A Pathway to Corporate Data Governance and Data Monetization:
Catalysts, Challenges, Approaches, and Benefits

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Privacy+
Security
Forum

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Agenda

- Monetization in 2024
- Corporate Data Governance
- Data Governance Begins with "Data"
- <u>Why</u> Do We Have the Data?
- <u>What</u> Must We Do to Protect the Data?
- <u>How</u> Do We Protect the Data?
- Strong Indicators of Data Governance
- What is the Value of Our Data?
- Revenue Generation: Monetization of Our Data
- Conclusion
- Q&A

Where monetization of data has perhaps been historically generalized as the sale of data, a direct quid pro quo as a data broker or a seller of data for marketing or other purposes, our definition intends to go far more broadly. Monetization in this discussion includes revenue generation derived by corporate data to not only include direct sale or brokerage of data, but other methods in which firms increase their revenue directly via the enhanced use of the corporate data asset. Monetizing data for our purposes includes:

- **Revenue driven and/or increased by understanding of data and additional uses derived through Machine Learning**
- **Revenue driven and/or increased by use of corporate data via improved governance to drive Artificial Intelligence and beneficial results**
- **Revenue driven and/or increased using data for selling additional services (e.g., IoT data being used to sell supporting services)**
- **Other revenue that improved governance and valuation processes yield that are net-new and would otherwise not have been possible.**

Corporate Data Governance

- **Data and information is a new asset class**
  - Provides ROI and potentially drives revenue
  - Challenge is path to monetize and derive greater value from corporate data
  - Shortest path to realizing value – establish a data governance program
  - Responsible for managing the availability, usability, integrity, and security of data used within an organization.
  - Involves processes, policies, standards, and guidelines
  - Ensure data is handled in a consistent, controlled, and responsible manner, from collection or acquisition through disposition.
- **Some key objectives of data governance**
  - Establish a framework for managing data as an asset class and a strategic asset that is
  - Align with the organization's goals and objectives.
  - Includes policies that facilitate data access, availability, quality, security, privacy, and compliance with regulatory requirements.

- **Stakeholder collaboration includes**

  - Data owners,

  - Business users of data,

  - IT teams,

  - Legal and compliance teams, and

  - Other specialized teams (ex. privacy, cybersecurity, and data science)

- **Robust data governance framework**

  - Ensures data is accurate, consistent, and trustworthy

  - Improves decision-making, increases operational efficiency, and mitigate risks

Also, facilitates move from data awareness to being able to determine the value of data and monetize/derive additional marginal value from it, all while conforming to privacy, security and other compliance and regulatory requirements.

To begin a corporate data governance program, start by developing an awareness and knowledge of the data assets of your organization:

- **Know Thy Data!**

- **Improve Data Quality**

- **Business Decision-Making**

- **Data From Which Value can be Extracted**

- **Data Security**

- **Data Compliance**

- **Business Engagement, Data Stewardship and Ownership**

Data At The Center

One of the most overlooked aspects of a Corporate Data Governance program is the assignment of Data Stewards, or data owners, and engagement with the Business.

Some of the key obligations of Data Stewards and/or Data Owners and the Business include:
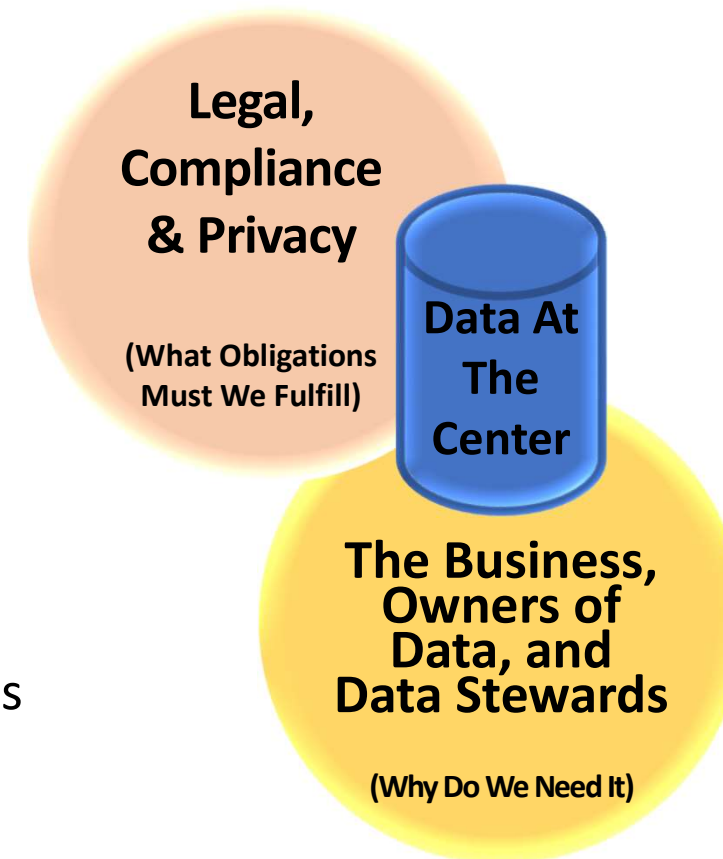
- **Data quality**
- **Data usage**
- **Data risks**

For many organizations, the coordinator of the stewardship or data ownership is the **Chief Data Officer or Chief Information Governance Officer.**

Data At The Center

The Business, Owners of Data, and Data Stewards

(Why Do We Need It)
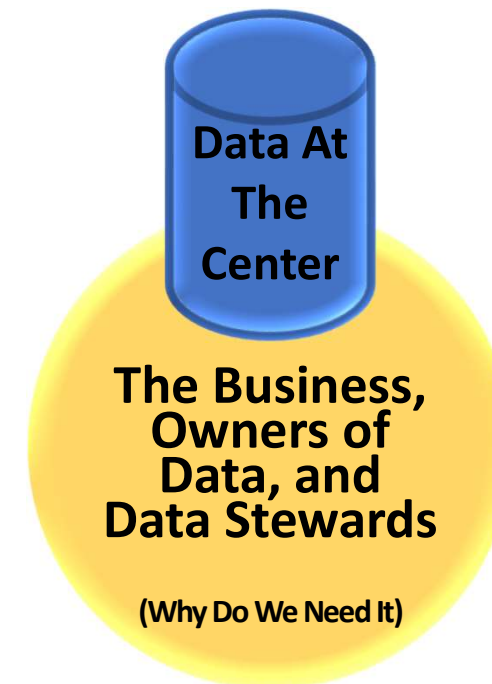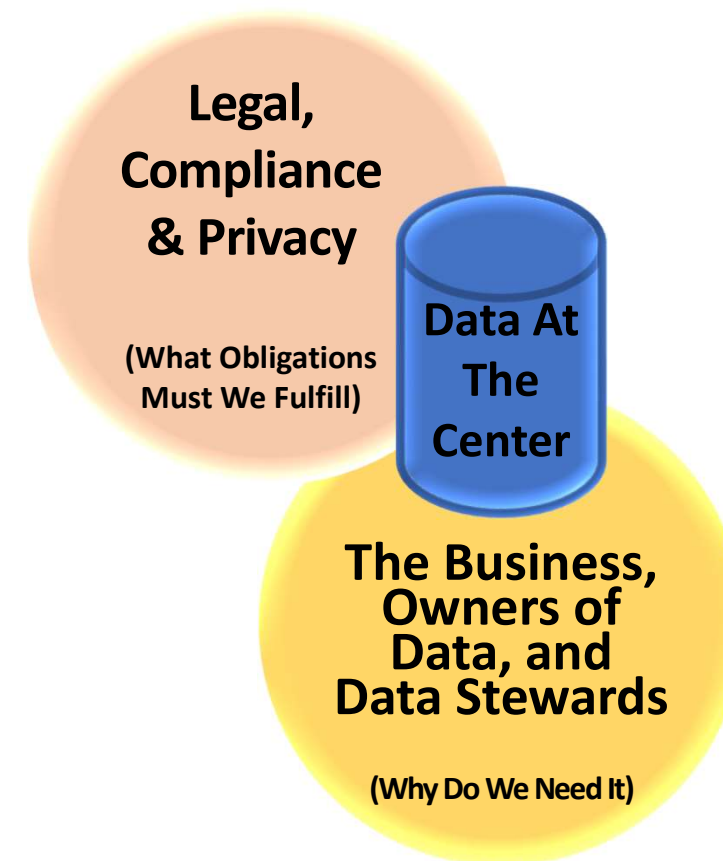
What Must We Do To Protect The Data?

- **Overlap between managing data as a strategic asset and complying with regulatory requirements falls to**
  - Chief Compliance Officer
  - Chief Privacy Officer and/or
  - Chief Risk Officer
- **Regulatory requirements related to the collection and acquisition, use, storage, transfer, and sharing of data across a range of legal and regulatory obligations.**
  - Privacy and data protection,
  - Security,
  - Confidentiality, and
  - Ensuring that applicable policies are communicated to data users and followed.
- **Comprehensive data governance program includes**
  - Policies that require data to be classified according to its sensitivity level,
  - With appropriate access controls in place, and
  - Specify the period for which data must be retained to comply with minimum and maximum retention periods.

Legal, Compliance & Privacy

(What Obligations Must We Fulfill)

Data At The Center

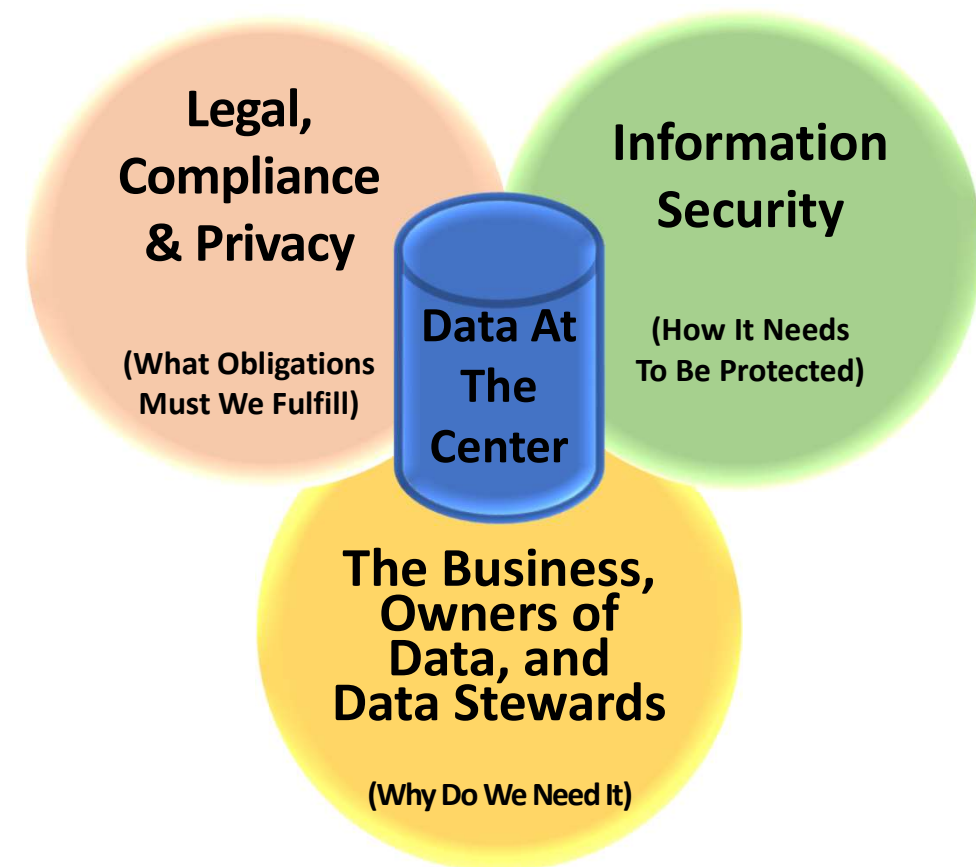**The Business, Owners of Data, and Data Stewards**

(Why Do We Need It)

Once policies around "what" are in place:

- Compliance must work with The Business, Data Owners, and Data Stewards to ensure the policies are implemented and followed

- In this way, these policies become business requirements

- Responsibility of information security organization and business to fulfill

- Partnerships between the legal, compliance, and business help implement these comprehensive protection mechanisms

Legal, Compliance & Privacy

(What Obligations Must We Fulfill)

Data At The Center

The Business, Owners of Data, and Data Stewards

(Why Do We Need It)

- The guidance from not just leading practices, but also legal, compliance, and privacy as to What must be done should be established functional and technical business requirements:

- Core: Technically, protect enterprise data against unauthorized access, use, disclosure, disruption, modification, or destruction.

- Ensure data maintains its confidentiality, integrity, and availability (an easy-to-remember mnemonic 'C.I.A.').

- Facilitate implementation of security controls & requirements received from data owners and the compliance team.
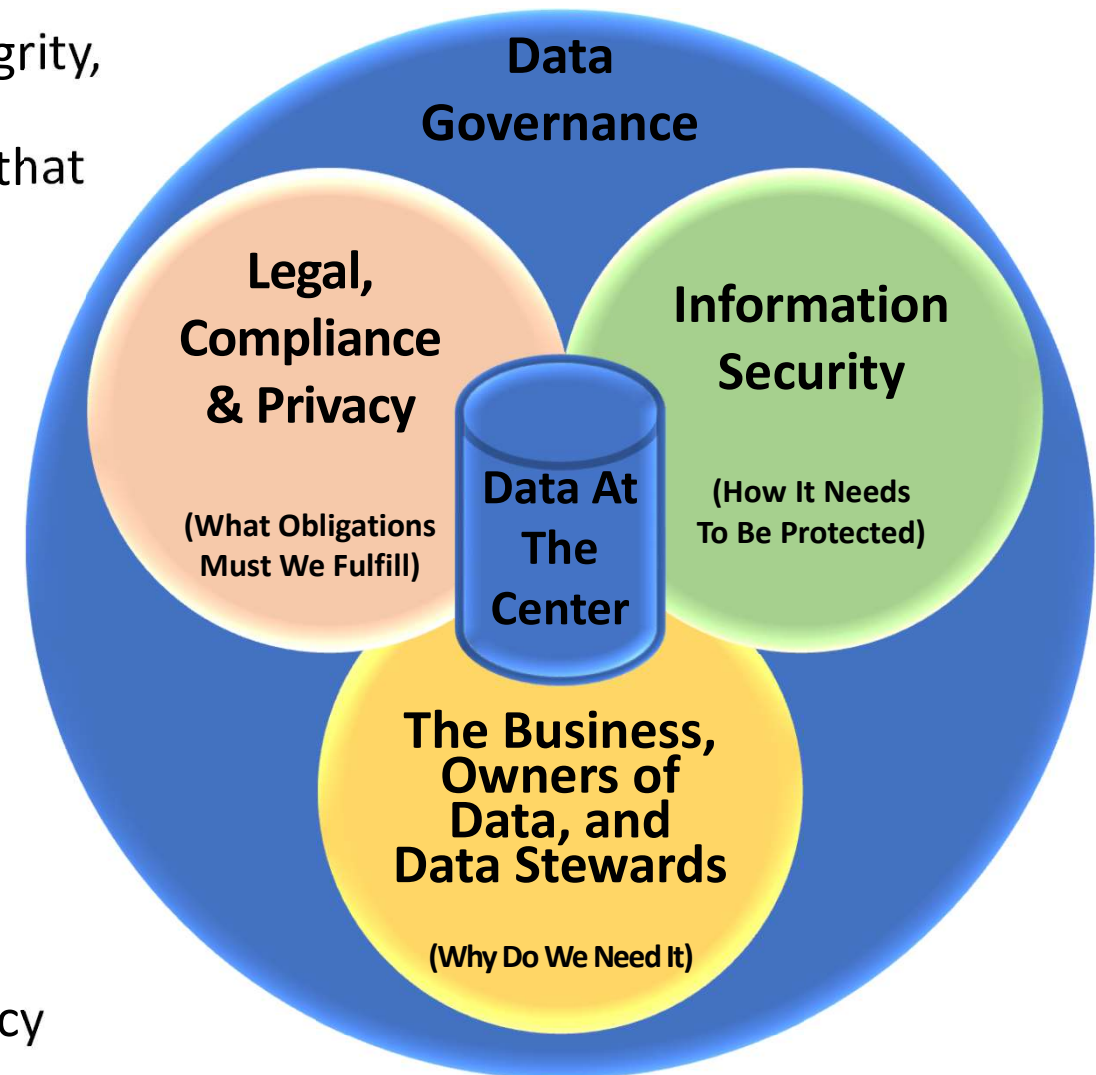
Legal, Compliance & Privacy

(What Obligations Must We Fulfill)

Information Security

(How It Needs To Be Protected)

Data At The Center

The Business, Owners of Data, and Data Stewards

(Why Do We Need It)

Data governance refers to:

- The overall management of the availability, usability, integrity, and security of enterprise data.
- Involves the processes, policies, standards, and guidelines that ensure data is managed in a consistent, controlled, and responsible manner, from collection through disposition.
- Best results are achieved using a group of leaders collaboratively working towards the common good of the firm.

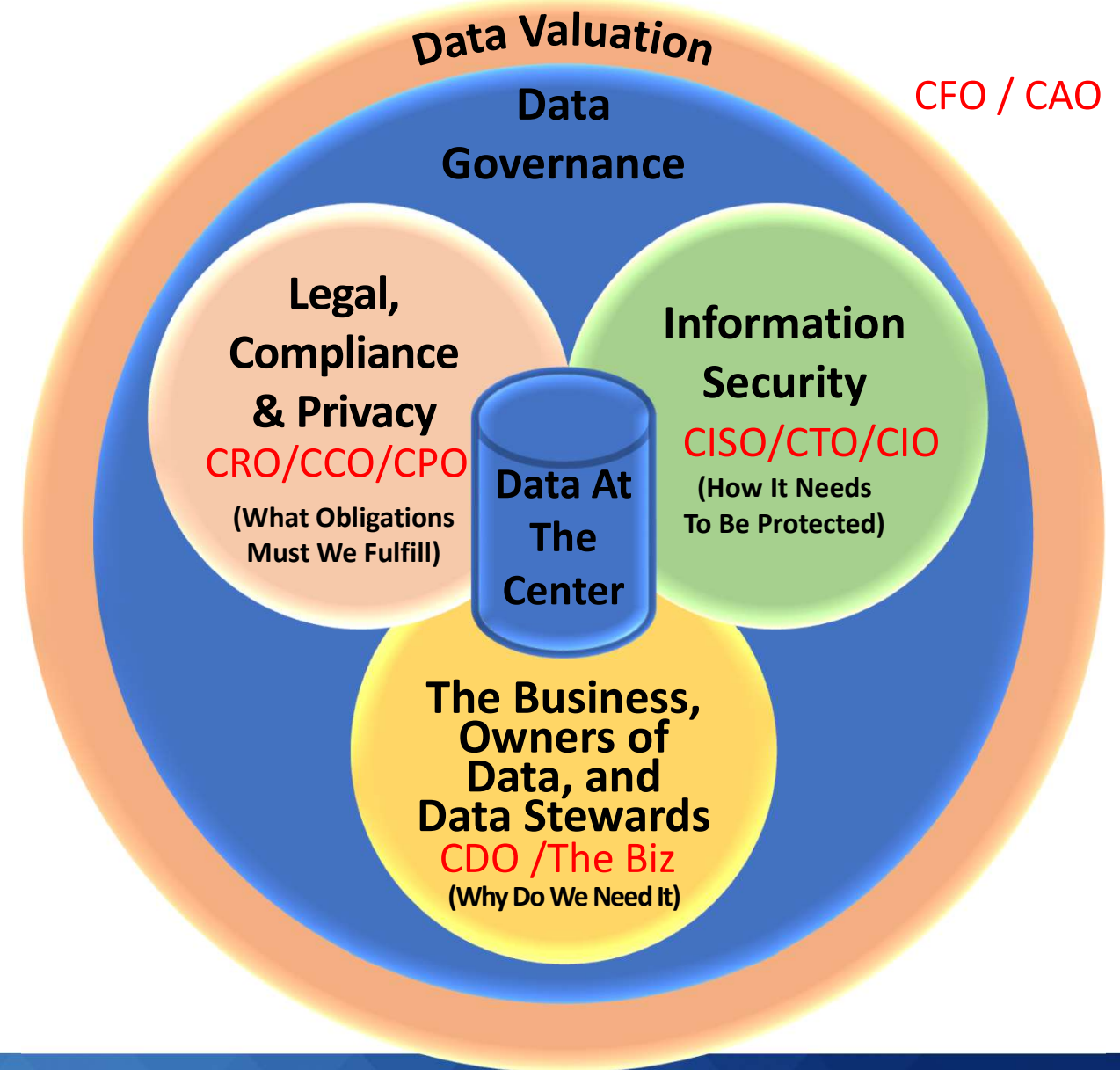**Key policies that should be in place may include:**

- Privacy Policy
- Information Security Policy
- Defensible Disposition Policy
- Data Collection and Fair Use Policy
- Information Risk Management portion of Business Continuity Planning
- Data Classification Policy
- Data Governance (Data Quality) Policy
- Information Risk Management and Litigation Hold Policy
- Retention Schedule

Data Governance

Legal, Compliance & Privacy

(What Obligations Must We Fulfill)

Information Security

(How It Needs To Be Protected)

Data At The Center

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(Why Do We Need It)

What is the Value of Our Data?

Once a firm knows its data and has a governance and oversight team in place, it can consider managing data as an asset class:

- Include financial team to ensure appropriate financial and accounting oversight
- Having a large amount of "goodwill" on the balance sheet is common
- Understanding when a portion of value from goodwill relates to data as an asset class of its own will help.

Data Valuation

CFO / CAO

Data Governance

Legal, Compliance & Privacy
CRO/CCO/CPO
(What Obligations Must We Fulfill)

Information Security
CISO/CTO/CIO
(How It Needs To Be Protected)

Data At The Center

The Business, Owners of Data, and Data Stewards
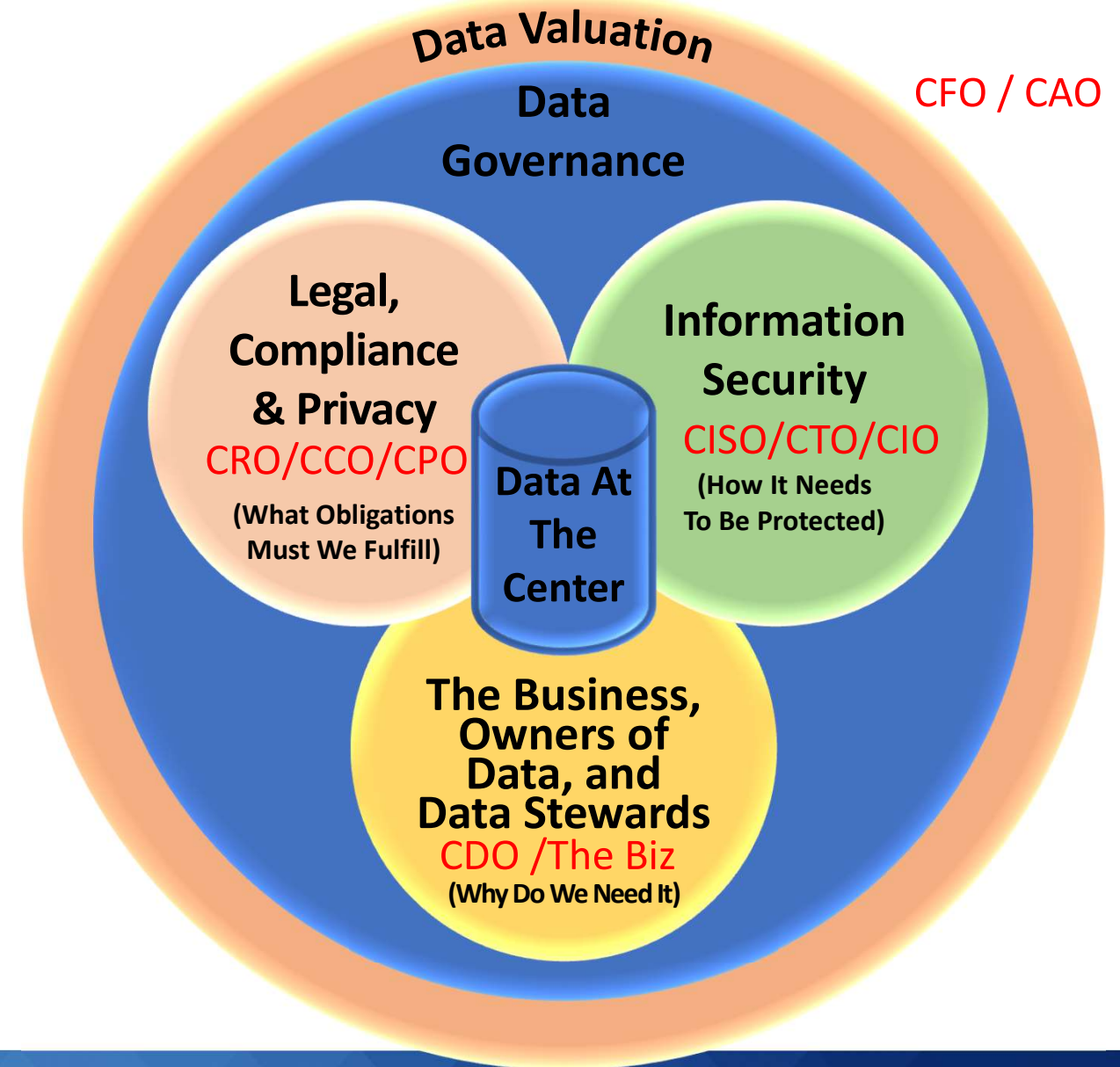CDO /The Biz
(Why Do We Need It)

What is the Value of Our Data?

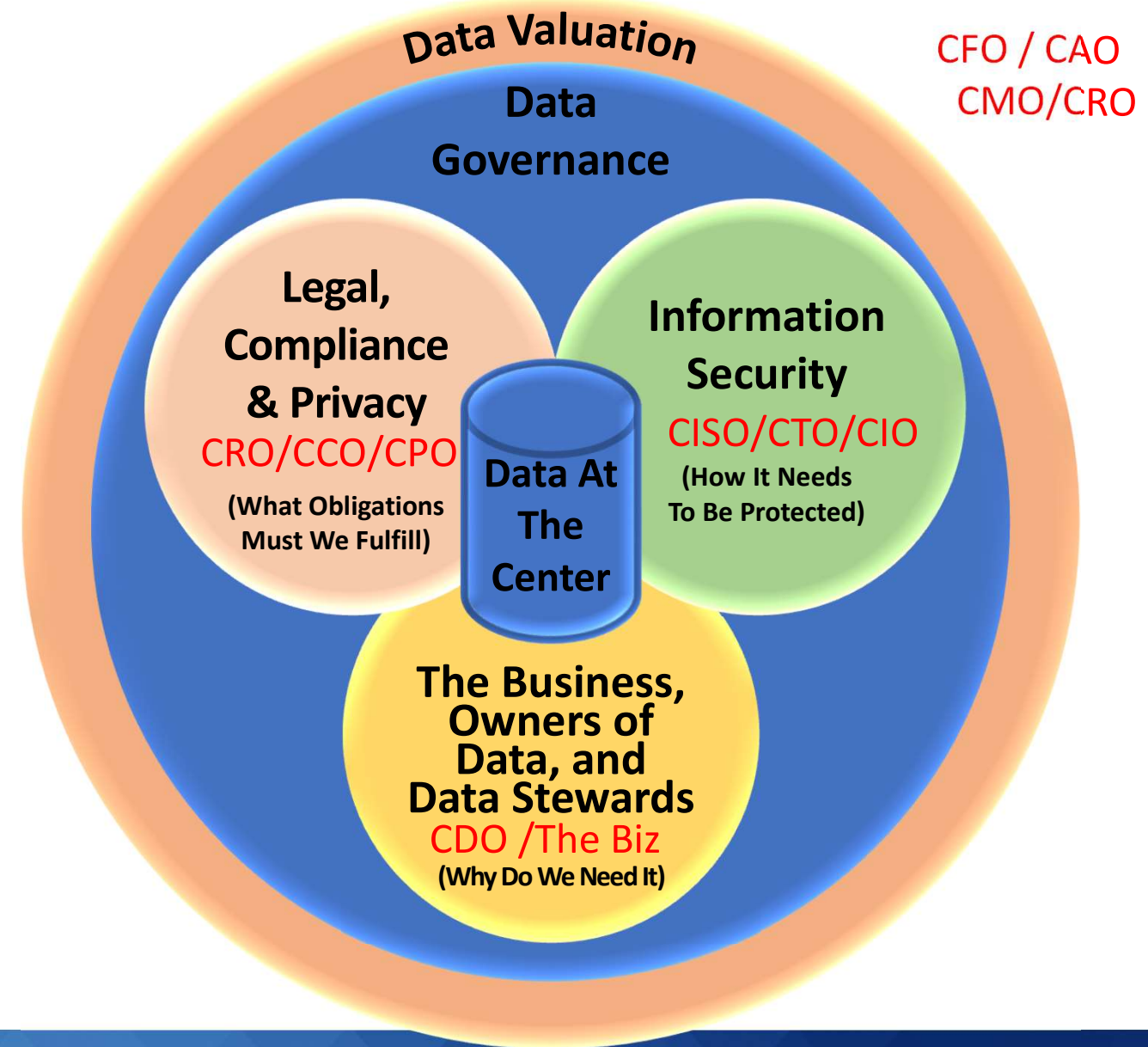Data valuation can take on two distinct dimensions:

1. What monetary value can be directly derived from the use of the data?
2. What intrinsic and/or enrichment value does the data add to our corporate operations, such that if it were absent, other assets and/or operations would decrease in value?

In the first grouping, it is useful to think about new ways to use old data, or new data that could be collected within the bounds of the governance structure, and directly monetized.

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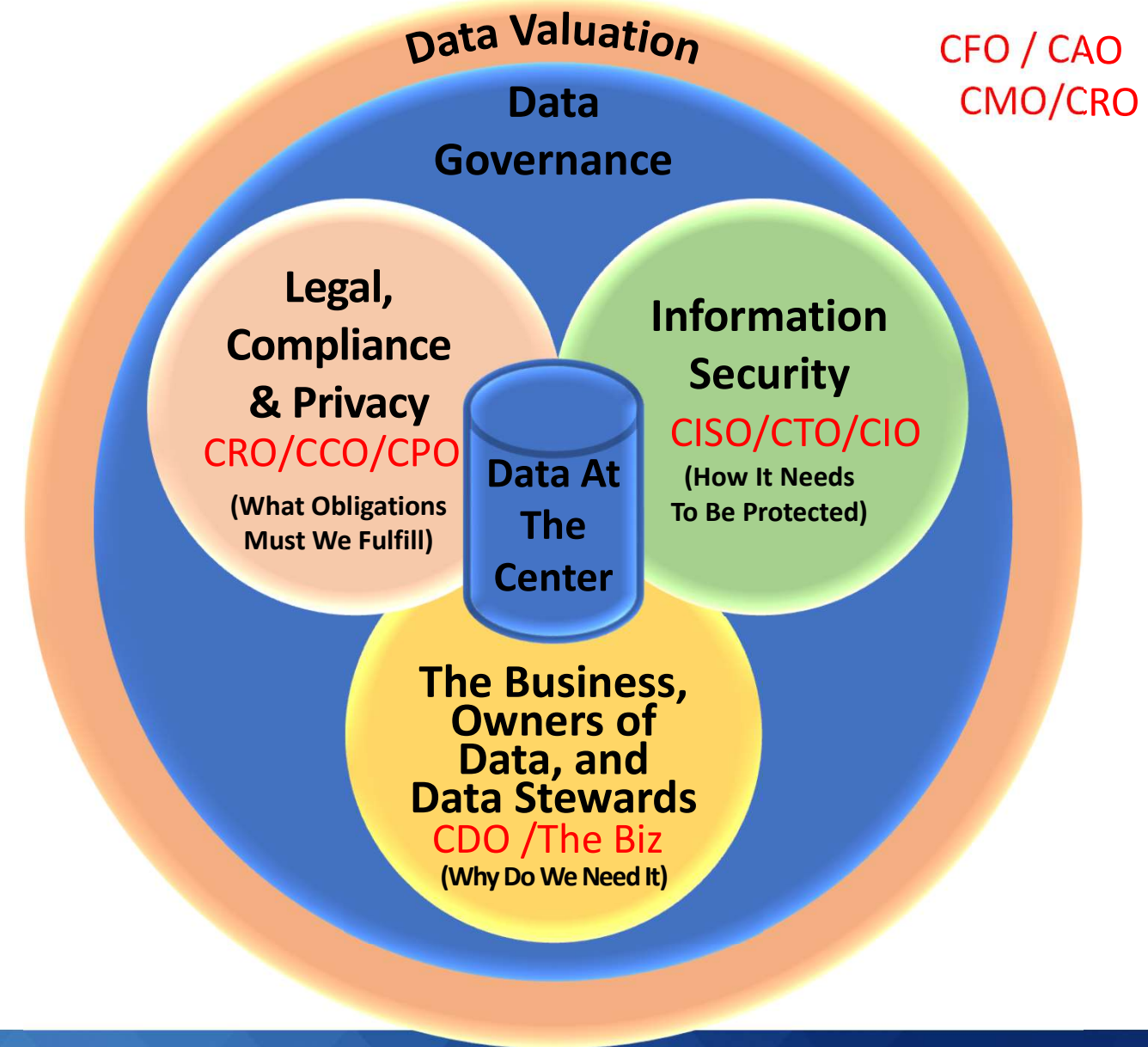CDO /The Biz
(Why Do We Need It)

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What is the Value of Our Data?

- Involves understanding what insights can be derived to drive more sales or revenue to our existing lines
- Do we (or should we) have a data science team evaluate data
  - Very helpful for analysis/data visualization.
- Failing to consider negative consequences data loss via damage, malicious acts or simply neglect is common

Data Valuation

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CMO/CRO

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The Business, Owners of Data, and Data Stewards
CDO /The Biz
(Why Do We Need It)

- Systems also constitute large aspects of the non-tangible assets
  - Operations/stakeholder value quickly diminishes if data underlying systems became unavailable
  - Enterprises miss valuable commercial opportunities if data quality degrades over time, or if personnel must spend time searching for appropriate information
- With a clear understanding of the value of our data and engagement of the financial team, further benefits to both protecting the data and monetizing the data can be initiated.


Data Valuation

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CMO/CRO

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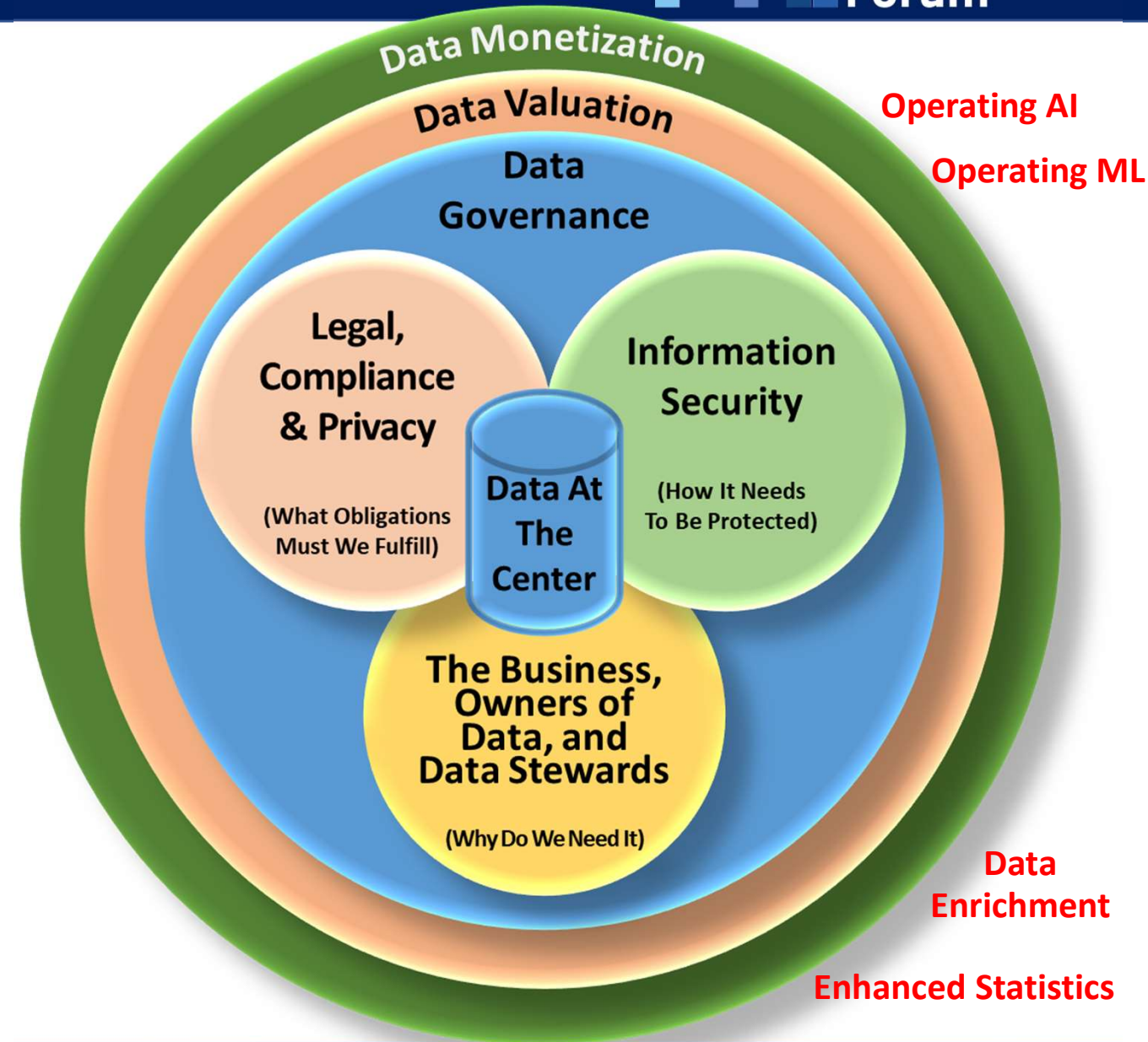CDO /The Biz
(Why Do We Need It)

Implementation steps to mature data operations into a revenue-generating capability.

- Monetization can take many forms
- Leveraging AI for this step takes work and should include consideration of
  - Type of AI (LLM, GPT, etc.)
  - In scope data type(s)
- Use data governance program as a guide
  - Data mining to identify trends, opportunities, etc.
  - Commonly used in larger organizations
    - Online retailers
  - Ideal use cases include
    - Tracking of mean time to failure (MTTF) of certain components
    - Customer-facing as an advisory on preventative maintenance
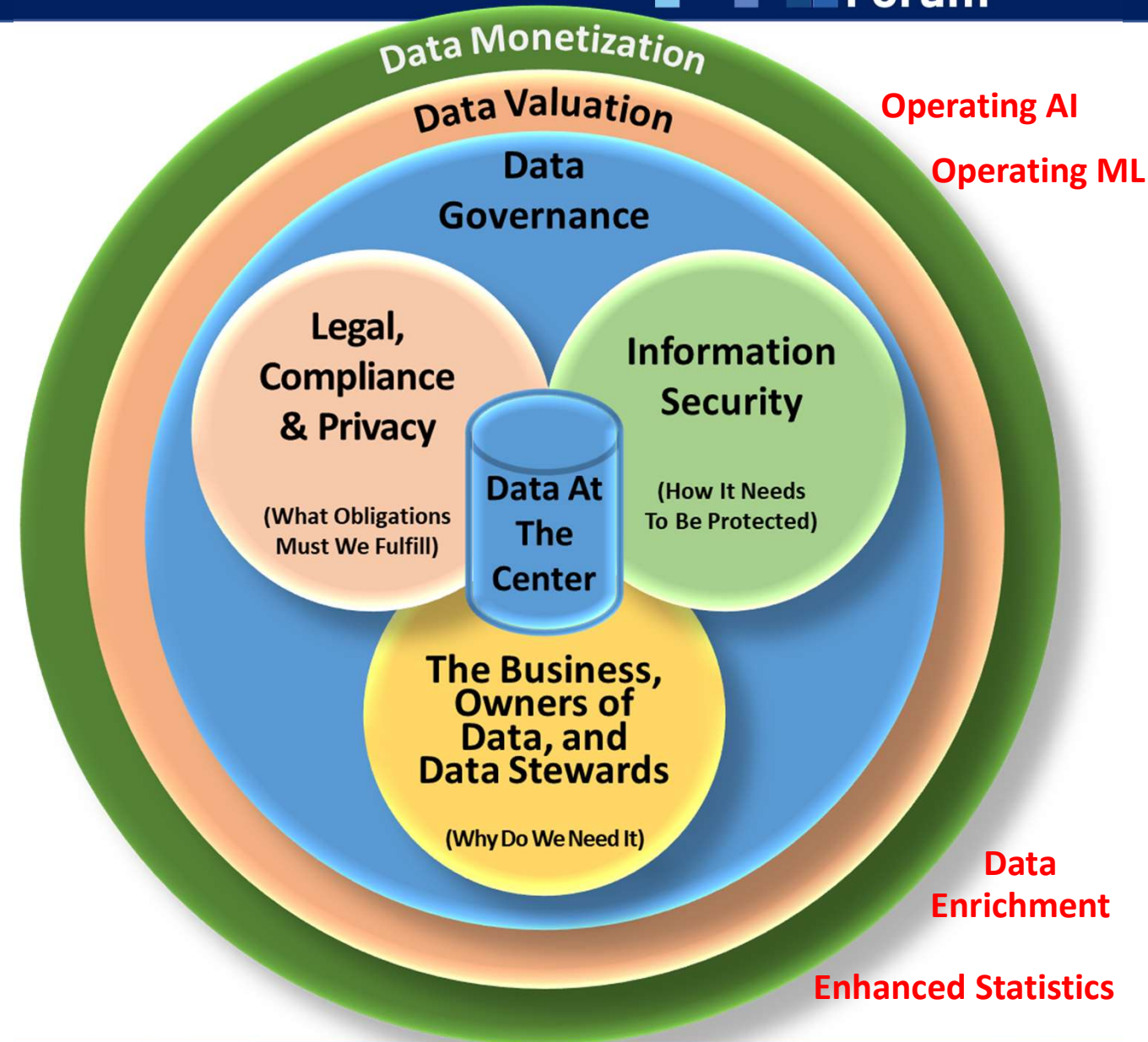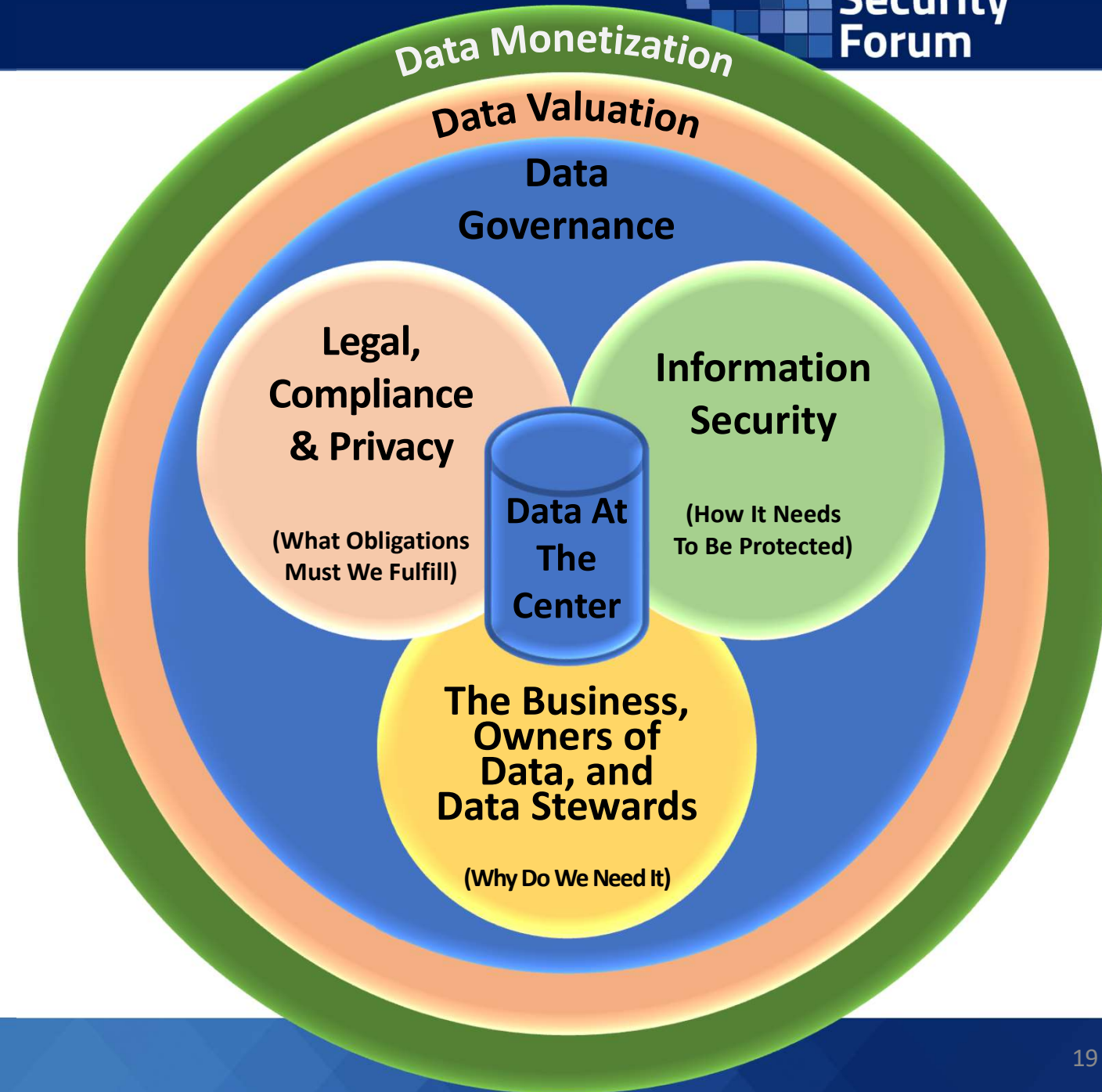
Revenue Generation: Monetizing our Data

If an organization maintains governance and awareness of their data assets, with creative thinking the revenue-generating opportunities are numerous, with incremental ROI making use of an asset the firm already owns.

Operating AI

Operating ML

Data Monetization

Data Valuation

Data Governance

Legal, Compliance & Privacy

(What Obligations Must We Fulfill)

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Data Enrichment

Enhanced Statistics

Conclusion

As Board members, executives, and others in the firm make the push to enhance offerings and drive predictable sources of revenue, a firm that puts data at the center, will find that the approaches outlined here offer a roadmap to data utilization success.

Implementing and maturing Data Governance permits a company to step along the continuum from data awareness to deriving greater value indirectly and directly from data, including through data monetization. Many organizations attempt to take shortcuts and end up with results that can be of questionable quality and little value. If organizations start to think about their data as an asset class, and like any other asset, ensure it is maintained, protected, and has the oversight of corporate leaders of the firm, that asset will quickly become one of the higher performing, revenue yielding assets of the firm.

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Questions?

Speakers

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