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The Overlooked Foundation of Data Innovation: Or, why great innovations fail

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The surge of data-driven innovation

Demand for data-driven innovation has been skyrocketing, as data rapidly takes an increasingly pivotal role in the Financial Services' industry's strategy for the digital era. From fraud prevention, to customer retention, to process optimisation, data-driven technology has become the go-to solution for a wide array of challenges that the sector currently faces, if not for all.

And with their promising results, it is no wonder that banks and insurers have been pushing to implement tooling, hire data-scientists, and monetize data where possible. Financial Services firms are hungry to leverage their data in big ways. Yet, as their focus lies mainly on implementing technology and data science capabilities, limited data quality and availability remain inadequately addressed. What's often overlooked is that the success of these technologies hinge on the foundations of the data landscape.



Data management as the foundation

Just as constructing a building starts with robust architecture and a solid foundation, so does data management form the underlying base of data innovation. What we see is that Financial Services firms invest heavily in data-driven solutions in support of fraud detection, risk-management and compliance, to name a few. Despite the importance of tools for enabling data capabilities, without high quality data the tools will not deliver desired results. In order to effectively process and monetize information, organisations need their data to be up-to-date, accurate and reliable.

A classic example of this is where tooling -- whether for reporting, client onboarding, or other data-driven process -- requires customer data, but the available flow is incomplete or inaccurate. A common interim solution is having teams manually reconcile and correct data deficiencies. We frequently receive questions from businesses that are in the process of solution implementation when they start facing such data governance challenges. This is often only recognized when innovation output does not meet expected results.

When high-tech data innovation meets inadequate governance, software and systems fall short of expectations or, even worse, fail to provide adequate information to the end user.



A little goes a long way

Luckily, a little goes a long way when it comes to data management. From various projects where Synechron has leveraged data management capabilities for successful innovative tooling, starting with defining goals has shown to be an effective way to get data governance on track.

Creating value is only possible when organizations can extract meaningful information from high-quality data. To achieve this, we recommend starting small by defining data needs around specific goals (e.g. reports or processes). A maturity assessment allows for a bottom-up approach that gives clients a quick insight into their main challenges. Appropriate data management and governance solutions are then designed and implemented to structurally solve the data issues. This creates a lasting solution that supports the specific business case, speeding up time to market of the desired innovation.

Properly configure your data management/data governance

We recommend that Financial Services enterprises perform the following four actions to assure that their data-driven technology starts off on the right track, and does not get derailed along the way:



The reality of today's market environment is that the amount and importance of data is only increasing, making data valuable asset that needs apt governance and protection.
It's time to set data management as a top priority in your plans for the era of datafication.



Synechron's Data Governance practice

We specialize in projects which focus on translating clients' data strategy into concrete and actionable policies and processes. With a capable and ambitious team, we are helping our clients to reform their data landscape and to use and manage data effectively.

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