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# The Strategic and Evolving Role of DATA GOVERNANCE

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## Research Objectives

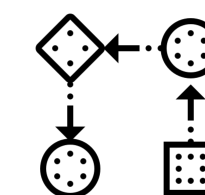
For organizations well along on the path of their digital transformation journey, sound data governance practices are playing a strategic role. As the amount of data and value of that data to the business continue to increase, so too does the importance of managing its availability, usability, integrity, and security. Data governance is a loosely applied term in the data management space. As ecosystems evolve and become more distributed, end-users are struggling to connect the dots between the important elements of data governance like data classification, data indexing, data placement, eDiscovery, and compliance.

In order to understand the benefits and challenges of data governance initiatives, establish the current state of deployments, identify gaps, and highlight future expectations, ESG surveyed 376 IT and business decision makers currently responsible for governance technologies, processes, and programs used to manage their organizations' data.

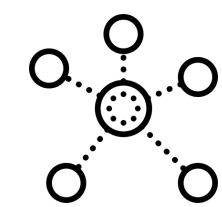
### THIS STUDY SOUGHT TO:



**Determine** the amount and value of data at a typical organization as well as how this impacts data management activities like availability, usability, and security.



**Help** overwhelmed IT organizations find the right combination of process and technology to solve their unique data governance challenges.



**Connect** the dots between the important elements of data governance like classification, placement, and compliance as ecosystems evolve and become more distributed.



**Identify** data governance process and technology gaps that need to be addressed in vendor solutions.

# KEY FINDINGS

CLICK TO FOLLOW



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The Snapshot of IT Environments Through a Data Governance Lens Is Troubling



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Data Governance Has Moved Up the Corporate Ladder



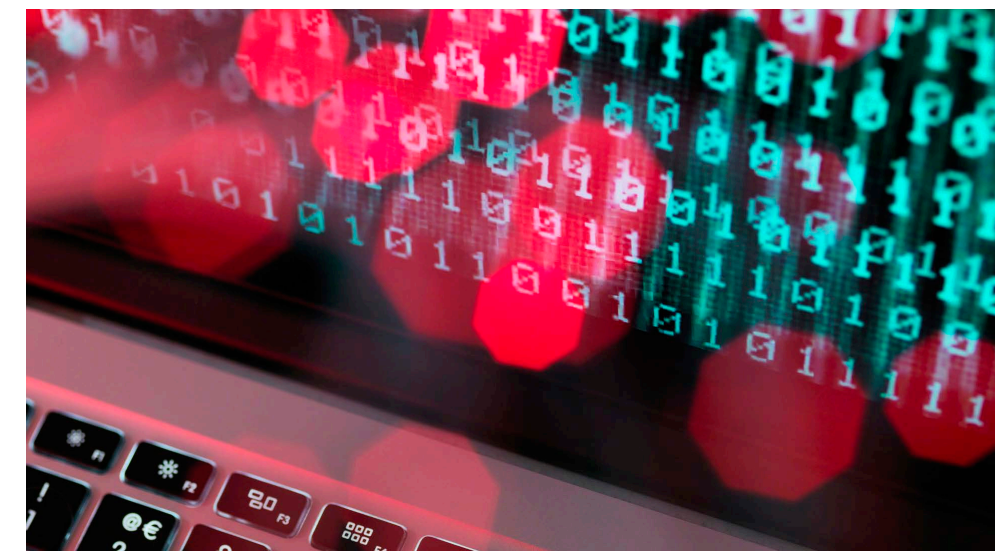
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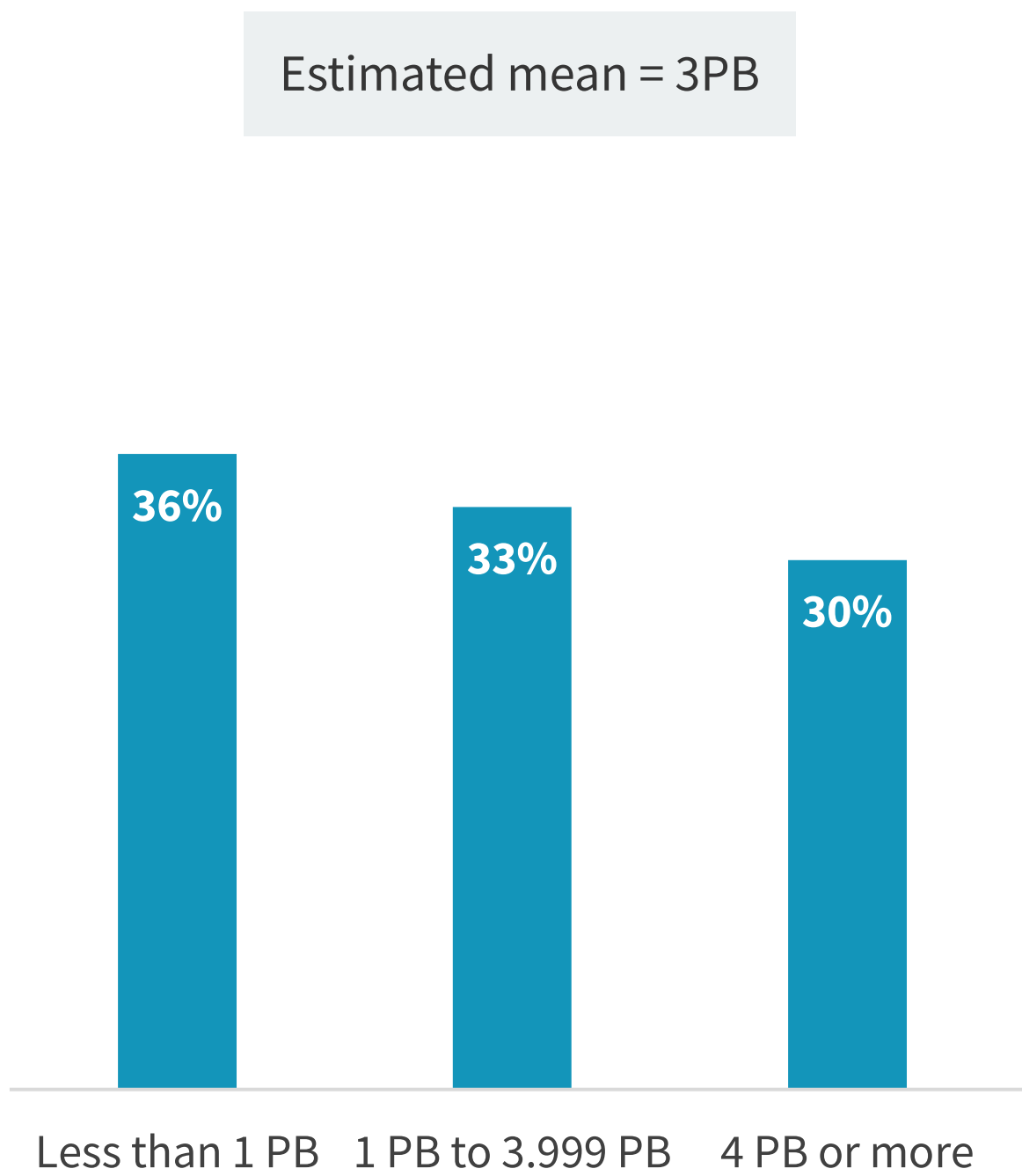


The Snapshot of IT Environments  
Through a Data Governance Lens  
**Is Troubling**

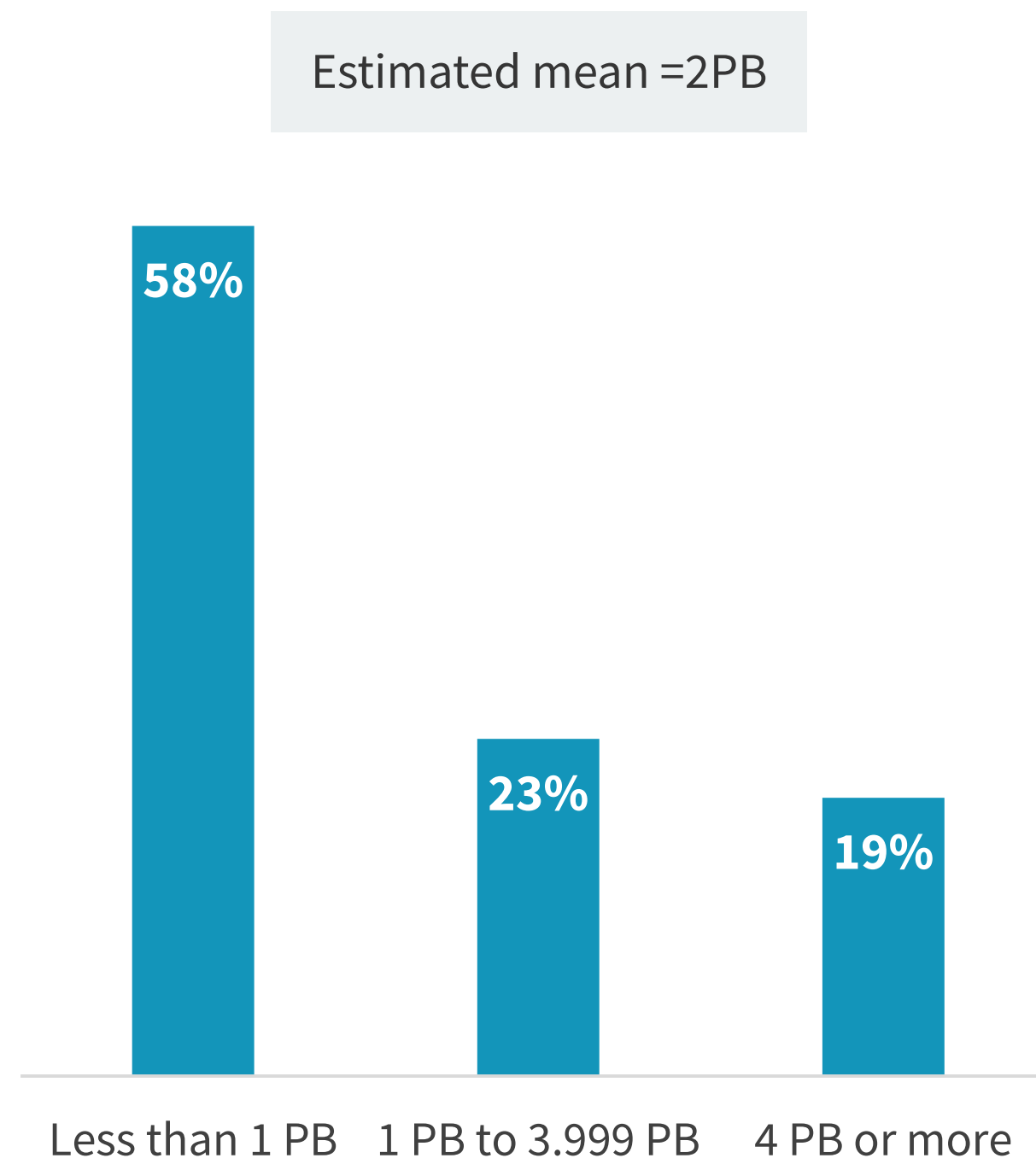
## Organizations Have a Lot Of Data to Manage, Most Is Unstructured, and Growth Is Not Slowing

Data governance practices are evolving and becoming more strategic to most organizations; however, data governance programs are not immune to the constant challenges of data growth most organizations face, compounded by the fact that annual data growth rates are not slowing down. Specifically, the average organization is managing approximately 3 PB of total data, and about two-thirds of that is reported to be unstructured. And with an average annual growth of approximately 40%, there is no relief in sight. For many organizations, this means their data will double approximately every two years. This type of data growth can put enormous stress on any IT discipline, especially less automated and mature data governance programs.

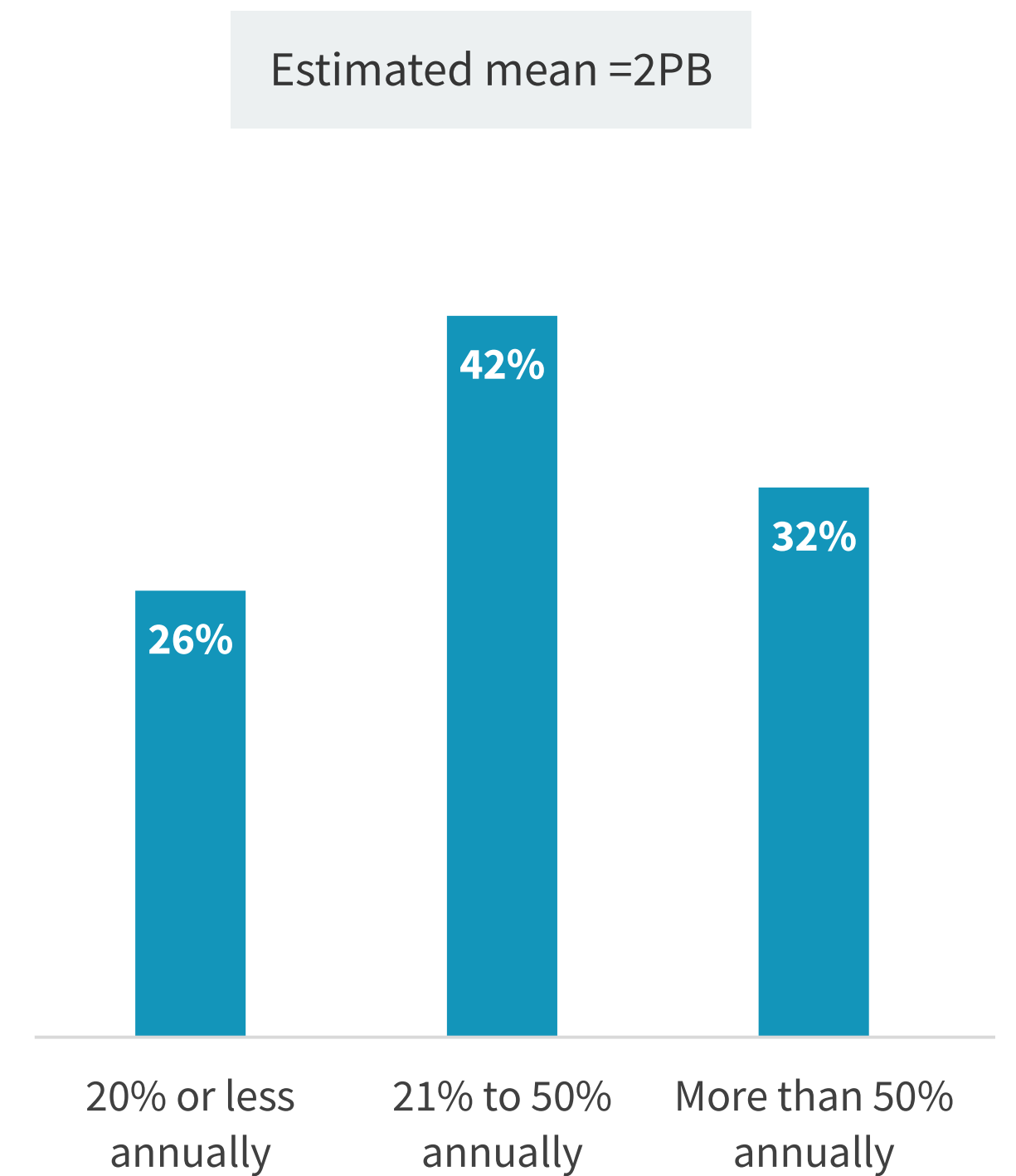
Total amount of data.



Total amount of unstructured data.



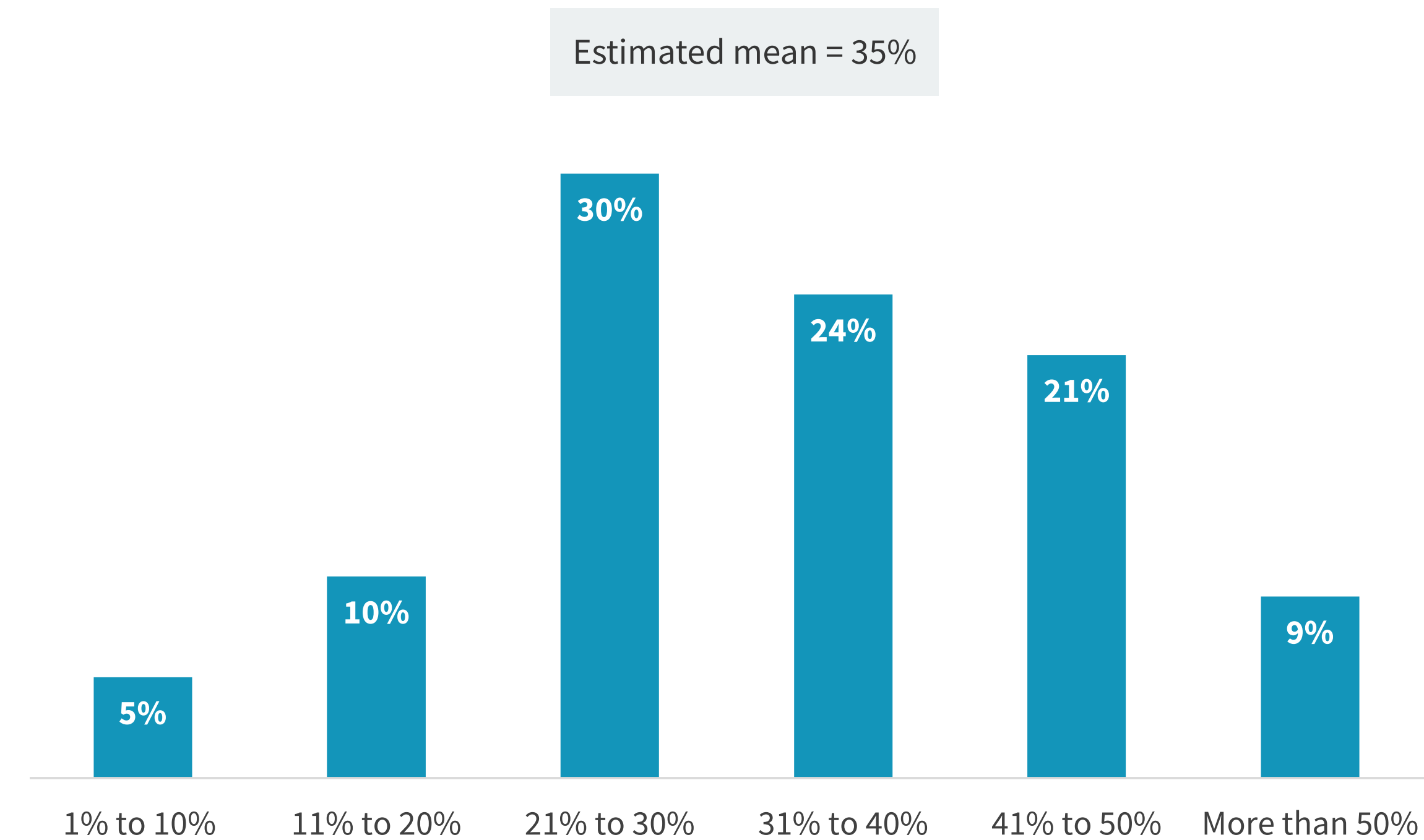
Annual data growth rate.



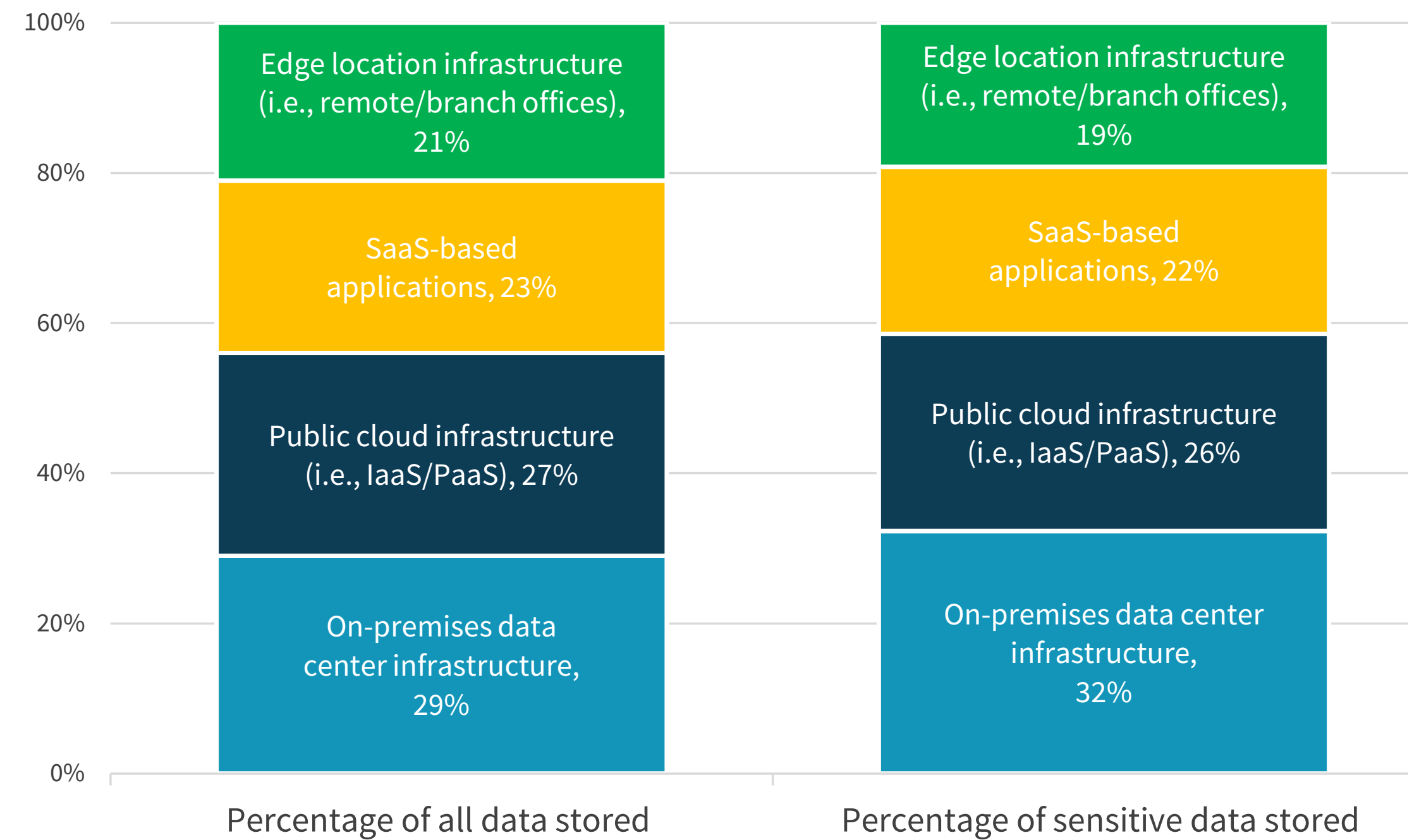
## Personally Identifiable Information (PII) Data Is Pervasive

Further exacerbating general data management and growth trends is the fact that personally identifiable information (PII) is unavoidable and can't be ignored when it comes to sound data governance compliance and risk management. On average, sensitive data accounts for approximately 35% of all data stored, and that data resides in many different environments spanning the typical IT ecosystem. This means a distributed IT environment has the potential to create data sprawl, which makes data management harder and more treacherous considering the amount of PII that can likely be found. **Interestingly 88% of respondents believe the majority of their organization's PII resides in their structured data sets.** Yet unstructured data often feeds structured repositories, and organizations report having more unstructured data than structured data. ESG believes this is a PII data disconnect and likely associated with the reported complexity of managing sensitive data in structured data sets such as databases and specific data-related SaaS applications.

Percentage of overall data that contains PII.



Where PII is located.

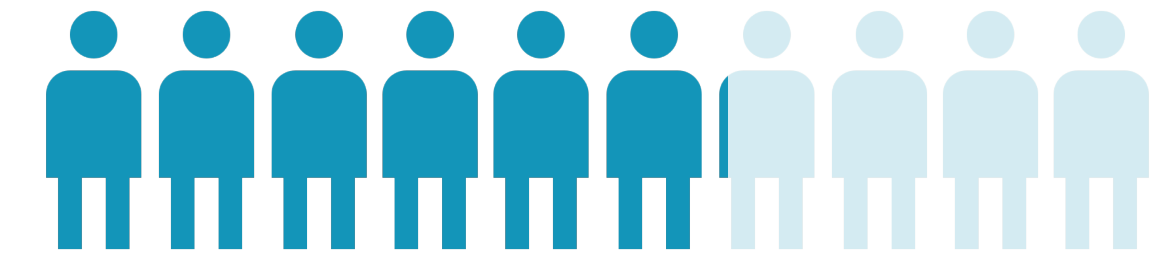


# Data Governance Has Moved Up the Corporate Ladder



## Data Governance Practices Are Maturing and Stakeholder Roles Are Evolving

According to ESG research, the majority of data governance practices have been in place for at least five years. Given this, it follows that nearly two-thirds (65%) of organizations report having a dedicated data governance team consisting of managers, a steering committee, and even data stewards. At a minimum, a quarter say they tackle data governance as a shared responsibility across departments. This also means data governance programs are gaining additional visibility in many organizations among newer audiences. Indeed, nearly half say IT is no longer the sole owner of data governance programs, and involvement now includes c-level executives and even boards of directors for oversight and guidance. Effective data governance can no longer be just storage administration best practices.



# 62%

of organizations have had a data governance program in place for **a minimum of five years.**

### Existence of data governance teams.



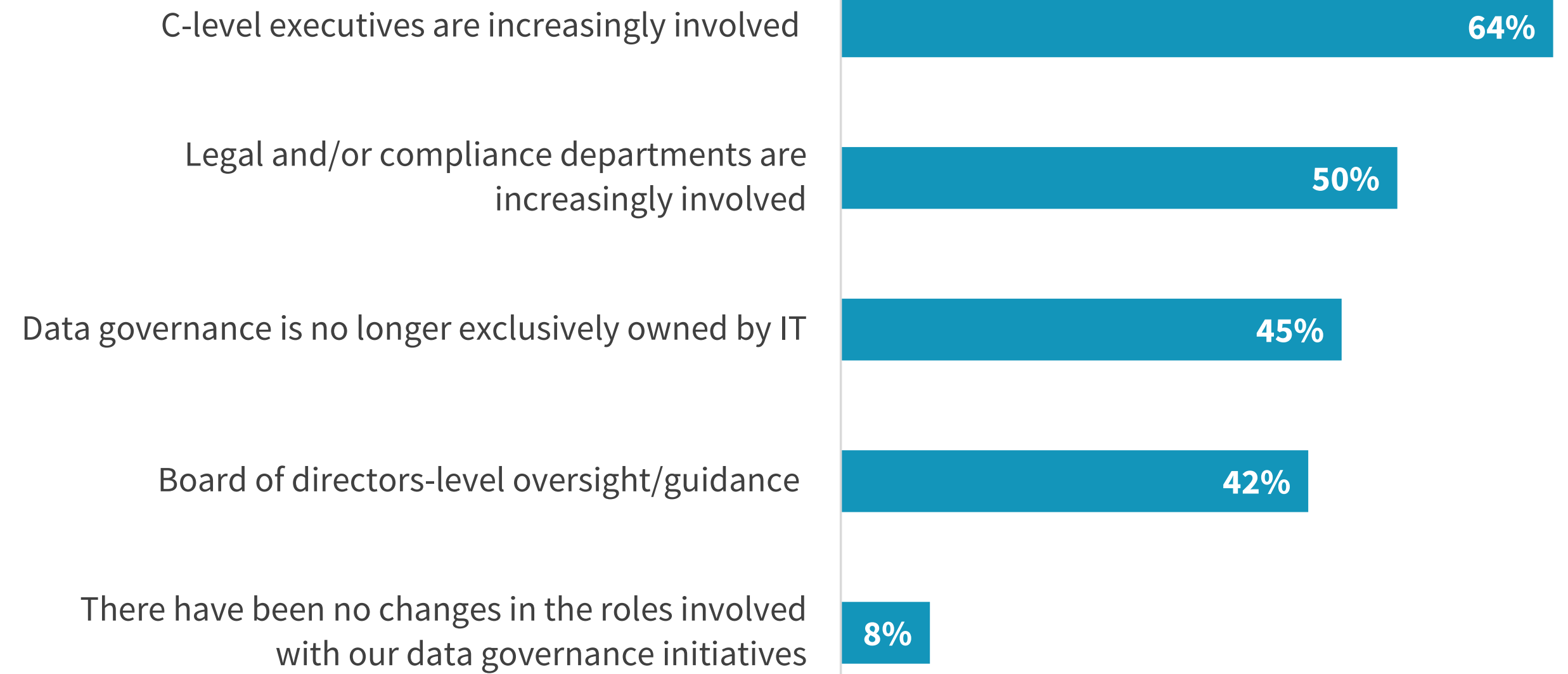
## 65%

**Yes,** we have a dedicated data governance team with managers, a steering committee, and data stewards


## 25%

**Yes,** it is a shared responsibility across departments

### Evolution of roles involved with data governance programs.





A photograph of a modern city street at dusk. The street is lined with multi-story buildings featuring large glass windows and balconies. The sky is dark, and the streetlights are on. Several bright green light trails, resembling data streams or fiber optic cables, curve across the scene from the top right towards the center. The overall atmosphere is futuristic and technological.

Dealing with Data Governance  
Complexity Requires  
**More Unified Technology**

## Non-compliance Has a Range of Negative Business Impacts

Overall, organizations are contending with a lot of complexity and a lack of a unified technology approach. General challenges fall into the following categories: data, regulations, technology, and strategy. Specifically, when it comes to regulations, non-compliance has a wide range of negative business impacts. Not the least severe of which includes increased cyber-risk and diversion of IT resources from important projects.

| Greatest concern over data governance non-compliance.

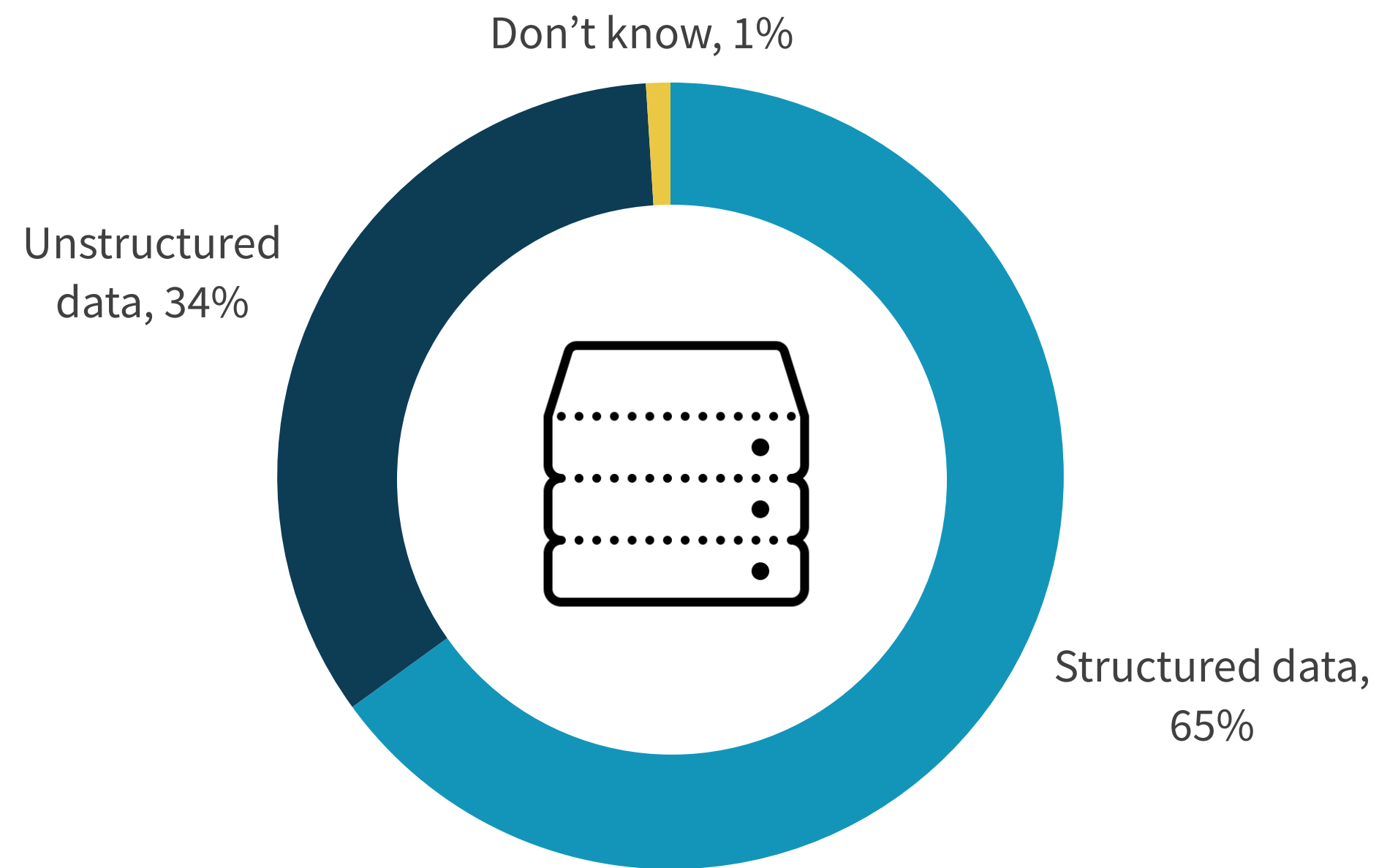


“General challenges fall into the following categories: **data, regulations, technology, and strategy.**”

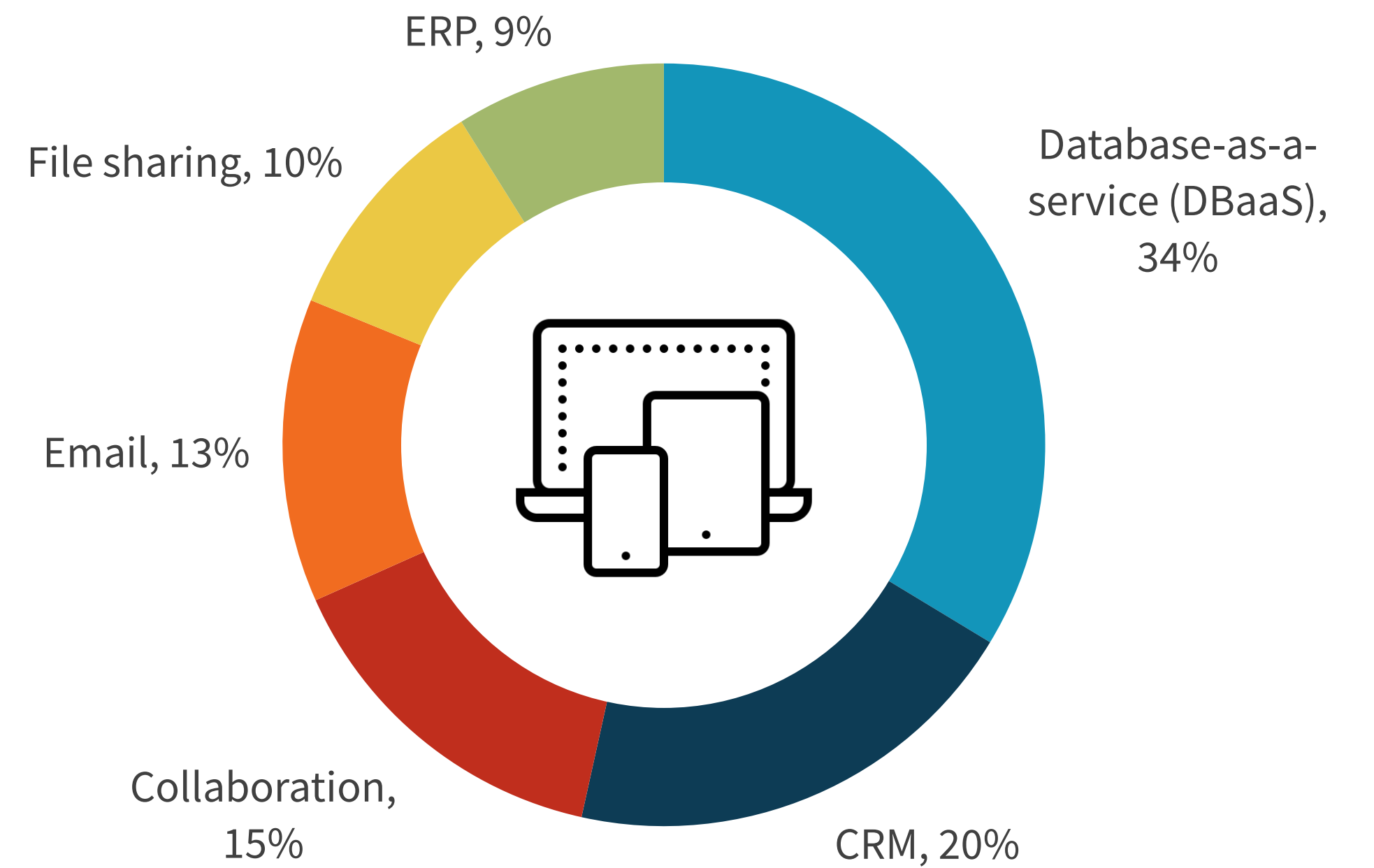
## Biggest Reported Overall Data Governance Challenges

When it comes to the biggest overall data governance challenges in the context of data types, the majority (65%) of respondents report that structured data is the biggest pain point. In terms of SaaS applications, relational data sets like DBaaS, CRM, and ERP together account for biggest percentage of challenges. This is likely because data sets such as email, file sharing, and collaboration were some of the first data types included in initial data governance applications like discover, indexing, and classification.

| Type of data that is the biggest data governance challenge.

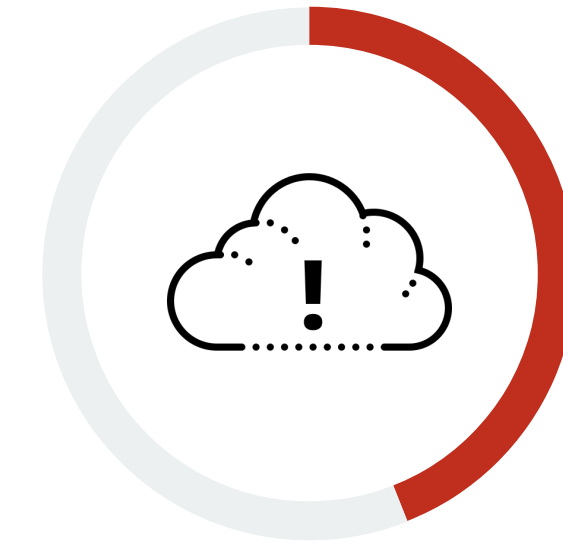


SaaS app that presents the biggest data governance challenge.



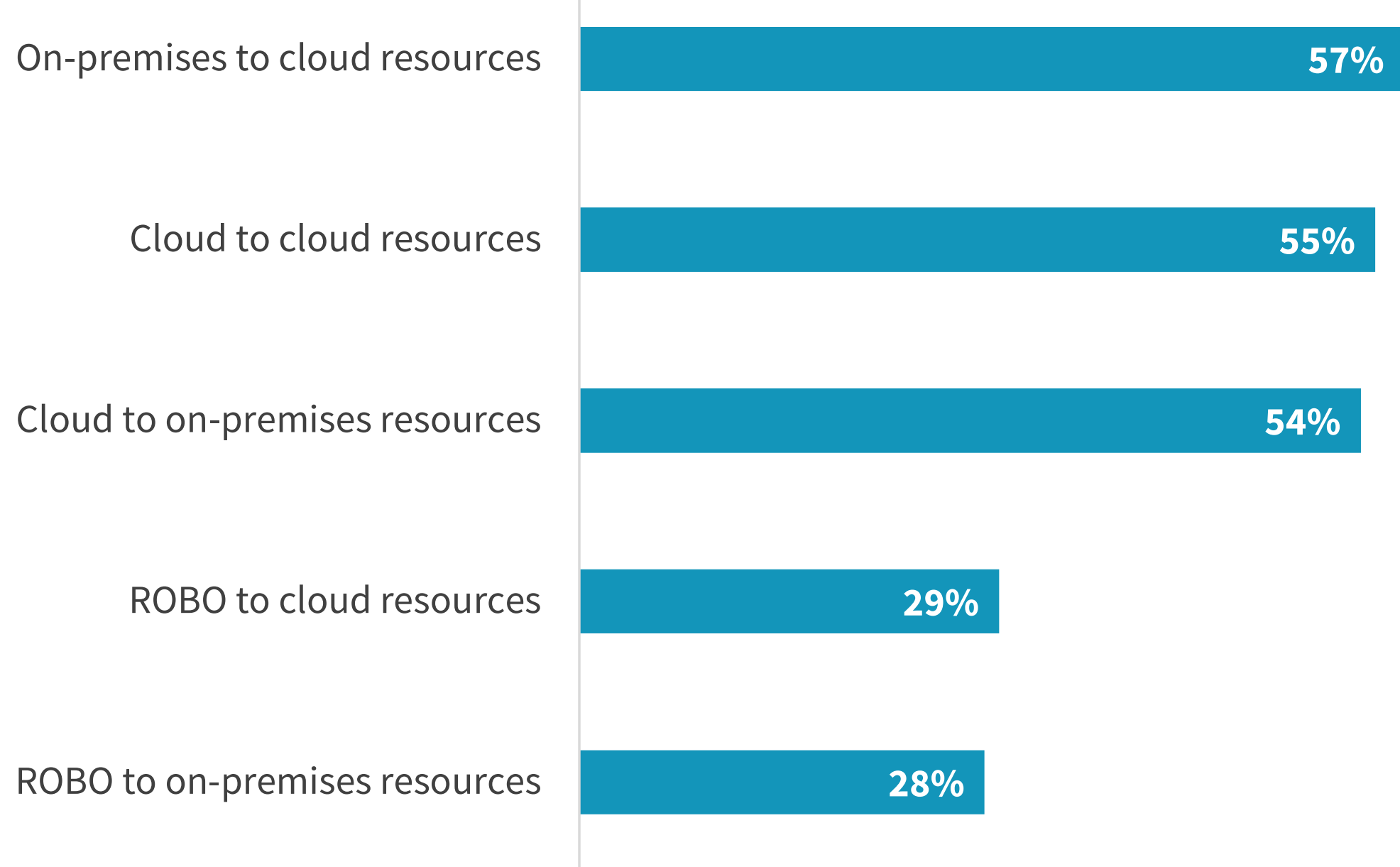
## Biggest Data Movement/Placement Challenges

How is the cloud impacting data governance initiatives? More than four in ten respondents say public cloud services make data governance somewhat or significantly more difficult. Digging a little deeper into cloud and distributed environments challenges, it's clear that most organizations report that it is difficult to move data to and/or from the cloud. And, in general, legacy challenges like maintaining filesystem information, the size of the data sets, and network latency and bandwidth still plague data movement operations.

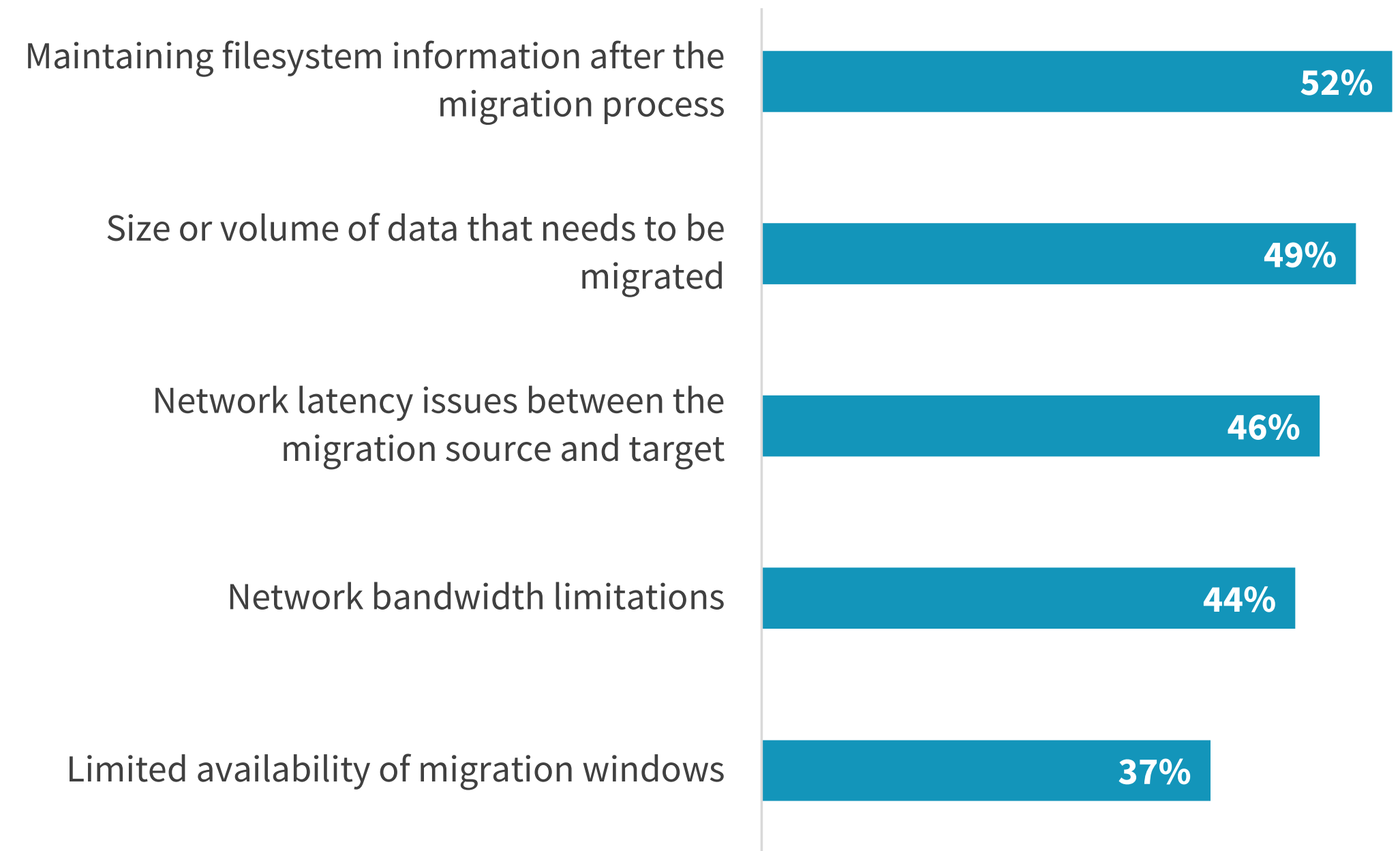


**44%** say public cloud services **make data governance more difficult.**

Locations that provide data movement SLA challenges.



Biggest data movement challenges faced meeting data access SLAs.



Managing Data Governance  
Involves a Lot of  
**Processes and Technology**



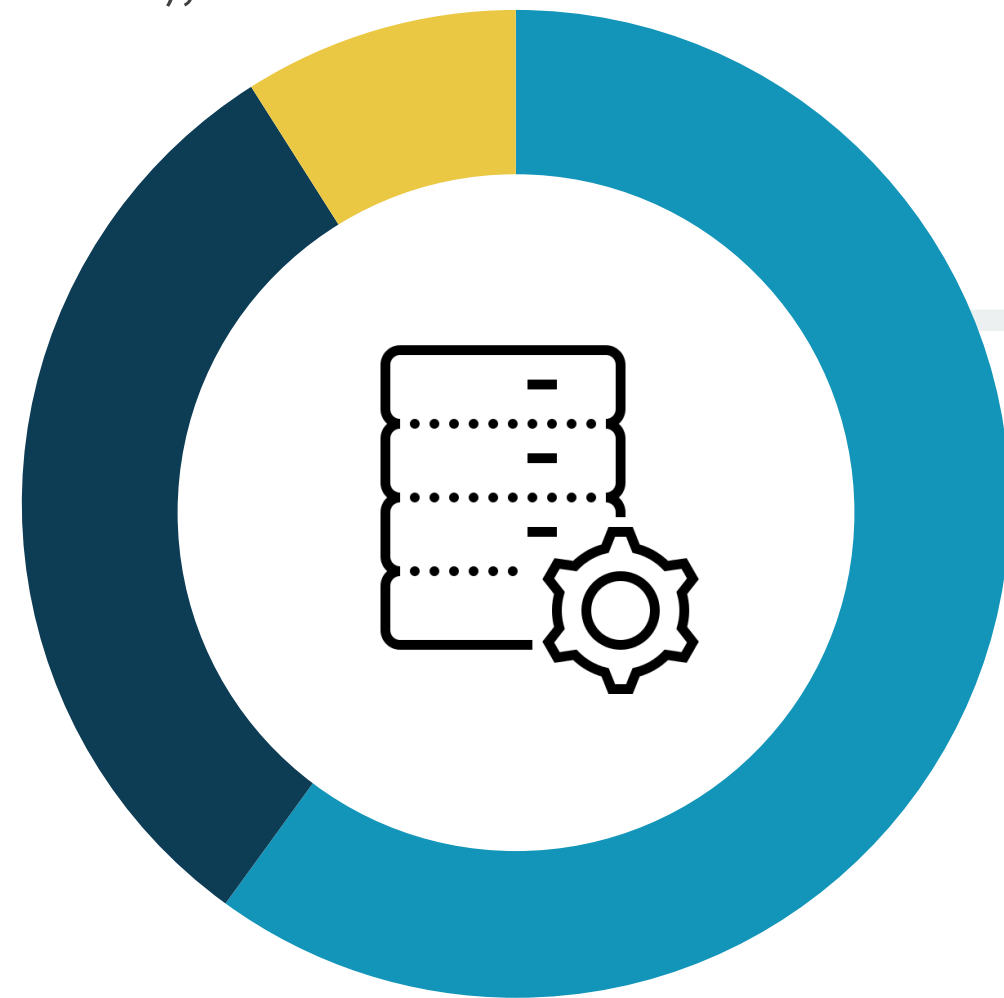
## Data Classification Is a Key Element of Data Management

When it comes to data governance process and technology, data classification plays a key role. Understanding data is essential not only for compliance risk mitigation, but also to identify what should be done about it. Without classification, it is impossible to implement sound data governance policies. Data that is not classified also increases risk. Additionally, content-level classification enables organizations to implement more advanced data governance procedures. Currently, the majority of organizations that are classifying their data take a hybrid approach by viewing data at both the metadata and content level.

| Primary approach to data classification.

We only look into each file (i.e., analyze and classify the content), 9%

We only analyze and classify metadata, 31%

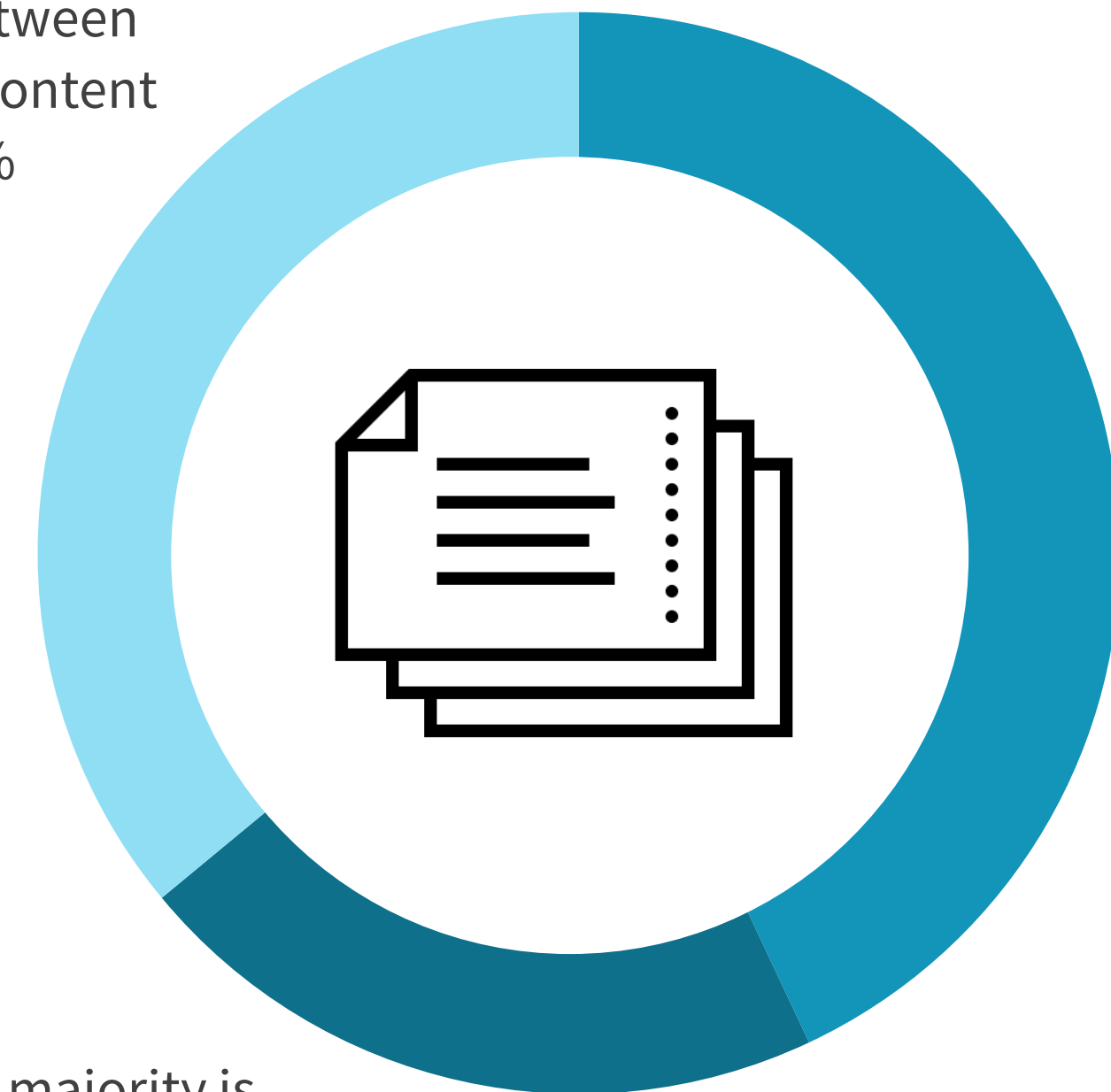


We both analyze and classify metadata and look into each file (i.e., analyze and classify the content), 60%

BREAK DOWN →

Evenly split between metadata and content level, 36%

The majority is indexed/classified at the content level, 21%

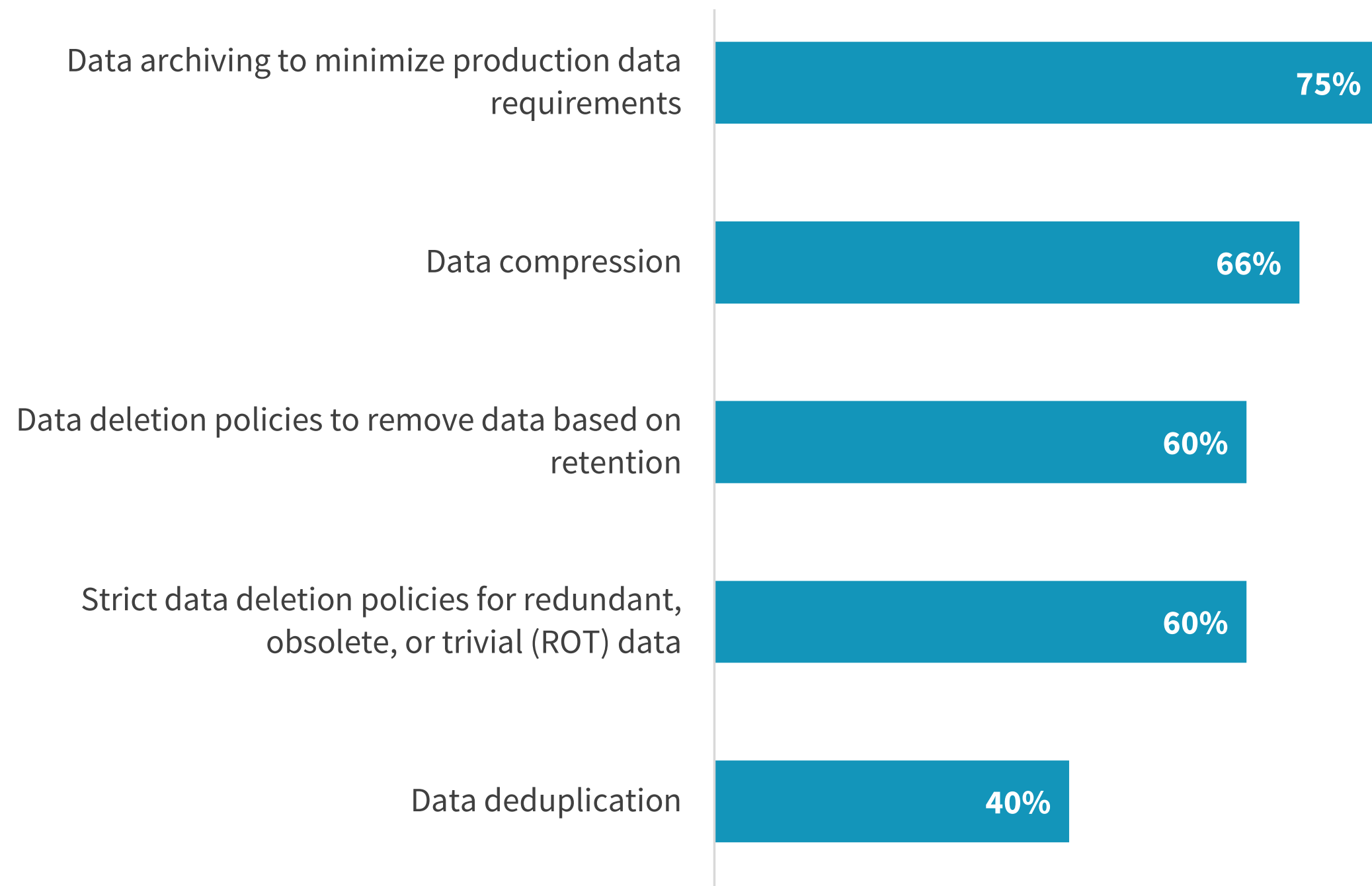


The majority is indexed/classified by metadata, 43%

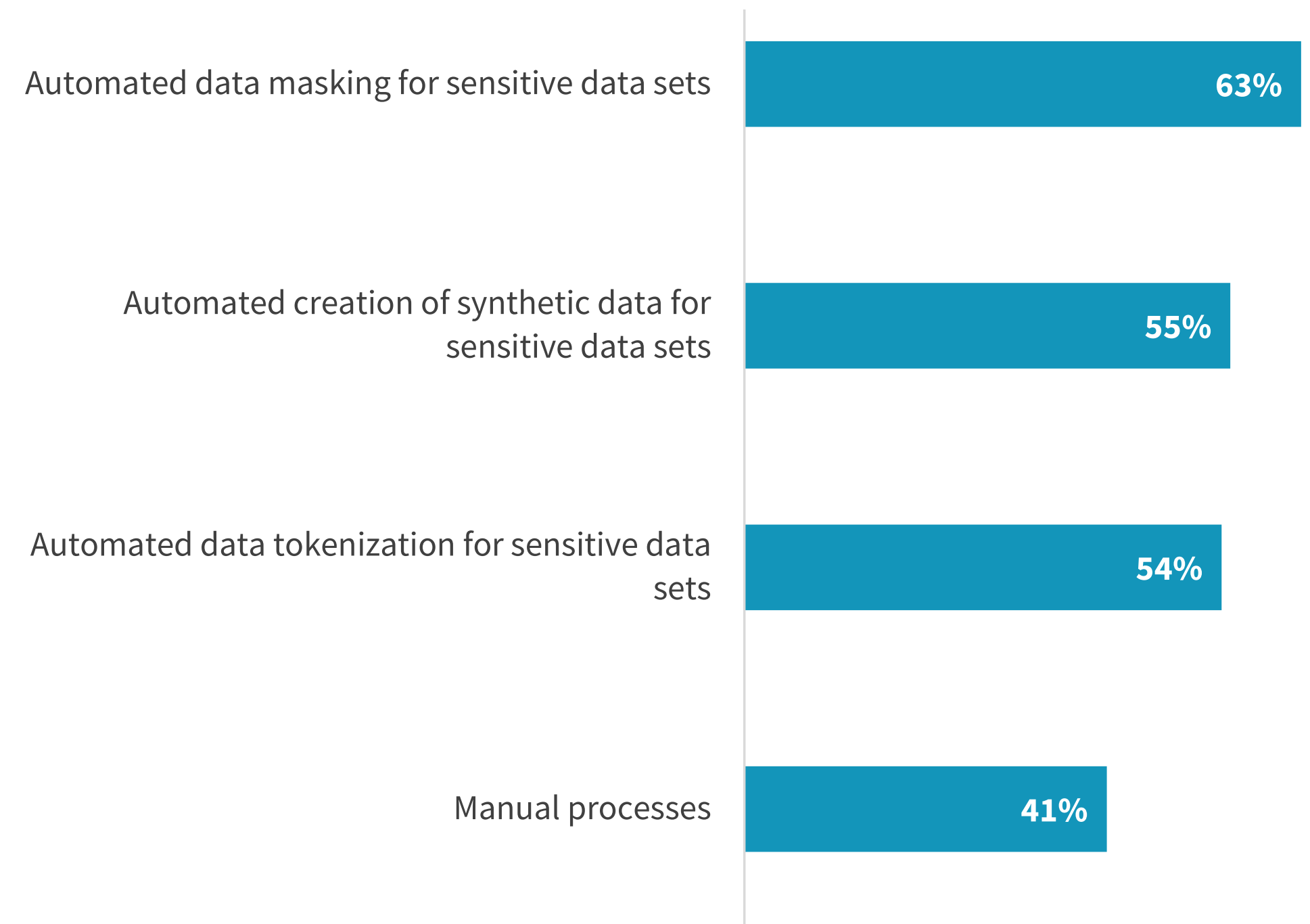
## Organizations Are More Open to Data Deletion since Data Kept Indefinitely Must Be Compliant


In the not-too-distant past, most data was kept indefinitely. Now, organizations better understand the risks of keeping data beyond its usefulness or a regulated period. When it comes to managing overall data growth, archiving leads the pack, but people now seem more receptive to deleting unnecessary data. For data that is kept indefinitely, secondary data reuse generates broad benefits that are not just for IT, including greater data visibility and subsequent business agility. However, given the amount of sensitive data included in secondary data sets, this reused data must be compliant. Organizations cannot risk exposing sensitive data to unauthorized personnel such as test and development engineers. Though many data obfuscation techniques are in use for this objective, automation takes center stage and is a key element to successful data reuse. Unfortunately, 41% of respondents still report using manual processes. Manual procedures can lead to more sensitive data exposure incidents.

Technology features/capabilities used to manage data growth.



Processes or technology features used to ensure data reuse processes maintain data governance compliance.





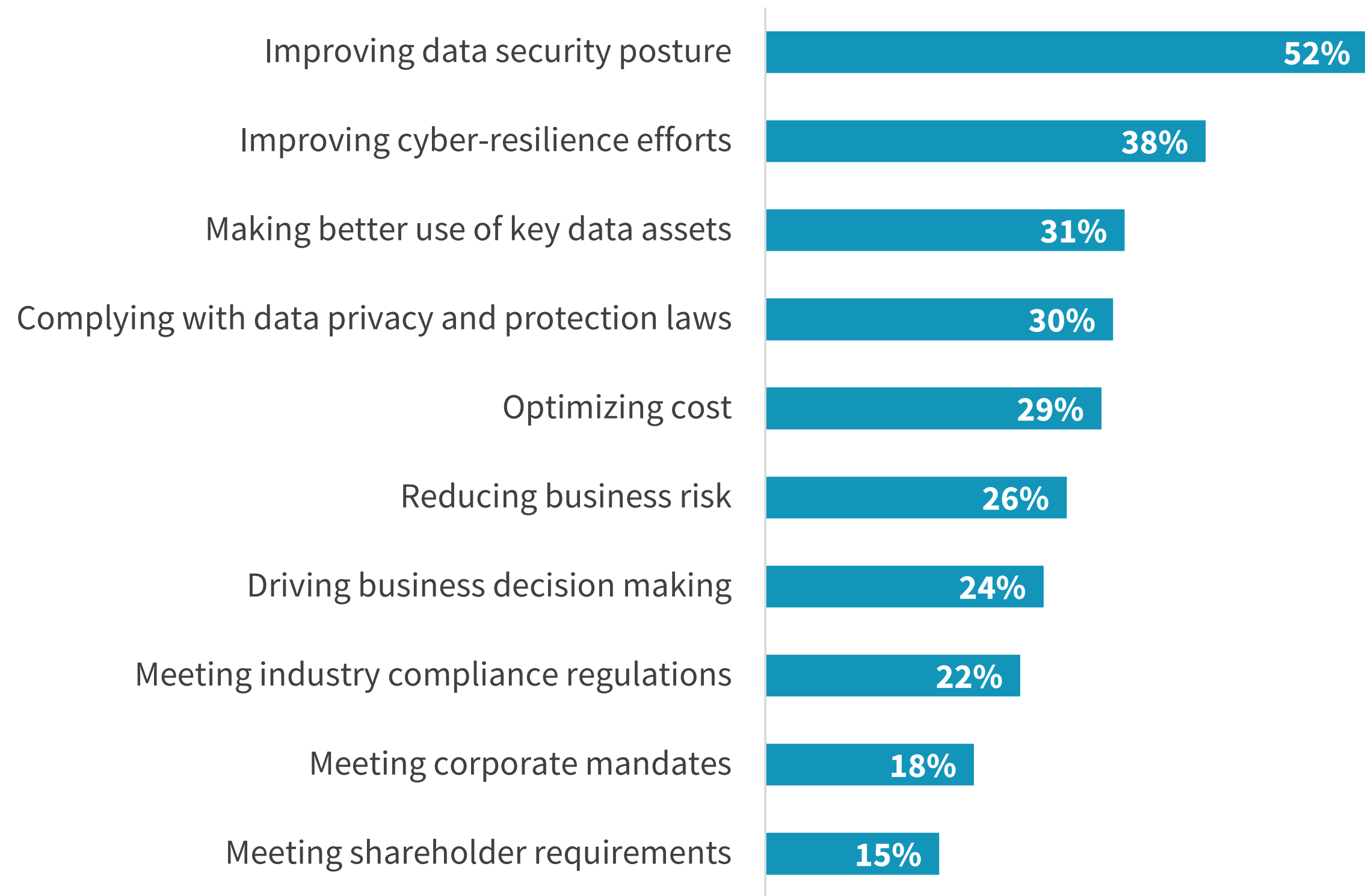
# Cyber-risk Is a Serious Consideration for Data Governance Practices



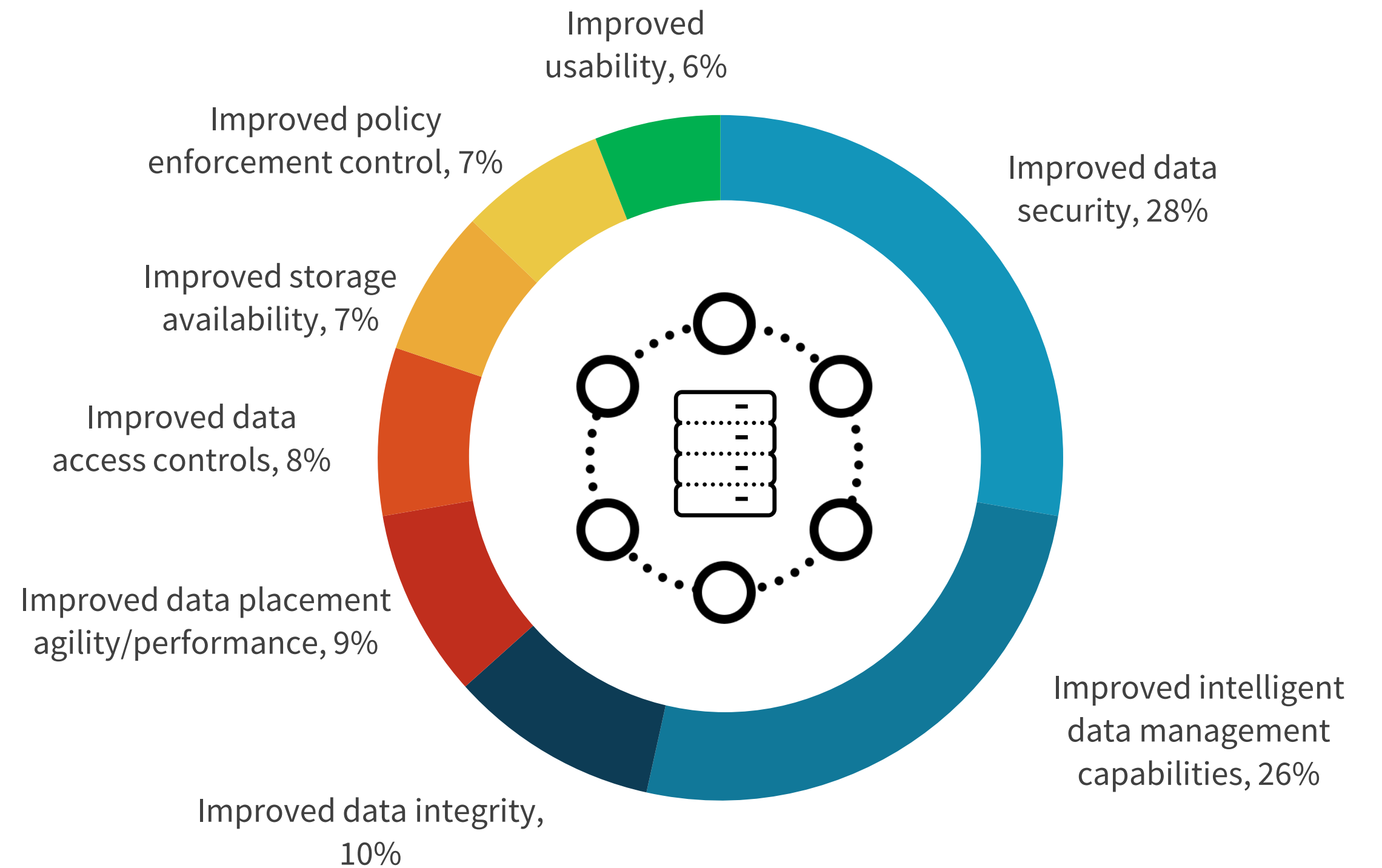
## Data Security and Cyber-risks Are Driving Data Governance Decisions

Improving data security is at the top of the list for both most significant data governance business drivers and most important data governance features/capabilities. This is likely due to the current increase in cyber-risk and the pervasiveness of ransomware attacks. However, key data governance elements such as meeting regulations, improving business decisions, optimizing cost, and reducing business risk must not take a backseat to security. IT must strike a balance.

Most significant data governance business drivers.



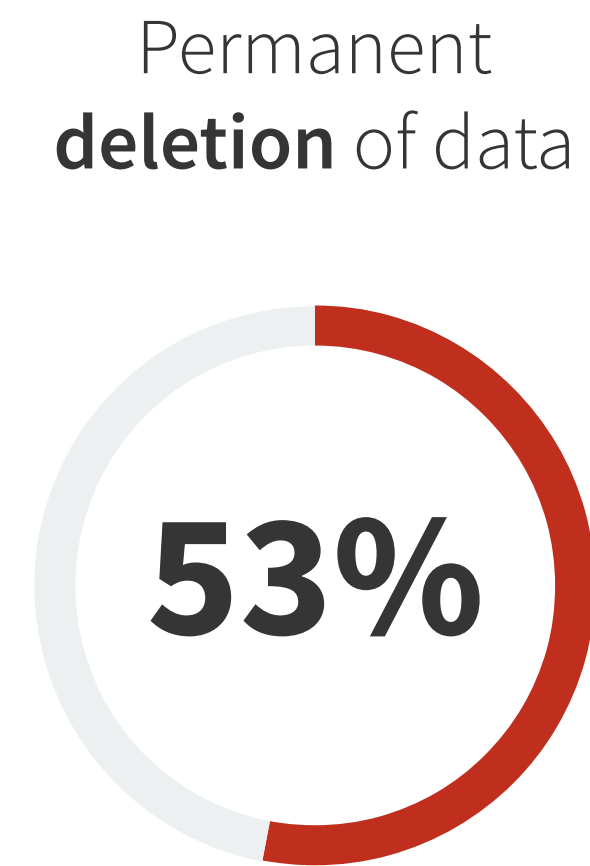
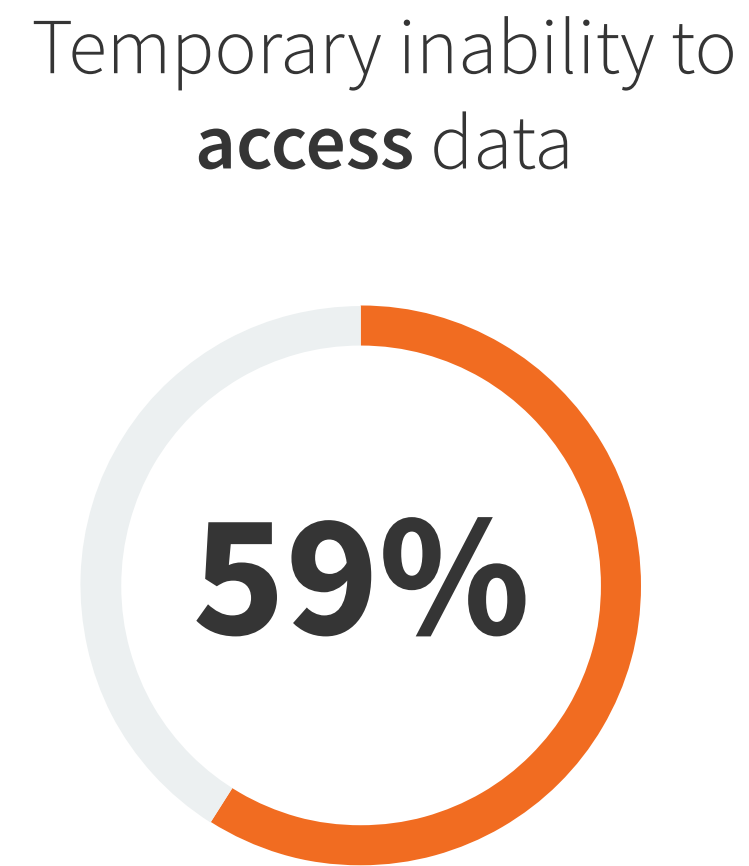
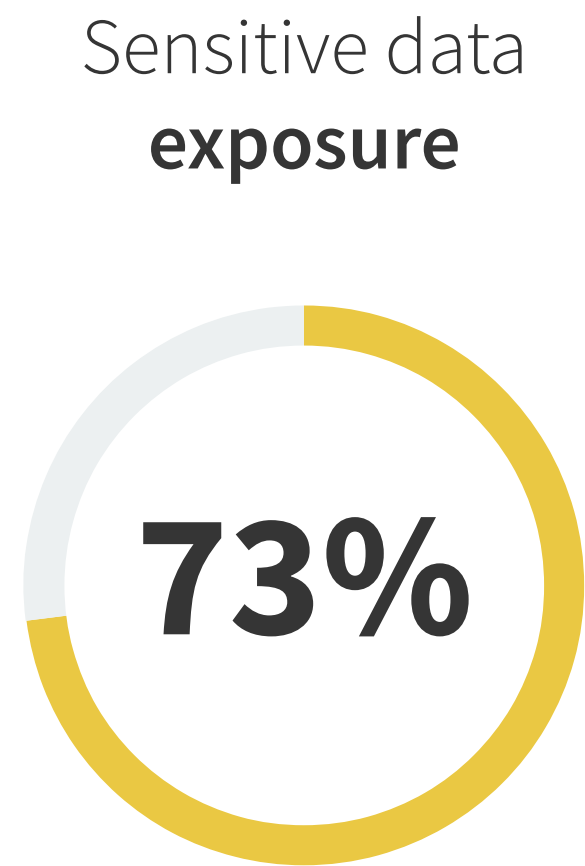
Most important data governance feature/capability.



## Cyber-incidents and Their Data Governance Impact

With such a focus on security, clearly data governance practices are not immune to cyber-threats. Indeed, more than half of organizations have experienced a cyber-incident such as ransomware or data exfiltration that impacted their ability to meet data governance requirements. What kind of impact did these cyber-incidents have? Nearly three-quarters (73%) reported that the event led to the exposure of sensitive data. And while 59% of organizations indicated they were temporarily unable to access data, of greater concern is the fact that 53% faced the permanent loss of data.

| Impact cyber-incident(s) had on ability to meet data governance requirements.

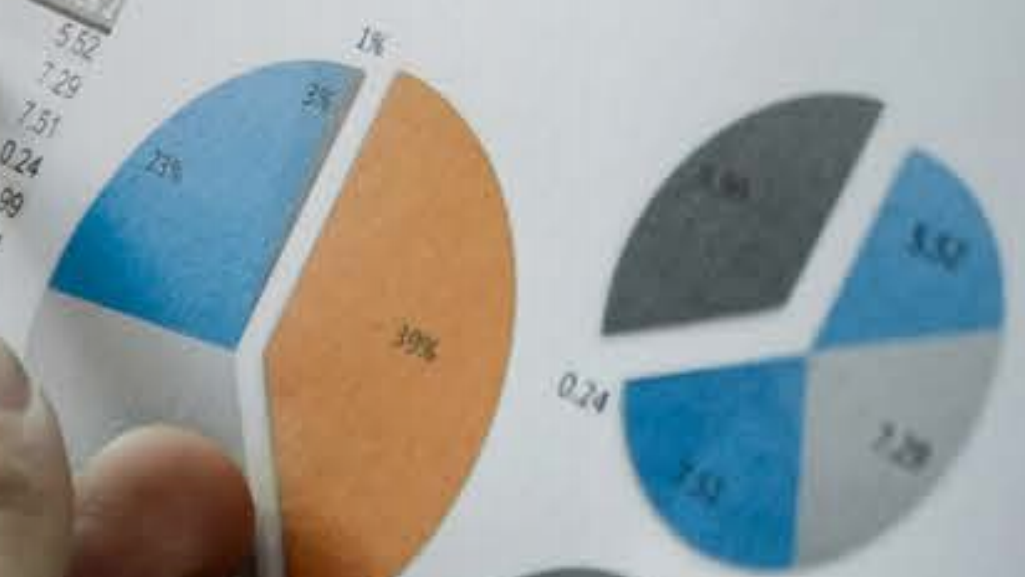


“56% of organizations experienced a cyber-incident that **impacted their ability to meet data governance requirements.**”

# Data Governance Initiatives Will Get More Investment



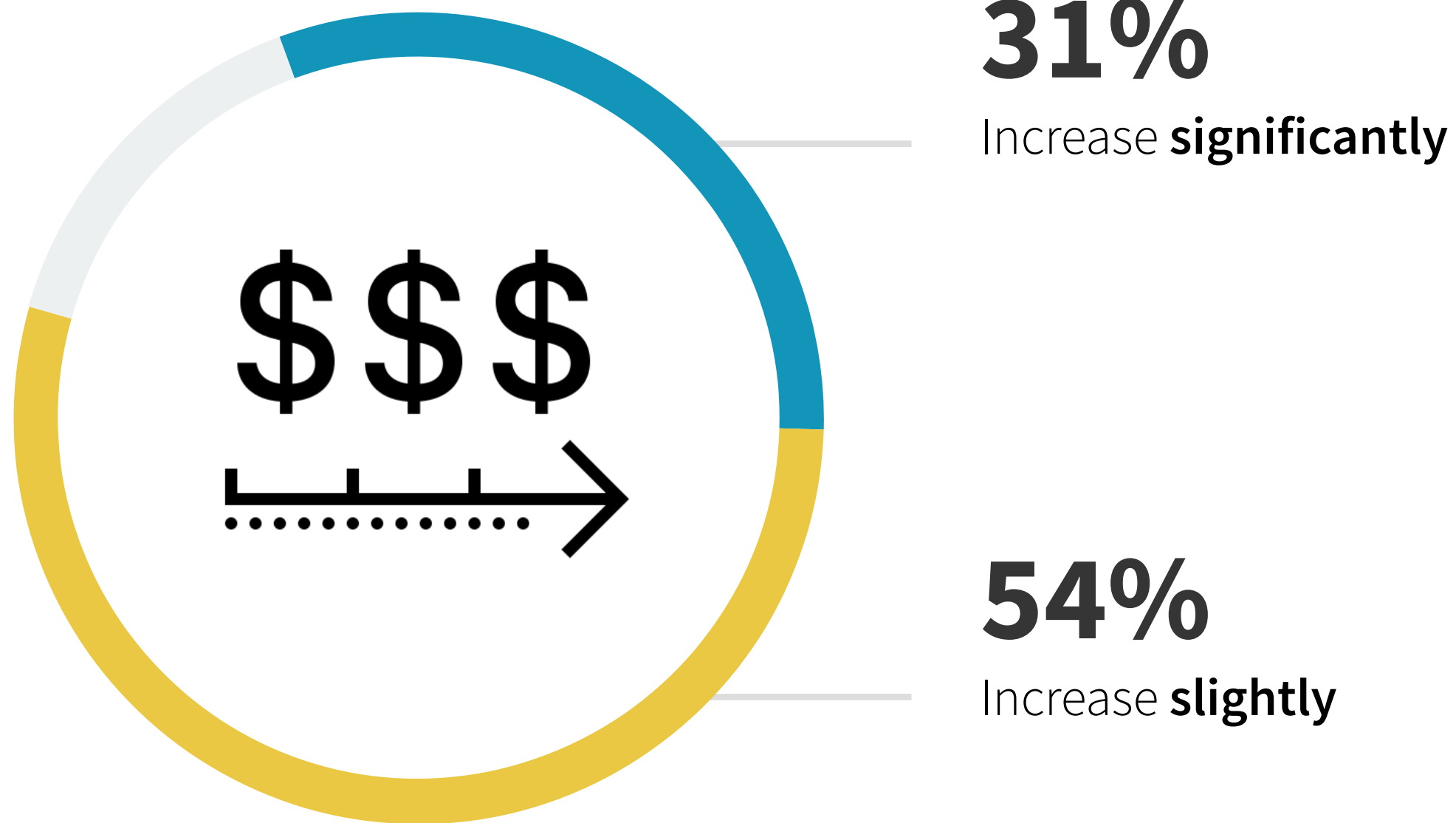
	Series 1	Series 2
Jan	0.17	5.60
Feb	0.95	6.52
Mar	1.56	8.74
Apr	2.06	1.08
May	2.69	5.54
Jun	2.73	3.03
Jul	3.46	6.00
Aug	3.65	5.78
Sep	4.01	4.32
Oct	4.57	7.56
Nov	5.45	5.90
Dec	6.18	2.43



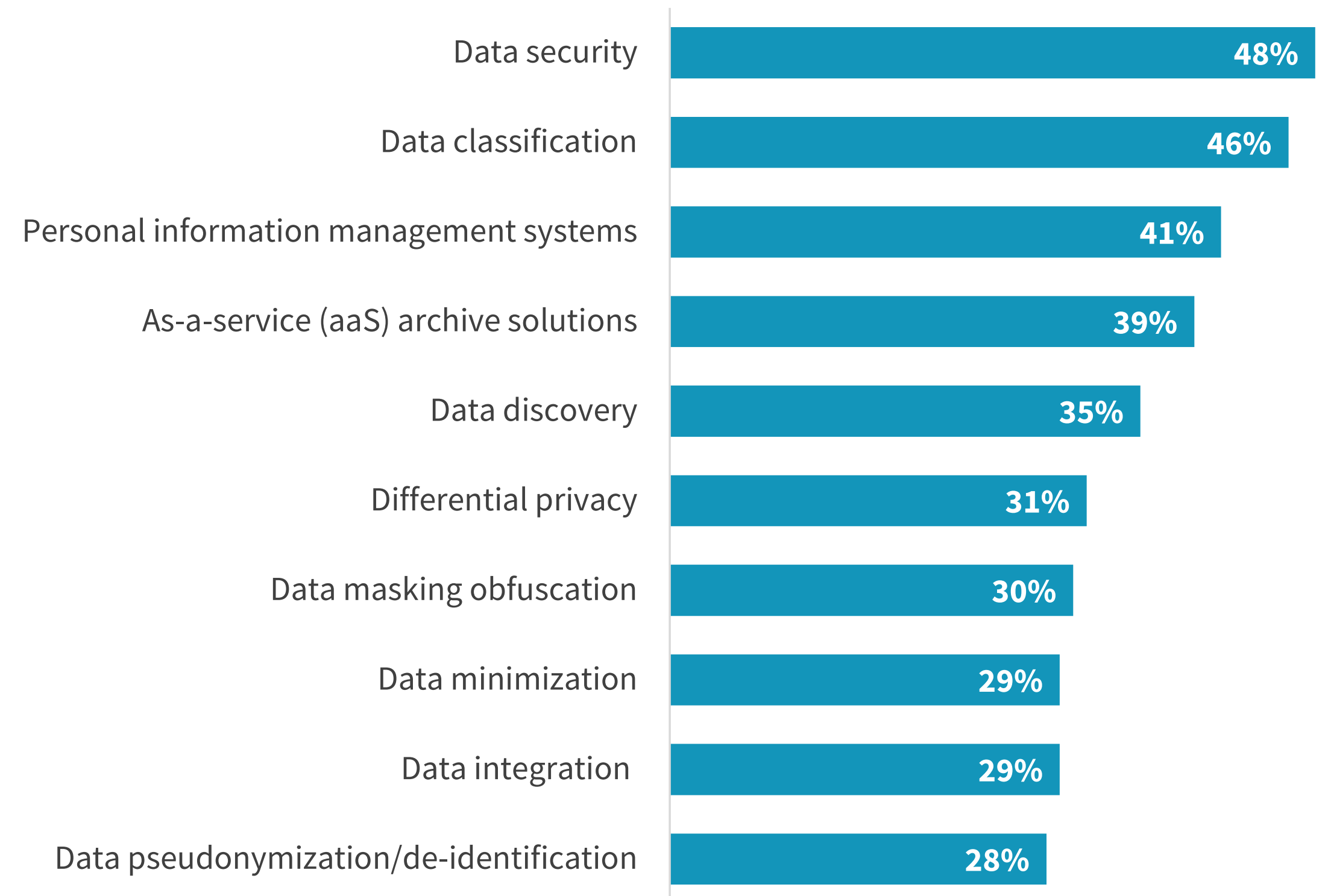
## Most Organizations Plan to Increase Data Governance Spending

While organizations have reaped the benefits of data governance technologies and programs, they still face challenges in this area and there is work to be done. As such, 85% of organizations expect to increase spending on data governance technologies over the next 12-18 months, with nearly one-third describing these investments as significant. When it comes to the actual data governance technologies, organizations are prioritizing elements such as security, classification, personal information management systems, and as-a-service archive solutions.

Change in spending on data governance technologies and programs over the next 12-18 months.



Data governance technologies in which organizations will make the most significant investments over the next 12-18 months.





MEGA International is a global SaaS software company with offices in 11 countries. The company provides leading software solutions for Enterprise Architecture, Business Process Analysis, Governance, Risk and Compliance, and Data Governance to guide organizations in their business transformation initiatives. MEGA created a collaborative SaaS platform, HOPEX, that offers a single repository to help companies collect, visualize, analyze, and communicate information to better plan and adapt to change. With 350 multicultural dynamic employees, MEGA supports more than 2000 clients in 52 countries.

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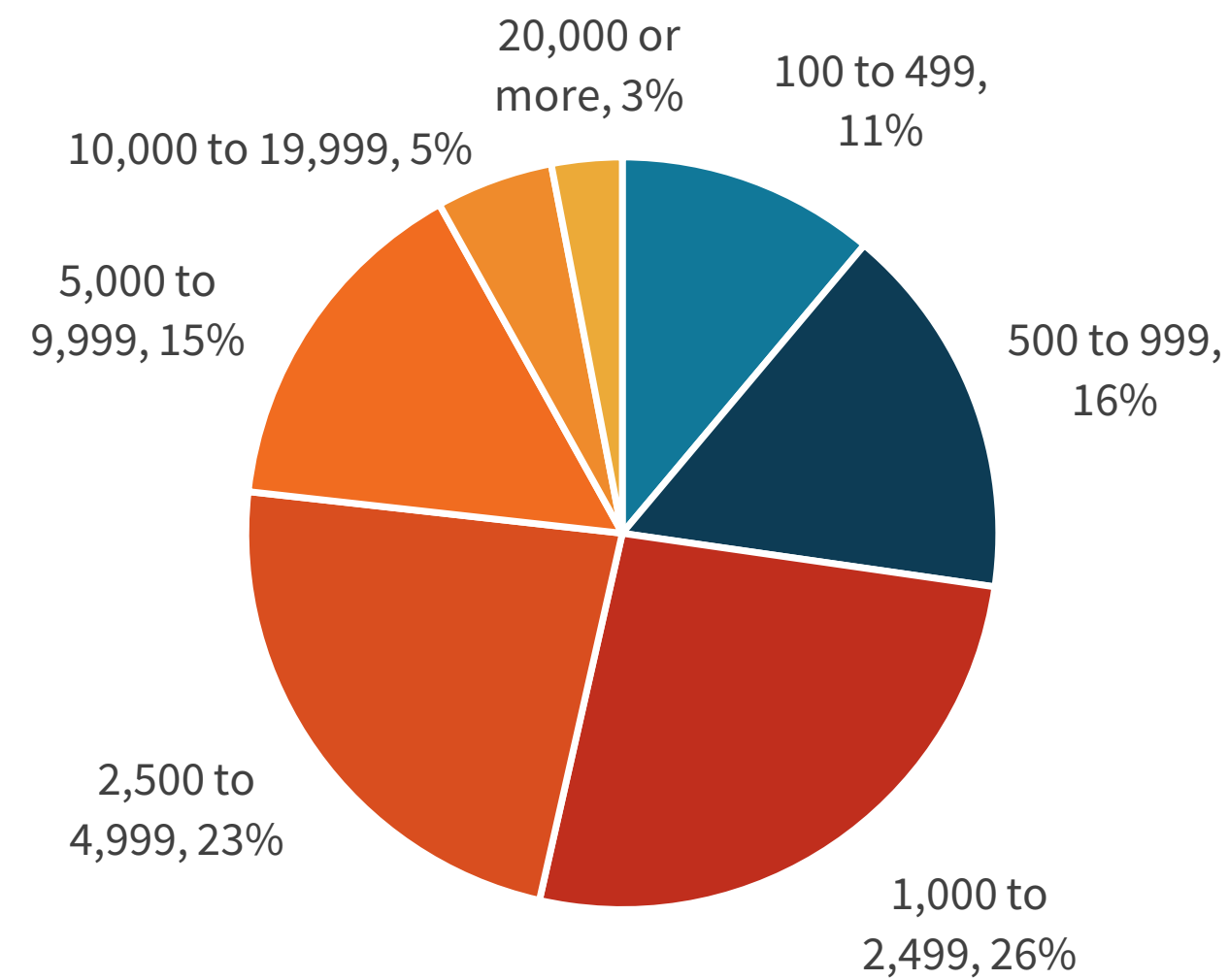


## Research Methodology and Demographics

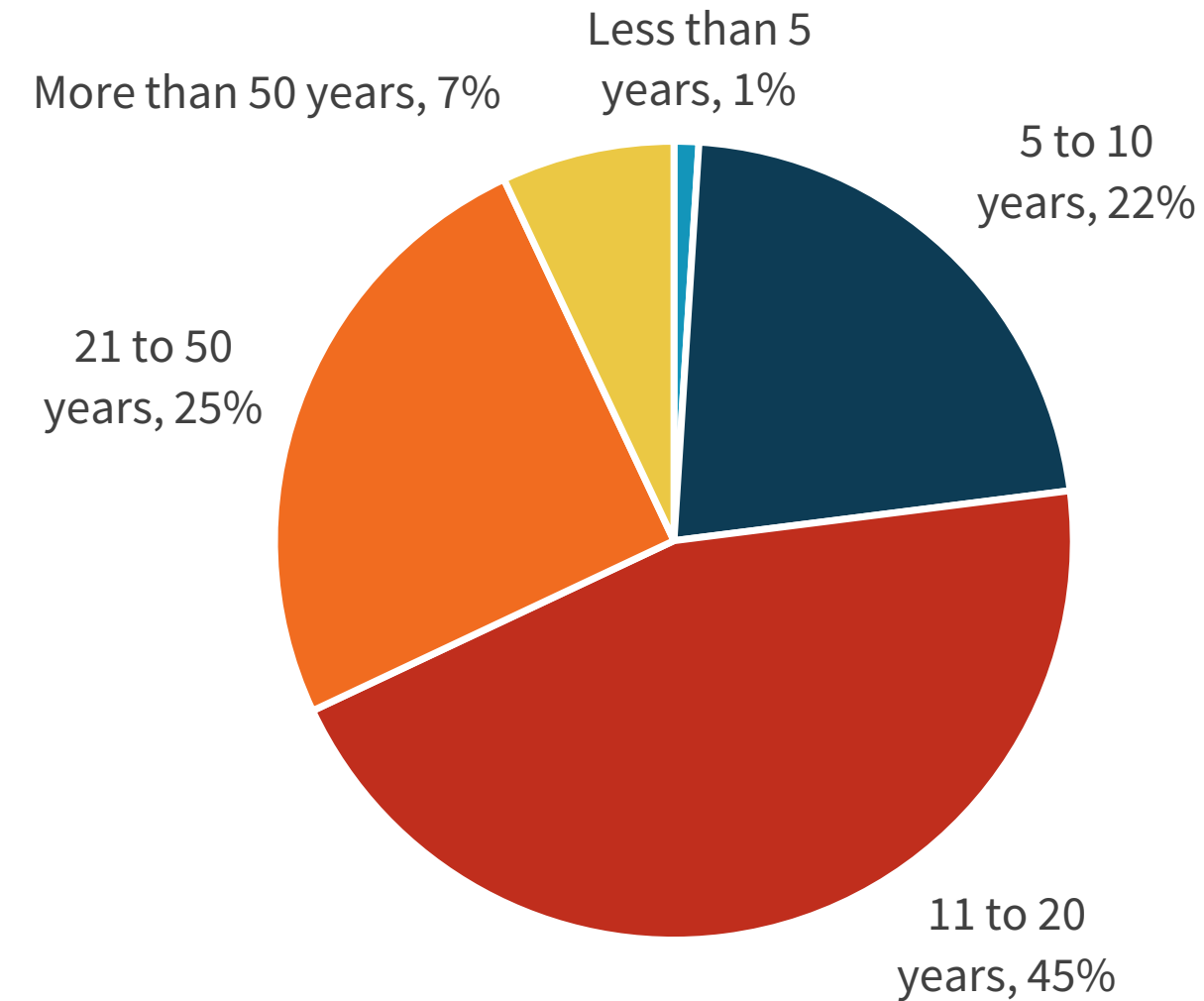
To gather data for this report, ESG conducted a comprehensive online survey of IT professionals from private- and public-sector organizations in North America (United States and Canada) between August 2, 2022 and August 5, 2022. To qualify for this survey, respondents were required to be IT and line-of-business professionals personally responsible for data governance technologies, processes, and programs used to manage their organizations’ data. All respondents were provided an incentive to complete the survey in the form of cash awards and/or cash equivalents.

After filtering out unqualified respondents, removing duplicate responses, and screening the remaining completed responses (on a number of criteria) for data integrity, we were left with a final total sample of 376 IT professionals.

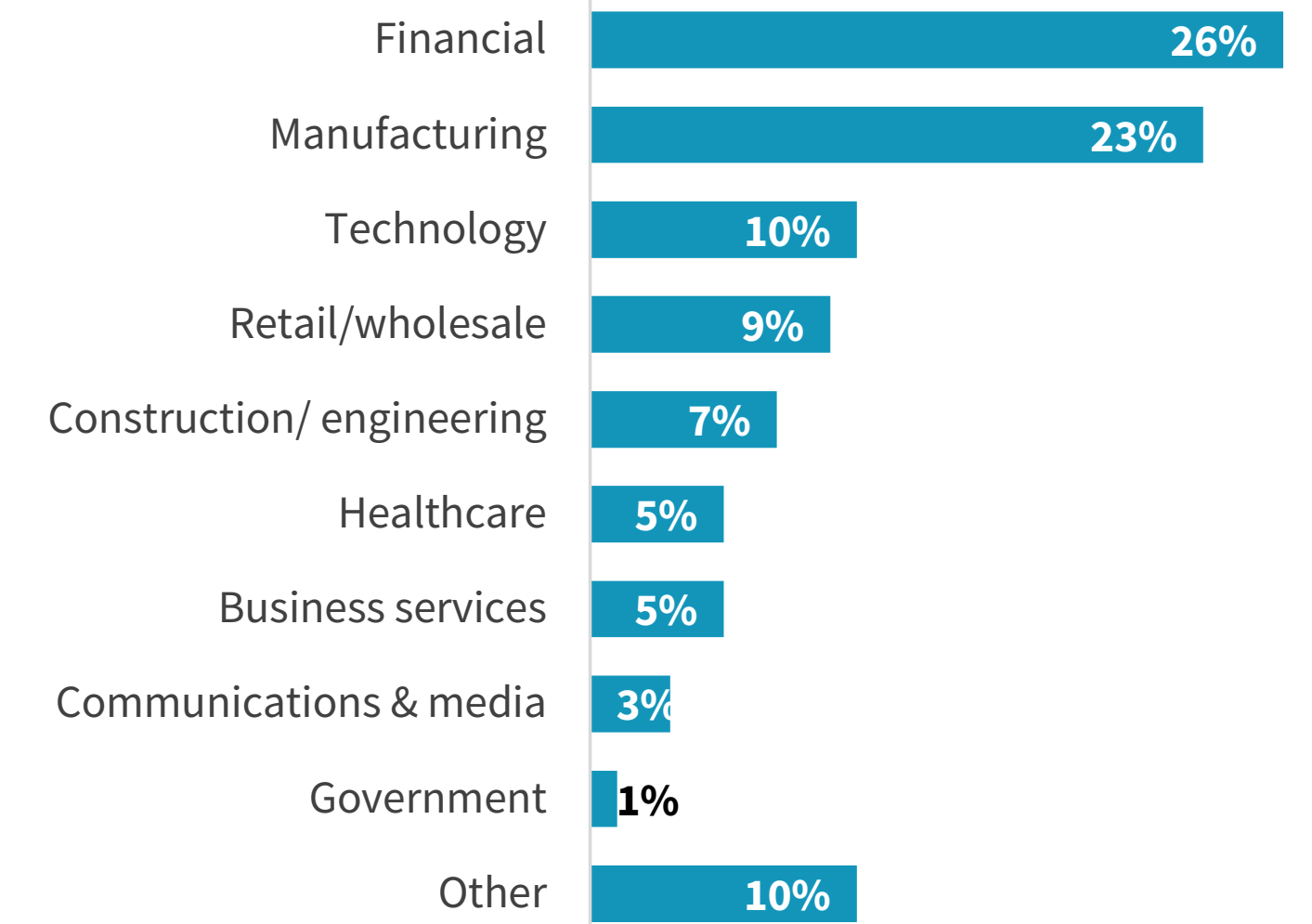
**RESPONDENTS BY NUMBER OF EMPLOYEES**



**RESPONDENTS BY AGE OF COMPANY**



**RESPONDENTS BY INDUSTRY**



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