

Laying the foundations for an effective data quality strategy

Learn how to assess the quality of your data quality processes to make lasting improvements

An Experian discussion paper

1. Introduction	03
2. How do I assess my current situation and understand where improvements can be made?	04
3. What key factors are essential to my planning process?	05
4. How do I approach building a business case to get investment for my strategy?	06
5. Conclusion	07

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1. Introduction

The good news is that according to recent research, more than 99% of organisations now have a data quality strategy in place.¹

This means that more and more businesses now understand at a board level that data quality is central to an organisation's ability to make better business decisions, retain customers and manage its reputation.

The flip side of this however is that simply developing and implementing a strategy is no longer a competitive advantage, and the real differentiators are now in the detail and it's exactly this that is letting businesses down. In fact, today 94% of organisations report that they suffer from common data errors, compared with 92% a year ago¹, a sign that perhaps whilst data quality has moved up the agenda, the challenges are still not being fully met.

More than ever, it is the people, processes and tools that define a strategy and hold the key to identifying and resolving data quality issues. A clear data strategy will ensure that effort is concentrated in the areas that will make the biggest impact on business performance. Combine this with measurements to track ROI, and data can become a real business asset as you start building your data quality agenda from the ground up with a track record of success. To do this you need a strategy that delivers on your business requirements, however, building or improving an existing data quality strategy isn't always straightforward. Data quality affects multiple areas and stakeholders of an organisation and with multiple channels adding to the complexity it's hard to know where to start.

Kick off your planning:

Do the groundwork before you begin

This guide is for any organisation looking to implement a data quality strategy or those looking to improve the effectiveness of their current one. We take you through three key areas that will help you to lay the foundations for creating an effective strategy before you even put pen to paper. This will ultimately ensure that any new data quality initiative will meet your business requirements and drive long-term results.

We'll answer three key questions:



How do I assess my current situation and understand where improvements can be made?



What key factors are essential to my planning process?



How do I approach building a business case to get investment for my strategy?

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2. How do I assess my current situation and understand where improvements can be made?

Before doing anything you need to properly understand where you are today by auditing and assessing your current situation. Without a true picture it's impossible to understand what you need to fix and what to prioritise. Most importantly this will also give you the evidence you need to create a credible business case for investment. Often data projects will fail to deliver because they have been poorly scoped and the extent of existing problems underestimated.

As you assess and audit your data quality, make sure that you look at the following three key areas:

1. Data quality

Start by identifying the errors and gaps that exist in your data. By pinpointing where problems lie, you can more easily establish what needs to be fixed. Look at data accuracy, including levels of duplication as well as its integrity such as completeness and format.

2. Data processes

As part of this assessment understand your current processes and how they could gain from investment in tactical data projects by noting touchpoints across the organisation where errors are created. To gain credibility, be as specific as possible and tie all implications back to each stakeholder and business objective.

3. Data prioritisation

Look at what data is most important to your organisation and in turn quantify the value that it holds – the key to this is in finding relationships in your data. With this information you can prioritise focus areas in your strategy.

Here are our top tips for carrying out a data assessment:

Clearly document the findings - simply knowing where the problems lie isn't enough, you need to produce consistent, well documented evidence of them so that you can benchmark how your strategy is improving over time.

Include statistical evidence - be as transparent as you can. Stakeholders are far more likely to respond positively to your business case if you can back up claims with statistical evidence as to the extent of problems, for example the number of incorrect email addresses you have and the subsequent impact that is having on marketing campaign ROI.

Tie the results back to the organisation's strategic objectives - make sure you can effectively illustrate the impact that they are having. For example, if cost efficiency is a focus for your organisation and you can demonstrate the number of duplicate mailings being sent as a result of not deduplicating your database, you can very easily work out the cost saving that could be made by consolidating multiple records.

Work with an external data quality expert - test and audit the quality of your data, processes and the value that data provides to your business. Often an external expert consultant will be able to give an independent, unbiased view that will add to the credibility of your findings. More importantly they have access to the best tools and platforms to run in-depth analysis. They can deliver a very detailed report that is bespoke to your business and make recommendations based on your objectives that will feed directly into your strategy and get you started.

The Analyst View

“Without an accurate and complete picture of data quality, it is difficult to set any realistic success criteria for important business initiatives such as marketing and sales campaigns. Effective marketing relies on getting the right information to the right target group. Good customer service relies on the accuracy of related data. Poor quality data means not only that key targets cannot be achieved but also that a proportion of any monies spent on a campaign will be completely wasted. As with any business challenge, proactively resolving problems will deliver significant benefits long term. Addressing data quality ahead of any data strategy campaign will help to maximise the opportunities as well as provide strong foundations for value based correlations.”

Bola Rotibi CEng. Research Director, Creative Intellect Consulting Ltd.



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3. What key factors are essential to my planning process?

With a full picture of your current data quality and processes you can start to plan out your data quality initiative. But before you put pen to paper it's important to step back and make sure that you're focussing on the right things.

Here are our top considerations to ensure that you get the most from your strategy:

1. Tie projects in to the corporate agenda

Projects that are tied into priority business initiatives, such as customer retention, will remain on the agenda and ensure that key stakeholders understand the impact that data quality can have on business performance. As an example, these could include single customer view initiatives, where the outcome will improve customer intelligence and communications and, in turn, increase brand perception and revenue.

Common business drivers include:

- Improving customer service
- Compliance with data-related regulations and other legislation
- Increasing revenue by cutting costs
- Unearthing new business opportunities
- Retaining more customers
- Growing business from existing customers
- Generating new business from improved services
- Improving relations with Business Partners.

2. Consider compliance

Over recent years there has been a raft of regulatory developments that ensure organisations must keep a

firm eye on their compliance responsibilities. If we look at the finance sector, for example, Insurers must adhere to the reporting stipulations of Solvency II, while banking organisations are regulated by legislation such as BASEL III and FATCA. Failure to meet regulatory standards can have severe consequences for your business in the form of fines and bad publicity. Key to meeting your compliance obligations is the planning and execution of robust data quality initiatives. By improving the quality and accessibility of your data you can report more quickly and more accurately to regulatory bodies.

3. Avoid siloed projects

Regardless of the scale of the project, the most important thing is to have a clear view of your overall spend and strategy. Small, siloed projects are appropriate when it comes to fixing immediate issues. However, an organisation-wide view of your data quality issues will help you prioritise projects more effectively and avoid duplicating work and save costs in the long run. Make sure to engage with all key stakeholders across the business before you begin.

4. Always measure

Avoid taking a short term view when pulling together your data quality strategy. Make sure that you define how you will measure your data quality over time in order to understand whether your strategy is working. Whether or not things seem to be going well, reporting remains an integral part of early identification of problems with data. Weekly reports and, where possible, daily monitoring of data coming into the organisation will help to maintain data quality across the board. Monitoring is the key to maintaining and doing this will set your organisation on the path to data governance and will also support the case for further investment down the line. Consider implementing regular external data assessments through your data quality supplier to get you started with this.

The Analyst View

"The number of sources from which companies derive data today continues to grow. Many of those sources have incomplete and flawed data. A properly planned and implemented data validation process will ensure that all incoming data is capable of playing its part in delivering on key business strategies. A failure to devise and implement a valid strategy means that it will be more expensive and ultimately more difficult to achieve any business objective aimed at delivering profit and growth for the business."

Bola Rotibi CEng, Research Director, Creative Intellect Consulting Ltd.



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4. How do I approach building a business case to get investment for my strategy?

Armed with a detailed view of how your current data quality is impacting your organisation and key focus areas going forward, you will be in a great position to tackle the last piece of the jigsaw, getting buy-in and investment for your data quality strategy.

Building a robust business case is critical because data quality initiatives are not purchased overnight. And while the purchase justification may be obvious to you, a decision of this magnitude – affecting multiple departments, processes, and applications – requires multiple approvals and often executive sponsorship.

Here's a five-step process make sure your proposal ticks the right boxes.

Step 1: Know your audience

Data management processes are shared across departments; therefore, purchasing a data management tool requires cross-department approval. With this in mind, make sure that you understand the objectives, processes, and metrics of every potential stakeholder.

How will this project align with your stakeholders' objectives and processes? Consider this and tailor your proposal to speak directly to all audience members.

Lastly, engage IT early on to ensure that the solution meets their requirements. Moreover, find out when they'll have bandwidth for the project and how long it will take to implement. Executive sponsors want to review timelines.

Step 2: Illustrate the evidence

Make sure to clearly illustrate the impact that current data quality is having on the organisation. Armed with the information collected from your initial data quality assessments you should be in a good place to show clear evidence as to the value of the project, and the implications of not doing it.

Step 3: Identify correction points

Clearly illustrate the ways in which errors occur to ensure your stakeholders appreciate the issues. Show who enters the data, how they enter it, and when entry occurs. Common channels for businesses to consider are the call centre, websites and point-of-service locations.

The goal is not to lay blame, but to identify places where corrective action is required. Again, by identifying correction points, your proposal becomes more credible and your request for investment becomes more realistic.

Step 4: Explain the benefits

At this point, your proposal is almost done. But to ensure that it gets the appropriate attention, make sure to quantify the importance of improved data quality. Consider the return on investment (ROI). This should include money saved, additional revenue earned, staff changes and/or productivity enhancements, etc. Be sure to include these hard benefits, as well as soft benefits, like increases in customer satisfaction.

Step 5: Benchmark for success

Use the evidence collected to create clear metrics for success. Create short-term and long-term goals. What accuracy standards do you wish to set, and how do you plan to maintain those standards in the future? If the project is accepted, use this benchmark to gauge success after implementation.

The Analyst View

"Everyone who relies on or is involved in the data process has a duty of care in ensuring that data quality is a principle of first choice and not a process of last resort. The business no longer has money to waste. Either we fix the problem at source or we accept that we are spending increasing amounts of money for less and less return on investment."

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5. Conclusion

Delivering an effective data quality strategy need not be seen as a mammoth, all singing and all dancing project as long as you take the time to audit, plan and do your homework before finalising where to invest.

Armed with evidence of how data quality is impacting your business and the potential it could offer to meet key strategic business goals will undoubtedly help your stakeholders to appreciate the value of data quality and why they should allocate budget to it. As we saw earlier it's also critical to look to the future and how you see your strategy developing as your organisation grows. That's why any data quality initiatives should include measurement, after-all you want to be able to show your organisation what you've achieved and get buy-in for further investment.

Working closely with a data quality expert like Experian Data Quality can help to get you started and on track to create the best strategy possible. We offer a range of consultancy services, including bespoke Data Assessments that many customers use as the foundation of an effective data strategy and governance program. Our experienced consultants can provide detailed audit reports of your current data quality, processes and value, which not only offer the concrete evidence you need to build your business case but also offer recommendations on how to improve and manage your data quality strategy going forward.

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About Experian

Experian unlocks the power of data to create opportunities for consumers, businesses and society.

At life's big moments – from buying a home or car, to sending a child to college, to growing your business exponentially by connecting it with new customers – we empower consumers and our clients to manage their data with confidence so they can maximize every opportunity.

We gather, analyse and process data in ways others can't. We help individuals take financial control and access financial services, businesses make smarter decision and thrive, lenders lend more responsibly, and organisations prevent identity fraud and crime.

For more than 125 years, we've helped consumers and clients prosper, and economies and communities flourish – and we're not done. Our 17,000 people in 37 countries believe the possibilities for you, and our world, are growing. We're investing in new technologies, talented people and innovation so we can help create a better tomorrow.

Learn more at www.experianplc.com

Learn more about data quality from Experian at www.edq.com/uk



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