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## Executive Briefing: Data Quality – The Hidden Differentiator



### Introduction

It is often said that ‘our people are our greatest asset’. Organizations focus enormous resource on ensuring that the quality of ‘their people’ is as high as possible.

Through recruitment processes, induction, market salary comparisons, continuing education and appraisal there is an acknowledgement that the best people need to be found, brought into the organization and developed to best effect. These activities all cost money but are seen as a critical investment in maintaining corporate performance and differentiation.

So what is the second most important asset in any organization? Data is the foundation of all business, healthcare and governmental activity. Accurate data enables correct decision making, efficiency and organizational performance. Questionable data dilutes and compromises every activity undertaken....

This paper introduces the concept of Data Quality as it directly relates to business value. As one of our series of Executive briefings (see our website) it lays out the growing issues around Data Quality and offers some suggested approaches to this critical area.

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### Data Quality: Does it Matter?

The measure of whether something matters to us or not is what we do about it. Consider the ‘people’ dimension as described above. We see a need, place a value on it and then spend – time, resource and money – accordingly. So, how much do we value our data?

In some very specific ways the lack of data quality has an obvious cost implication. For example, incorrect or incomplete medical data has direct and serious consequences to both the individual and the organization. Missing, incomplete or duplicate part descriptions cause confusion and returns. Revenues are lost when potential online customers can’t find products with the right descriptions.

Flawed financial, operational or management data carries a direct, associated cost. Even the ‘feeling’ that the data is not fully accurate has an organizational impact as individuals add their own weighting and variances to it.

How does data become flawed? Among the most common causes are upgrades of infrastructure systems, mergers and acquisitions between companies, differently formatted source data from suppliers and simple data entry errors – when the data is created or amended through its lifecycle. Multi-divisional use of data can produce data errors as data is moved, manipulated and adjusted by separate internal organizations – and often then merged back again. Many applications were not designed for the data content now being ‘pushed through’ them and vice versa.

Data stovepipes also exist in many larger organizations. This happens where different divisions sell products to the same customer but centrally (say at the call centre operation) it is impossible to know everything the customer has bought from the organization overall.

Is ‘bad’ data just a nuisance or a normal cost of business to be expected and managed?

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Every piece of research into this subject – from academia, analysts and user/trade organizations - has identified both hard and soft cost implications. This means that Data Quality becomes a comparator.

Better data gives relative advantage and capability, poorer data creates additional cost, time delay and disadvantage.

Let's start by considering exactly how big an issue Data Quality is today...

## Data Quality: The Evidence

The easiest way to measure the 'weight' of an issue today is simply to enter it into one of the major search engines and then see what transpires. While this may not be very scientific it certainly tells you if the subject is under discussion and consideration.

A December 2009 search on 'data quality' through Google yields 190 million returns. 'Data quality issues' rates 59.1 million hits. So, the subject itself is very active. But what is being said? Some typical examples for your consideration –

1. The Tenth Annual 'Technology Issues for Financial Executives Survey', published for their committee (CFIT) by CSC, reviewed the top IT concerns and priorities for financial executives in both public and private sector organizations across a number of countries. Their findings? *"Improving data quality/information integrity... retained its position as the most pervasive critical technology concern with about 42% percent of respondents considering it a critical technology issue."*
2. *"Any dashboard, scorecard or report will be reduced to a NIL value, if the audience don't trust the data contained therein".* BiPM Institute.

3. *"Data Quality problems are Corporate IT's dirty little secret."* Article title from Paul Gillin, former Editor-in-Chief, ComputerWorld and TechTarget.
4. *"Although it did not generate as many post-Katrina headlines as the models themselves, there is an industry consensus that data quality was the biggest factor in under-prediction of (insurance industry) losses in 2005".* 2008 Catastrophe Exposure Data Quality Survey, Ernst & Young.

So Data Quality affects us everywhere. Data Quality, or the lack of it, always has an impact. Consider the data that exists in your own organization. To what level do you trust it? Are there duplicate records? Have decisions been made based on data that then turned out to be of uncertain pedigree? Is information hard to gather?

## Data Quality: First Steps

If any of the above comments strike a chord for your organization then it would be really worthwhile considering just how your data is performing and what you can do to improve Data Quality.

- Data Quality can be managed manually but this is time consuming, high cost and is not readily scalable. We have helped organizations with from one to five heads employed full time on Data Quality, with from two to twenty five man-year work backlogs...
- Motivated staff can provide a pool of tribal knowledge for the organization. Data Quality enables both capture and leverage of that tribal knowledge – delivering enormous payback.
- By working with a domain specialist like Dataactics you can quickly establish the true weight and scale of any Data Quality issues. Using Dataactics enables your staff to concentrate on the big picture while all the volume tasks are managed quickly, automatically, frequently and cost effectively.
- Dataactics provides advice, consulting support and a range of powerful tools which can automate even the most complex Data Quality improvement activities.

**Call us today or visit our website for more information on just how we can help you sweat your 2<sup>nd</sup> most important asset.....**

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