Unlocking value from data

The banking sector's shift to value-driven data management

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Executive summary

Over the past decade, US banks have poured billions into data management. Much of that spend was defensive — focused on remediation of legacy issues rather than business transformation. Today, the banking industry is facing the consequences of its focus on defensive data management. Banks are waking up to the tech and data debt they have accumulated — complex, fragmented environments where data operations have become costly, slow and unsustainable. The business is now moving at deal speed, while legacy data and technology functions simply cannot keep pace.

Data in banking is now at an inflection point. The post-2008 era demanded a focus on controls, data quality and regulatory reporting — all essential. But that risk-based mindset, built around avoiding negative outcomes, is no longer enough. Data must shift from being treated as a risk to being activated as a strategic asset. The already present and emerging potential of generative and agentic artificial intelligence (AI) has made that shift urgent. High-quality, accessible data is now the raw material for competitive advantage.

The move to cloud also has rewritten the rules on how to activate data as a strategic asset. With unlimited compute and elastic architectures, the old model of copying and moving data across systems no longer makes sense.

The paradigm has flipped: Banks can now bring the process to the data rather than bringing the data to the process. The new architecture is faster and cleaner, fundamentally changing the economics of running data at scale.

Opportunities to deliver significant bottom-line growth through generative and agentic AI are forcing a reassessment of data priorities. According to the 2025 EY-Parthenon Generative AI in Banking Survey, institutions that continue to rely solely on traditional data management approaches are already falling behind.[1] Legacy manual data operations, along with data duplication and technical debt, constrain agility and slow the ability to deploy AI at scale. The leaders are moving fast, rationalizing their data estates, replatforming to the cloud, and re-architecting for speed and value creation.

This is not simply a technology refresh; it is a strategic reset. The banks that get this right are not just modernizing technology, they are also repositioning for scale to enable margin expansion, faster time to insight and a step change in operating leverage. Those that do not will find themselves priced out by competitors that can move faster, see deeper and deliver more, all because they built their businesses around data that works as hard as their capital.

The emergence of value-driven data management

Unlike risk-based data management, value-driven data management deploys capital to modernize and deliver capabilities that enable the business to use data to generate business value. This approach recognizes data as an asset — capable of driving innovation, enhancing customer experiences and supporting improved decision-making.

Several factors are driving this shift toward value-driven data management:

1. Firms have made significant progress against post-crisis regulatory expectations.

Following the 2008 financial crisis, banks faced higher supervisory expectations around the data quality and governance supporting effective risk management. In response, banks invested considerable amounts of time and resources implementing and executing risk-based approaches to data management and have made progress in maturing their capabilities to overcome long-standing, data-related regulatory challenges.

For global firms, this journey has required navigating through significant regulatory complexity. It is paramount for global banks to now "normalize" their data management approaches to meet continuing risk management and reporting expectations in multiple supervisory jurisdictions.

Having largely remediated legacy issues, maintaining effective data environments going forward will place more reliance on upstream data controls with a reduced need for extensive testing and validation. AI is expected to play a powerful role in accelerating and transforming the scope and scale of both data controls and testing frameworks.

However, it is not enough to simply maintain the remediated data environment — harnessing the power of that data to drive real-time, deeper insights that support value-creating decision-making is still a work in progress for the industry. The remainder of this article discusses how advances in data management approaches and technologies can enable that value creation.

2. Cloud capabilities have emerged as must-haves.

For decades, banks have operated under a "pre-Copernican" model with processes at the center, architected to move data to where processes lived, creating endless duplication, latency and operational drag. The advent of cloud computing has flipped that model on its head. With effectively unlimited compute, elastic storage and modern data architectures, institutions no longer need to shuttle data across systems to generate insight or power customer experiences. Instead, they can bring the processes to the data — executing analytics, AI and applications directly where data resides. It is a "post-Copernican" moment for financial services: The data is now the center of gravity, and the orbiting processes and associated applications, analytics and experiences align around it. This shift not only collapses complexity and cost but also redefines the very economics of data — unlocking speed, scalability and innovation at enterprise scale.

> "Cloud and AI have fundamentally changed the economics of data—making speed, scale and value creation achievable only for institutions with trusted, accessible data foundations.
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> **Kathleen Woodard**
> Head of Banking, Industry Advisory, Microsoft

3. AI transformation priorities take center stage.

The rapid advancement of technology combined with the accelerated adoption of AI has elevated AI enablement to the forefront of executive agendas. With the acceleration of cloud computing, big data analytics and advanced algorithms, it is now faster, easier and more cost effective to collect, store and analyze vast amounts of data.

As stated in a 2025 EY study, 56% of organizations surveyed have already been able to save costs or increase profits through AI.[2]

According to an analysis of AI trends by MIT, progress made on AI "compute" advancements means that "AI models can process more information and perform more complex tasks with increasing efficiency."[3] To enable AI-driven transformation, organizations need the foundational elements in place, including accessible trustworthy data.

Leading the shift to value-driven data management

The shift from risk-based to value-driven data management is reshaping priorities for financial services organizations. To stay competitive, data governance must be reimagined through a value-centric lens. Leading organizations have already initiated this transition and are now treating data as an asset to derive value, launching a new approach to data management that drives innovation, business growth and increased return on investment.

As chief data officers (CDOs) continue to address ongoing data governance challenges, the rise of generative and agentic AI offers a unique opportunity to reshape how data is managed and leveraged across the enterprise. Rather than simply refining legacy frameworks, CDOs now have the chance to rethink their data capabilities to intentionally support a value-driven approach. To navigate this transformation, CDOs should focus on four interrelated areas: data strategy, technology modernization, data as a product, and workforce management and upskilling.

1. **Data strategy:** treating data as a strategic asset

The foundation of value-driven data management is a data strategy that positions data as a strategic business asset. CDOs should redefine the scope of their data management programs, unlocking bandwidth that was consumed by managing data primarily for regulatory and risk reporting to prioritizing data that is critical to deriving business value. To facilitate this transition, emphasis should be placed on data assets that were previously excluded from the risk-based strategy, such as customer call transcripts, chat logs and internal procedures documents. These previously overlooked data sources will be vital for the value-driven strategy and essential for powering AI, enhancing customer

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> For years, banks have treated data as something to control and defend and that focus on governance and security remains essential. The institutions pulling ahead today are also treating data as something to activate, using governed data to drive intelligent action across the business. Value driven data management means unifying data, analytics, and AI on an open foundation, so insights move at the speed of the business, not at the pace of legacy architecture. At Databricks, together with our ecosystem partners, we help banks unlock measurable business impact while maintaining the trust and resilience the industry depends on.
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> **Jennifer Miller**
> Head of Americas Banking and Payments GTM, Databricks

insights and enabling operational efficiencies. As such, these new data sets will need to be governed with clear ownership, standards and controls. Success metrics should also be recalibrated, moving from compliance-based risk reduction indicators to measures that reflect value creation.

Ready to get started? Consider these key next steps:

- **Evolve data prioritization methodologies** to expand data management practices to cover data sets used in high-value initiatives.
- **Refine expectations** for how data is provided, consumed, managed and governed and expand the data risk taxonomy to include "fit-for-use" risks.
- **Update the enterprise data strategy** to explicitly incorporate value-driven data management and align with business priorities.
- **Redefine success criteria** to measure success based on how internal data consumers engage and derive value from data.
- **Build strong business cases** to secure executive sponsorship and the resources needed for transformation.

2. **Technology modernization:** building critical hygiene for agility and scale

Modernizing data foundations is no longer optional — it is the price of entry for agility, operational resilience and sustained value creation. Financial institutions are discovering that legacy platforms, fragmented data flows and manual operations have created mounting data and technology debt that now constrains growth. As firms accelerate into AI and advanced analytics, data hygiene and modernization — clean, trusted and well-architected data — have become the critical enablers of scalable transformation.

These modernization and hygiene practices cannot be bolt-on afterthoughts. They must be embedded directly into the process of refactoring data to the cloud. As data is replatformed, firms have the unique opportunity to automate controls, enforce standards and simplify architectures at the source — eliminating years of operational complexity while positioning the enterprise for long-term scalability and trust in AI-driven decisioning.

Ready to get started? Consider these key next steps:

- **Modernize as you migrate** by treating the move to cloud as an opportunity to refactor — not replicate — the data environment, eliminating duplication, rationalizing legacy code and creating a clean, cloud-native foundation for future growth.
- **Automate data quality at scale** by deploying continuous data quality monitoring to detect, remediate and prevent inconsistencies in real time, establishing trust in every data set.
- **Establish a single source of truth** through centralized metadata and data catalogs, which will enhance discoverability, interoperability and context for business and analytics users.
- **Rebuild data lineage with intelligence** by leveraging emerging technologies, including agentic systems, to automate lineage tracking, strengthen governance and expose dependencies across systems and processes.
- **Embed AI in data operations** (e.g., leverage machine learning) to streamline governance, reduce manual intervention and harden controls, verifying the integrity of data flowing into critical processes, such as credit decisioning, know your customer (KYC) and anti-money laundering (AML), and document management.

3. **Data as a product:** building AI-ready, value-generating data products

The value-driven mindset forces financial services organizations to shift toward managing data as a product. Data products must be discoverable, accessible, trustworthy and curated for use by data customers (often other functions within a bank but, increasingly, external customers as well). CDOs should lead efforts to integrate internal and external data sets for prioritized use cases and foster a cultural shift that views data as a product designed to meet customers' needs.

Ready to get started? Consider these key next steps:

- **Identify your transition to data products** by targeting quick wins to create value, while investing in consistent business taxonomies to promote clarity and usability.
- **Confirm data is AI ready** by making data easily discoverable, accessible and interoperable, with embedded metadata and documentation to enable transparency.
- **Govern rationalized and prioritized data sets and use cases** to eliminate duplication and facilitate alignment with business goals.
- **Embed governance and privacy-by-design principles** and enforce permissible use guardrails to maintain trust and compliance.
- **Modernize data operations** by automating data ingestion, quality monitoring and pipeline orchestration to reduce manual effort, accelerate delivery of data products and sustain scalability across cloud and AI environments.

> "With agentic AI, the banking industry has the opportunity to completely rethink their enterprise data strategy. With Cortex Code, Snowflake's AI coding agent, and Snowflake Intelligence, the personalized enterprise intelligence agent, financial services organizations can now tap into AI-enabled efficiencies and AI-transformed experiences that drive faster risk analytics, new growth opportunities, better customer experiences, and competitively differentiate.

James McGeehan
Head of Banking and Capital Markets, Snowflake

4. **Workforce management and upskilling:** driving cultural change

Even the most advanced technologies and best strategies will fall short without a capable workforce that is equipped to manage and leverage data effectively. To truly embed a value-driven approach to data management, CDOs should foster a culture that treats data as a strategic asset across all levels of the organization. This requires targeted investments in both employee capabilities and capacity.

Ready to get started? Consider these key next steps:

- **Deliver tailored training programs** to equip employees with the skills needed to analyze, interpret and leverage data effectively.
- **Scale resourcing capacity** to meet evolving data management objectives and support high-impact management.
- **Democratize data and AI** to enable employees to fully leverage key productivity tools and unlock the benefits and transformative potential of emerging technology.
- **Provide clear ownership and accountability throughout the data lifecycle** across product, technology and operations (e.g., centralizing business data ownership and architecture within a global payments function in order to promote efficiencies in identifying and building data products and consistency across risk and regulatory compliance activities).

Conclusion

From risk management to value creation: data as a growth engine

The industry is undergoing a fundamental shift to view data as a core asset for value creation. Rapid advances in cloud, AI and analytics, coupled with rising customer expectations and margin pressures, are forcing financial institutions to monetize their data advantage. The conversation is no longer just about minimizing risk; it's also about maximizing impact. Value-driven data management reorients data strategy around growth, speed and innovation, expanding access, improving usability and directly linking data investment to customer experience, business outcomes and revenue performance.

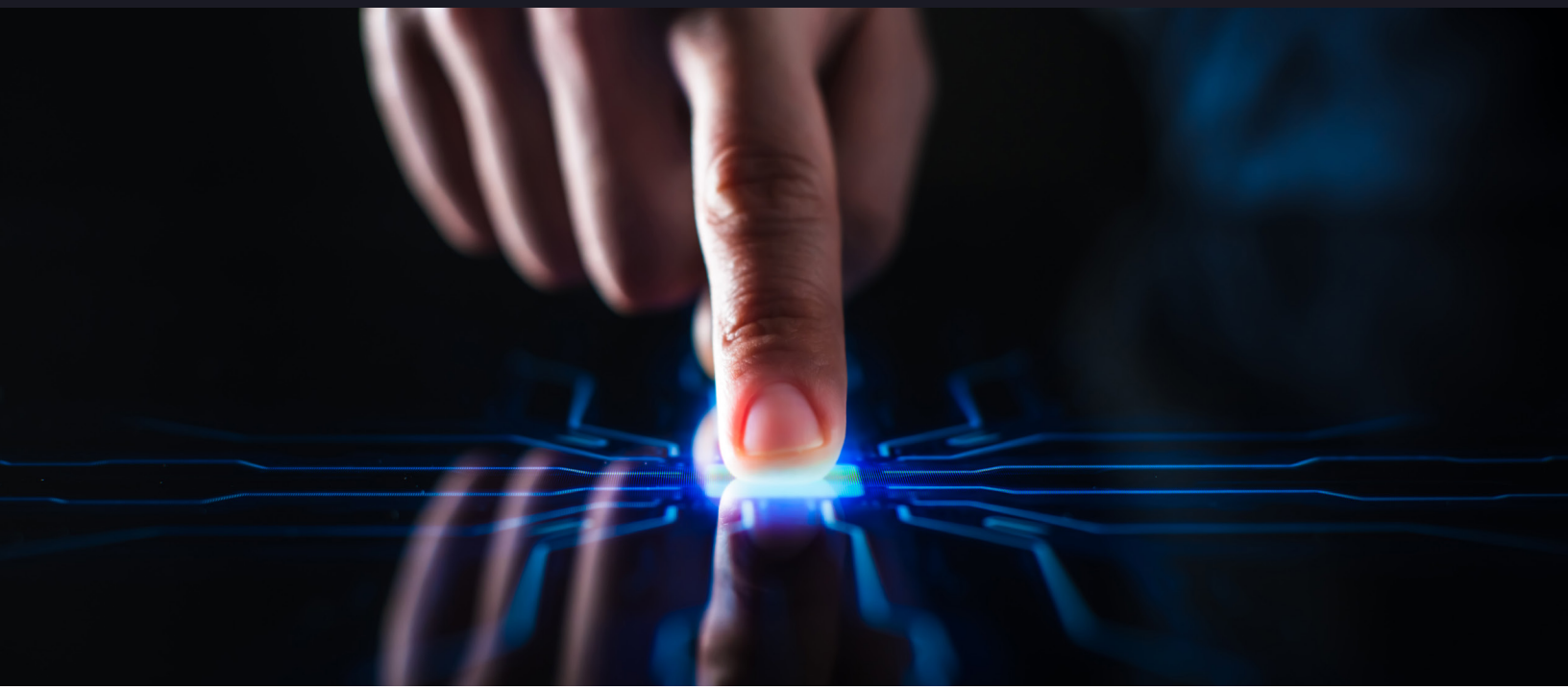
The value-driven data management approaches discussed in this article also enable better balance sheet agility and risk management. Firms have made significant advances in business and risk analytics and reporting in the last decade, but limitations of the pre-Copernican model mean that many firms still struggle with rapid, driver-based scenario analysis and sensitivities. Business requirements such as these can be put at the forefront of data modernization programs so that data can be delivered at the speed of the business.

CDOs are at the center of this evolution. By aligning data strategy, architecture and talent, they are transforming legacy data environments into dynamic engines of efficiency, insight and profitability. The firms leading this charge are already separating themselves from the pack. As this is a constant evolution, those organizations unlocking value from data have already started to:

- **Modernize their data foundation:** enabling scale, speed to insights and self-service
- **Migrate data with discipline:** including clear ownership, robust metadata and quality controls
- **Deliver tangible results:** supporting new capabilities with measurable return on investment
- **Establish sustainability:** building data operations to maintain their modern data environments

This is a critical transition period to hit the "J" curve: a revaluation of data as capital. The winners will be the institutions that treat their data like a portfolio: optimized, performant and built to compound value over time.

Citations



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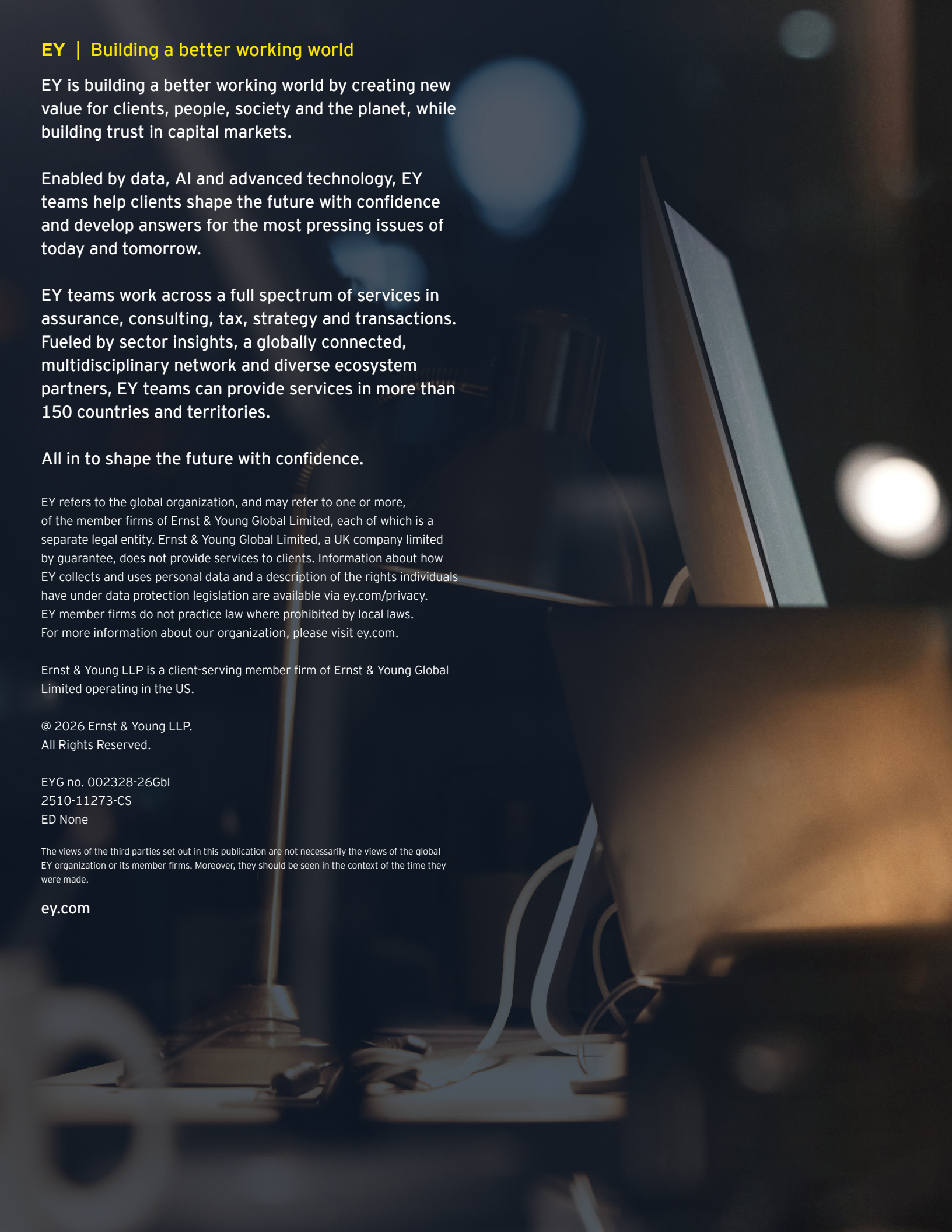

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