

**Data stewardship**  
Managing data as strategic asset

July 2017

*"Ninety per cent of the data in the world today has been created in the last two years alone"<sub>1</sub>*

# Data stewardship in Finance

New business models, the Internet of Things (IoT) and other technological innovations generate a massive amount of data. The success of a company now depends more than ever on its ability to utilise the potential of data to generate information and insights about customers, products and operations.

The challenge however is to find the right data, analyse it and identify relevant patterns, and transform it into meaningful insights. The quantity and variety of data entering an organisation, together with the speed of data transmission, have led to a situation where traditional processes, systems and data governance models are no longer effective.

The Finance function, being traditionally the 'owner of the one version of the truth', in particular is faced with increasing data volumes, complexities of data structures and multiple data access options, in fulfilling its role of providing relevant, valuable and consistent information to decision makers across the company. There needs to be a structured company-wide data governance with applications for Big Data and analytics, to extract the full potential of what the data can offer.

The Finance function needs to define its role in this corporate data environment, and decide to what extent it intends to act as the company's 'data steward'. One option is to take a strategic role in co-ordinating data governance management throughout the organisation and, using advanced analytical techniques, providing management with information and insights. Finance has a chance to strengthen its Business Partner role by leading and coordinating analytical activities, providing the organisation with statistical and business know-how and identifying how to generate insights from data. The other option is for the Finance function to restrict its involvement in data management to obtaining information solely for its own purposes, focusing on specialised areas such as external reporting, tax and treasury. Finance would then decide to step out of the corporate information governance and become 'Specialised Finance'. If the Finance function chooses this second option, it will relinquish the role that it has built up over time in providing cross-functional management information.

Not taking action will push Finance towards the 'Specialised Finance' role, as other functions will fill the 'governance vacuum' by developing their own specific data utilisation approaches. This will put at risk the achievements of the Finance organisation having created a consistent, cross-functional 'version of the truth' in the last decades.

In our view, the Finance function should seek to actively position itself, strengthen its Business Partner role and establish its role as 'data steward'. To do this Finance must respond positively to developments in the digital environment, IT technology and data analytics.



# Technology trends in Finance

Digital disruptors, such as in-memory technology, Big Data, cloud computing, robotics and artificial intelligence, are transforming the business environment. They will have a significant impact on the Finance function.

Digital technology and tools are a disruptive force throughout business, and the Finance function needs to respond by updating its core systems and existing capabilities. It is moving towards scalable cloud-based service models, process robotics to automate transaction processing and help lower the risk of errors, and high-powered visualisation technology for exploring to large quantities of high-density data.

The Finance function will be required to process increasing volumes of data more efficiently, and turn it rapidly into insights for decision-makers. This is likely to require not only new technology, but even more importantly, it will

require talents being curious and skilled in using it. Talent models for digital finance are tilting toward data science with increased business partnering. The result is a shift in skill requirements with digital enablers as well as users of new digital capabilities required in the finance function.

Some of the new digital tools available can be used to update core systems and existing capabilities. Other tools, known as 'exponentials', are designed to deliver new and different capabilities. Taken together, they provide a tool set that the Finance function can use to improve its own performance, and also serve the business more effectively.

Our research suggests that six technologies have particular relevance to the work of Finance.

### **Cloud**

Cloud computing uses scalable, elastic technology to deliver services over the internet. Instead of making large investments up-front, the Finance function can access a full stack of finance applications 'as-a-service', delivered through public, private or hybrid clouds.

### **Process robotics**

Process robotics automate transaction processing and communications across multiple IT systems. Robots perform recurring processes, just like humans but with less risk of errors.

### **Visualisation**

Visualisation refers to the innovative use of images and interactive technology to explore large, high-density data sets. Visualisation suites complement business intelligence and analytics platforms, offering rich graphics and user-friendly interactivity.

### **Advanced analytics**

Analytics has long been part of the Finance function arsenal, but advanced techniques are now available for tackling difficult questions and providing insightful answers. It often involves combing through Big Data to identify patterns that might suggest future opportunities.

### **Cognitive computing**

Cognitive computing and artificial intelligence (AI) simulate human thinking. It includes, for example, machine learning, natural language processing and speech recognition.

### **In-memory computing**

In-memory computing involves storing data in main memory in order to get faster response times. As the data is compressed, storage requirements are reduced. The result is speed of access to data that was previously unimaginable.

All these digital tools can deliver new capabilities to the Finance function, in its role as provider of information and insights to business managers.

"We look at digital transformation as an end-to-end process that affects all parts of the company, including Finance."<sup>2</sup>

*"Finance teams need to understand that the world will continue to move even faster. We need to prepare ourselves to meet the demands of a business we haven't even seen yet"*<sup>3</sup>

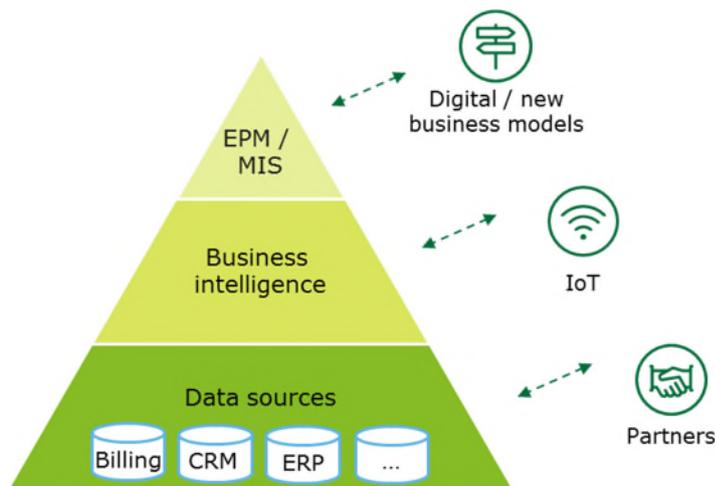
# Changing decision support

Increasing volumes and variety of data, together with new technology, create both opportunities and challenges for the Finance function, in its role as the key business partner for providing cross-functional decision support.

## Market driver

Data volumes are growing rapidly: The world creates 2.5 quintillion bytes of new data every day.<sup>4</sup> The Internet of Things, integrated delivery concepts with partners and new business models, for example are creating massive amounts of new data.

Some of this data, not only from internal sources, but also from external sources, has potential value to a business. Much of it, especially from external sources, is unstructured. A big challenge is to structure the data, and analyse it to provide meaningful insights for decision makers within the organisation. New requirements regarding information steering come up.

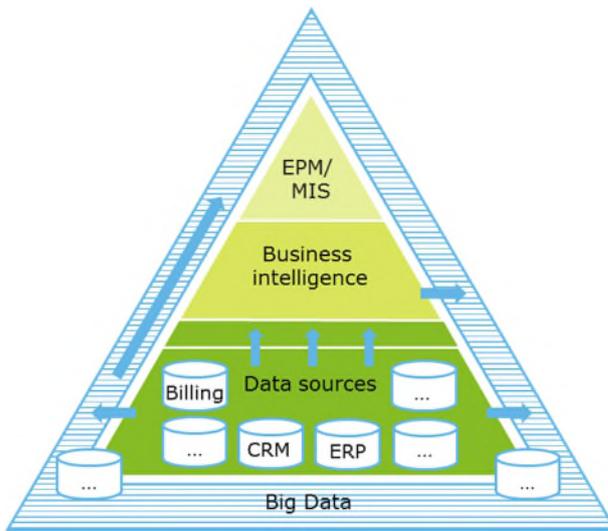


Impact of key market drivers

## Technology enabler

New information stacks for decision support are being created, on top of the existing ones, but with a different data profile. A powerful IT architecture is needed to manage and analyse all the data, both internally and externally sourced. New data can often only be processed using Big Data technology or in-memory computing, together with advanced analytics act to speed up the delivery of management information.

Given the technology involved, digital enablers are required, and the current skill set of finance staff must be extended to include advanced digital skills.

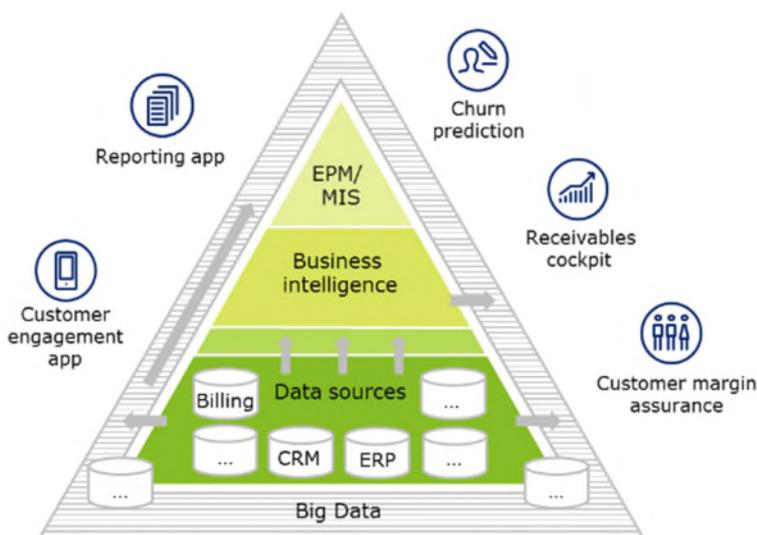


Impact of key technology enablers

### Users

Given the vast amounts of data, a huge challenge is to connect the various sources and give every user access to the data sources they need. There will no longer be a formal 'reporting system'. Instead small focused apps will be available, with different functionalities for integrating data from several different sources. Users of these apps will be able to access data directly from each of these sources. The huge variety of apps can serve as an information platform for answering specific business questions. All those apps enable interactive as well as innovative solutions for the analysis of data used in various functions.

For any organisation wanting to derive insights and value from its data assets, and to improve decision support, data stewardship has a critical role. The data should be managed creatively and constructively, in order to unlock its value. Data is valuable only when it is shared and trusted.



Impact of key recipient enablers

# Future role for the finance function

Finance needs to establish its future role in the changing decision support landscape.

The Finance function can establish its role as data steward for the organisation. A clearly-defined data stewardship role is needed to manage the processing of increasing volumes of diverse and complex data, and to connect various internal and external data sources. The data steward provides a consistent data management structure, and employs digital techniques for processing and analysis. In general, the governance framework and its processes stays the same. However in the execution of data governance, the data steward has to deal with Big Data and other technological complexities.

Using advanced visualisation techniques, the data steward improves analysis and decision making and assists business units with advanced analytics activities. Thereby, the data steward helps to implement creative and innovative data analytics without jeopardising decision making.

How will the Finance function respond to the emergence of data stewardship?

As indicated previously, one option is for Finance to focus on core functional activities and issues such as IFRS, taxation and compliance. In this scenario, Finance would not have a data stewardship role, except for providing financial statements and cross-functional consolidation. It might also be a user of analytics for its own functional purposes. Eventually, by choosing this option, Finance will become a Centre of Excellence, providing highly-specialised expertise to other business units, on request.

The second option is for the unlocking the potential of data and analytics, Finance function can act as company-wide data steward. In this way it would have a strategic leadership role, specialising in data and analytics. The Finance function has statistical / technical skills as well as business know-how, for integrating analytical capabilities across the organisation. Finance is responsible for ensuring consistency in the decision and investment-making processes across the company.

A core function of Finance is to provide information to management to help with decision-making. Finance should therefore take an active role in the management of corporate information. So the real question is not whether the Finance function should act as data steward. Instead, the question is about the extent to which Finance should take on the responsibility for data stewardship and how it should be implemented in order to leverage the foundation for the decision support and explore the digital potential.

# Deloitte approach to data stewardship

Deloitte has the relevant expertise and tools to support you in defining and establishing tailored data stewardship for your organisation.

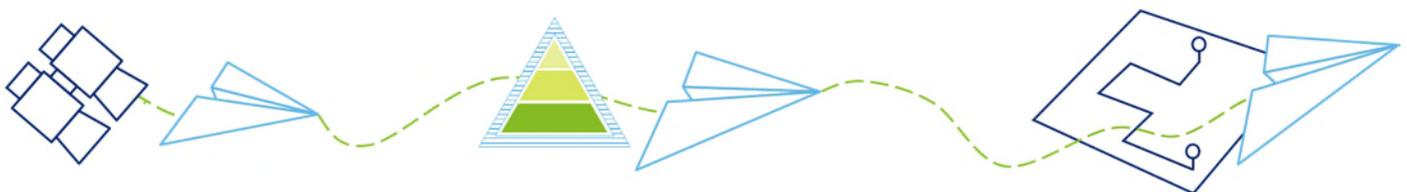
In a first step, we will analyse your existing financial and digital ecosystem. Deloitte has a Digital Finance lab for immersing finance leaders in the future realities of digital disruption. The Lab takes you through a series of exercises, to reveal your aspirations, discover Finance in a digital world, explore possible applications and inspire you to change the way you think about Digital Finance.<sup>5</sup> In addition, Deloitte will conduct an analysis of required relevant skills within both the Finance function and the entire organisation.

The next step is to develop a target operating model for the data stewardship function. As part of this process, a vision for the Finance function and its role will be identified. An approach to data governance as well as management and relevant processes will be defined using a holistic data stewardship tool kit. The corresponding organisational set up in Finance and the interaction with relevant stakeholders are taken into account.

A road map helps prioritise the data stewardship activities and effectively implementing the necessary Data Stewardship tool kit and driving the future of Finance.

“Not having a road map would be really dangerous these days, because the pace of transformation is speeding up in every industry. Be on the look-out for quick wins and use them to validate your direction”<sup>6</sup>

## Engage in the data stewardship journey.



1

### Analyse your ecosystem

- Analyse existing projects, systems and tools regarding relevance and governance processes in place
- Analyse availability of relevant skills within Finance & the whole organisation

→ Tools: Digital Lab

2

### Develop target operating model

- Define your role(s)/ position(s) and understanding as Finance
- Define governance approach and process
- Define organisational set up in Finance and interactions with relevant stakeholders/ functions

→ Tools: Data Stewardship Center of Excellence tool kit

3

### Design a roadmap

- Prioritize Data Stewardship activities and define a roadmap which can be implemented

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# Endnotes

- 1 IBM, "What is Big Data?"  
<https://www-01.ibm.com/software/data/bigdata/what-is-big-data.html>, accessed 24 April 2017
- 2 Crunch time, too. CFOs talk off the record about Finance in a digital world – The follow-up report provides a unique glimpse into what CFOs themselves are thinking about finance and what it means to make the digital journey.  
<https://www2.deloitte.com/content/dam/Deloitte/in/Documents/finance-transformation/in-ft-crunch-time-too-cfos-talk-off-the-record-noexp.pdf>, accessed 20 April 2017
- 3 Crunch time: Finance in a digital world – The publication is based on extensive research with finance professionals, including in-depth interviews with CFOs of global businesses.  
[https://www2.deloitte.com/content/dam/Deloitte/de/Documents/finance-transformation/CrunchTime\\_Finance-in-a-digital-world.pdf](https://www2.deloitte.com/content/dam/Deloitte/de/Documents/finance-transformation/CrunchTime_Finance-in-a-digital-world.pdf), accessed 20 April 2017
- 4 Crunch time: Finance in a digital world.
- 5 Crunch time: Finance in a digital world.
- 6 Crunch time, too. CFOs talk off the record about Finance in a digital world – The follow-up report provides a unique glimpse into what CFOs themselves are thinking about finance and what it means to make the digital journey.  
<https://www2.deloitte.com/content/dam/Deloitte/in/Documents/finance-transformation/in-ft-crunch-time-too-cfos-talk-off-the-record-noexp.pdf>, accessed 20 April 2017



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