

# Why data quality should be a central focus of your CRM initiative

An Experian Data Quality white paper



# Making the most out of your CRM

CRMs, or Customer Relationship Management applications, are used to better manage a company's customers and the employees' interactions with them. Effective CRM use can lead to improved customer relations, more revenues, cross- and up-selling opportunities, more personalized marketing and better internal collaboration.

However, your CRM is only as good as the data you put into it. Decisions based off incomplete or inaccurate data will negatively impact your business by way of imprecise analyses, which can result in lost revenue, wasted communications spend and missed opportunities.

A CRM initiative already has enough moving parts without you having to worry about whether or not you can use the data collected. CRMs should make your life simpler and ensuring your database has good data quality is one way to make it a much more effective tool for your business. Here are five steps to make the most of your CRM.

# Making the most out of your CRM

## Step #1: Create a data map.

A data map helps you identify where data flows within your business, and can also help discover and monitor data quality issues. By defining and visualizing where data comes from in your company, you can determine ways to improve related processes.

Below is an example of a data map. After creating a data map, if you see, for example, that your call center representatives are collecting the same pieces of data as your web forms, and that data is all going to a central CRM, it should raise a flag that there may be duplicated information. A data map will help you see and make those connections.

Data collection points	Required data points	Current data quality practices	Place of storage	Business usage	Current inefficiencies due to bad data
Website	Name, email, address, number	Double entry of email address, formatting issues	Central CRM, marketing database	Loyal programs, strategic decision making	Returned packages, increased customer service calls, poor information from data appends
Call center	Name, address, number, notes	Address validation, phone number formatting	Central CRM	Package fulfillment, customer service, marketing	Packages not delivered, longer handle times, increased call backs, negative customer experience
Sales team	Name, title, email, address, notes	Email validation, batch address cleansing	Sales-specific CRM	B2B product lines, product distribution	Poor customer communication, product distribution mistakes, delivery failure

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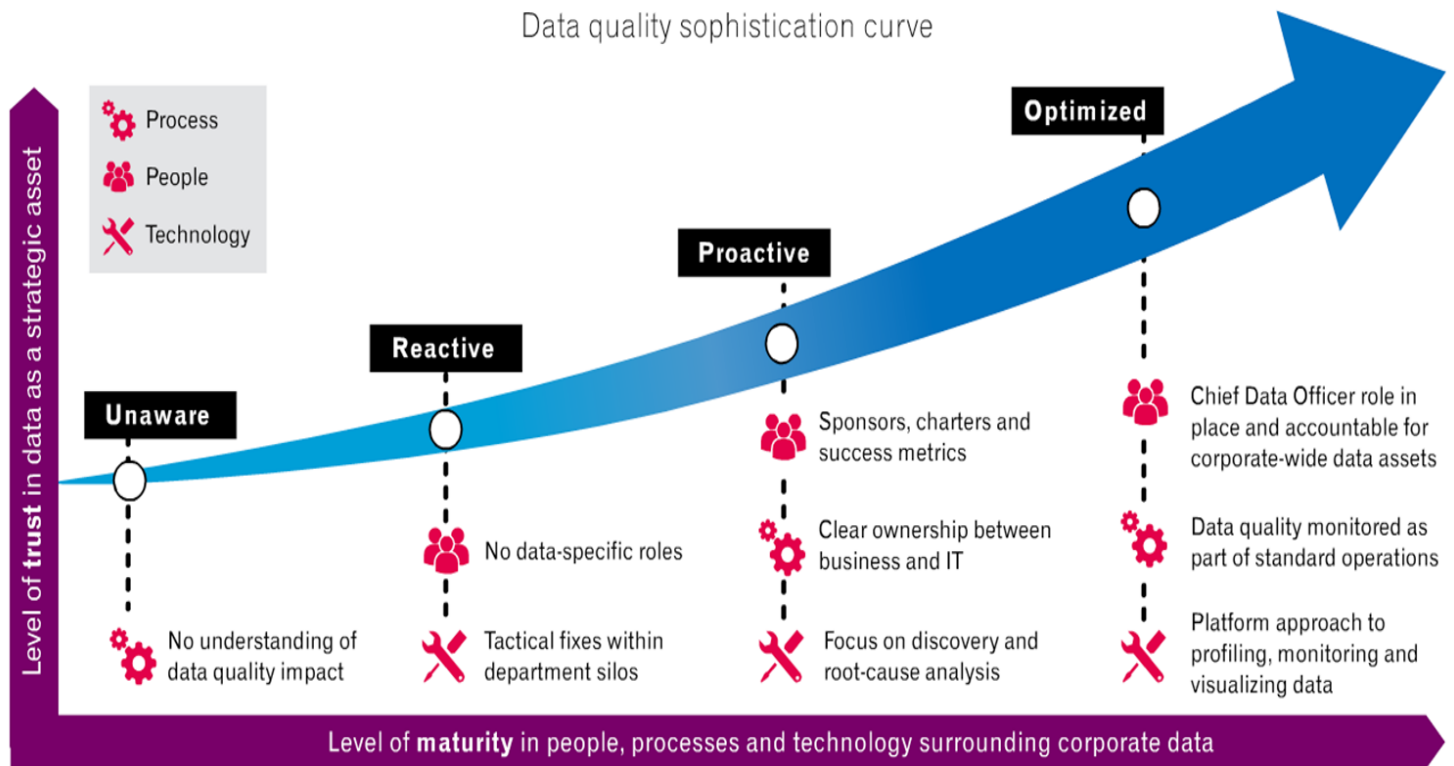
## Step #2: Determine your position on the data quality sophistication curve.

By identifying the where data comes from in your business, you can begin to understand the current state of data quality strategy. From here, you can understand how sophisticated your strategy currently is and determine ways to improve upon it.

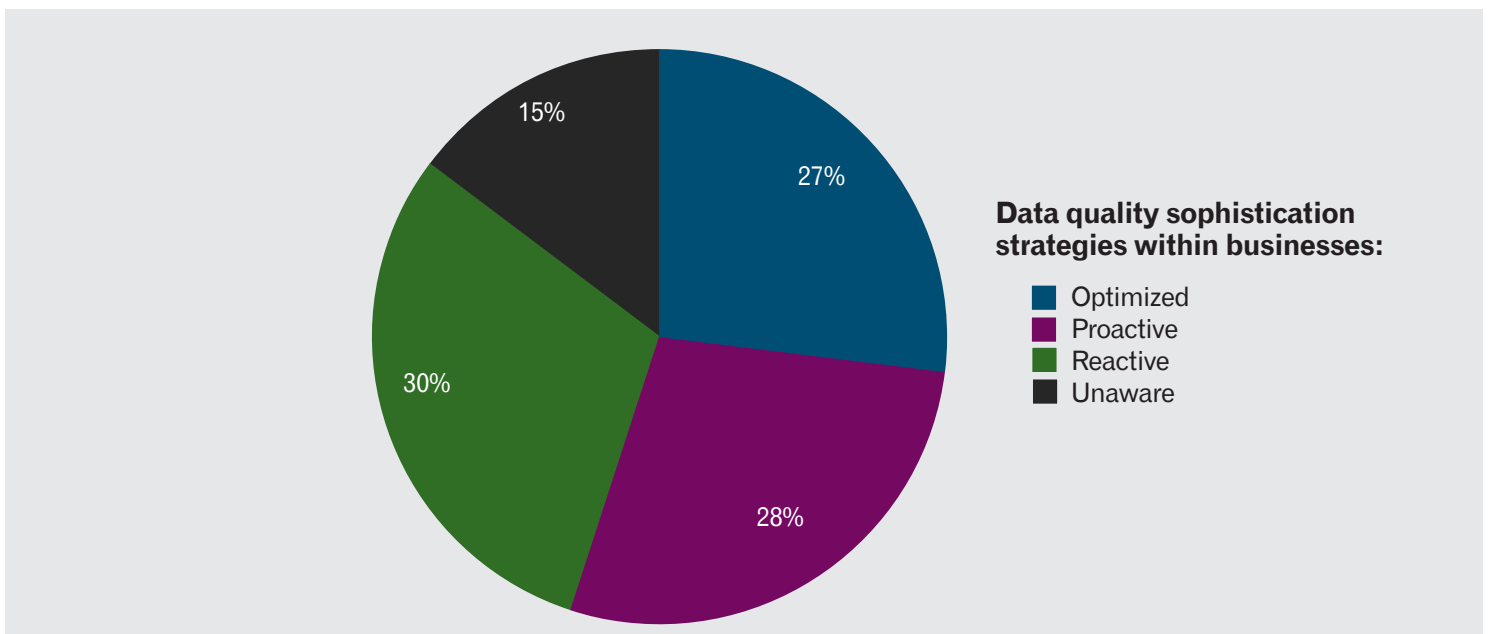
The four key stages of data quality sophistication:

1. Unaware	<ul style="list-style-type: none"><li>• Unaware of the importance of data quality and impact on business.</li><li>• No data quality strategy.</li></ul>
2. Reactive	<ul style="list-style-type: none"><li>• Cleanse and analyze data as issues occur.</li><li>• No specific data roles and solutions reside within departmental siloes.</li></ul>
3. Proactive	<ul style="list-style-type: none"><li>• Clear ownership between business and IT and a focus on discovery with root-cause analysis.</li><li>• A proactive data quality strategy.</li></ul>
4. Optimized	<ul style="list-style-type: none"><li>• Data quality monitored as core factor of business with documented data quality rules in place.</li><li>• Profiling, monitoring and visualizing data are part of a complete strategy.</li></ul>

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Ideally, you want your business to be at the proactive or optimized stage. These stages indicate a better handle on data issues within your company, and allow for tactical strategies to address those issues before they negatively affect internal processes or customer experience.



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## Step #3: Decide which tools you need.

Determining where you fall in the data quality sophistication curve will help you decide which types of data quality tools your business needs.

There are six main categories:

### 1. Cleansing

Making sure your data is fit for business use. Tools that fall into this category include address, email and phone verification.

### 2. Profiling

Analyzing statistics to evaluate data quality as well as data issues. Data profiling allows businesses to identify when data elements may need to be updated or replaced.

### 3. Enrichment

Appending additional information to raw data to understand customer behavior and help predict the likelihood of future outcomes.

### 4. Matching and linkage

Identifying, linking or merging related pieces of information across datasets. These tools work well to mitigate issues associated with customers having multiple entries in your database that you need to match and merge together.

### 5. Monitoring

Ensuring your data conforms to rules that define good data quality in your business. Software like these mostly run in the back-end and notifies staff to problems that need addressing.

### 6. Parsing and standardization

Decomposing text fields into singular parts and standardizing them according to accepted standards. These tools provide for better standardization, consolidation and consistency in format.

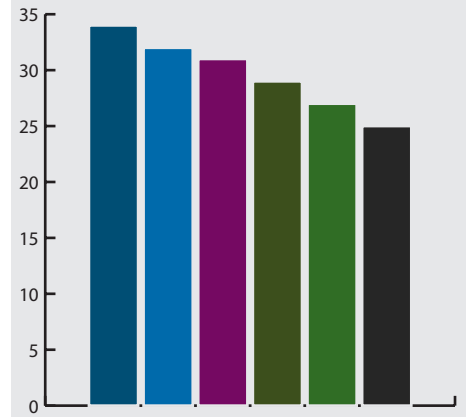
These six main categories of tools in the data quality space address the issues felt most by businesses; all of these solutions can be used in a holistic data quality strategy. Depending on your business size and data requirements, you may not need all these solutions. However, you should consider these solution implementations to make sure you're getting the best data quality, and the most out of it, for your CRMs.

## Quick Stats:

The most popular capabilities today are monitoring, standardization and data profiling technologies.

88 percent

of companies have some sort of data quality solution in place today.



Data quality solutions in place:

- Monitoring & audit technology
- Data profiling technology
- Matching & linking technology
- Data cleansing technology
- Standardizing technology
- Data enrichment & suppression technology

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Once you've decided which tools you need, you should start thinking about implementation methods.

## Implementation: SaaS vs. On-Premise

Deciding between SaaS and on-premise is usually a matter of security and compliance requirements, but it doesn't have to be either or. You can choose both if they both support business processes; in fact, having both can work just as well for data protection and business continuity purposes.

### SaaS

- Eases burdens on technical updates.
- Can take advantage of more flexible pricing options.
- Ensures most up-to-date products available.
- Easy configurability to support business processes.

### On-Premise

- More hands-on and in-house monitoring of data quality solutions.
- Heavy security and privacy measures.
- Faster deployment times.

## Implementation: Real time vs. Bulk

If your data map reveals issues in the data collection processes that occur specifically at point-of-sale, then perhaps a real time solution would provide you the most benefit. If you've already stored a large volume of data within your CRM or other database that needs validating, then a bulk solution would work best.

But remember: the quality of data deteriorates over time and there becomes a need to update it. Neither of these options is better than the other—both are important to maintain the most updated and accurate information as possible. There is a sharp correlation between companies that have seen a significant increase in profits in the last 12 months and the employment of data quality solutions in their businesses.

### Real time:

- Record-by-record data validation.
- Front end application.

### Bulk:

- Bulk data validation.
- Back end application.

For further insights into what businesses should consider when looking at data quality vendors, check out our [Data quality buyer's guide](#).

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## Step #4: Evaluate data quality vendors.

With so many data quality vendors out there offering point solutions or extremely complex integrations, vendor evaluation has never been more complicated. However, here are some things to keep in mind while evaluating vendors:

**Flexibility.** Are their products customizable to the look and feel of your data environment? Will the implementation process impede functionalities within the existing environment? Is this vendor scalable to easily incorporate future growth?

**Collaboration.** Data quality often involves not only your company and the vendor, but third parties as well. Look for a vendor with a background in collaboration.

**Holistic insight.** The mark of a good vendor is one able to understand your core business needs surrounding data quality and develop recommendations for customized solutions.

## Step #5: Data enrichment.

It's every marketer's dream to be able to segment and target their customers and become revenue-generators for their business. And most marketers can—but only to a certain degree. You can only do so much with basic information about your market. Enriching your data, however, gives you a wider view of your customers from raw data in your CRM to improve customer insight and drive personalization efforts.

### Data Enrichment Callout:

Seasonal trends are very important to retailers who want to make the most of busy purchasing periods.

Let's take Cyber Monday as an example. If you're a jeweler who wants to specifically aim a marketing campaign towards men who are: 1) Married, 2) Make above a certain income and 3) Live in a particular neighborhood, you can't do that with basic contact data.

Data enrichment tools will give you that powerful insight to make data-driven analyses and decisions.

### Keep in mind

You should only enrich validated data, or else those subsequent decisions will be based off faulty data.



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## Conclusion

These tips don't necessarily have to be completed in order, but will certainly be more effective when done so. Your CRMs are powerhouses of data and should be treated with the same level of importance and these five steps will help you make the most of your CRM.

## About Experian Data Quality

Experian Data Quality is a global leader in providing data quality software and services to organizations 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 organizations 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 <http://www.edq.com>.

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