

Global Data Quality Research

Discussion Paper 2015



Drive Data. Power Potential.

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Meet the experts



Janani Dumbleton

Principal Consultant, Experian Data Quality

Janani has worked with numerous customers during her three years at Experian Data Quality, providing expertise on data quality, governance and data strategy to drive their business performance.

Prior to Experian, Janani held roles as a business and technology consultant for over thirteen years delivering high-value, challenging business projects, with a focus on data modelling, data quality, business process improvement, enterprise architecture, business intelligence and multi-channel customer relationship management.

Janani believes that data can be a key driver of a successful and profitable organisation. Poor quality data provides insight into poor business practices which can then be turned into actionable improvements for the future.



Derek Munro

Head of Product Strategy, Experian Data Quality

Derek is Head of Product Strategy for Experian Data Quality's data management software. Derek previously led Product Strategy and Marketing at X88 Software before the company joined Experian Data Quality in October 2014. He has almost 30 years' experience as a Data Management Practitioner, designing, implementing and managing data quality, data integration and data migration projects and has worked for many leading data management software vendors. He has recently been a speaker at several global data management events and is an advocate of "self-service information" and the "monetisation of data quality".

1. Foreword

The exponential growth in data can be interpreted as both a challenge and an opportunity. Organisations that can extract the greatest value from their data will reap the highest rewards, potentially leaving others in their wake. Driving this value requires a defined data strategy, with clear objectives to unlock the potential power of their data.

Every year we conduct a global research project to benchmark trends and interpret shifts in the data quality market. We value the real world insights it provides, which helps us to gauge progress on this journey and ensures that our customers get even greater value from their data in order to plan effective data strategies for the future.

This year's global research is particularly interesting, as it highlights a growing trend that businesses are increasingly aware of the potential of their data. More see it as a valuable asset that they can use to harness business intelligence, and in turn get closer to their customers and provide better products, services, experiences and overall, value.

Interestingly, this correlates with research we conducted last year in which CIOs stated they could increase their organisations' profit by an average of 15% if their data was of the highest quality*. This shows it's those organisations who proactively manage data as an asset with a joined up approach to data quality are the ones that will reap its full strategic value.

Equally, the cost of getting things wrong seems to be growing as consumers – and regulators – are increasingly intolerant of data errors and more companies report lost revenue as a result of poor data.

However, while businesses see the value of improving their data quality, more than 90% still find some aspect of it challenging.

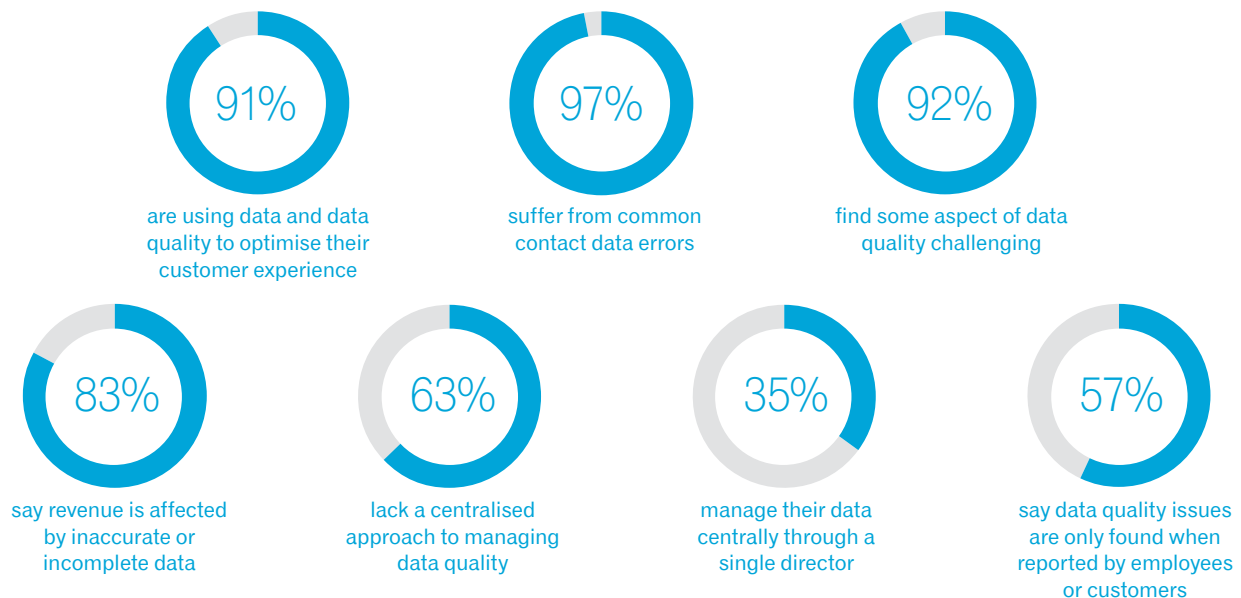
That's the paradox that we've focused on in this paper – between the desire to harness the strategic value of accurate data and the obstacles that businesses still face when wanting to adopt more sophisticated data quality strategies.

So how do you get there? Inside this discussion paper, two of our data quality experts distil the key learnings from the research and signpost a way forward. Janani Dumbleton, Principal Consultant looks at how you can improve the sophistication of your data and that a key proactive step to achieving this is determining a single point of ownership. Derek Munro, Head of Product Strategy, talks about how data quality technology can empower your business when used in conjunction with the correct people and processes.

*Experian Data Quality, Dawn of the CDO Research, 2014

2. Introduction

Key findings



Our 2015 Global Data Quality Research suggests that organisations understand the value that data can add but still face challenges in managing its quality.

Businesses see data as a strategic asset

The research suggests that businesses understand unlocking the potential of their data can improve efficiency, reduce costs and particularly build effective marketing strategies and customer relationships. More than 90% say they are leveraging data and data quality in an attempt to optimise their customer and prospect experience through better targeting or personalisation. Meanwhile, 95% of companies feel driven to use data either to understand customer needs, find new customers or increase the value of each customer.

Data quality is correlated with profitability

The value of data is further underlined by the apparent correlation between companies with a coordinated approach to data management and profitability. In recent research we conducted (Dawn of the CDO) we investigated a comparative view of the increased pressure Chief Information Officers (CIOs) are faced with and how the Chief Data Officer (CDO) role is acting as an enabler to change the way data is managed across organisations. CIOs believed their business could increase their profits by an average of 15% if their data was of the highest quality. CIOs went on to cite savings from investing in data quality tools to be less than £1million

whereas comparatively, CDOs state this to be in excess of £5million.*

Awareness of data problems is growing

Perhaps as a result of the growing importance placed on customer data, there's a growing awareness of problems with its quality. The number of organisations who suspect their data might be inaccurate in some way has increased to 92%, up from 86% last year. The volume of inaccurate data is also rising. On average, respondents think that 26% of their total data may be inaccurate, up from 22% in 2014 and 17% in 2013. And there is a growing recognition of the cost implications that data errors have with 23% of businesses saying that revenue has been wasted as a result, an increase from 19% last year.

Businesses are planning to improve

These findings indicate that businesses are switching on to both the value of the data they hold and the difficulties involved in releasing that value. Indeed, 92% of respondents say they find some element of data quality challenging. However, most organisations are making an effort to improve what they do. In 2015, 84% of companies plan to make some sort of data quality solution a priority for their business, either implementing a new system or improving what they already have.

*Experian Data Quality, Dawn of the CDO Research, 2014

A need for greater data sophistication

Organisations were asked how they saw their approach to data quality, ranging from basic understanding and processes to a highly sophisticated system of data management. Strikingly, only 26% placed themselves in the most sophisticated category – and these were mostly larger companies with 5,000 or more employees. Similarly, only 35% say they manage data quality in their organisation through a single director. Perhaps it's not surprising, given this lack of coordination, that errors creep into the system undetected – 57% say data quality issues are only found when reported by employees or customers.

Taking ownership is key

Almost 63% of organisations lack a coherent, centralised approach to data quality. Drilling down, many of these companies say they have some level of centralisation, but more than half (51%) say individual departments still adopt their own strategy; while 12% say all departments manage their own data quality in an ad hoc way. There is clearly room for companies to take on a more consistent centralised approach. When managed centrally through a single director there were clear variances in savings with CIOs citing less than a £1m saving from investing in data quality, but with a defined owner - CDOs predict this to be in excess of £5m.*

Using technology for maximum benefit

A large majority of organisations (88%) have some kind of technology solution in place. Many already use automated systems such as monitoring and audit technology (34%), data profiling (32%) or matching and linkage technology (31%) to clean their data. However, a high proportion of companies (29%) are still using manual checking to clean their data. This may be due to lack of resources or lack of awareness about alternative solutions. The research suggests improving data quality reaps rewards given that 70% of companies whose profits have risen sharply in 2014 also plan to invest more during 2015.

Pointing the way forward

This year's research demonstrates that companies understand the importance of their customer data and its potential to drive value. Getting it right can make you more efficient, enhance your customer experience and help you win new customers. Getting it wrong can lead to wasted revenue and customers drifting away to the competition, or worse, falling short of regulatory requirements.

So how do you ensure that your data is well managed and optimised for maximum benefit? Putting automated systems in place makes a big difference and will clearly reduce errors. However, the effectiveness of any system depends on how you use it.

Most good approaches will begin with a coordinated data strategy. That means stepping back and asking some fundamental questions such as, "Why are we collecting this data and what is it for?" Once you are sure about what you need, then you can decide on the technology to support your strategy. You will need the right processes and people in place to manage it – not just in IT, but in business roles where it really matters and where it can deliver useful insights.

Read on for expert views on the research findings and how you can transform the quality of your data.



Janani Dumbleton, Principal Consultant outlines steps that any business can take to develop a more mature data strategy. See page 7.

She will also show how a clear ownership of data quality can deliver benefits support a more sophisticated approach. See page 11.



Derek Munro, Head of Product Strategy demonstrates how technology can deliver data quality but only if it's used in the right way by the right people. See page 14.

3. Our Data Quality Maturity Curve uncovered

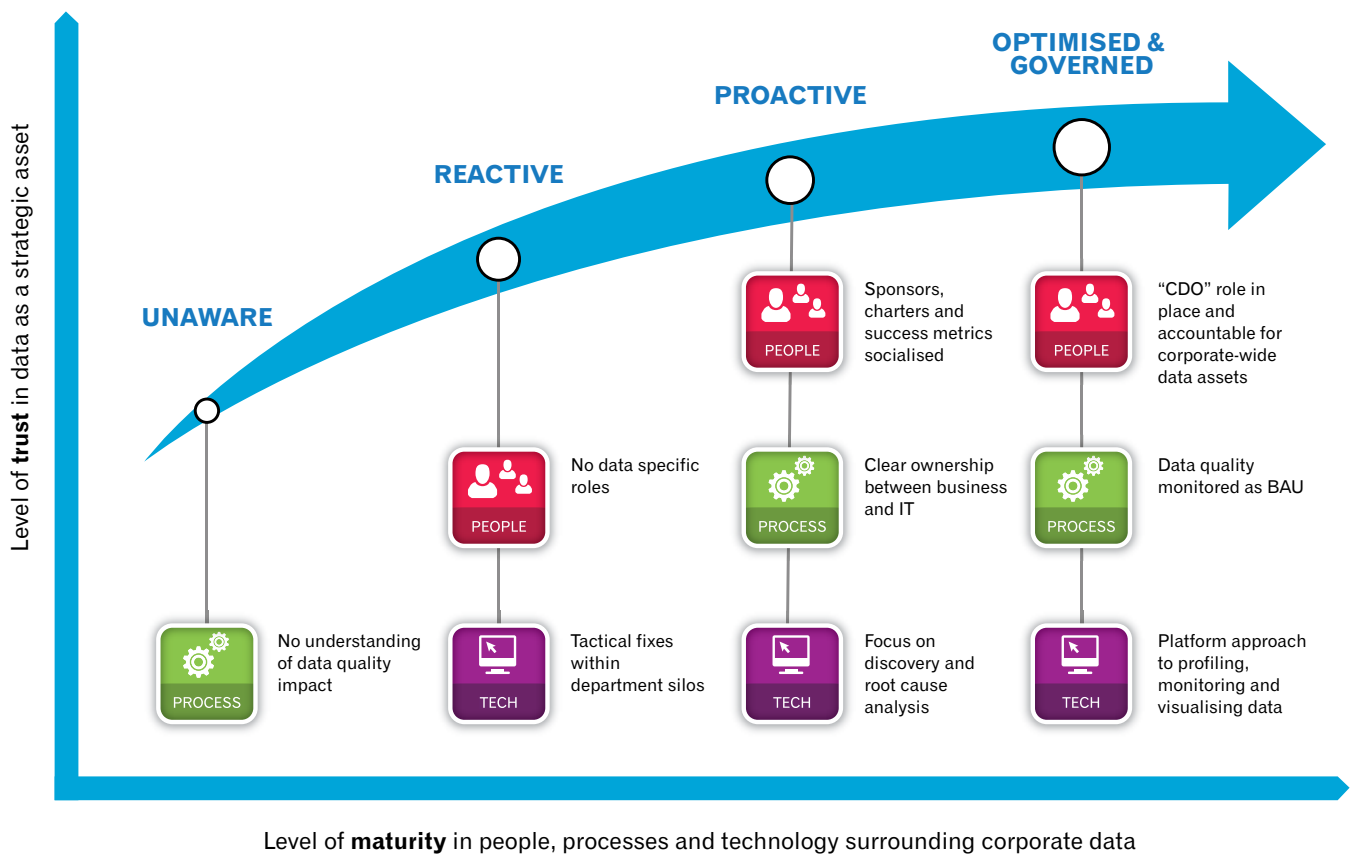
Data quality – how are you doing?

Our data quality improvement assessment helps you understand how sophisticated your data quality strategy really is. It acts as a useful model to benchmark the trends we've seen in this research and you'll see our experts refer to it throughout this research paper.

The three core building blocks for effective data quality are:



The assessment helps you discover how well your organisation manages data quality across each element and plots where you sit on the data quality maturity curve – from unaware, through to reactive, proactive and optimised and governed.



25% optimised and governed

The research showed that most organisations interviewed feel able to plot themselves against the maturity curve and just 14% choose the unaware option. This suggests that a large majority have some data quality management practices in place. However, only 1 in 4 would rate themselves as optimised and governed, showing there is still considerable room for improvement within the market.

To take the Data Quality Improvement Assessment visit: experian.com.au/data-management/dqassessment



4. Expert view: Data quality sophistication

Key sophistication trends



It's time to keep up with your data

There's a fascinating paradox in this year's data quality research. It's clear to see that organisations place great value on their data to enable important business decisions (43%). And because good information drives good decisions I've no doubt that's one of the reasons why we're seeing data quality continue to move up the corporate agenda. The increasing focus on the ownership of data supports this – 35% of organisations manage their data through a single director, up from 30% in 2014. With support from C-level executives for a dedicated data owner, it's now a board level issue as 92% of CIOs would also like to see a CDO role created. Yet, at the same time, problems with data quality are a growing concern, calling into question the reliability of some business decisions.

So why is it that, an increased appreciation of the value of quality data isn't matched with improved data?

When you think about it, it's a natural development stage in data sophistication – you're only going to fall over once you start to walk. It's only when you know what's possible that you start to question what you're doing now.

Data quality – a challenge worth tackling

For a number of years, we've seen an increasing awareness of the value of quality data. 90% of organisations in the UK believe that data is changing the way they do business* and 77% believe data is a valuable asset that is not being fully exploited in their organisation.* This year's survey followed that pattern yet also showed that 92% of companies still find some element of data quality management challenging.

Data quality continues to be a hot topic, and with good reason. Good data quality helps to prevent the problems of wasted revenue, reduced profits, lost reputation and negative customer experience. This has always been the case, but now customers are increasingly intolerant of errors. It's easier for them to switch away from you and look elsewhere – and they're more likely to do this at the first hint of a mistake. Social media means it's also much easier for them to let everyone else know about it too.

*Experian Data Quality, Dawn of the CDO Research, 2014

92% of companies find some element of data quality management challenging, of which 50% found fixing data quality issues before they negatively impact the most challenging aspect

The problem with data inaccuracy

While the first step to improvement might be recognising the problem, our survey respondents think 26% of their total data might be inaccurate. This has risen from 17% in 2013 and 22% in 2014.

Mistakes cost you money. Indeed, 83% of respondents in commercial companies think inaccurate and incomplete customer or prospect data costs their organisation money in terms of wasted resources, lost productivity or wasted marketing and communications spend.

83% of respondents in commercial companies think inaccurate and incomplete customer or prospect data costs their organisation money

No one sets out to waste resources and yet the businesses we surveyed estimated that 23% of their revenue is wasted as a result of inaccurate or incomplete data - and this has risen from 19% in 2014. In addition, 40% admitted to not knowing how much revenue is wasted, but felt that some was.

Of course, we can't be sure whether this increase is because people are becoming more aware about data quality, or if more money really is being wasted. However, when asked CIOs from UK organisations believed that if their data was of the highest quality they could increase their profits by 15%*. Therefore, we can be sure that money and resources are being wasted, and opportunities missed. And in either case, it presents a clear opportunity for many organisations to get more from their data by addressing these issues.

The journey to improved data quality

Improving data quality can only be achieved by increasing your data sophistication. This takes a long-term commitment and a company-wide strategy that includes your people, processes and technology.

As always, the first step to getting where you want to be is to understand where you are now. At Experian, we talk in terms of data quality maturity and understanding whether your organisation has a reactive or proactive approach to data quality management. You can read more on page 6

and find out where you land on the data quality maturity curve.

For our research, companies were asked to rate their approach to data quality on their use of people, processes and technology.

Just 1 organisation in 4 rated itself as having a highly sophisticated approach to data quality

Just 1 organisation in 4 rated themselves as having a highly sophisticated approach to data quality with data management integral to the organisation. Many of the organisations interviewed, 56%, rated themselves as having some data quality management tools, people and processes in place. But many still rely on manual processes and some have no data management policy in place at all.

Clearly, there still remains plenty of scope to improve. Organisations need to start looking at how they are approaching data quality in order to start accelerating up the data quality maturity curve. I often see many large organisations opt for a quarterly audit and cleanse of their data, and while this might have worked traditionally, in a day and age of high velocity changes to data, that still may put quality out of date for three months.

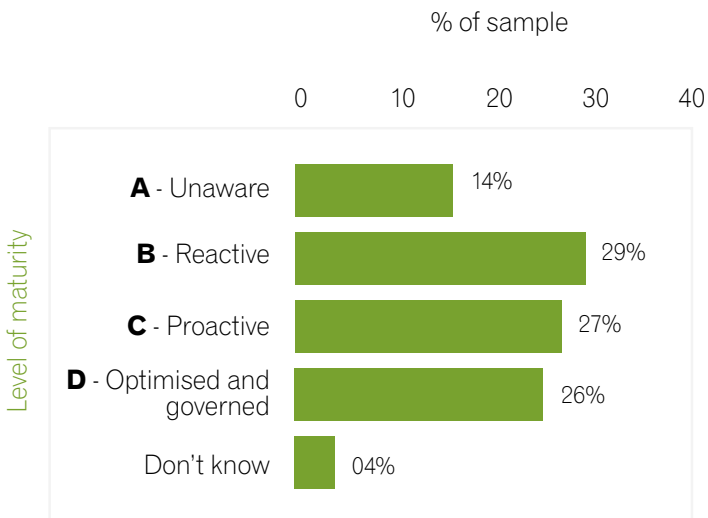
“ We have a mature data management strategy, however there is always scope for improvement. As we continue to work with data we are constantly finding new ways to use it

CDO, Financial services*

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*Experian Data Quality, Dawn of the CDO Research, 2014

Businesses approach to data quality



important for businesses to understand why data is important to them and what they need to collect. Overtime priorities and requirements change and it's important to regularly review what is needed, and only collect and keep the data required.

By understanding what you need, you can then assess the quality of what you have and make informed decisions on where to invest. When you're proactive in your approach to data collection, your data will become more useful.

“ When you're proactive in your approach to data collection, your data will become more valuable to you to and your organisation ”

Prevent problems before they occur

Retrospective cleaning of data has always existed; usually after the data quality problem has snowballed into an issue. Often at this stage, monetary or reputational damage may also have occurred. Organisations need to look at their data quality processes and determine if the problem can be turned on its head, and tackled at the front end. Email and mobile data is a common example. I often get to profile customer data and these two data entities have collected a lot of garbage data, such as test@test.com for emails and 000000000 for mobile numbers.

Today, we have technologies that check if the email or mobile numbers are structurally valid and you can go a step further to check if these actually exist, thus ensuring the data is captured correctly the first time. Using the healthcare analogy, think of it as a vaccination for your quality ailments, rather than popping pills repeatedly for a chronic condition, which can be expensive in the long-term.

When improving your level of data sophistication is your goal, then people, processes and technology are the building blocks you need to get there. Improving data quality isn't a one-off task with an end-point. Instead, it needs long-term investment and commitment, to ensure your data remains both accurate and appropriate for your business needs.

Regularly review your data requirements

It's tempting to collect data for the sake of data. As we've seen previously businesses are wasting on average 23% of revenue on inaccurate data and missing opportunities, so it's

Case study – Small steps to improving data quality

We recently worked with a charity, looking at how they could better use the data they have collected over the years. Things were going well for the organisation, they were growing in popularity, gaining increased media attention and receiving more donations. However, they couldn't distinguish between their regular, high value donors from those making ad hoc donations, resulting in missed opportunities and wasted marketing resources. The charity wanted to develop their loyalty base, and to increase opportunities for supporters to not only be a source of donations, but also actively engage in activities and evangelise the cause.

They knew that data quality was an issue, as at the heart of all of this was heavily duplicated and in many cases incomplete supporter records. Many staff were short-term volunteers, resulting in little knowledge within the team. However, they couldn't justify the budget for more sophisticated data management systems.

We conducted workshops to understand the data management lifecycle, from the point of acquiring new supporters to managing their journey within the charity. An outcome of the engagement was a recommendation to take a step back and ask themselves what data they were using and why it was important, particularly as overtime data hoarding in various silos was a problem. Through a joint workshop with multiple users, staff rated the value of data across the organisation and soon realised that customer name, address, email and mobile number were the most critical pieces of information.

As a result, the charity was able to make a clear business case to improve the data quality for these key areas. This resulted in significant improvements with more accurate targeting of donor communications.

Prove your business case with a small project

Improving your data quality can be a daunting task if you're dealing with numerous large datasets across multiple departments.

Start with bite-sized projects to build your business case for investing in data quality improvements. Look at a small pocket of data or one line of business and decide what you need to improve there. Prove the ROI for a six month project and this will help you to build a case for further investment throughout the organisation.

I recently worked with a financial services organisation that had put in place a new data quality and governance team and wanted to prove ROI to increase the resources in the team. We adopted the bite-size project approach with this team, by limiting the scope of data to 10 critical fields, and put in place a data quality monitoring and improvement programme for three months. At the end of the three months, the organisation was able to report back a success story, and also show efficiencies through collaborative working, and engagement with business users. The success of the programme meant business users were also on board with the next stage of the quality and governance programme, as they had first-hand experience of being involved in the success story and proving ROI in a short period of time.

“ Look at a focused dataset and prove ROI on a small scale first ”

Taking a proactive approach: The first step towards data sophistication

So where do you go from here? Understanding where you are and deciding to improve is the first step. It doesn't matter how large your organisation is, what industry you're in, or how far you are along the data quality maturity curve, taking steps to implement a more mature data quality strategy will place data at the heart of your organisation and allow you to extract real value for your business and customers.

But don't be daunted if the task seems unmanageable. Break it down into smaller chunks to see fast benefits. Bring in the data quality experts for help if need be. With the right people, processes and technology in place, you'll be on the road to improving your data quality sophistication and you'll quickly see results.

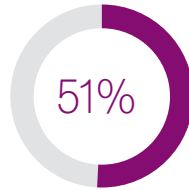


5. Expert view: Data ownership

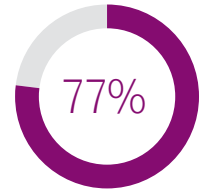
Key ownership trends



63% of organisations still lack a coherent, centralised approach to their data quality strategy



51% of organisations report that there is some centralisation, but many departments still adopt their own strategy for data quality



77% of CIOs believe data is a valuable asset that is not being fully exploited in their organisations*

CIOs key reasons for wanting a dedicated CDO role is to:



capitalise on big data opportunities **(44%)***



provide a consistent approach to de-risking data driven projects **(41%)***



manage increasing regulation **(38%)***

Chief Data Officers **(29%)** or CIOs/CTOs **(23%)** were most commonly responsible for the ownership of data in organisations with a centralised data quality strategy*



Reap the rewards of defined data ownership Who owns your data?

77% of CIOs believe data is a valuable asset that is not being fully exploited in their organisation.* CIOs already under pressure to provide actionable business data, state that they could increase their profits by an average of 15% if their data was of the highest quality.*

While organisations are increasingly aware of just how important and valuable data is, we found that 63% still lack a coherent, centralised approach to their data quality strategy, with just over half saying that whilst there is some centralisation, many individual departments still adopt their own strategy for data quality.

Although the role of the Chief Data Officer (CDO) has emerged in the last couple of years, all too often businesses don't know where data should sit, or who should be responsible for managing it. Clearly, for many organisations who are faced with the increasing challenges of the exponential growth of data, the issue of managing it effectively becomes even more important. This means businesses need to define who owns data to extract its strategic value.

The question of data ownership remains a sticking point. There's a slight increase in the number of companies that have a single director responsible for data strategy, up from 30% in 2014 to 35% in 2015. For larger organisations this is likely to be due to the emerging CDO role. However, for many organisations the move towards a centralised approach remains slow.

In addition, even when data is managed centrally, data ownership lies with a wide variety of disciplines including IT, finance, marketing and customer services; reflecting significant differences in how data is regarded between organisations. When 44% of respondents blame a lack of collaboration and communication between departments for data inaccuracy this is clearly a problem. To achieve data sophistication, work collaboratively to draw perspectives from across the business and assign a individual responsible to coordinate this. In my experience that's the only way that a business can ever realise the full potential of their data at a strategic level.

Only 35% of companies have a single director responsible for data quality strategy

*Experian Data Quality, Dawn of the CDO Research, 2014

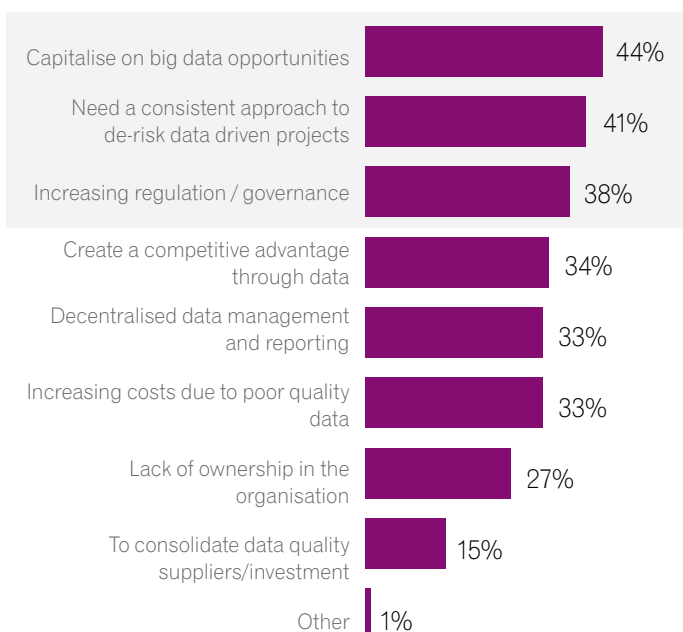
Establish a single point of ownership

Whether you're a small to medium-sized business or a large multinational, you'll benefit from having one person or a team with specific responsibilities for the quality of your data. A single point of ownership or the CDO role acts as a business enabler that spearheads the corporate wide responsibility of data. This dedicated focus will help extract the full value of data, facilitating the improvement of data quality to meet regulatory standards, drive operational efficiency and encourage customer engagement. All of which benefit the organisation with greater sales and increased loyalty; which ultimately increases revenue and profitability.

However, it is critical to understand that ownership does not mean that the owner is also responsible for making changes to the processes. The owner depends on a wider stakeholder network of data producers, consumers and processors. Hence it is important to understand various roles and responsibilities towards data. While the data owner(s) are the key authority when it comes to changes to how data is managed, there are other stakeholders who play different parts in the data management lifecycle. The data owner(s) require this knowledge to support any decisions they make.

92% of CIOs would like to see a CDO role created* and they believe that it would drive data quality that would help organisations: capitalise on big data opportunities (44%), provide a consistent approach to de-risking data driven projects (41%) and manage increasing regulation (38%).* CIOs believed that with high quality data they could increase average profits by 15%.*

CIOs reasoning for wanting a CDO role



*Experian Data Quality, Dawn of the CDO Research, 2014

“ It's vital that the person you appoint to take ownership for your data is given the power and influence to drive real change throughout your business ”

Work collaboratively to drive change

Change is never easy. Even with the right roles, processes and technologies in place, there will still be resistance from some parties. I've seen this come up time and time again. When nobody senior champions how data impacts the wider business objectives, it's often hard for some to see what role data quality plays on a day to day basis. Seeking out like-minded people and working with them is a great way to tackle the challenges within your organisation.

Also look for people who will benefit directly from the data quality improvements that you're trying to implement. As I mentioned on page 10, if you can prove ROI for a small project, this will help you gain further support and traction for data quality initiatives throughout your organisation.

Another factor often underplayed is the communication of internal successes. As data people, we often are very vocal about problems in data, as we want wider organisational support. However, not enough is said of successes that occur on a day to day basis, such as data being cleaned, or a reduction in data errors. The CDO is in a good position to support positive communication about data initiatives, driving more interest in data, and creating a collaborative environment that is ready to talk about data, both bad and good.

Regularly review your data processes

Where previously this may have been overlooked, a data owner should enable the tactical aspects of the data strategy, and also ensure this is reviewed regularly. Start by referring back to your data requirements, why data is important for your organisation and where you want to be. This will help you to assess whether the technology you currently have in place is fulfilling your data requirements or what solutions you need to achieve these.



Ask yourself the following questions:

- How are we capturing data? Is it accurate, or is it inaccurate and causing inefficiencies and customer service challenges?
- What are we doing to keep our data up-to-date? Do we procure data externally, how often do we update the data? Is it often enough? Do we propagate updates to all the systems that need it?
- How are we using the data we collect? Is the information adequate, do we need to add additional information or are we collecting too much data? Do we know the regulatory impact of collecting and storing the data?

Reviewing your data on an ongoing basis is a key element to helping you move your data quality strategy from reactive to proactive.

For larger organisations, particularly those with heavy regulation, it's advisable to establish a data governance program and put in place an owner, in certain cases this may even be at board level. In fact we recently carried out research that revealed a huge demand for CDOs by CIOs, to take control of data strategy and drive strategic value for the business. When you start working on a data quality program, this is often a good opportunity to put data governance in place. Unfortunately, I see many organisations start data quality initiatives without a data governance framework to support them, resulting in tactical solutions delivering short-term results. The classic example is businesses opting for a one-off cleanse before migrating to a new system, without considering how the quality of the data would be maintained in the new system.

Putting a well-managed data governance programme in place is an important step towards greater data maturity. Getting there requires you to:

- Decide who owns the problem of data quality
- Understand why data is important for your organisation
- Make sure that the people collecting your data understand why it is important – and why it is important that they collect quality data
- Put in place documented procedures for collecting data
- Create clearly defined roles – people who are responsible for those procedures and processes

- Review what you're doing at key transition points – to ensure that it's still relevant to your organisation

Take ownership of your data

Good quality data relies on having the right people in place to own the process and technology that makes it possible. Without this, any progress you make is likely to give limited, short-term results.

This isn't an easy process. A cultural change is often required to drive the shift towards clear data ownership and increased data sophistication. This needs to be backed by a defined data quality strategy with board level support and the right technologies in place to empower the data owner and support business users.

Many organisations are rising to the challenge, and with the right support, you can establish clear data ownership within your business and enjoy the many benefits that improved data quality brings. It's essential to have someone at the realm to drive the data machine and power potential.

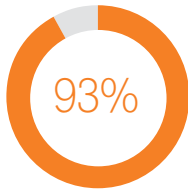
“ A cultural change is often required to drive the shift towards clear data ownership and increased data sophistication ”



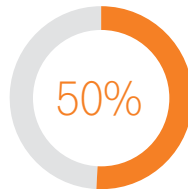


6. Expert view: Data quality technology

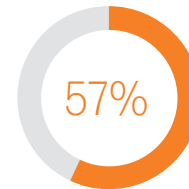
Key ownership trends



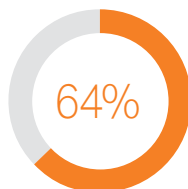
93% of companies are actively looking for data quality issues



50% of companies say that their biggest data quality challenge is fixing issues before they impact the business



57% still say that problems are unearthed when they're reported by employees, customers or prospects



64% of companies plan to invest in new DQ solutions in the next 12 months



Around twice as many businesses with data quality technology in place have also seen a significant increase in their profit, than those without

Harness the power of your data

As we've discussed, technology is one of the essential building blocks of any data quality initiative. This year's global research shows that 88% of companies have some form of data quality solution in place, yet nearly 3/4 of these companies plan to invest in new solutions in the coming year.

The three business drivers are increasing revenue, improving efficiency and ensuring governance, however the increasing volumes, variety and complexity of the data is adding to the challenge of data management.

Data is recognised as a strategic asset, but this presents a challenge. How do you harness all that data to extract its true potential? Technology will continue to play a vital role – but it's how that technology works hand in hand with your people and processes that will be the real key to success.

“ Technology will continue to play a vital role – but it's how that technology works hand in hand with your people and processes that will be the real key to success ”



The value of technology as an enabler

Unsurprisingly, as we see year on year it's already common practice to use some technologies to manage data (88% of companies have at least one data quality solution in place). The move towards greater data ownership and data sophistication that Janani looks at in this discussion paper appear to be fuelling further investment in data technology. And our survey shows a clear appetite for improvement with many companies planning to improve and expand solutions during the coming year.

Respondents felt 23% of revenue is wasted due to poor quality contact data

On average, respondents believe that 26% of their data might be inaccurate and 23% of revenue is wasted in this way. The fact that businesses across the globe are not grinding to a halt due to data quality issues suggests to me that such statistics are unrealistic. What this does suggest to me is that people don't really know the state of their data and are speculating, because they can't easily get accurate answers

using existing approaches. In fact less than 1 in 4 admits to using specialist software to understand their data and detect data issues.

88% of companies have one or more data quality solutions in place today

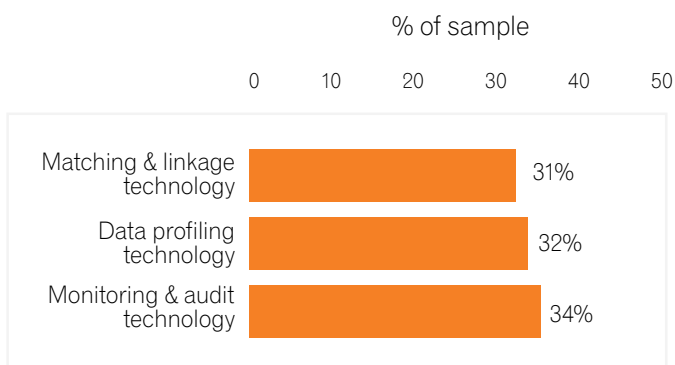
Getting the right technology in place can have a huge impact on your profits, yet technology uptake remains patchy. Businesses use about 30% of each of these data quality solutions for profiling, monitoring, cleansing, enrichment and suppression.

Our survey showed a sharp correlation between an increase in company profits and the degree to which they use data quality solutions for. Around twice as many businesses with data quality technology in place have also seen a significant increase in their profit, than those without. In my experience this would suggest that organisations in profit are likely to have a more sophisticated approach to their business strategy of which data is a consideration. Interestingly, 50% of the companies who say they carry out data cleansing still do this manually. These organisations tend to be the ones with flat or decreasing profits.

The value that technology solutions can bring is now recognised – I don't believe it's a coincidence that 84% of all companies plan to make some sort of data quality solution a priority for their business during the next 12 months.

The question is, what will those technologies look like?

Types of data quality solutions in place



Use technologies that empower the experts in your business

Research shows that 93% of companies are actively looking for data quality issues. However, the majority still say that problems are unearthed when they're reported by employees, customers or prospects. A third of companies

find issues by analysing the result of marketing campaigns, and 50% of companies say that their biggest data quality challenge is fixing issues before they impact the business.

Only 35% of companies have a centralised data quality strategy. Interestingly, at a roundtable discussion I had during the Chief Data Officers Summit in London last year, organisations admitted to having several different levels of maturity at the same time because many departments adopted their own strategy to data quality.

What the figures tell us is that the current, fragmented approach to data quality management makes collaboration difficult and isn't providing the best return on investment.

Businesses need to define a strategy that is based on a comprehensive understanding of why data is important to their organisations. They can then start to have a more sophisticated and proactive approach to their data management based on technology which allows all the relevant players to contribute and collaborate.

Organisations that are able to standardise their strategy and build technology solutions to support this will see the greatest benefits in data quality.

93% of companies make the effort to discover and find data quality issues across their company data

CIOs and CDOs believe that profits could increase significantly by an average of 15% thanks to better data quality. Our research indicates that the right data quality technology can increase the likelihood by 50% of significantly increasing profits. The technology most likely to contribute to profits is proactive and collaborative, removing the speculation from the data quality management process.

This coordinated approach of accessing the data your business needs and the implementation of technology to deliver data accurately is empowering users to make intelligent decisions and driving the increasing strategic value of data.

Data migration – a partner for data quality

91% of companies will have at least one data migration project in the coming year and they believe their biggest challenges are data quality and lack of collaboration across teams. Data migration is a way to re-use data quality solutions, but also a project-driven opportunity to introduce them to the organisation as they will reduce the project risk. Quite often I see organisations bought into data quality because it has been sparked off by a successful migration.

As Janani mentioned, start with project based solutions to prove your business case.

Case study: Proactive approach to uncover problems in less than a day

We recently worked with a financial services customer to help them manage their data quality. On the first day of evaluating our data quality software, they discovered two internal bank account numbers with the same description. This had been caused by a typing error and they quickly put it right.

By uncovering the error, they avoided potential problems resulting from misdirected funds—such as issues with management decisions, financial statements and operational cash flow. This sort of error, when left, could have resulted in operational problems, regulatory fines and reputation loss that could have equated to millions in lost revenue.

As a result, they put in place new internal controls and governance to prevent similar mistakes occurring again and with our help they implemented regular data quality monitoring. This will automatically flag up any errors so they can deal with them before they cause a problem.

Self-service has become increasingly commonplace within businesses in recent years and I believe that this is set to continue. By this I mean empowering business users to manipulate and move data around how they want to via self-service applications. This shifts the responsibility and ownership for data quality management away from the IT department and empowers people who use data every day. It's the business users who have the detailed knowledge and understanding of their business processes and can see where the potential data problems lie and the value of fixing them.

In 2015, more control over data and analysis will pass from the IT department to the business

Self-service is set to become a more common feature of data quality initiatives. By putting in place self-service data quality management tools, you'll benefit from easy-to-use dashboards that will allow your business users to manage their data and make informed decisions off the back of it. Users will see how data is associated with existing systems and will become empowered to decide what data is useful and quantify how it could be affecting profitability.

It's important to add here that an increase in adoption of self-service data doesn't exclude the need for senior level ownership of data. Far from it, in fact it makes it all the more important. As Janani explained, whoever owns the data is responsible for defining strategic goals of the data quality strategy and putting the right tools in the right hands in order to achieve them. However, it does help to draw knowledge from across the organisation that aids a collaborative approach.

Don't be afraid to try

One aspect that many organisations find most challenging is knowing where to invest to gain the best results. Often this leads to months of discussion before work even starts. To avoid this, I tell people not to be afraid to try – even relatively small steps can deliver tremendous results. And one success often leads to another. There are now technologies that will dovetail your existing systems, making it much easier to get results fast.

Whether you are a multinational or a SME, with the right tools in place, problems can be unearthed very fast and you can quickly make significant improvements to your data quality, with dramatic results for your business.

Unlock the power of your data

Data is here to stay. According to recent figures, over 90%** of all the data in the world has been created in the last two years. It's an increasingly important asset for all organisations, regardless of industry or size. And those businesses that can extract the value from their data will reap the greatest reward.

With a defined data strategy, clear lines of responsibility and documented processes in place, the right technology can make a real difference to the quality and value of your organisation's data. Within a relatively short space of time, you'll start to see quantifiable results that have a direct, positive impact on your business.

“ Don't be afraid to try. With the right tools, problems can be unearthed very quickly, with dramatic. ”

**According to The Networked Systems and Services department at SINTEF

7. Key conclusions



Power your potential

With 92% of organisations finding data quality challenging in some way, it may be time to step back and look at what you're doing.

- Determine why data is important to your organisation to define your strategy.
 - Review how you currently collect data, refer back to your requirements to unlock its effectiveness. Establish clear documented processes for how it should be managed.
 - If knowing where to start is creating a barrier to getting your data quality initiative off the ground, choose a small project in a part of your business and work out from there.
 - Review what you're doing regularly as part of a structured program to make sure you remain on track. Revise your strategy if necessary.
-



Take control of your data

Our survey showed that almost two-thirds of organisations (63%) lack a coordinated, centralised approach to data quality with many still taking a siloed approach.

- Decide who should own your data and establish clear lines of responsibility. Who this is will depend on what works best for your organisation and the type of data it works with, but most important is having full senior level support to drive better quality data.
 - Make sure you get buy-in for the change across the business. Take a more coordinated approach to drive more value from your data.
 - Understand that this might take a cultural shift within your organisation, but that it's a change worth making.
-



Use technologies that empower your people

88% of companies have one or more data quality solutions in place today, but 57% say that data errors are only spotted when employees or customers report them. Using technologies that enable those who really understand your data and where it comes from is the best way to ensure its quality.

- Make sure you have good data owners and processes in place to help you maximise the benefits. Invest in solutions that are easy to use and empower business users.
- Don't be afraid to try new technologies – the latest tools can start yielding results in days and hours rather than weeks and months. But don't forget that, like any technology, it needs to be used correctly.
- Consider self-service data quality tools with easy to read dashboards.

Research Methodology

This survey was carried out for Experian Data Quality by research firm Dynamic Markets.

They interviewed representatives of 1,239 organisations in the UK, US, Australia, France, Germany, Spain and the Netherlands. The sample ranges from small firms to organisations with over 5,000 employees and includes industries such as manufacturing, automotive, transport, financial services, retail, utilities and the public sector.

Each organisation has at least one customer, citizen or prospect database that is managed and maintained internally. The average number of databases per organisation is eight. Respondents come from functions including marketing, CRM, data management, customer services, IT, sales, HR, finance and operations. All confirmed that they understood how their organisation handles its customer and prospect databases.

About Experian Data Quality

Experian Data Quality is a global leader in providing data quality software and services to organisations of all sizes. We help our clients to proactively manage the quality of their data through world-class validation, matching, enrichment and profiling capabilities. With flexible software-as-a-service and on-premise deployment models, Experian Data Quality software allows organisations around the world to truly connect with their customers by delivering intelligent interactions, every time.

Established in 1990 with offices throughout the United States, Europe and Asia Pacific, Experian Data Quality has more than 13,500 clients worldwide in retail, finance, education, insurance, government, healthcare and other sectors.

For more information, visit experian.com.au/data-management

About Experian

Experian® is the leading global information services company, providing data and analytical tools to clients around the world. The Group helps businesses to manage credit risk, prevent fraud, target marketing offers and automate decision making. Experian also helps individuals to check their credit report and credit score, and protect against identity theft.

Experian plc is listed on the London Stock Exchange (EXPN) and is a constituent of the FTSE 100 index. Total revenue for the year ended March 31, 2014, was US\$4.8 billion. Experian employs approximately 16,000 people in 39 countries and has its corporate headquarters in Dublin, Ireland, with operational headquarters in Nottingham, UK; California, US; and São Paulo, Brazil.

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