business reporting is not easy.

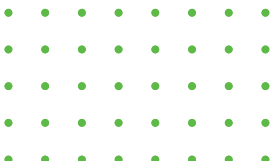
Organizations often lack trust in executive reporting and dashboards due to inconsistencies in business terms and key metrics. This lack of trust in the data creates a major roadblock for many organizations and prevents them from making smart, strategic decisions.



80%

of the participants believe data and analytics governance is important in enabling trusted business outcomes. Yet, from the same survey, we know that four in ten participating organizations do not assess, monitor or measure data governance.

– Gartner’s Data & Analytics Governance Survey, June 2019



What happens when the business cannot trust its data?

If decision makers cannot trust in the insights provided by business analysts, or the data on which those insights are founded, the whole organization suffers.

Without the right data foundations, organizations will experience adverse consequences that include:



Poor return on IT investments

- Data lakes that turn into data swamps
- Low adoption of reporting and Business Intelligence (BI) tools
- Duplicate reports and BI tools causing inefficiencies and unnecessary costs



Reduced productivity

- Business and data analysts spend several weeks finding, verifying and reconciling data and reports
- Data stewards spend too long manually tracking data ownership
- Poor coordination results in duplication of efforts across departments and lack of consistency in analytical processes



Slow and ineffective decision making

- Too much time spent verifying data and analytics
- Executives unable to make timely critical business decisions
- Even worse, decisions can be based on the wrong data

To alleviate the pain of untrustworthy data, organizations need to establish the right governance foundation. However, many organizations face numerous challenges while building this foundation.

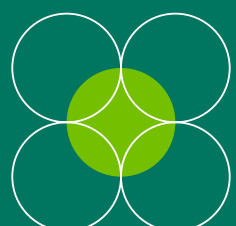
Below are the top four challenges that can prevent an organization from achieving trusted business reporting:

1



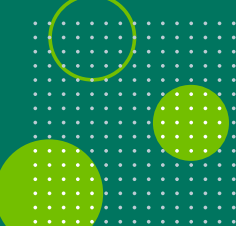
Inconsistency in business terms and metrics

2



No central inventory of certified reports

3



Lack of data ownership and stewardship

4



Lack of data compliance



Nearly 45% of data consumers say their organizations fail to always or even routinely use data to guide business decisions.

Source:

The Business Impact of Data Intelligent Management: How Data Intelligence Strategies Help Organizations Drive Success and Mitigate Risk.
a Forrester Consulting Thought Leadership Paper Commissioned by Collibra, May 2020.

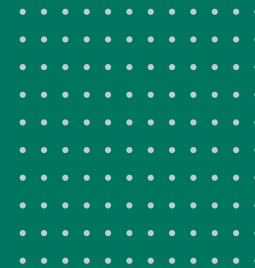
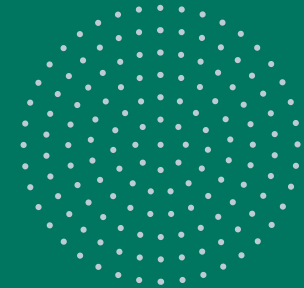
The top 4 challenges to achieving trusted business reporting:
Why executives don't trust their data

1

CHALLENGE #1

Inconsistency in business terms and metrics

The top 4 challenges to achieving trusted business reporting:
Why executives don't trust their data



1

Inconsistency in business terms and metrics



Guiding an enterprise requires input from several decision makers. It is vital for organizations to establish a consensus around their data before using it to make impactful business decisions.

But without trust in their data and analytical processes, organizations spend more time debating the definitions of different business terms and metrics than in making data-driven decisions. This discord can lead to diametrically opposed opinions, triggering indecision and inaction.

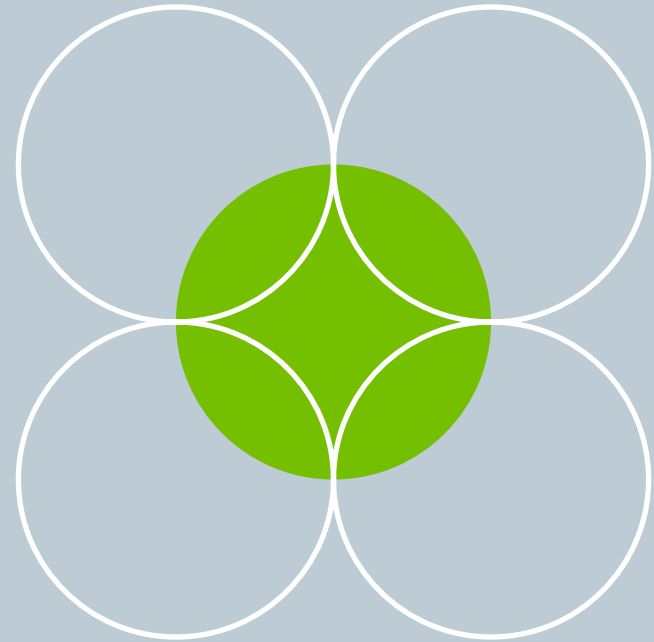
“We’ve all experienced some version of this problem: Ask a question to three different departments, and you get three different answers. The problem arises because different systems employ different definitions of key terms.”

– [Harvard Business Review \(July 2018\): What to Do When Each Department Uses Different Words to Describe the Same Thing](#)

CHALLENGE #2

No central inventory of certified reports

The top 4 challenges to achieving trusted business reporting:
Why executives don't trust their data





Organizations everywhere are awash in data. And this data is universally viewed as an asset to the organization, capable of delivering new insights to drive the organization forward.

But business analysts don't know if they can trust existing reports and where they can find trusted data for building new reports.

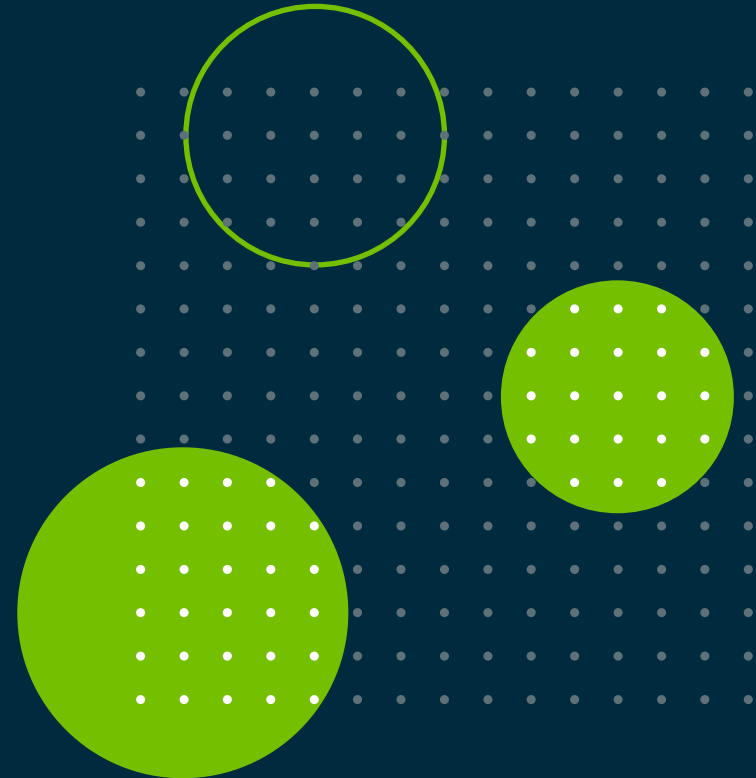
Executives and managers don't know which financial and operational reports deliver the most trustworthy information to guide strategic decisions and whether those reports will be interpreted correctly and understood consistently throughout the organization.


“Between 30 and 40 percent of the reports that businesses generate daily are either duplicative or go unused.”

- [McKinsey \(July 2020\): Reducing data costs without jeopardizing growth](#)

CHALLENGE #3

Lack of data ownership & stewardship





Different business departments struggle to agree upon who produces what data and who owns what business term definitions. Oftentimes the person who reports on a metric isn't the one who produces the data.

For example, net new ARR is a financial metric, but it's calculated based on billings and entitlements through a commerce system, which isn't often owned by finance. This lack of data ownership and stewardship leads to diminished trust in the data and accountability.

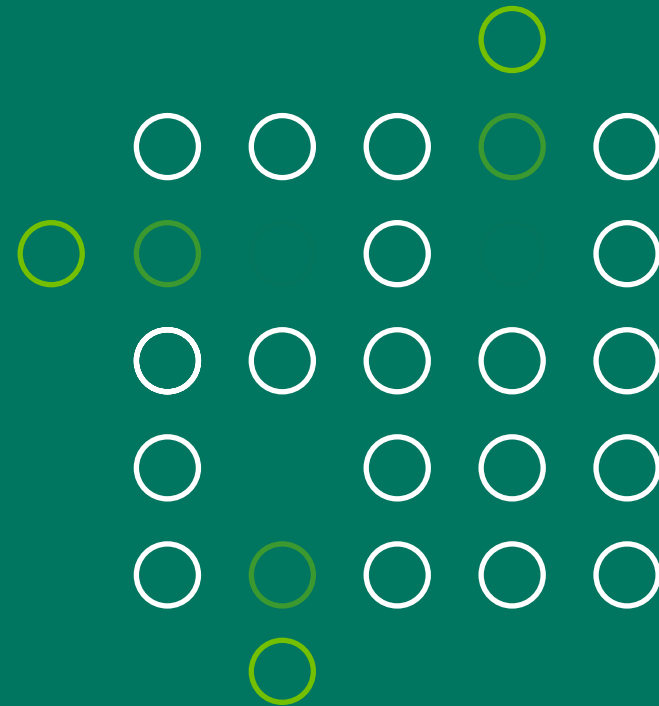
Organizations need to establish ownership and stewardship of business term definitions, reports and metrics, and connect all of these into a shareable repository to build trust in enterprise data.

“Studies show that knowledge workers waste up to 50% of time hunting for data, identifying and correcting errors and seeking confirmatory sources for data they do not trust.”

– [Harvard Business Review \(2013\): Data's Credibility Problem](#)

CHALLENGE #4

Lack of data compliance





4

Lack of data compliance

As data sources and the proliferation of information increase, it becomes progressively more difficult to understand the risks that arise when organizations share more data across departments and divisions, particularly when data is inaccurate or incomplete.

Businesses need to know exactly which policies apply to which data sets, so that they can administer access controls and only allow permitted use cases.

“More than 70% of employees have access to data they should not. Data breaches are common, rogue data sets propagate in silos, and companies’ data technology often isn’t up to the demands put on it

- [Harvard Business Review \(2017\) What's Your Data Strategy?](#)

Key questions one needs to ask to achieve trusted business reporting

1

What processes are in place to authorize and validate data?

2

Who monitors and approves metrics and definitions in the organization?

3

What is the process to establish business term definitions, ownership and accessibility?

4

How quickly can data users find, access and verify data?

5

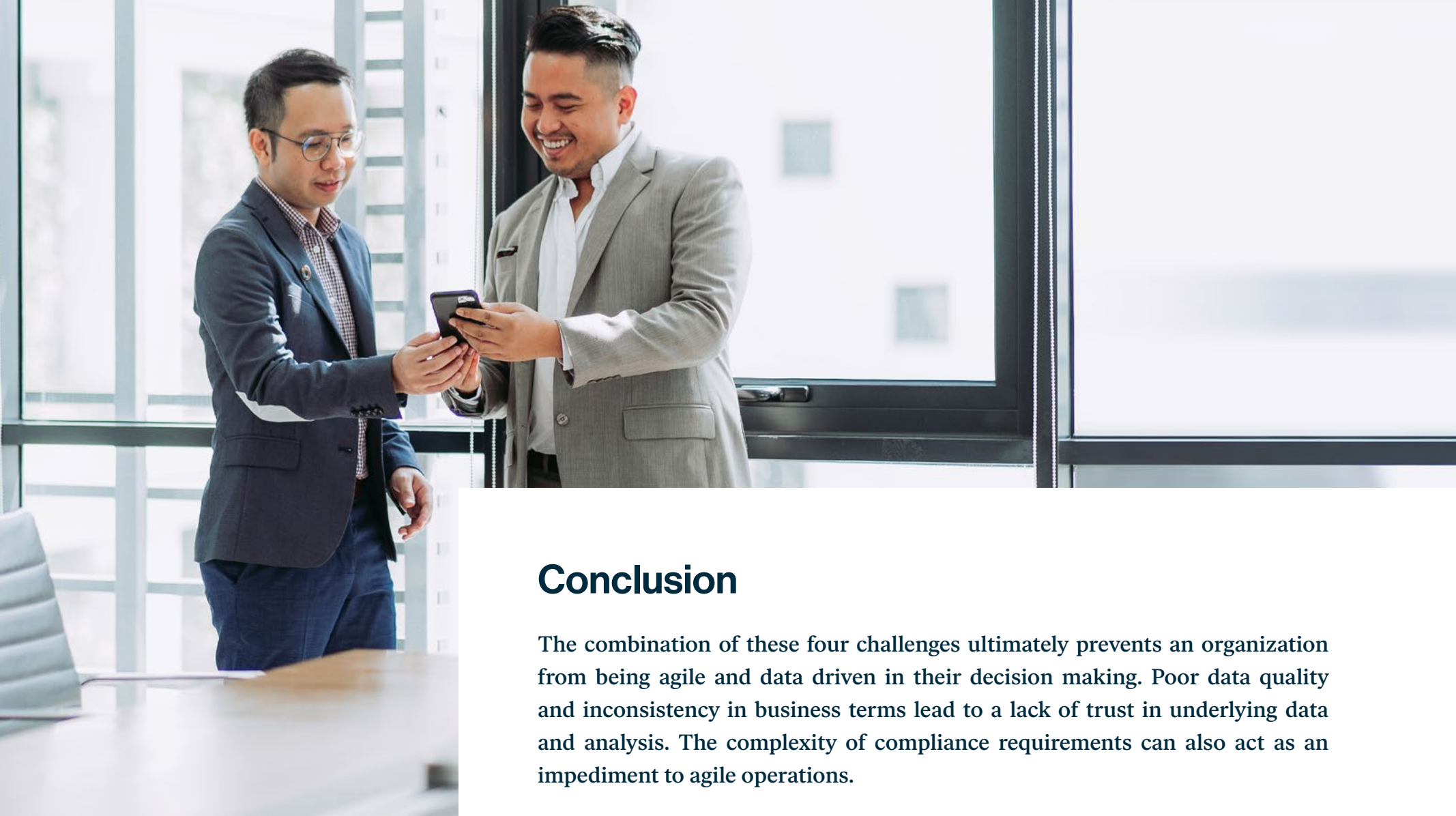
Are the right people getting access to the right data in a way that complies with all policies?

6

How do executives and managers know which reports deliver the most trustworthy insights?

7

How can we rationalize duplicative reports to drive efficiencies and reduce costs?



Conclusion

The combination of these four challenges ultimately prevents an organization from being agile and data driven in their decision making. Poor data quality and inconsistency in business terms lead to a lack of trust in underlying data and analysis. The complexity of compliance requirements can also act as an impediment to agile operations.

In our next eBook, we explain what is needed for an organization to achieve trusted business reporting and how you can act with confidence in driving your business forward.

