3 Ways Companies Gain a Competitive Edge with Data Governance

Organizations sit on a mountain of treasure, and all too often they never manage to tap into its value. Data has the potential to revolutionize decision making, power innovation and drive marketing. Left unmanaged, data brings significant risk. However, successful businesses find their competitive edge with data governance.

The challenge rarely lies in gathering enough data. After all, websites, customer interactions, internal processes and even machinery deliver mounds of data every day. Rather, the difficulty lies in generating high-quality data and organizing that data to generate value.

For example, a retail company receives data regarding email campaigns, online buying habits and inventory. But if that data sits in a forgotten corner of the network for months, it loses its value. Even worse, it can create security and compliance vulnerabilities.

On the other hand, companies that develop robust data governance programs pull value from their data in the form of actionable insights. This allows them to build informed business strategy, drive innovation and move retail operations to the next level.

Data-Driven Decision Making

While some business leaders pride themselves on running their companies by gut instinct, wiser executives look to data. For instance, Southwest Airlines has a long history of using data to competitive advantage. In one project, they were able to use data analysis to improve fuel consumption forecasting, thus driving down costs.

On the floor of a [smart factory](#), machine performance data helps technical teams predict maintenance needs. Manufacturers can develop customized maintenance schedules using performance data, thus reducing downtime and increasing productivity.
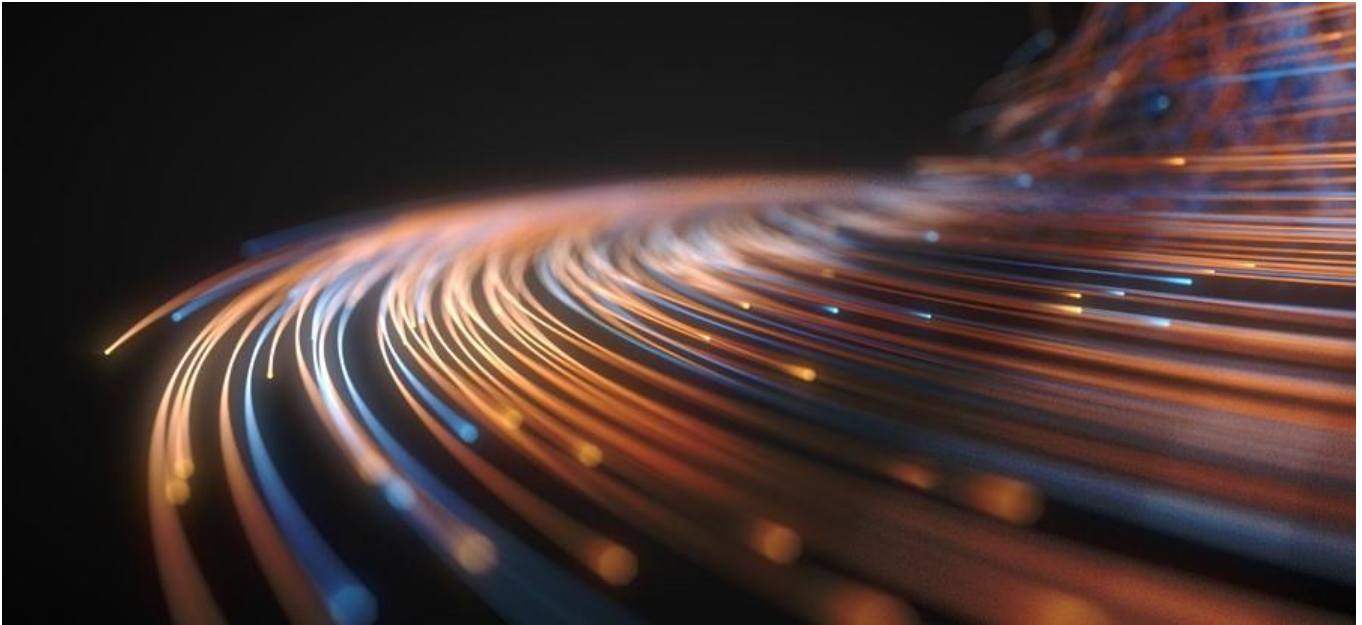
In order to see benefits such as these, however, decision makers must have access to high-quality data. Old, redundant, or faulty data can lead to poor decisions that damage both the budget and customer perception. Data governance makes the difference, ensuring that the right people have access to the right data at the right time.

Power Innovation

Data drives innovation in industries across the board, from healthcare to science, manufacturing to entertainment. For instance, Netflix used predictive [data analytics](#) to destroy Blockbuster in the 1990s. They have continued to use data to drive innovation, replacing mail-order with streaming and then generating popular original content such as "House of Cards."

Strategies like these use a steady stream of customer data, bringing up issues of security and privacy. Here, data governance helps companies to balance innovation with risk. Effective data governance includes privacy policies and security controls to ensure the protection of sensitive data.

Improve Omnichannel Retailing

The [retail industry](#) has seen a huge shift in recent years. Malls across the country see less foot traffic and more empty shops, while customers shop online. Alternatively, customers may order an item online but return it in the store. Retailers that manage and use data wisely navigate the shift with relative ease and leap past the competition.

For instance, customers' loyalty depends in large part on their shopping experience. When mismanaged data results in inventory control issues that mean delayed shipments, loyalty suffers. Conversely, when customer service personnel have up-to-date information readily available, they can resolve complaints more quickly and sensitively.

Start Building a Competitive Edge with Data Governance

Data governance can mean the difference between a company that struggles to keep up with change and one that adapts to and even predicts future trends. However, cloud migration, the IoT and ever-complex privacy regulations make effective data management increasingly challenging.

Messaging Architects can help. Our data experts have the tools and expertise to help you categorize and manage data for optimum benefit. We will also assist you in implementing information access controls and multi-faceted cybersecurity to ensure regulatory compliance and protect vital assets.