



3 Fundamentals of Effective Data and Analytics Governance for CFOs

Poor D&A Governance Threatens Enterprise Outcomes

Data and analytics (D&A) governance is a murky landscape for CFOs. Between a lack of clarity around roles and responsibilities across the enterprise and the technical complexity of data governance, finance leaders often assume a passive role and defer responsibility to IT.

But the cost of avoiding D&A governance is high. Poor data quality threatens trust in finance insights. It hinders the ability of finance leaders to ensure efficient and effective use of reports and dashboards. And with the increasing reliance on AI-generated insights, data quality becomes even more crucial. If data quality is lacking, people will lose trust in AI and stop using it altogether. According to a Gartner survey, 35% of CFOs believe that data quality inhibits the use of AI in finance. This is a significant challenge, especially as CFOs are being asked to lead AI strategies across the enterprise.



Source: Gartner

Prioritize D&A Governance as an Essential Business Capability

To deliver trusted insight and drive impact across the enterprise, CFOs must prioritize D&A governance as an essential business capability. They can do this by embracing three fundamentals:



The CFO is ideally suited to play the role of an executive champion in enterprisewide D&A governance.



D&A governance initiatives must be anchored to business outcomes.



Scaling governance requires the right technology.

What is data and analytics governance?

D&A governance involves implementing processes, policies and frameworks to effectively manage financial and nonfinancial data. It includes rules, guidelines and procedures for collecting, storing, analyzing and using data for decision making. While factors like data quality and access are integral components of governance, the real goal is to support decision makers and ensure governance efforts drive value within the organization.

The CFO as an Executive Champion

Current state

There is a lack of clear ownership and accountability around D&A governance, often leading to siloed approaches to governance across the enterprise, which can result in inconsistent data quality, duplication of effort and difficulties in data integration.

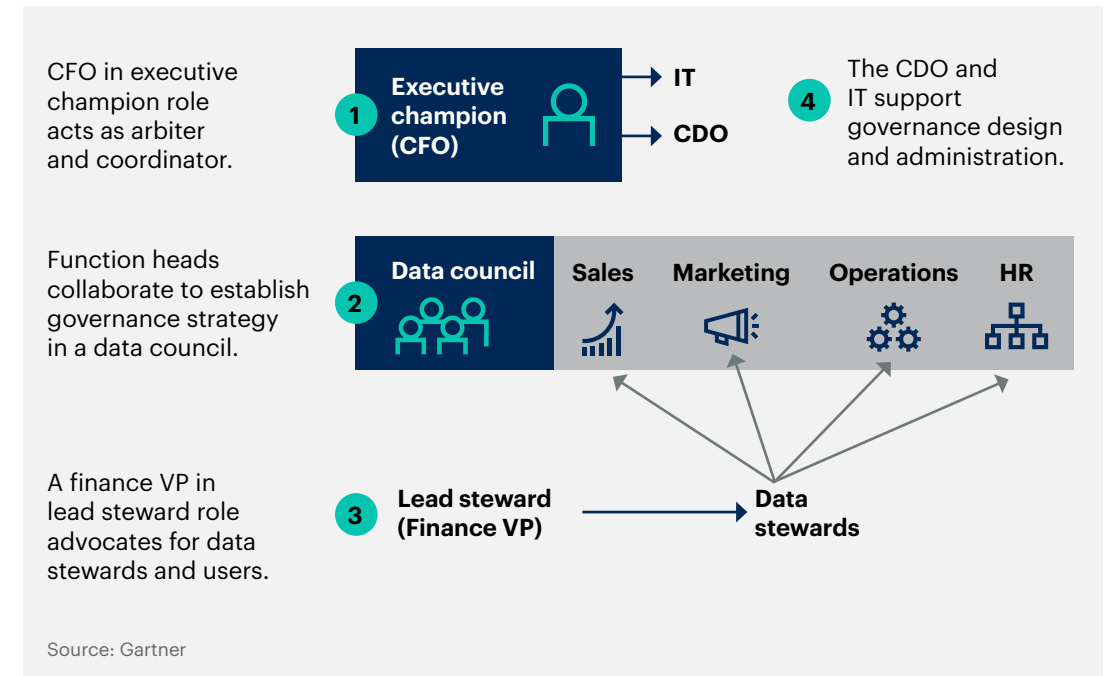
What the most effective CFOs do differently

Recognize that finance is ideally suited to coordinate D&A governance across the enterprise, given its understanding of enterprise strategy, experience facilitating cross-functional negotiations and frequent use of business data.

The responsibilities that the CFO should directly own as the executive champion include:

- Defining key cultural expectations within the enterprise
- Collaborating with peers to build the D&A governance strategy
- Establishing a governance charter that will help finance teams scope and prioritize the right initiatives

The executive champion and lead steward data governance model



Anchor Governance Initiatives to Business Outcomes

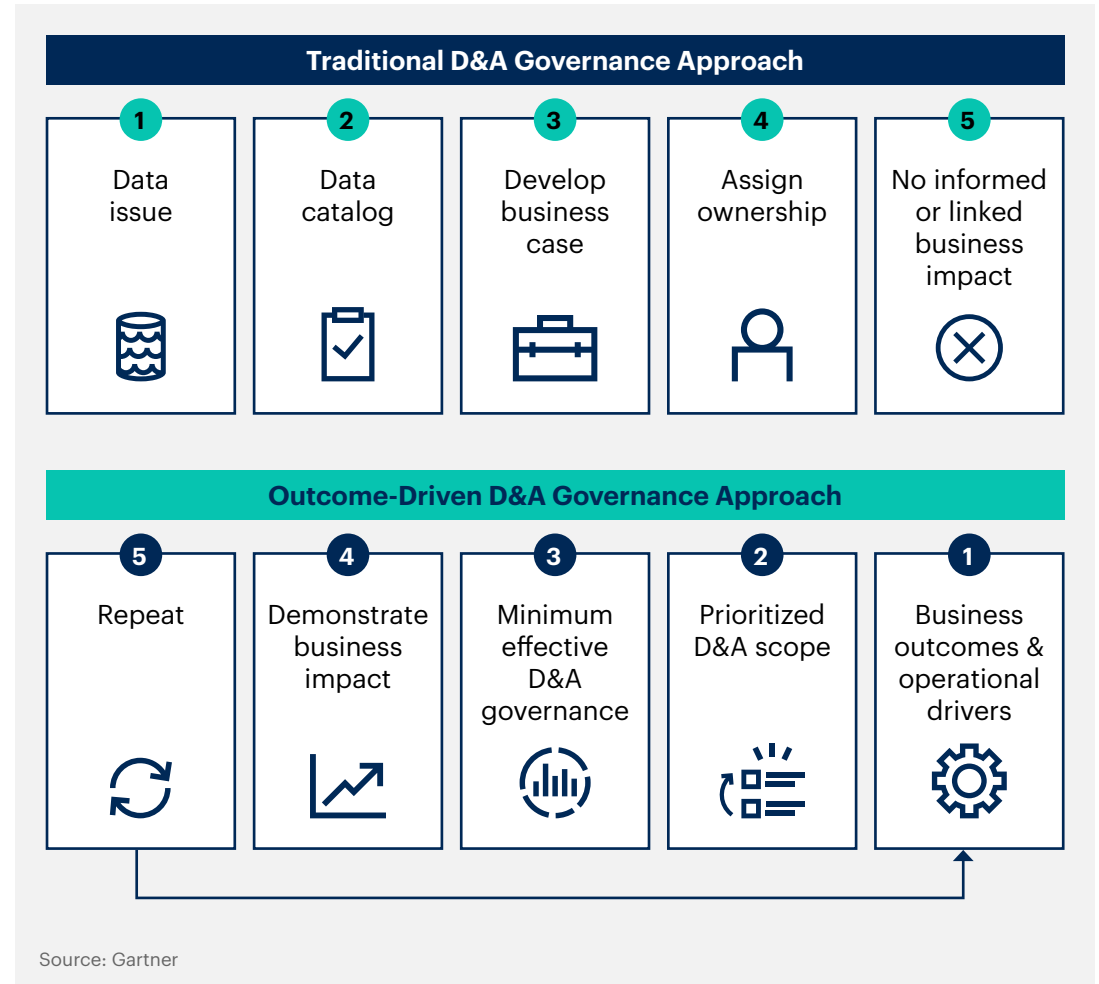
Current state

Many organizations get stuck by focusing on individual data issues and the process behind the data. How was the data harvested? Where did it originate? Without rigorous prioritization based on business outcomes, finance leaders can risk boiling the ocean by overextending resources on low-value initiatives.

What the most effective CFOs do differently

CFOs should anchor the D&A governance initiative to the business outcomes they want to achieve as an enterprise, not to the data.

Start collaborating across the enterprise to establish a list of critical business outcomes. This will help the organization prioritize and scope the governance initiatives that will drive the greatest impact.



Embrace Technology as You Scale Governance

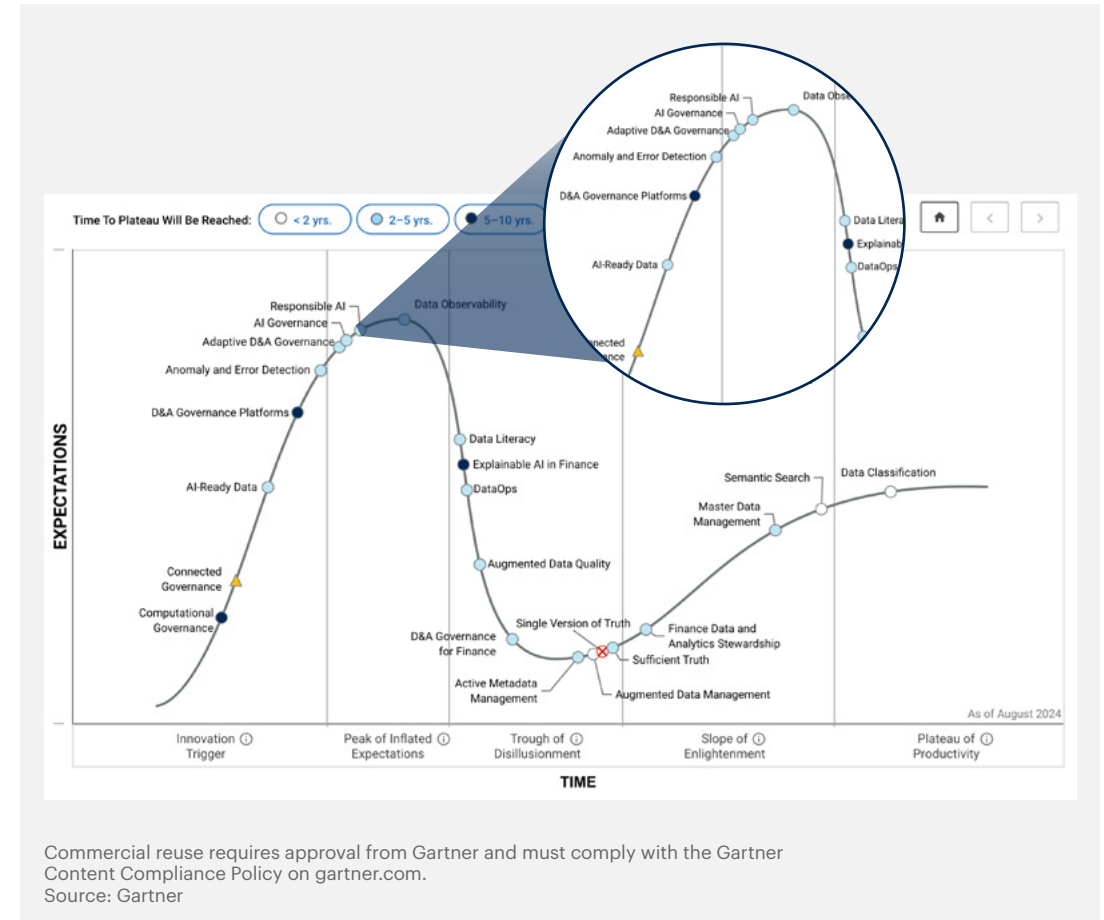
Current state

Heavy reliance on Excel and legacy systems and processes hampers D&A governance initiatives, especially as organizations' data ecosystems become increasingly complex.

What the Most Effective CFOs Do Differently

Gartner predicts that by 2026, 90% of D&A governance will be enabled via active, semiautonomous technologies that reduce integrated data delivery time by 50%. However, there's no silver bullet or single technology solution that can deliver D&A governance. Instead, CFOs should start by diagnosing their business objectives and processes before moving on to technology selection. Use Gartner tools like [Magic Quadrant for Augmented Data Quality Solutions](#) and the [Hype Cycle for Finance Data and Analytics Governance](#) (at right) to make informed decisions about the latest technology trends and to identify appropriate investment opportunities.

A closer view of D&A governance trends at the Peak of Inflated Expectations, according to the 2024 Finance Data and Analytics Governance Hype Cycle.



Take Action With Gartner Support



Learn more by reading **Finance's Role in Enterprise Data Governance: Executive Champion and Lead Steward**.



Schedule a call with a Gartner expert for support evolving your D&A governance strategy.



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Explore the trending questions that finance leaders are wrestling with in the quarterly **CFO Report: Gartner Answers to Top CFO Challenges**.



Discover Gartner Magic Quadrant™, which can help you evaluate and select the right technology provider for your D&A governance initiatives.



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