

Data Quality: Challenges and Solutions

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Data Quality – the challenge (1)

n **Gartner:** “Approximately 55% of all CRM projects failed to meet the company’s expectations”

n **Gartner:** “More than 75% of businesses will fail to meet customer service excellence standards through 2007”

n **Gartner:** “Through 2010, 75% of complex CRM SaaS deployments will fail to meet enterprise expectations”

Data Quality – the challenge (2)

- n **Forrester**: “Contrary to vendor claims of 90-day implementations, CRM projects are more likely to take a couple of years to implement”
- n **Bain & Company**: “One in five users reported that his company’s CRM initiatives not only failed to deliver profitable growth, but had also damaged long-standing relationships”

Data Quality – the challenge (3)

- n **IBM**: “Integrating customer data sets is challenging. CRM has a broad scope. Existing systems, such as manufacturing and ordering, must be integrated to enable a single view of a customer base”
- n **Meta Group**: “55%-75% of all CRM projects fail to meet objectives”

Data Quality – the issues (1)

- n **Gartner:** “CRM programs fail, in large part, because the poor quality of underlying data is not recognized or addressed”
- n **Gartner:** “Most enterprises don’t fathom the magnitude of the impact that data quality problems can have”
- n **Gartner:** “More than 25% of critical data used in large corporations is flawed”

Data Quality – the issues (2)

- n **Gartner**: “More than 75% percent of enterprises engaged in CRM initiatives cannot combine a comprehensive view of a customer with actionable, personalized advice to customer service and sales agents”
- n **Forrester**: “Even seemingly minute mistakes such as being one digit off on a customer’s street address can plague data sets”
- n **TDWI**: poor-quality customer data cost \$611 Bn/yr in postage, printing & staff overhead

What *is* data quality?

- n Data quality = fitness for use
- n **Olson**: “Accuracy is the mother of data quality”
- n Accuracy is a “conditio sine qua non”
- n Accuracy is ***necessary***, but in and of itself not enough to succeed

Good quality data is *also* ...

- n Relevant
- n Timely
- n Complete
- n Trusted
- n Accessible

How to improve data quality?

- n Hardly anything improves data quality faster than ***using*** data
- n ... except maybe for making (senior) management accountable for metrics

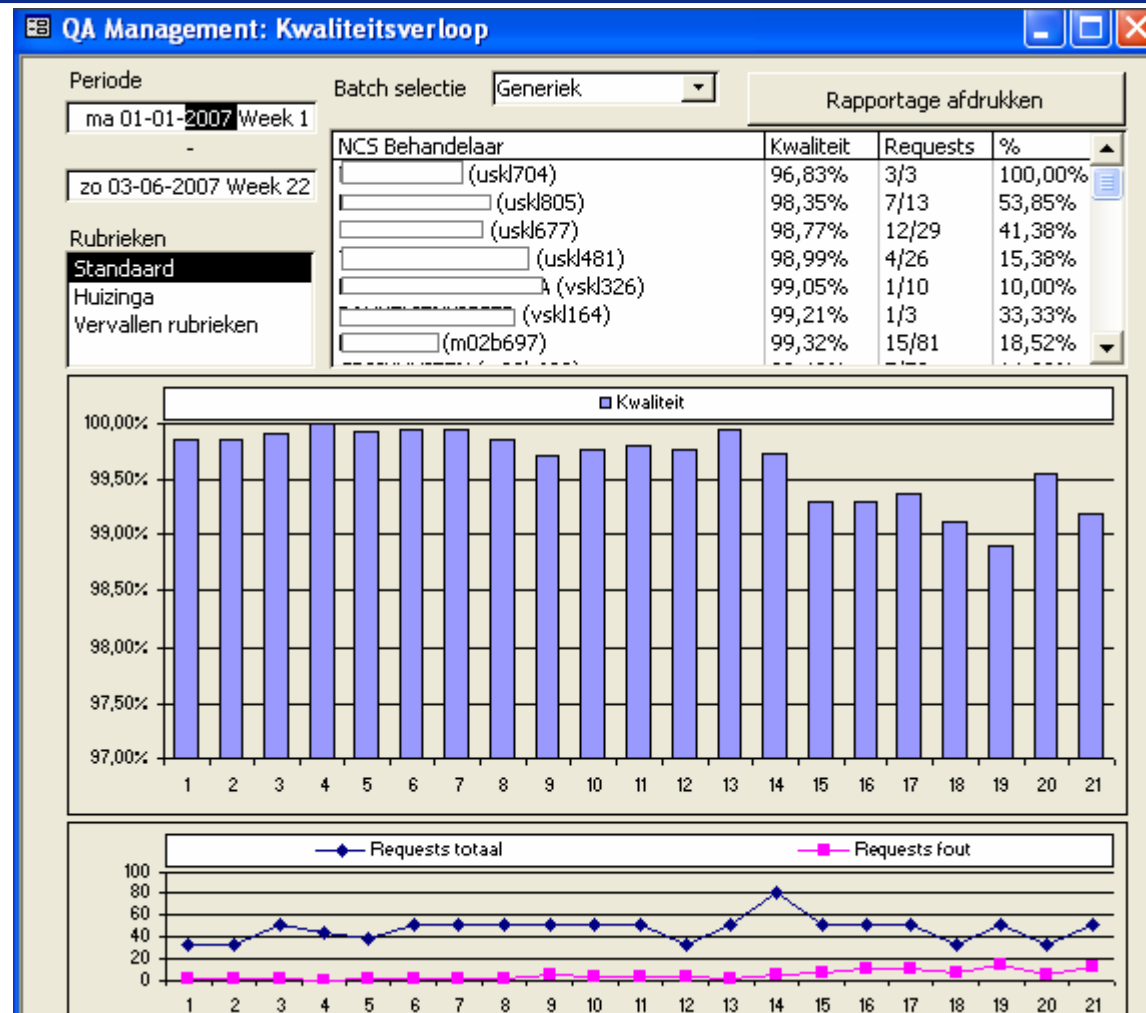
Getting quality on the agenda

- n The **value** of quality, or **cost** of non-quality must be presented in “business terms”
- n Align data quality objectives with corporate strategy
- n Include quality in performance evaluation and compensation systems:
“what gets rewarded, gets done”

Credit card case

- n Accurate application data entry is crucial for acceptance/decline
- n Historical data is needed for bespoke scorecard development
- n Not only clean existing data, but also:
 - n **'get** it on the agenda' (prevention), and
 - n **keep** it there (monitoring)

Balanced Scorecard



ING Wholesale case

- n Calculate customer profitability across multiple legacy systems
- n Match company names with non-standard record lay-out
- n Maximum of 80K records across 10+ systems – up to $(80.000)^{10+}$ combinations
- n Manual matching badly needed automation support

Conclusion: quality is free

- n **Merrill Lynch**: “45% of CIO’s surveyed at large corporations were not satisfied with their CRM installation”
- n Accuracy is ***necessary***, but other elements to data quality account for ***success***
- n Data stewardship & executive sponsorship are KSF’s

Questions can be submitted on evaluation form

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