10

Tips & Tricks for CRM Data Quality Success

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A Harte Hanks Company

Introduction
"War is 90% information." [1]

Far too often CRM systems are acquired with the idea that they are self-running solutions that through architecture, design and implementation will deliver better customer relationships as a matter of course. But almost as often, those systems fail to meet expectations because too little attention is paid to the quality of fuel upon which those systems depend – the data. You may not envision your market as a "war," but whatever your choice of metaphor, successful competition is predicated on good data.

With more than twenty years of work in data quality, Trillium has tremendous experience in delivering value for a wide variety of CRM solutions. Though the features within those solutions may vary, the principles of data quality – and the value it delivers – are consistent across any CRM platform.

The negative impact of poor-quality data on CRM solutions is pernicious. Organizations often fall well short of the sought-after value from these solutions. Their operations are beset with inefficiencies that are attributable to poor data, and trust in the system is lost. Day-to-day tasks are impacted, as are the analytics and forecasting that the day-to-day CRM operations should feed.

But as daunting as the challenges may seem, you can take positive action to address the problems, both in terms of fixing what is "broken" and preempting similar circumstances in the future.

In this eBook, we highlight some of the key areas of focus in terms of both initiating a data quality project and maintaining it over time in support of your ongoing CRM efforts. Successful data quality programs must accommodate the different internal and external constituencies that either are directly involved in your CRM system's operations or are impacted by your CRM efforts. Following these tips will greatly enhance your chances to engage with those constituencies and achieve success.

Our goal is – and yours should be – to set in motion efforts to incorporate data quality as a day-to-day element of your CRM efforts.

So let's begin!

Tip #1 – Build Your Business Case
"Houston, we have a problem!" [2]
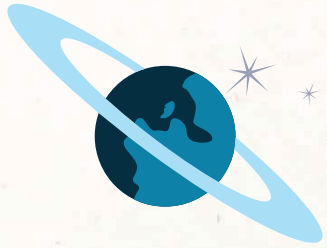
Because it is an operational system, the day-to-day demands on CRM are many. Many times those demands will squeeze out concerns about data quality, as the idea of implementing data quality processes within a CRM system upon which you depend can sometimes seem like you're trying to maintain a plane while it is in flight.

Sometimes those who suffer the pains of poor data quality are working in the trenches. The problem may be something into which the organization has no visibility. Or it has come to be accepted as an unavoidable by-product of CRM that must be absorbed as the cost of doing business. Or perhaps the problem is that, though the issue is recognized, the data quality initiative gets put in a lengthy IT queue, a queue to which there are always new things to be added that, in the minds of decision-makers, have a higher priority.

Establishing that visibility and capturing the impact of poor data quality can be key elements to building momentum for a project that will take time and that may introduce new requirements for your staff in terms of operational responsibilities. You must show the impact so that your organization avoids the path of least resistance: taking no action. The way to do so is by articulating a problem and its business impact in a manner that creates momentum for doing the right thing – and doing it in a timely fashion. And doing it in a sustained fashion. Data quality is not a project – it is a process.

At Trillium, we have articulated the data quality problem and its impact as "death by a thousand [data] cuts." Death may be a morbid reference, but the challenge is to make explicit the impact of poor data quality on CRM operations and, more important, on your business. For more quantitatively oriented organizations, this may involve capturing the value of a customer to your organization in terms of revenue or gross margin contribution, perhaps expressing that in terms of customer lifetime value, CLV.

Though your circumstances are unique to your business, at a minimum you can cite industry statistics about poor data quality that should prompt concurrence that there is indeed a problem. For example, NetProspex has published research that suggests one-quarter of the leads in many B2B databases will lack either a first or last name, while fully three-quarters of the leads lack phone numbers.

Even good data goes bad quickly. Marketing Sherpa stats suggest that data decays at a rate of 2.1% – monthly. Author John Coe indicates a far higher rate for B2B data, with a decay rate that is more than double that, at 5.1%.

Data such as this makes clear that any system has inherent problems. Make the business case for data quality as an essential core competency for your success. Data captures everything about your enterprise. Data quality is essential to your ability to acquire and service your most important asset – your customers.

Tip #2 – Get the Right Program Sponsorship
"When you arrive at a fork in the road, take it." [3]

Should your project champion be from the line-of-business (LOB) or IT? Recent research suggests that more and more investment in customer acquisition and management technology is coming from outside IT. One might conclude that decisions about CRM – and related technologies like data quality – are to be made largely by the LOB within an organization, given they are increasingly the funding source. That suggests that sponsorship of a data quality initiative should come from that side of the organization.

The reality is that few things regarding enterprise-capable technology solutions (and that is how this should be envisioned) are so simply determined, including establishing the champion(s). Given the importance of customer data (and in terms of marketing, prospective customer data), there are multiple constituencies involved.

Perhaps five years ago, data quality initiatives were considered primarily an IT issue. And while data quality technology might be implemented and maintained by IT, it is the CRM business user who garners the benefits. The business user also understands the true business "context" in terms of the meaning and usage of the data. And the business user can provide guidance on what is needed, what is desired and, if need be, where the line of compromise can be drawn while still delivering business value.

That can include understanding what data drives your CRM efforts. For example, most customer service interactions involve data that does not originate within the CRM system. When customers contact your organization seeking service, it is service about a transaction that has been executed elsewhere – outside the control of CRM. Focusing exclusively on data quality efforts within CRM may be ignoring key contributors to your data quality challenges – the integration of external [to CRM] data sources. And those sources are likely not controlled by the CRM LOB but rather by IT.

For these reasons, Trillium advocates responsibility and sponsorship roles for both IT and business users to ensure alignment of expectations and commitment to the project goals (as managed by the LOB) and the steps to achieve those goals (as managed by IT). The goal of almost all data quality projects is helping the business user better understand customers, interact with customers more effectively and efficiently, and improve the customer experience. The goal is to improve customer acquisition and management operations. These goals speak to the bottom line and are pure business.

But IT understands the ramifications of a data initiative and, furthermore, understands that the data generated within a CRM solution will come from different sources, within and outside the enterprise. If that data comes from within, it is more than likely coming from a system (e.g., order management, shipping, manufacturing, finance) that is managed by IT. Including senior IT leadership as a sponsor is the best way to facilitate the interactions needed to make integration work.

Having senior leadership co-sponsoring an initiative like data quality also will ensure the necessary cross-functional data quality teams that can make important contributors to success. Combining both IT and business users and making them responsible for the design and implementation of the project are crucial for success.
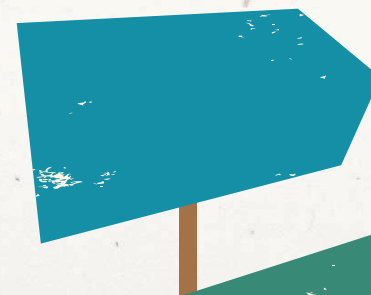
Tip #3 – Determine the Right DQ Approach

"Render unto Caesar the things that are Caesar's..." [4]

At Trillium we recognize that not every customer will, upon recognizing they have a data quality problem, naturally default to acquiring our type of solution to address their CRM data quality challenges. After all, doesn't the CRM system have its own data quality capabilities? Can't we address this with new procedures with our staff? The reality of organizational decision-making is that the process typically engaged by our customers often includes a stage where the customer must evaluate several different approaches to addressing their data quality requirements.

We recommend going into the decision about your company's approach to quality with eyes open to all the options available to you. But we also caution against being "penny-wise and solution-foolish." If CRM is important to your organization (which is the equivalent of asking whether customers are important to your organization), then be careful not to compromise in areas that will hurt your customer acquisition and servicing efforts. That is the ultimate measure of your solution choice. After all, the goal is not to offer something that "functions as designed" but rather something that functions in a way that is needed by the business.

Among the questions to ask:

Are there data cleansing capabilities that are native to your CRM solution (i.e., built right in) that could address your data quality issues?

Should you delegate your data quality responsibilities to an outside service bureau?

Do you want to take ownership of the solution?

This can be a tempting choice, and Forrester Research has written that modern CRM systems "provide better functionality to mitigate duplicate entries of customer records and enforce classification standards on customer and transaction records." But Forrester has also noted that CRM is focused on customer-oriented processes and not data quality features. Once beyond the basics of simplified "exact match" deduplication, the native capabilities of your CRM system will likely prove inadequate. The challenges will grow when you wish to append social media information (e.g., LinkedIn, Google+ or Facebook) or other enrichment data sources (e.g., Avention, D&B, InsideView) to create a richly textured view of your customers. In those environments, you need to get the customer data right, as everything else depends on it!

This sometimes proves an attractive choice for certain organizations, but the question is whether you see data quality as a "project" or a "process." Some further questions to ask include are you importing new records on an ongoing basis, or is it a relatively infrequent activity for which you do not expect internal resources to be involved? How active are your marketing activities? How often are you importing lists? How important is the timing of your response to marketing activities? The trade-offs are often the cost of working with a service bureau, to which you must entrust key assets (prospect and customer data) and the processing delays that are involved. Many organizations find a compelling need to act on inbound marketing information as quickly as possible. Research from Harvard Business School has suggested that for some markets, the ability to react to a lead quickly has a huge impact on the likelihood of converting that lead to a real opportunity – and more important, a sale. For those kinds of operations, you won't want to accommodate the lag time associated with having a third party execute the data quality effort.

Trillium would – perhaps as expected – advocate this approach. We understand the challenges of taking on data quality responsibilities, but we believe that this provides the right combination of technology sophistication, execution time and customer control to deliver the best results. That same Forrester report cited earlier indicated that "CRM is for Business Process; Data Quality Solutions are for Data Processes." The challenge is when organizations look to their own staff to take on data quality responsibilities as part of their day-to-day job, without technology assistance. CRM end users have operational responsibilities that take precedence. Human nature is such that issues of data quality (accuracy and completeness) will often take a backseat in deference to getting things done. Because the activities are not immediately visible, the impact is negative and grows more perilous over time. Taking ownership means providing the tools to assist in execution. Without such tools, data quality will be neglected.

Tip # 4 – Have a Plan, but be Agile in Execution
"Plans are nothing; planning is everything." [5]
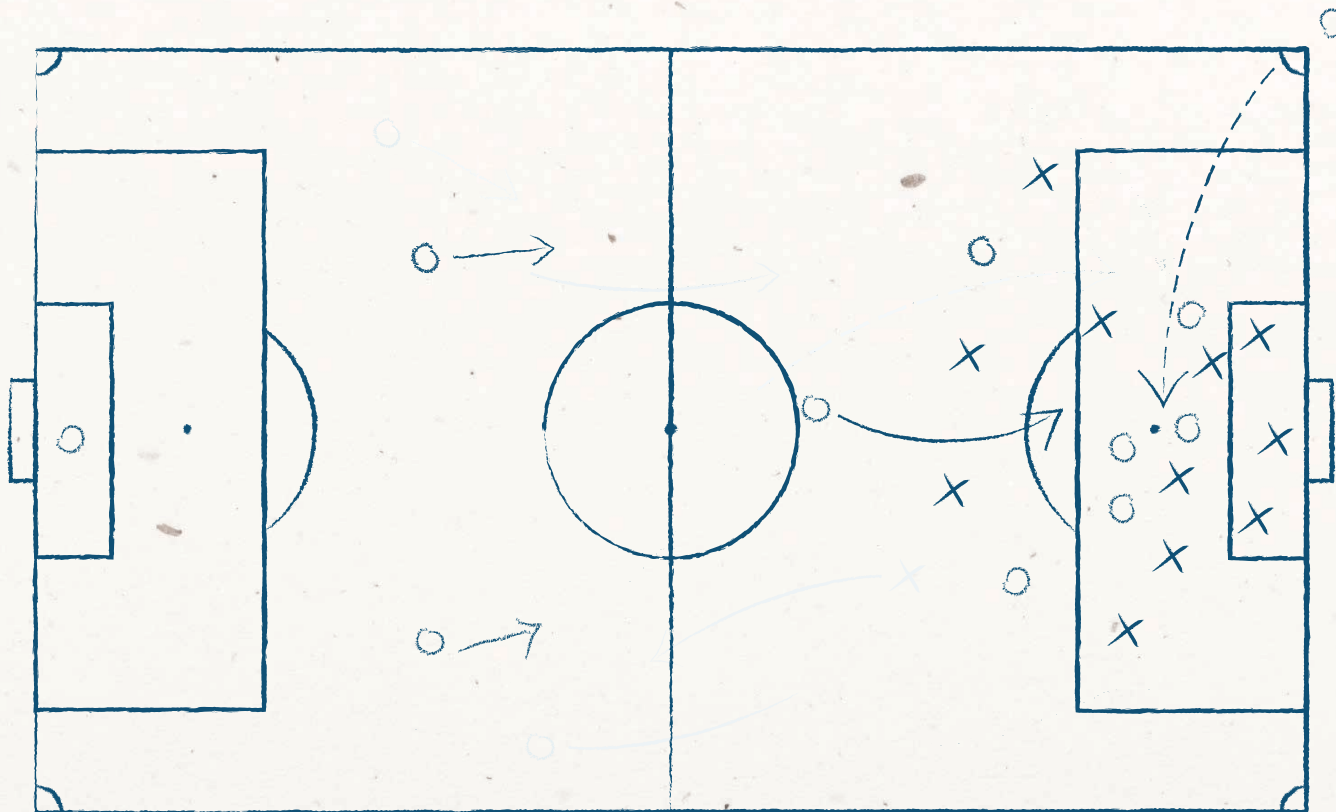
CRM operations necessarily must accommodate many challenges, given that you are interacting with constituencies that you do not control – customers. But it is best to avoid those same challenges in implementing a data quality solution intended to ensure your understanding of those customers. You need a data quality plan that is focused on your CRM goals.

Given that the initial implementation of a data quality solution will be considered a "project," there are organizations that will be comfortable with "standard" project management guidelines in support of the data quality effort, particularly if they have been trained in those methodologies. However, there are planning methodologies and supporting materials specifically focused on organizing data quality efforts that will give you a proven approach for your CRM efforts. Trillium adheres to a methodology that focuses on a four-part process of discover, develop, deploy and manage.

DISCOVER

The starting point for understanding where you currently are in terms of data quality. This effort evaluates your current state with respect to the dimensions by which you should judge data quality: context, accuracy, completeness and consistency.

DEVELOP

This translates your business requirements into executable data quality services in support of your CRM operations. What are the guidelines for evaluating new contact records that are being entered into the system? What are mandatory fields? What fields might possibly be populated via third-party sources? What mapping of inbound data to your internal data schema for a contact or account will be applied? What are the different geographies to be supported, and what variances in data must be accommodated to address unique requirements?

DEPLOY

This encompasses decisions about how data quality will execute within your CRM operations. Will you be doing batch operations performed by a CRM administrator, or will you expect CRM end users also to take responsibility for data quality? Given the degree to which CRM data can age, will you have periodic cleansing operations running on your existing data, or will you be focused on new inbound data exclusively?

MANAGE

Tracking data quality performance over time is an important component of successfully operation of CRM data quality solutions. As with any performance management effort, a framework of measures, metrics and KPIs should be established for tracking data conditions over time. From there, you will want to create a framework that provides varying levels of detail based on what you want to monitor and what depth of investigation you want. This should be focused on both the quality of inbound data being entered into the system as well as ongoing monitoring of existing data.

Tip #5 – Match Your DQ Architecture to Your Business

"Each new situation requires a new architecture." [6]
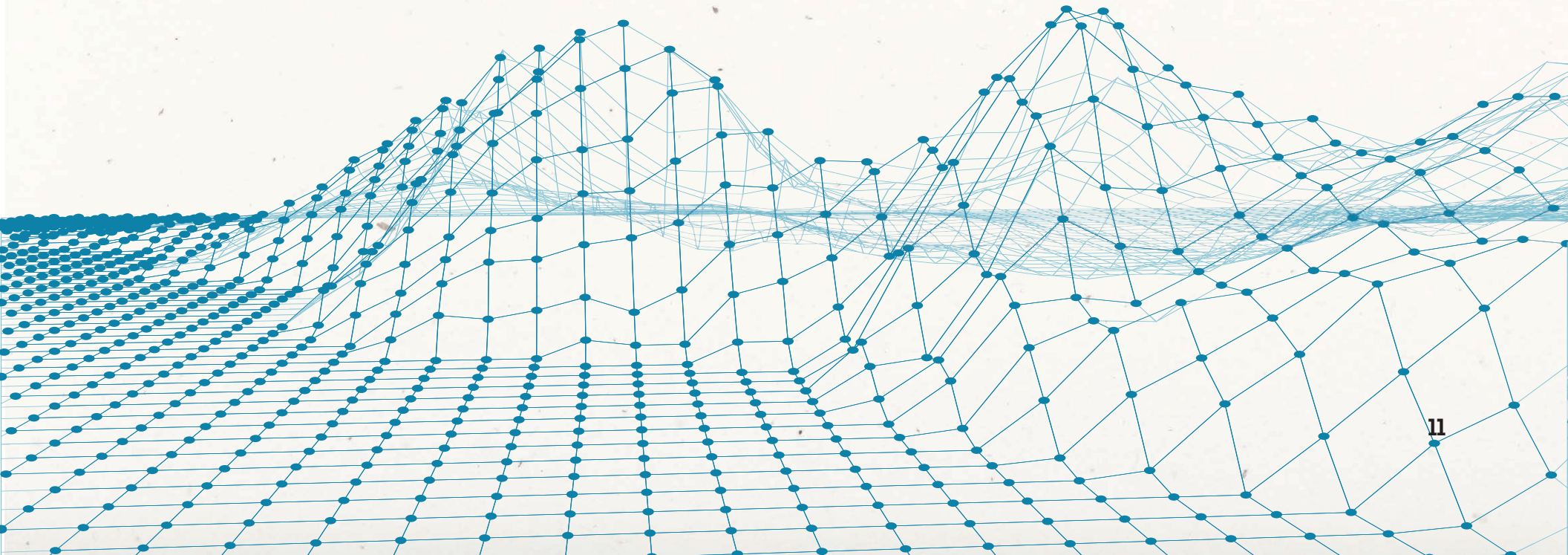
The dimensions of data quality include context, accuracy, completeness, timeliness and consistency. These factors are important considerations in ensuring that your data quality initiative delivers value to your CRM operations. Context is particularly important, as it will be governed by how you are using your CRM system. That in turn will guide how you architect your data quality initiative.

Though CRM is focused on customer relationships, a CRM system is not simply a data store or library in which you catalog relationships with different data schemas and entities. CRM systems are also the mechanism with which you interact with customers about something. This is particularly true with customer service and support interactions. In almost 100% of those interactions, the reasons for the interaction involve things that are NOT managed by your CRM system. The status of a credit, a shipment, an order, a claim or a field service visit are all reasons to contact a company, but none of that information is managed – at least natively – within your CRM system.

Therefore, your approach to data quality for CRM must necessarily include consideration of data sources that originate outside the purview of your CRM system. That data originates in financial systems, ERP systems, HR systems, and supply chain and logistics systems. Yet your expectation should be that your CRM system has enough visibility into those systems to get what is needed to manage the interaction – and, via that interaction – manage the relationship.

Among the things to consider:

What data sources will feed your customer records now, and how will that change for the future?

For example, the view of a customer, managed within CRM, has greatly evolved over time. Does your organization consider transactions executed with a back end system part of the mix?

How many different systems will contribute to the solution, and how will they be accommodated both technically (integration) and from a business perspective (the business rules that govern the incorporation of the data)?

What kinds of analytics and forecasting will you look to derive from your data?

How might that possibly change over time?

What about social media conversations that are about the customer and perhaps about your company, but that are not communicated to your company directly?

Answers to these questions will help frame decisions to be made about your data quality efforts. The more data sources that are populating the operations, the more important the CRM data quality process will be. Information about customers will often prove the unifying element that intersects all the disparate systems and their various, often differently designed, data schemas.

Tip #6 – Establish Priorities & Get Some Quick Wins

"You can do anything, but not everything." [7]

A focus on the strategic impact of data quality can run the risk of obscuring the challenges of getting there successfully. And "getting there successfully" must be your first priority. Achieving that priority may well require you to clearly establish what is mutually understood to be the "there" in terms of near-term success. And that might require some compromises.

As was mentioned in the introduction, there are a number of constituencies that can be served with your efforts. Perhaps not all can be equally satisfied or satisfied with your initial efforts. A look at the potential goals for CRM can provide guidance in terms of establishing those priorities. Research has shown that investment in CRM is likely to be prompted by a business's desire for:

Improved sales effectiveness

Increased customer satisfaction

Increased revenue

Better, more informed customer communications

Improved management through analytics and forecasting
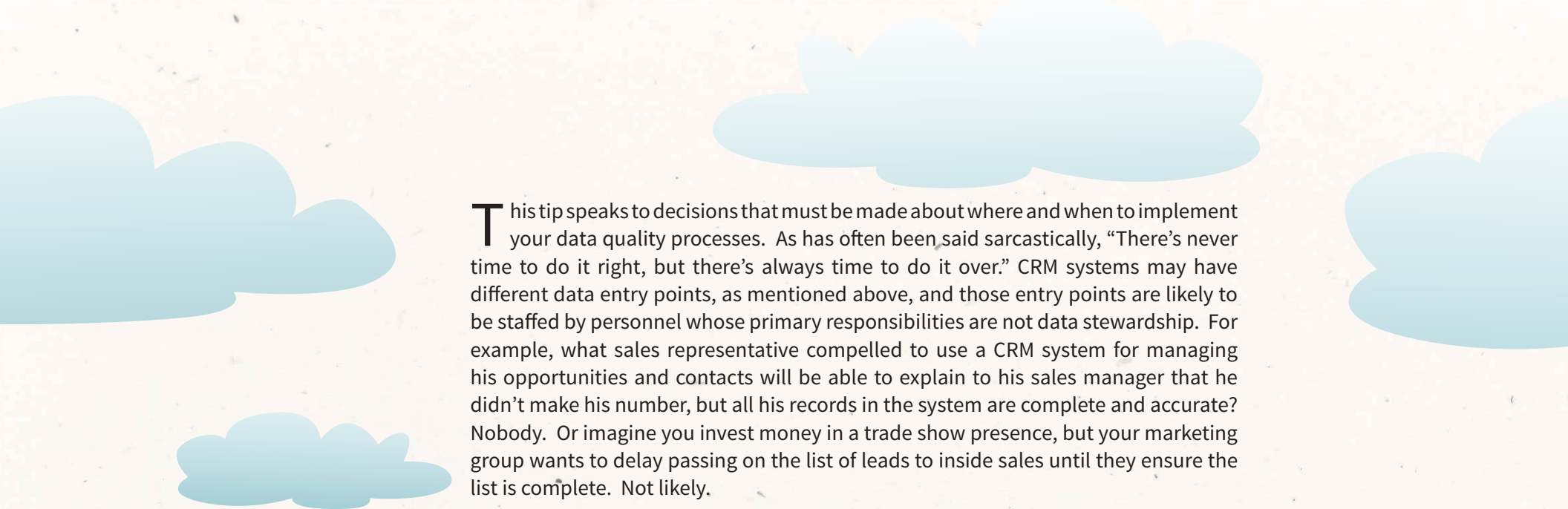
Cost reduction

What are your organizational priorities for CRM? Align your data quality goals with those priorities, and ensure that the benefits can be seen as applicable to those goals. If the focus is upon customer service and that service involves integration with other systems to create a shared view of the customer, ensure that your data quality initiative is focused in that area and can deliver what is required.

Should the organizational goal be improved sales effectiveness, you are well served to plan on an approach to data quality that does not impose new burdens on the sales staff. The virtues of better customer information will likely be lost in the clamor of sales insurgents who rebel against new intrusive processes that require them to do things that they interpret as "getting in the way."

The ideal situation is to provide a technology-based capability at these points that allow staff to take ownership for data quality – non-intrusively - by making it an integrated service that is executed as a natural part of the process. So that it does not get in the way. If you choose an approach that interrupts CRM execution in deference to data quality – you are guaranteeing that your data quality efforts will be circumvented in deference to timely execution of the things that are important to the business.

Tip #7 – Preempt Your Data Problems
"Delays have dangerous ends." [8]

This tip speaks to decisions that must be made about where and when to implement your data quality processes. As has often been said sarcastically, "There's never time to do it right, but there's always time to do it over." CRM systems may have different data entry points, as mentioned above, and those entry points are likely to be staffed by personnel whose primary responsibilities are not data stewardship. For example, what sales representative compelled to use a CRM system for managing his opportunities and contacts will be able to explain to his sales manager that he didn't make his number, but all his records in the system are complete and accurate? Nobody. Or imagine you invest money in a trade show presence, but your marketing group wants to delay passing on the list of leads to inside sales until they ensure the list is complete. Not likely.

The ideal situation is to provide a technology-based capability at the points that allow staff to take ownership for data quality – nonintrusively – by making it an integrated service that is executed as a natural part of the process so that it does not get in the way. If you choose an approach that interrupts CRM execution in deference to data quality – you are guaranteeing that your data quality efforts will be circumvented in deference to timely execution of the other things that are important to the business.

Tip #8 – Maintain Continuous
Data Quality Vigilance
"Go the distance." [9]

Though Trillium is a strong advocate of Tip #6, you should not stop there. CRM data quality is not an operation that begins and ends with the data entry process. Stopping there is folly! This is the fundamental flaw in data quality efforts that are considered solely within the context of "data preparation." Because CRM systems manage customer information, the data that you have in your system is always exposed to "decay." Customers are not static entities frozen in time. They're dynamic, and they change jobs, companies, addresses, telephone numbers, etc. For example, tens of millions of people change their mailing address annually (estimates for the U.S. alone are in the 43 million range). Nowadays you can add a new email address, or Twitter handle, easily.

Customer records that once were good can and will go bad – and do so more quickly than you realize. If you recall Tip #1, in the B2B space they can go bad at a monthly rate of 5%. Customer records that are correct when entered may soon be inaccurate, and you will not necessarily know. They may be inaccurate because contact information changes, or they could be inaccurate because your customer has opted out of communication. So the record might be accurate, but your communication has been shut off. If you're a data geek, that's the U and the D in the CRUD acronym of key database functions of create, read, update and delete. If your approach to CRM does not include how as a business you will address the update and delete operations, you will be in trouble.

Trillium advocates a periodic health check; the more frequent the better, until you get a better sense of the accuracy of your CRM records. Ideally, this can be easily done by your CRM administrators, with the right tooling. Otherwise, you will have a false sense of confidence in terms of your data quality, grounded in data entry operations that have no control over the limited shelf life of a customer record in the system.

Choose a data quality tool that allows you to decide whether you want to do this automatically or want your administrators to own this role. Ideally, you can choose the options, as many times administrators want to see the initial results, but once they gain confidence, delegate to the tool.

Tip #9 – Monitor Results and Share Them
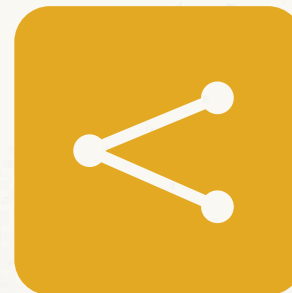**"What we have here is a failure to communicate." [10]**

Monitor

Measure

Share

If management is predicated on measuring, then measuring and sharing the results are keys to success with your data quality efforts. Showing the connection between your data quality operation and your CRM effectiveness is crucial to sustained commitment to data quality as part of your organization's DNA. If you followed Tip #6 for prioritization, this becomes the way to show you have indeed gotten your quick win and are in a position to expand the scope of your efforts.

Monitoring, measurement and reporting are also keys to improvement in terms of addressing the goals of Tip #7, preemption. With the right kind of reporting, you are now in a position to do some root cause diagnostics of the cause of your data quality problems and to address them proactively. Some data quality challenges are inevitable, but others can be prevented.

What operations typically generate poor data? Are they tied to particular internal staff who now can be trained on good data entry practices? Perhaps they are tied to particular data sources, like third-party lists? If so, then you can establish SLAs with those vendors that hold them accountable or from whom you can gain price concessions. Or, of course, you can avoid them altogether. If your challenges are connected to integration within your own organization, you now have the basis for a conversation about ways to improve that part of the process, and you can now associate it with the business value.

CRM solutions, supported by data quality, are the foundation for a tremendous feedback loop that will continuously improve operations. But that depends on getting results and sharing them.

Tip #10 – Find the Partner That's Right for You
"A man's got to know his limitations." [11]

Your individual situation will determine with whom you should work, but start within the organization. If you represent the LOB, recognize that IT is your technology partner and engage with them – early and often – in terms of your data quality problems and needs. If you represent IT, see the solution as something targeted to meet the business needs of the organization and, likewise, engage with that part of the organization to better understand what those needs are – and will be going forward.

Find the right business partners outside the organization to help on this journey. Your company is likely to have core competencies in certain areas, but given the impact of CRM and data quality on CRM, find the partner that fills in the gaps and can complement those strengths.

That can include CRM knowledge that ensures your combined CRM/DQ initiatives address the right set of problems going forward. It could be project management and implementation skills that can create the right plan for your deployment and ensure that you can execute that plan with confidence. Or it could be the right technology partner to deliver a solution that matches your needs now and for the future.
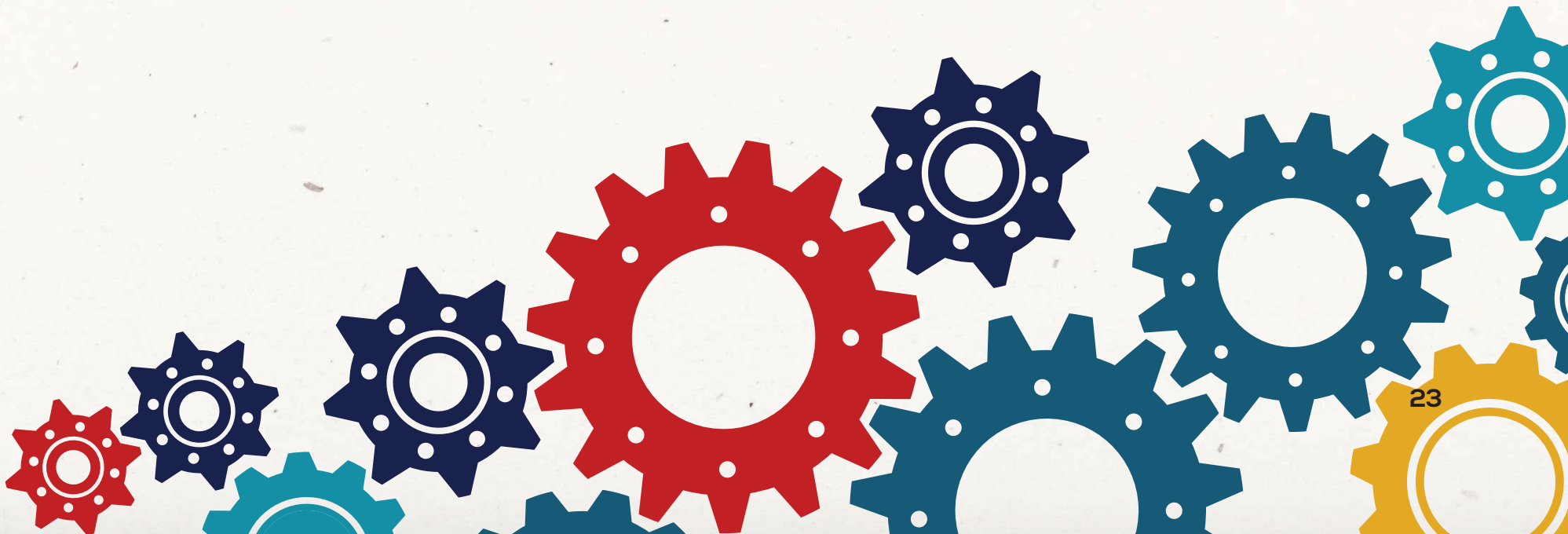
Summary

"The secret of getting ahead is getting started." [12]

As should be your goal for CRM, your goals for data quality (as are Trillium's tips) should be focused on:

- Launching a data quality initiative that meets your requirements
- Carrying it through to successful completion
- Maintaining a sustained, expanding data quality effort over time

Remember, your road to data quality is a journey, not a destination. That should provide you with the confidence that you can begin tactically, gain some near-term wins, and leverage those wins to take on a challenge that, if addressed successfully, will deliver real benefits to your organization. But it should also caution you that no single win is complete victory. The effort is ongoing – as are the benefits.

QUOTATION SOURCES

[1] Napoleon Bonaparte
[2] Oft-cited quote from Apollo 13
[3] Yogi Berra, noted baseball catcher and team manager
[4] Gospel of Matthew, Chapter 22: Verse 21
[5] Dwight D. Eisenhower, U.S. Army General and 34th President
[6] Jean Nouvel, a French architect [of buildings, not IT solutions]
[7] David Allen, author and consultant on productivity
[8] The character, Duke of Alencon, in William Shakespeare's King Henry 6th, Act III, Scene II
[9] Ghostly voice heard in the film Field of Dreams, encouraging the Ray Kinsella character to continute his quest
[10] Strother Martin, as the prison camp warden, in the film, Cool Hand Luke
[11] Clint Eastwood, as Inspector Harry Callahan, in the film Magnum Force
[12] Mark Twain

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A Harte Hanks Company

www.trilliumsoftware.com/crm-dq
trlinfo@trilliumsoftware.com