Bank Technology News: 15 Dec 2011

http://www.americanbanker.com/issues/176_241/John-Bottega-appointed-chief-data-officer-Bank-of-America-1044859-1.html

Bank of America's appointment last night of John Bottega, former chief data officer at Citigroup and the New York Federal Reserve, to be its chief data officer may signal a return to an earlier trend in which banks took data management issues seriously enough to put a C-level person in charge. At Bank of America, Bottega will be responsible for data management strategy, policy and governance and report to chief technology officer Marc Gordon.

"Bank of America may be the first bank to appoint a truly enterprise-wide chief data officer," says Mike Atkin, managing director of the Enterprise Data Management Council, a group of data management professionals. "This is an indication that Bank of America takes data management seriously. The size of Bank of America, the reach of the financial institution, and the elevation of this position to C level is a great sign. Bank of America understands the importance of data management. It's not a thing to do, it's a program they've elevated to executive level and that's a big statement." Atkin highly endorses the choice of Bottega, who is chairman of the EDM Council. "He's been in the industry a long time, he has the scars across his back from being practitioner, he understands regulations. He's been training his whole life for this."

In 2006, a small wave of large banks created the industry's first chief data officer positions, sometimes called data czars, starting with Citigroup's appointment of Bottega (where he focused on the capital markets side of the business), JPMorgan Worldwide Securities Services' promotion of Peter Serenita to the CDO title and a year later, State Street naming Chris Perretta its CDO. These banks and others looked around at the monstrous volumes of data in various silos around the institution - market reference data, customer data, risk data, transaction data, and more and realized the data mess could not continue. They were paying too much for redundant data feeds, they had contradictory and error-studded customer data, they were underestimating counterparty risk by failing to gather a cumulative view across different departments and business lines. When Enron failed, it took some banks weeks to find all their points of exposure to the firm.

The chief data officer's role was to bring order to the chaos - integrate data silos, institute policies and create a "single version of the truth." "Whether physical or logical, there must be a designated version of the truth that all downstream processes read from," John Bottega said at the time. "Without this consistency, processes break, exposing firms to increased operational, financial and reputational risk."

But the good times of 2007, followed by the bad times of 2008-2009, buried many of these sweeping, large-scale data management projects under the pressure of newer projects that fixed an immediate crisis or brought in revenue.

Bank of America's recruitment of Bottega could start a new trend of banks paying much closer attention to the basic principles of data management: remediation (cleaning data, fixing problems or satisfying compliance issues); rationalization (understanding the current environment, making best use of what works and eliminating what doesn't); automation to minimize manual processes; and data governance.

The same problems of disparate silos still exist in many banks. Added to those are fresh incentives: the Dodd-Frank bill demands that banks provide daily reports on their holdings and risk exposures and the post-Durbin Amendment quest for new sources of revenue mean accurate and complete customer data is needed to cross-sell new products. The forgotten data czars may be remembered and restored to power.

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