

# Quantifying the Value of Data in Financial Services

## A Guide for CFOs



In the financial services sector, data is a critical asset that drives profitability, risk management, regulatory compliance, and competitive edge. However, measuring its value remains challenging for many CFOs across sectors of the financial services industry regardless of organizational size or country of operations. CFOs rely on accurate data for forecasting, budgeting, and strategic planning. Quality data leads to better decision-making, optimized capital allocation, and swift responses to market changes. It is also vital for risk management, regulatory compliance (e.g., BCBS 239, Basel III, AML/KYC), and avoiding fines and reputational damage. “Fit for Business Use” data also supports customer retention, personalized services, and improved revenue stability. Data-savvy CFOs leverage insights for long-term growth.

# What is “Fit for Business Use” data?

What is “Fit for Business Use” data? It is not just “clean” data; it is data that is ready, reliable, and trusted for the specific business function it serves. For CFOs, COOs, and Chief Data Officers, ensuring data meets these standards is essential for protecting the firm’s integrity and unlocking strategic value. Here are the tenants of Fit for Business Use data:

## Accurate

The data accurately represents real-world entities or transactions and is devoid of errors.

*Example: A client’s legal name and account information are consistent across onboarding, CRM, and regulatory systems.*

## Complete

All necessary data fields are fully populated, ensuring no critical information is missing.

*Example: KYC records include the full address, ID verification, and risk profile data.*

## Consistent

Data is harmonized across systems without any conflicting values or duplication.

*Example: A customer’s credit score appears identical in both lending and risk systems.*

## Timely

Data is available as needed and reflects the most recent and relevant information.

*Example: Market data used for risk models is updated in near real-time.*

## Contextual and Understandable

Data is clearly defined with metadata, lineage, and business definitions, ensuring users can interpret and trust it.

*Example: The “customer type” field includes definitions for institutional, retail, or high-net-worth classifications.*

## Compliant

Data adheres to internal policies and external regulations, including privacy, security, and auditability requirements.

*Example: Client data is masked and encrypted in accordance with GDPR or CCPA.*

When data is not fit for business use, it is often incomplete, inconsistent, or inaccurate, leading to missed revenue opportunities, operational inefficiencies, and compliance risks. This situation impacts forecasting accuracy, financial performance, and decision-making across the entire business.

Data Problem	Business Impact	CFO-Relevant Example
Incomplete Data	Missed revenue opportunities	Incomplete client profiles lead to ineffective cross- and up-sell strategies
Inaccurate Data	Poor decision-making	Wrong credit risk scores cause mispriced loans or missed approvals
Inconsistent Data	Manual rework and operational inefficiencies	Staff spend hours reconciling reports from different systems
Lack of Lineage	Compliance risk	Regulatory reports lack traceability, leading to audit delays or fines
Stale or Delayed Data	Missed market opportunities	Risk and liquidity models use outdated inputs, delaying time-sensitive decisions





## Real-world examples of having 'Fit for Business Use' data across financial services

Evaluating data's impact through direct financial outcomes such as revenue growth, cost savings, and risk reduction is the most straightforward and effective method. Here are some real-world examples across the industry:

### Revenue Growth and Customer Retention

[Citigroup](#) uses big data analytics to identify cross-selling opportunities across its vast customer base, especially for products like investment services, credit cards, and loans. Through analytics, Citigroup has improved product penetration and customer engagement, leading to higher cross-selling success and increased revenue.

### Operational Efficiency Metrics

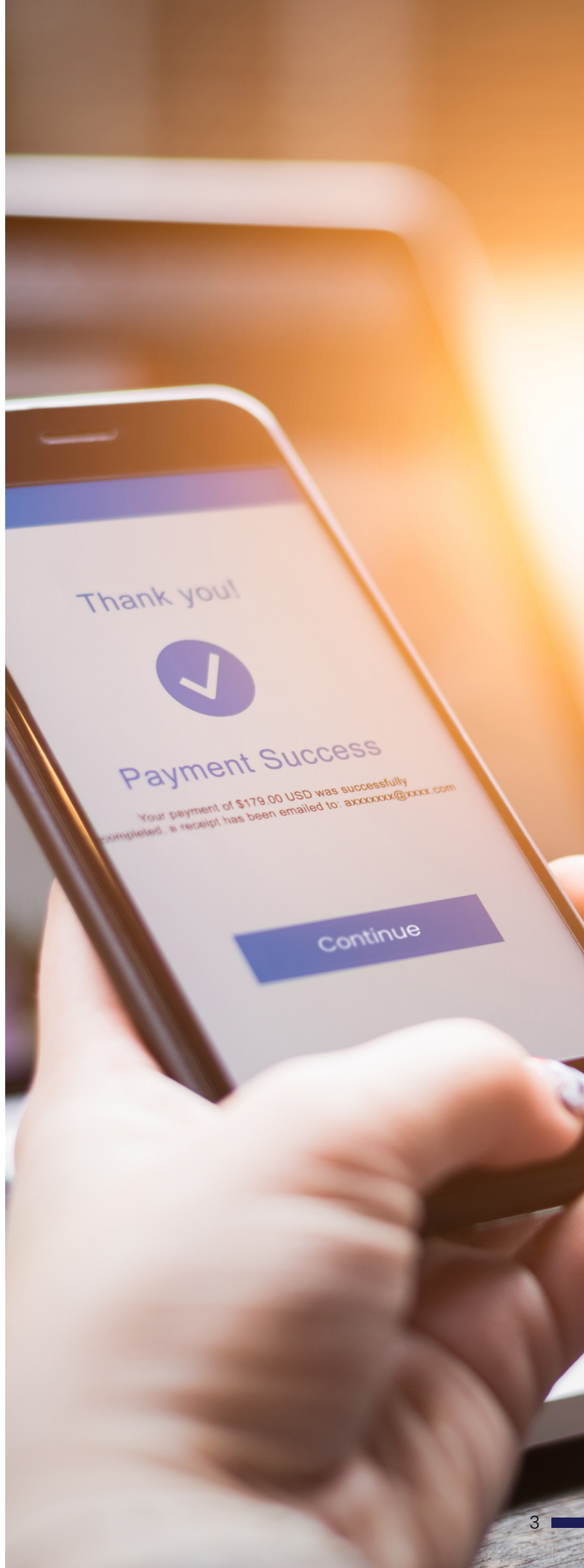
[HSBC](#) leveraged hyper-automation and data-driven credit decision workflows to dramatically reduce mortgage processing time from 30 days down to just three days. This improvement significantly mitigated operational and credit risk, generating a projected ROI of £250 million over three years.

### Customer Experience Metrics

[Bank of America](#), through its AI-powered virtual assistant, Erica, now services over 20 million customers digitally, significantly enhancing client engagement. This investment in data-driven personalization has resulted in unprecedented digital interaction volumes (26 billion annually), translating into improved customer retention and deeper financial relationships.

### Risk and Compliance Metrics

[UBS](#) built a comprehensive data lineage and governance solution, fully supporting BCBS 239 compliance. The platform enabled real-time lineage queries and visualizations, accelerating risk data aggregation, enhancing transparency, and ensuring the bank met Basel Committee requirements efficiently.



## Top 10 ways FinServ CFOs can overcome existing data challenges

### 1. Prioritize Data Governance in Finance

CFOs should lead the data discussions. Establish data governance as a core finance initiative rather than an IT project. Appoint finance-aligned data owners responsible for data accuracy, completeness, and usage in reporting, forecasting, and regulatory submissions.

**Why it matters:** Data supports financial reporting integrity, capital planning, and risk disclosures.

### 2. Quantify the Financial Impact of Data Quality

Collaborate with data teams to quantify the impact of inadequate data quality, including rework, audit delays, or revenue loss from missed cross-sell opportunities. Integrate these metrics with financial KPIs, such as operating efficiency and risk-adjusted returns.

**Why it matters:** Demonstrating a direct link between data issues and financial outcomes secures buy-in and funding.

### 3. Invest in a Centralized Data Catalog and Lineage Platform

Invest and deploy proven tools that clarify data definitions, sources, usage, and transformation. These tools reduce audit risks, speed up regulatory reporting, and help finance teams trust the numbers.

**Why it matters:** Ensures end-to-end traceability and trust in financial reports, models, and compliance disclosures.

### 4. Integrate Data Governance into Risk and Compliance Workflows

It is essential that risk reporting, stress testing (such as CCAR), liquidity analysis, and regulatory filings are based on well-governed, traceable, and auditable data.

**Why it matters:** Reduces exposure to regulatory fines and strengthens capital adequacy assessments.

### 5. Drive Data Ownership Across Business Lines

Treat data as a business asset by incorporating data quality KPIs into departmental scorecards and performance reviews.

**Why it matters:** Aligns incentives to maintain clean, reliable data for budgeting, planning, and customer analysis.

### 6. Support Modernization of Data Infrastructure

Invest in cloud data platforms, real-time integration, and AI-ready architecture for improved decision-making and cost savings.

**Why it matters:** Legacy systems are expensive and limit finance's ability to respond to market, risk, or regulatory changes quickly.

### 7. Link AI and Analytics Projects to Data Readiness

All analytics and GenAI use cases should begin with validated, governed data. Foundational data management is important before advancing to more complex analytics.

**Why it matters:** Avoids building high-risk models on untrusted data and supports better forecasting and fraud detection.

### 8. Embed Data Metrics into Financial Reporting Dashboards

Monitor data quality scores, reconciliation rates, and lineage coverage with financial KPIs. Review these metrics in steering committees and board meetings.

**Why it matters:** Elevates data to a board-level concern and reinforces its value as a financial control.

## 9. Champion a Culture of Data Literacy in Finance

Provide training for finance teams to understand and evaluate data sources, definitions, and quality. Ensure they are skilled in navigating catalogs, identifying issues, and collaborating with data stewards.

**Why it matters:** Empowered finance teams produce cleaner forecasts, faster close cycles, and more accurate regulatory reports.

## 10. Track and Communicate the ROI of Data Governance

Present accomplishments such as reduced audit costs, fewer manual adjustments, faster close times, or avoided regulatory penalties to executive leadership.

**Why it matters:** Sustains funding and positions CFOs as strategic leaders in data transformation.

## Conclusion

CFOs need a multi-dimensional approach to quantify data's value, considering its financial, operational, experiential, regulatory, and strategic impacts. Insights from leading institutions can help CFOs refine metrics for clearer ROI, informed investments, and optimized strategies. Fit for Business Use data must be ready, reliable, and trusted for its intended function. CFOs, COOs, and Chief Data Officers must ensure data meets these standards to protect integrity and unlock strategic value. Adopting these strategies allows financial institutions to use data as a competitive advantage, beyond mere operational necessity.

## About the Author

**Peter Ku**, SVP, Global Head of Industries – Peter has 30+ years' experience in enterprise software GTM strategy, sales, marketing, business value engineering, and solution development – including 17+ years at Informatica. He works directly with CDOs, CDAOs, CIOs, CTOs, and other C-level business executives on the benefits of leveraging data as a business asset to ensure these investments have measurable business benefit.

Paradigm is a strategic consulting firm that turns vision into tangible results. For over 30 years, Paradigm has helped Fortune 500 and high-growth organizations design and deliver high-impact solutions across data, cloud, and AI with an unwavering focus on quantifiable outcomes. Paradigm's work spans strategy through execution, empowering clients to make smarter decisions, move faster, and maximize return on their technology investments. By amplifying the intelligence of its clients – their insights, capabilities, and results – Paradigm delivers what others promise.

Unlocking the true value of your data is essential for driving financial integrity, resilience, and strategic growth.

Contact us to **request a consultation** to make your data Fit for Business Use.

**REQUEST A CONSULTATION**