

# Why Data Governance Makes Good Business Sense

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In today's digital world, businesses are surrounded by data—90% of it was created in just the last two years<sup>1</sup>. But having lots of data isn't enough. To really benefit from it, businesses need to manage and govern their data properly. With data expected to reach 181 zettabytes by 2025<sup>2</sup>, companies have a huge opportunity. However, without good data governance, this valuable asset can quickly turn into a costly problem, causing inefficiencies, compliance issues, and missed opportunities.

Many companies think of Data Governance as just another expense. But it's not just about reducing risks—good data governance improves data quality, makes operations smoother, and can even help generate new revenue. To keep investing in Data Governance, businesses need to see its Return on Investment (ROI).

## Unlocking the ROI of Data Governance: It's More Than Compliance

These days, businesses are starting to realize that having data is not enough; it needs to be accurate, secure, and easy to access for growth. This is where Data Governance comes in. Some think that effective Data Governance is only about sticking to regulations, but it actually delivers significant ROI that benefits the entire organization.

For example, a major retail company cut its costs by 20% by improving data accuracy through a company-wide Data Governance plan. Data governance not only helps meet compliance standards but also increases revenue and lowers risks. This blog will explain why Data Governance isn't just a cost but a tool for making money and reducing risks—and how you can prove its value.

## The Hidden Costs of Poor Data Governance

Poor Data Governance sometimes goes unreported until major issues arise. The expenses associated with data retrieval, error correction, operational error handling, compliance concerns, and security breaches can mount up rapidly. Studies reveal that organizations dedicate over 30 % of their time to correcting huge data, and a Gartner poll indicates that these businesses lose \$9.7 million annually<sup>3</sup> on average due to data errors.

Good data governance can solve these problems by making sure data is managed properly at every stage. This leads to lower costs, fewer risks, and quicker, more reliable decision-making.

1. [https://web-assets.domo.com/blog/wp-content/uploads/2017/07/17\\_domo\\_data-never-sleeps-5-01.png](https://web-assets.domo.com/blog/wp-content/uploads/2017/07/17_domo_data-never-sleeps-5-01.png)

2. <https://www.bmcsoftware.es/it-solutions/data-driven-business.html#:~:text=Research%20shows%20that%20worldwide%20data,data%20will%20continue%20to%20grow>.

3. <https://www.anodot.com/blog/price-pay-poor-data-quality/#:~:text=According%20to%20Gartner%20research%2C%20%E2%80%9Cthe.due%20to%20poor%20data%20quality>.

## Data Governance ROI: The Source of Value

There are three key areas where businesses can benefit from investing in data governance:

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### 1. Cost Savings

- **Time Efficiency** - Teams save time by not searching for or cleaning up bad data. Automated tools make managing data easier, cutting operational costs.
- **Fewer Errors** - With better data quality, mistakes are reduced, minimizing financial losses from incorrect reporting or decisions.

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### 2. Risk Reduction

- **Compliance** - Effective Data Governance helps avoid fines and damage to reputation by ensuring compliance with regulations like GDPR or CCPA.
- **Security** - It protects against data breaches with security measures like encryption, reducing the risk of costly cyber attacks. For example, effective data governance reduced a telecom company's risk of a compliance violation, saving them millions in potential fines.

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### 3. Revenue Growth

- **Better Decisions** - Accurate, well-governed data leads to quicker, smarter business decisions that drive growth.
- **New Opportunities** - Trusted data can help businesses explore new products or services, turning data into a revenue-generating asset. One multinational company leveraged its data to uncover new customer segments, boosting sales by 15%.

## Proving the ROI of Data Governance

Once you've invested in data governance, how do you prove its value to stakeholders?

### Start with Business Objectives

Tie Data Governance directly to business goals. For example, show how improved data quality has cut operational costs or how better data security has helped avoid compliance fines. Linking data governance outcomes to financial results will resonate more with decision-makers.

### Use Key Performance Indicators

Track key performance indicators (KPIs) that reflect the impact of Data Governance such as reduced data retrieval times, increased speed in decision-making, and reduction in data errors. For instance, businesses have reported reducing data retrieval times by 30% and boosting decision-making efficiency by 20%<sup>4</sup> with Data Governance initiatives.

### Highlight Quick Wins

Start with specific Data Governance projects that yield immediate benefits, like protecting personally identifiable information (PII) to enhance customer trust and meet regulations. Standardizing business terms across different departments can also improve communication. Identifying data health issues quickly can bolster decision-making and build support for larger governance projects, showcasing the real value of Data Governance.

4. <https://pipeline.zoominfo.com/operations/poor-data-quality-impact>

## Why Data Governance is a Smart Long-Term Investment

The biggest mistake businesses make is treating Data Governance as a one-time fix or regulatory requirement. In reality, Data Governance should be seen as a long-term strategic asset. Companies that consistently invest in their Data Governance frameworks reap dividends over time, whether through better decision-making, risk avoidance, or new revenue streams.

Just like R&D or Digital Transformation, Data Governance is a long-term investment that pays off. In today's data-driven landscape, investing in Data Governance isn't just a smart decision—it's a business imperative. Don't wait until poor data quality erodes your bottom line. Start building a Data Governance framework today and unlock the value hidden in your data.

## Understanding Blue Altair's Approach to Data Governance ROI

At Blue Altair, we believe Data Governance is a smart investment that creates real business value, not just compliance. We emphasize an agile, scalable approach to Data Governance, allowing businesses to see results within weeks rather than months. Our framework is designed to evolve with your business, ensuring sustained value. Our comprehensive approach helps organizations manage their data better and achieve significant returns on their investment through:

### Complete Framework

We work with clients to build a strong Data Governance framework that supports their business goals. This framework aims to improve data quality, enhance security, and streamline processes, all contributing to better ROI.

### Customized Solutions

Recognizing that every organization faces different challenges, we offer tailored solutions that meet specific needs. This personalized approach boosts efficiency and ensures that Data Governance efforts deliver clear benefits.

### Data-Driven Insights

By using advanced analytics and reporting tools, we help organizations gain valuable insights from their data. These insights lead to better decision-making, driving revenue growth and cutting operational costs.

### Sustainable Practices

Our strategies focus on sustainable Data Governance practices that can adapt to changes in the business environment. This long-term approach ensures that organizations continue to benefit from their Data Governance initiatives over time.



**Don't wait until data issues cost your company millions. Take the step now to build a sustainable Data Governance strategy and start unlocking the full potential of your data today.**

## About Blue Altair

Blue Altair is a niche, industry-recognized business and technology consulting firm that assists our clients with digital transformations. We offer Assessment and Strategy, Technology Implementation, and Managed Services in API Management and Integration; Data Management; Digital Application Development; and Data Science and AI. Our Client Success capability ensures a higher-than-industry rate of successfully delivered projects, with a primary focus on program and project management, business analysis, and quality assurance. Blue Labs is our innovation hub, where we use cutting-edge technology to build offerings that deliver accelerators and solutions. Our culture is the heart of our existence, and our core values are the key drivers for our handpicked, top-tier performers.

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## About the Author

Praghya Sharma serves as a Manager in Data Management at Blue Altair India, where she ensures the successful management of Data Management projects at Blue Altair. She is a Professional Scrum Master (PSM) and holds several professional certifications in Master Data Management (MDM) and Data Governance, with expertise in platforms like Reltio, Purview, and Alation. Additionally, she is a certified Scrum Master with 12 years of experience working with leading companies such as BTL, Serene, and India Bulls. Praghya earned her Bachelor's degree in Computer Applications from Bundelkhand University, Jhansi, India.

