

How data debt puts your business at risk—and how to fix it



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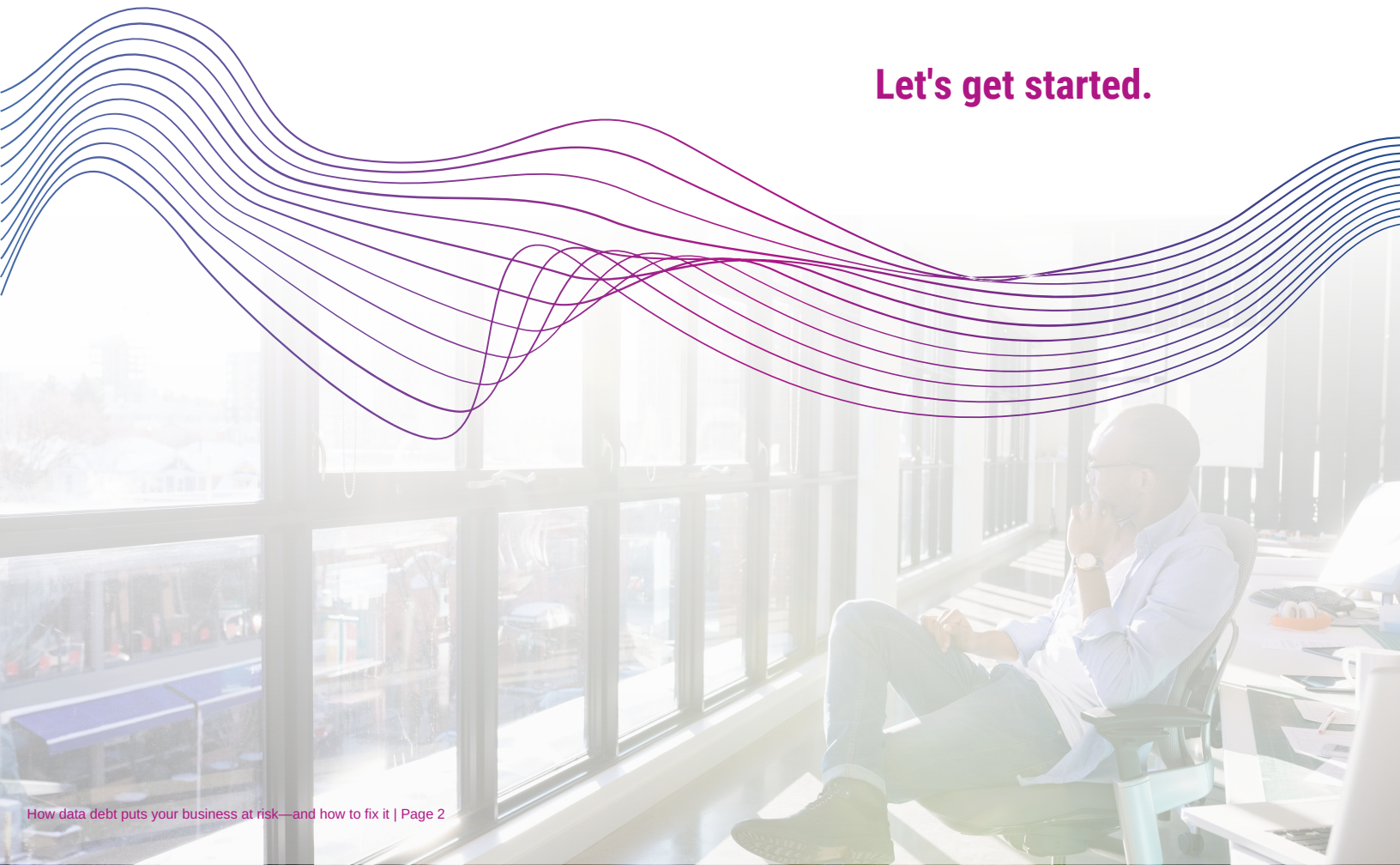
If you've ever questioned the accuracy of your data or are falling short on projected ROI, you may find yourself face-to-face with every organization's biggest fear: distrusted data. If you have a lot of bad data, there's a high probability you are wasting money, time, and resources that are solely connected to the lack of data quality management. Sounding familiar? This is also known as data debt.

Data debt is an underlying unnecessary evil that can negatively impact your bottom line, operations, compliance regulations, and even your customer experience. Some indicators of data debt could be a low return on investment on existing data quality efforts, operational inefficiencies, and missed market opportunities.

If you are finding this sounds eerily familiar, don't fret. **In fact, 78 percent of organizations we surveyed say data debt is a risky reality for them.** When enterprises recognize their data debt, they are tasked with overcoming this heavy financial burden and steering their organization toward growth. The fuel to turning this ship around is increasing the quality of your data.

With the right people, tools, and practices, trustworthy insights are right around the corner. We will help you transform your bad data into quality records quickly so you can stay far away from risk.

Let's get started.



1 Quantify the business impact of data debt.

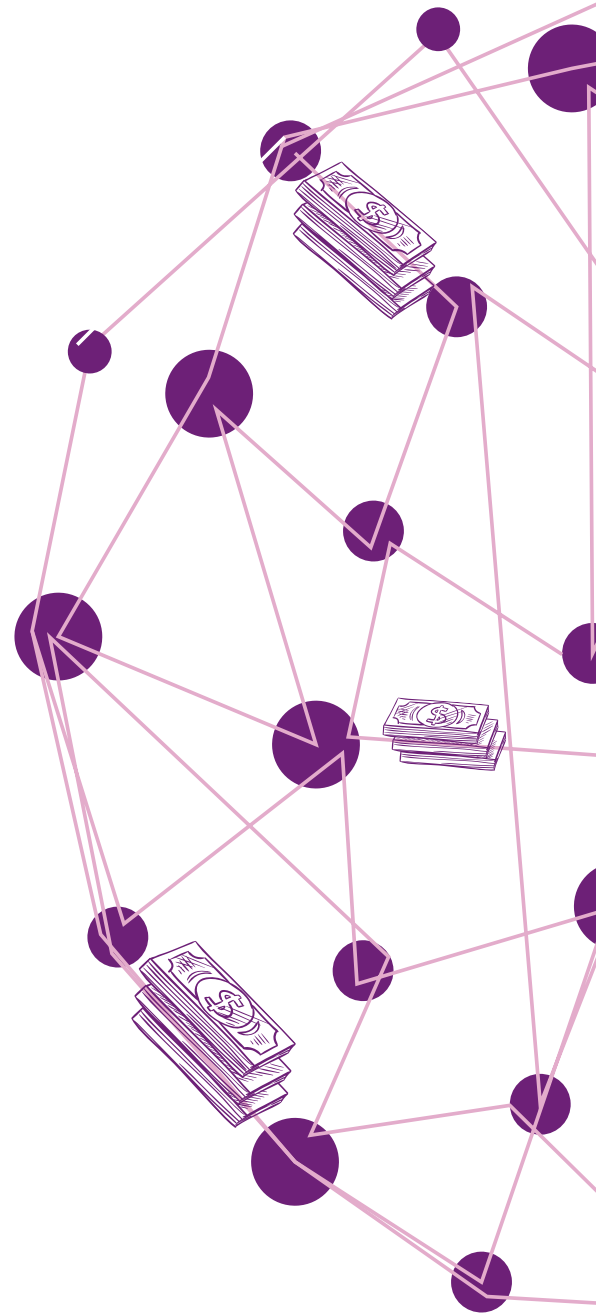
First, you need to put a dollar amount to the volume of bad data your business is currently housing. Unfortunately, bad data is often widespread across the business, so this can be a steep undertaking. Start small: Quantify the impact of data debt at a department level so you can more quickly identify the root cause of bad data—think user error, outdated or siloed systems, etc.—and its immediate quantifiable impact to department goals such as leads or revenue. Let's see an example:

You find that there is a high volume of data debt in your marketing department's database—you've done campaign after campaign and there is little to no engagement from your customers. Now, you have to focus your time, energy, and budget on fixing marketing's invalid customer insights before you can start improving your customer experience. Not only does the feeling of frustration start to boil, but the cost of fixing your data and then re-targeting your customers begin to overflow.

Now you're thinking: How many campaigns have we launched based on this list? For larger companies, turn that into millions and an even bigger database of inaccurate insights. Starting with a small use case can help you quickly identify the issue, opportunity cost, and source behind bad data, giving your leadership team cause to further investigate where bad data is living throughout the business and what initiatives it is affecting.

Thirty-five percent of businesses say they are not able to see a return on investment of data management initiatives. Not only are you spending unnecessary dollars on important initiatives, but you also risk the quality of your customer experience, effective operations, and in some cases, even compliance regulations. This will certainly turn the heads of your managers, and hopefully, C-suite executives.

Once you have a reason to dive into this pressing business issue, you can pull together an A-team to help your investigation, construct a plan to reverse the risk data debt has on your organization, and position this as a high-priority case executives need to properly invest in.



2 Recruit your A-team of data experts.

The people supporting you and this data debt initiative is key. When you have a team of experts, you have the bandwidth to investigate the areas of business heavily affected by inaccurate, irrelevant data. Consider recruiting these data professionals to help build a plan to effectively reverse data debt:

- Chief data officer
- Data analyst
- Data steward
- IT technician
- Data engineer
- Other IT or data professionals
- Data protection officer

Depending on how long your business has been practicing data management, you should consider looping in other roles who manage their department's data. These recruits could be your:

- Enterprise architect
- Financial analyst
- Chief marketing officer
- Marketing operations analyst
- CRM administrator
- Sales operations specialist
- Business analyst
- Other data-driven business users
- Risk manager

Having data professionals and business users on one team gives you a wide range of opportunity to see what data looks like from different lenses of the business. You can answer questions like: Is the breadth of bad insights sitting with IT or business users? Is the data inaccurate at the point of transaction or is it outdated? Will the whole business benefit from a database refresh or just a few departments? From here, your team can devise a plan.



3 Document a business plan.



This is your golden ticket to reversing data debt and mitigating risk for your business. As a team, it's your job to come up with a plan that will be enticing to C-suite executives and makes sense for the organization's culture. Start by laying out the tactical steps you will take to tackle the quality of your data, then tie in your long-term strategy to continuously stay away from risk.

Your tactical plan should encompass cleaning and organizing your data, then enriching it with more attributes that could be beneficial to you as you look to strengthen your customer experience with personalized marketing and product offerings:

- Organize your data debt findings.** This will act as your evaluation of your data landscape.
- Consolidate your databases** for a holistic view of customer.
- Profile, de-duplicate, validate, and standardize your data** to ensure high quality insights.
- Optional: Enrich your data** with attributions like buyer propensity, financial data, automotive data, and more to gain deeper understanding of your customers.
- Set up automatic monitoring** to ensure your data is always accurate when entering your database.

The next part of your plan should encompass your people, processes, and tools. Here, you will determine the longer-term strategy on how you are going to leverage accurate, validated data for business initiatives now and in the future:

- Implement a user-friendly data quality management tool** that is utilized across the business.
- Standardize data management best practices** that make most sense for your business. This could be regular data deep-dive meetings between department data experts to provide insight on the state and use of their insights. Or this could be a mandatory monthly data cleanse.
- Train your team on data literacy and data skills.** Whether you decide to do a classroom style program or print materials for users to self-teach, these skills are critical for all users.
- Continue to refresh your data quality management program** to ensure its relevance to your organization.
- Determine if your business is ready for a bigger data investment** like master data management or data governance.

Make sure your plan naturally fits into your business's culture, that way your business users can easily understand these efforts will make their jobs easier, and therefore, adopt a data-driven mindset more swiftly. Now, it's time to share your team's work with your C-suite executives.

4 Present your plan to C-suite executives.

You and your team have an understanding as to how much data debt your business has, the risk it creates, and what your plan will be to reverse the debt and implement data quality standards. Now, you need to get the official “go-ahead” from your leadership team.

When you present your plan to your leadership team, make sure you identify the quick wins that fall within your tactical plan and what the benefits are when you invest in a longer-term strategy. **Our research shows that when you are data-driven and maintain high-quality data, you will see improvements from all ends of the business:**

- Increased efficiency (60%)
- Increased customer trust (44%)
- Enhanced customer satisfaction (43%)
- Enable more informed decisions (42%)
- Cost savings (41%)

Make sure you highlight the additional benefits data quality management has on your business. For instance, with accurate insights, you will see an increased return on investment of data initiatives, AI initiatives, and even new technology investments. Not only will your leaders be excited to see a greater ROI, but they will be very impressed when a data-driven approach increases the business’s competitive edge in the market.

Now, your C-suite executives have signed off on your plan, and it’s time to take action.



5 Execute your plan.

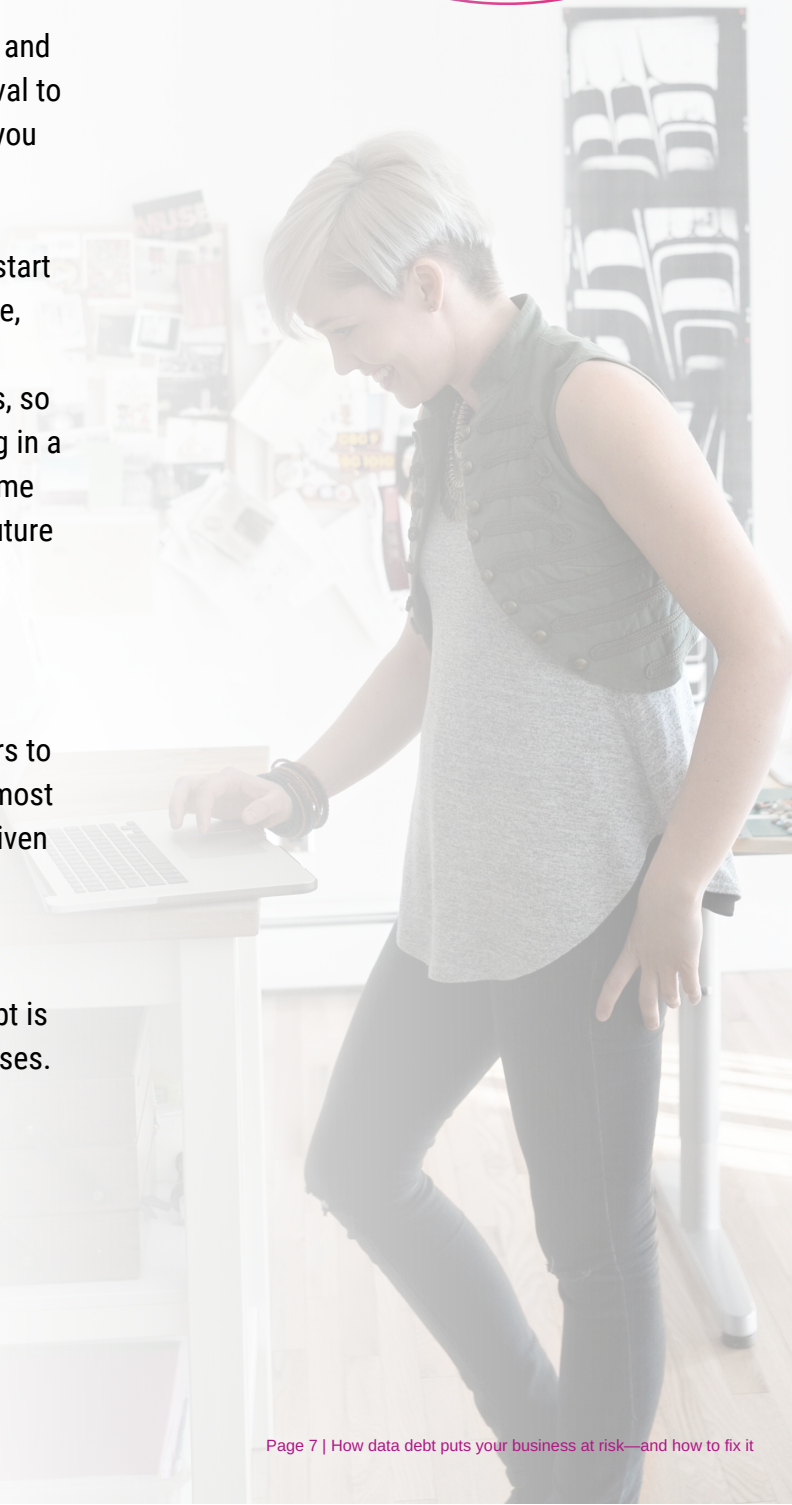
Your leadership team has given you the thumbs-up to re-invest in an effective data quality management plan for your business. Now, it's time for you and your team to bring your plan to life and reverse your existing data debt.

Jump back to step three where you calculated a short-term and long-term plan for your business. Even if you got the approval to implement an ongoing data quality management program, you still need to start with qualifying your data.

To ensure all your data meets your high-quality standards, start with consolidating your databases, then profile, de-duplicate, validate, and standardize your data sets. This can be a very manual task that can require significant time and resources, so consider sending your data sets to a consultant or investing in a self-service automated data quality tool to save you both time and money. This will set you up for success and mitigate future data debt as you move toward an ongoing data quality management program.

When you start implementing a data quality management program, make sure you get inputs from your business users to determine what tools, processes, and resources make the most sense for your enterprise. These will be the biggest data-driven changes that affect your organization and require the most attention from your A-team.

You will notice that your plan to relieve your pile of data debt is working when accurate insights begin flooding your databases.



Reversing your data debt steers you away from risk, and it also give you the chance to rejuvenate your business. With ongoing data quality management, you face opportunities to excel your operations and grow your bottom line.

Get started on reversing your data debt by validating your data to set yourself up for ongoing success.

Take action



Source: 2020 Global data management research report