

Getting better business results from your CRM



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Introduction

Don't let data quality be the missing link. Poor data quality is one of the biggest challenges that customer relationship management (CRM) system users face today. It can be a major risk to the successful implementation of a project and can stop your organization from making the most out of your CRM investment. And to succeed in the "Age of the Customer," organizations must adopt and invest in CRM systems.¹

In this white paper, we will explore the impact of poor quality CRM data on marketers, sales representatives, support centers, and more. We will share how we as a company make use of customer data to help make a complete picture of an ideal customer. Ultimately, we will provide guidelines to transform your data and processes.

Customer relationship management continues to grow

Yearly figures published by research and analyst firms such as Gartner and the IDC show a year-on-year increase in the amount of IT spend on implementing or upgrading to a new CRM system. Computer Economics estimates that over 51 percent² of organizations deploy a CRM system and that the majority of spending is predominantly being driven by firms looking to improve sales, marketing, and customer service-related processes and functions. Given the dominance of mobile usage in today's world, mobile, and social CRMs are also on the rise.

Poor quality CRM data and its impact on an organization

Leading information technology firms such as Gartner have stated that the top priorities for senior business leaders today are accelerating growth and investing in the right technologies to do so.⁴ This matches our own findings where more and more organizations are creating and appointing data-driven roles such as data quality managers and chief data officers.

Overall, data quality is increasingly considered an important corporate asset, yet the true value of data lies in its accuracy. How does the CRM system fit into this

The total cost of ownership (TCO) of a mid-tier CRM system implementation can range anywhere from hundreds of thousands to millions of dollars, yet despite the high level of spend, a startling 55 percent³ of all CRM projects fail to meet expectations and deliver the expected level of return. Numerous studies and research has been conducted on the topics of what makes a CRM system successful, both during the course of the implementation and over its lifetime.

This white paper highlights two of these key factors, the data and processes, which form part of a comprehensive customer relationship management strategy. So exclusive of whether an organization is considering a new system or simply evaluating an existing system, it's critical to take a look at the role that data and processes play and to understand what optimization can take place in order to ensure CRM application success.

equation? Your customer relationship management system is the supporting technology that can really drive data forward as a strategic asset from an improved customer experience standpoint. Plugged into customer relationship management systems are multiple other technologies and applications that extend its capabilities.

Data plays a key role

Data enters your organization from multiple channels and sources, including your websites, call centers, social platforms, and mobile applications. It then travels downstream into a CRM system and subsequently feeds into all linked applications and plug-ins such as marketing automation systems, invoicing tools, and reporting functionality.

If these entry points are not safeguarded, then the quality of your data can impact business functions across the organization, including sales reps, marketers, customer success teams, and the business as a whole. It also means that over time, users of that system can become disillusioned and withdraw their support. More importantly, the monetary value to the business can be significant.

Customers use multiple devices to engage with a business across multiple touch points. These interactions can happen at any time, and now, more likely than not, they take the form of micro-moments, meaning that each and every engagement matters. There's no shortage of data for businesses to take advantage of; however, by extension there are also more areas for inaccuracies.

The marketer's dilemma

Customer data flows into the CRM application and forms the basis for most marketing deliverables and programs. It's no surprise then that 67 percent of marketers rely on CRM data to segment and target customers⁵. So when CRM data is poor, inaccurate, and incomplete, the impact of marketing campaigns and activities may be greatly reduced, resulting in specific challenges such as:

- Inability to communicate effectively with customers
- A less than optimal multichannel experience
- Decreased profitability from marketing campaigns

Customer relationship management systems sit at the **heart** of every organization.

The sales representative's challenge

Most organizations will also use their CRM application as a customer contact management system, where information is used in connection with contact planning and administration, such as recording contact history and appointment making, which may later expedite sales order management.

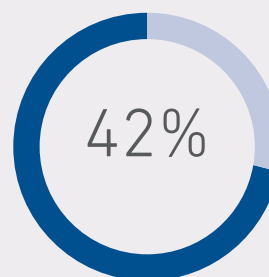
Common data errors such as duplicate accounts and out-of-date information may mean that sales teams are using outdated, inaccurate information to develop customer relationships. The long-term impact of which may result in:

- Account ownership conflicts and customer frustrations
- A drain on sales resources and disillusionment with the CRM application
- Reduced sales effectiveness and lost sales

The under-performing customer support center

Often call center phones and customer support portals will link into the CRM application; this could extend further to customer order management, tracking, and delivery, which some organizations choose to link in as well.

Providing a high quality service is imperative in the customer support environment. However, if customer



of U.S. companies maintain high quality contact data for cost savings

information is not accurate, available, or dispersed across the CRM system rather than as a single entity, the interaction with the customer may be sub-optimal, which results in:

- Reduced customer satisfaction
- Brand damage; a negative perception or feeling towards the brand
- A loss of customer loyalty

Business and operational challenges

The analytical side of the CRM system focuses on the preparation of analysis and reporting that will be used by functions such as finance, operations, and senior management to drive informed business decisions. It collects information gathered from marketing, sales, and the customer service center, and analyzes these to deliver valuable findings about the customer, company performance, and future trends.

An abundance of poor quality data means flawed analysis and inaccurate key performance indicators may be used to guide the organization's strategy and inform decision-making. In the long term the impact may result in:

- Inconsistent management reporting
- Operational inefficiencies and wasted budgets
- Decreased revenues from lack of insight and customer understanding

30 percent of organizations still rely on manual processes to handle valuable customer data.⁶

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Customer-driven processes

The processes surrounding the CRM system should be prioritized first and foremost with the customer experience in mind.

However, the journey that the customer data takes around an organization will typically involve a number of internal processes, which may be disjointed and inefficient. This makes it difficult for businesses to see the bigger picture and be proactive to the customer's expectations and requirements.

In addition, process silos can create confusion as to which piece of data is accurate and represents the most legitimate and up-to-date version. Automating and connecting these together will help improve CRM application efficiency.

As an example, looking at the way customer data enters the CRM system, our global data management research identified that 30 percent of organizations still rely on manual processes to handle valuable customer data.⁷ The result of which will mean a large likelihood of inaccurate, error-ridden information entering a CRM.

When that data is used by other business functions such as marketing and customer support, they will engage with the customer using that incorrect information. Processes that automate and manage data capture and collection must be put in place to minimize errors and ensure accurate customer and prospect insight.

Our best practice recommendations

An end-to-end data quality firewall

Organizations can mitigate the negative effects of inefficient, manual processes and bad data by integrating an end-to-end data firewall for the CRM. In particular, they should look at tools that actively protect the integrity of data, both at the front-end and back-end of the system.

Effective data quality tools will address customer data standardization and validation, as well as duplicate record matching and merging. They can also help the organization add additional context around the customer by appending information such as demographic details, which will help drive better understanding and may highlight previously hidden opportunities.

A holistic view of the customer

Outside of the CRM application, many organizations today will hold a collection of customer data in several systems and databases owned by different departments, collected through various work flows and processes.

Without full visibility of the customer's actions and engagement, marketing, sales, and the customer service center will not have all the necessary information to make

their impact. In this instance, achieving a complete single customer view via data matching and linkage solutions will help to identify customer records that already exists in your database as well as prevent duplicate records from entering in the first place. By integrating and consolidating customer data from all sources, you will end up making your CRM that much more powerful.

Evaluating your data quality strategy

In most organizations, the CRM application will be underpinned by some sort of customer relationship or data quality strategy. This strategy should already highlight many of the data and process gaps identified in this white paper. However, if this is not the case, then incorporating a coherent data quality strategy within the overall CRM strategy will help the organization to move to that next level of maturity.

We've provided a data quality strategy below that will allow you to understand the current state of data and process flows and will align these with the priorities of your business and the departments mentioned earlier.

Top 5 guidelines for overcoming CRM data quality challenges

1. Understand the state of your CRM data

A frightening percentage of organizations just don't know where they stand with regards to the quality of their data. Before you do anything further, ask yourself whether your organization has a good understanding of the current state of its data.

The good news is that there are numerous options that exist today to help you tackle this issue, including data health checks and assessments. Many vendors today will actually perform these services for free as part of their pre-sales efforts, depending on data volumes. So take advantage of these opportunities to help you build up a complete picture of the state of your CRM system data.

Top 5 guidelines for overcoming CRM data quality challenges

2. Understand your data quality processes

Understanding through what means information enters the CRM system is key and essential to driving ongoing success. The major purpose of this is to identify the root cause of dirty data. There are many technologies out there today that perform data discovery and profiling functions to help you gain better understanding of the areas you should be tackling first.

It's also important to try to understand who or which business function in your organization actually owns the data. Very often the lines of data ownership can be blurred, as one function believes it is the responsibility of another. Without clear ownership, you will find it difficult to make your data quality initiative a success.

3. Manage data across its full life cycle

It's all very well to have the right tools and process for capturing good data, but that data will degrade over time. Data decays, it's a fact of life. It is believed that data changes at a rate of two percent per month.⁸ That means that nearly a quarter of the data acquired last year may now be inaccurate. What about legacy CRM systems that have been in place for 10-15 years? The quality of the data that sits within these systems can really be undermined unless regular data cleansing has been performed over time.

4. Enable your power users

Like with any new technology initiative, getting the people piece right is always the biggest challenge. To gain buy-in from your users, make sure you clearly highlight the benefits of your data quality initiative to them.

Based on estimates from Gartner, data quality impacts overall productivity by as much as 20 percent.⁹ The efficiency gains to users can be reasonably substantial. A well thought out training program can be essential means in helping you get that knowledge across.

5. Create opportunities for customer segmentation

The upside from accurate and complete data comes when you enrich that data for more sophisticated segmentation and cleaner customer insight. Data enrichment comes in a variety of shapes and sizes depending on the use cases of each business. Information can be appended at the point of contact or retrospectively to help you build a complete picture of your customers.

This can include anything from geographic and demographic information right through to understanding communication channel preferences. For marketers, enrichment can lead to highly targeted campaigns that result in better leads passed on to sales. For your sales teams, this means newly identified cross-and up-sell opportunities that go some way in deepening the relationship with prospects and customers.

Conclusion

Your customer relationship management system is a powerhouse that will help you understand your customer data. When used to its full potential, a CRM allows account managers to gain a greater understanding of customer account history. Marketers will use this data to feed marketing automation platforms for better targeted and segmented campaigns. Consultants use the CRM system to see exactly what kind of solution they're required to deliver.

However, what happens when the data that populates your CRM isn't usable? What happens when you don't monitor or check the accuracy of data as it enters your database? It

can turn easy tasks such as finding account information or attributing revenue to certain teams a nightmarish journey.

By optimizing the quality of data that lives in your CRM, you're optimizing every decision your business makes. In order to do so, you must identify and quantify the impact that poor data quality may have on key organizational functions. Once you lay that groundwork, and make no mistake, it will take work, you can then address those issues by using the guidelines provided in this white paper.

Using your data shouldn't be complicated. Understanding the health of your data is the first step to optimizing it. Let us help you take your customer relationship management to the next level.

[Try it now](#)

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Experian
53 State Street
Boston, MA 02109
T: 1 888 727 8822
www.edq.com

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