

Slaying the Elusive Data Quality Dragon

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SLAYING THE ELUSIVE DATA QUALITY DRAGON

EXECUTIVE SUMMARY

Information executives know that enterprise-wide customer and vendor information holds a goldmine of untapped top-line and bottom-line opportunities. Poor data quality across disparate systems thwart an organization's ability to mine customer and vendor intelligence to drive corporate strategy, better serve customers and effectively manage spend with suppliers.

The emergence of Cloud Computing, Software-as-a-Service (SaaS) and Data-as-a-Service (DaaS), and the now non-negotiable need to access data from mobile devices in the field raise the bar for on-demand, accurate, affordable data. What's more, the explosion of crowd-sourced data and social media feeds yield additional, information-rich sources to add to customer and vendor knowledge repositories.

The hallmarks that set successful initiatives apart include:

- Establishing clear key performance indicators (KPIs) to correlate gains in data quality to ROI.
- Staffing data quality initiatives with cross-functional line and IT expertise and a "C-suite" sponsor.
- Developing data integration and governance strategies to ensure ongoing data integrity, especially at the point of entry.
- Selecting a referential data provider that delivers a complete view of a customer and/or vendor—including corporate family tree relationships, associated demographic, contact, risk, supply and other predictive information to confidently integrate, cleanse and enrich data from multiple enterprise data systems.
- Comprehensive training, communication and other change management initiatives that support adoption and buy-in.

Data quality engagements take many shapes. Three D&B clients -- Lexmark, McGladrey and Dow Corning -- share their experiences and learnings in the pages that follow.

BEST-PRACTICE PERSPECTIVES

For over two decades IT and business executives have been challenged with the development and cost-justification of data quality management initiatives. Quantifying and communicating the value of having quality, consistent data throughout the enterprise has been elusive and a struggle organizations have been trying to overcome for years.

Superior business intelligence is a critical driver of successful strategies and processes at every customer touch point. Yet, the overwhelming majority of companies struggle with data quality and its effective management for users of their enterprise systems.

Without data accuracy, completeness and integration across applications, companies cannot mine customer data to understand and serve customers optimally. Overcoming the inherent challenges -- legacy systems, people and process issues, the exploding volume of information sources and the mind-boggling pace of technology change – to populate your enterprise systems with timely, complete and synchronized data is truly worth the effort.

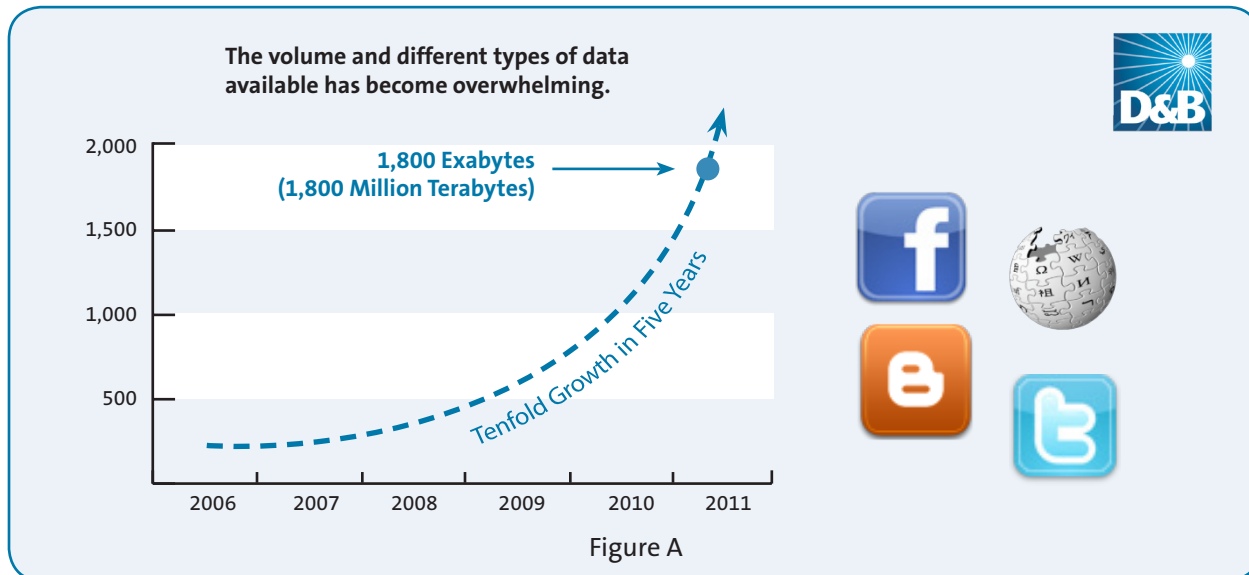
Successful data quality initiatives drive revenue growth. They deliver actionable customer intelligence to improve operational efficiency, sales, customer service, prospecting and compliance. Not surprisingly, Information Management Magazine estimates that by 2013, the combined software and services market for enterprise MDM solutions will exceed \$4 billion for a compound annual growth rate of 15 to 20% during the period from 2010 to 2013.

The good news is that revamped processes, new technologies, high-quality referential data sources and deliberate change management initiatives are enabling companies to slay the elusive data quality dragon.

Data Quality Challenges

Our work with customers reveals the following common information management challenges:

- Data disparity across systems – without standard structure across data sets
- Organizational silos – with information living in separate buckets
- Multiple customers views – depending upon data entry point and ownership
- The need to access unstructured data within enterprise systems – social media and crowd-sourced data
- Overwhelming growth in volume & types of data: tenfold growth in five years 2006 – 2011



The accelerating pace of data degradation exacerbates data quality issues. According to the Sales & Marketing Institute and our own data, up to 96% of email addresses and contact data within customer files and CRMs are inaccurate. CRM degradation is approaching two percent per month.

Also, within a 30 minute period the following changes occur:

- 120 business addresses
- 75 business telephone numbers
- 15 company names
- 30 new businesses formed
- 10 businesses close
- 20 CEO to leave their jobs

Data Quality Opportunities

Forrester Research measured the use of customer intelligence data in twelve business functions. The research identified three levels of maturity, companies with:

- **Functional intelligence:** limited to a specific channel, product or service (54% of companies)
- **Marketing intelligence:** used for marketing planning and customer strategy (34% of companies)
- **Strategic intelligence:** driving multiple functions including corporate strategy (12% of companies)

With only 12% of companies using data to drive their business, most organizations have the opportunity to reap the benefits of moving from functional to strategic intelligence. This chart illustrates the typical challenges that companies effectively mining their strategic intelligence overcome:

	Data Quality: Current State	→	Data Quality: Future Potential
Company-wide	<p>Partial and fragmented understanding of customers, prospects, and industry reality & potential – obscuring business strategy</p> <p>Operational inefficiency and waste</p>		<p>A data-driven, comprehensive understanding of current reality and future potential of all customers, geographies and industries to drive revenue growth</p> <p>Faster, more effective decision-making</p> <p>Streamlined, value-added processes</p> <p>Improved financial insight and profitability</p>
Sales	<p>Sales territories and quotas that do not reflect true opportunity</p> <p>Inequitable territory assignments</p> <p>Multiple reps calling on one customer</p>		<p>Effective sales and territory management</p> <p>Clarity around corporate relationships (parent/subsidiary, divisions, DBA, agents...) for optimal sales, marketing, and risk management</p> <p>Global account coordination</p> <p>Improved customer service, matching service delivery levels to customer potential</p>
Marketing	<p>Lower than desired response rates to marketing & sales campaigns</p> <p>Communicating to a customer as a prospect</p> <p>Passing unqualified leads to sales</p>		<p>Maximizing ROI of marketing investments</p> <p>Effective prospecting based on current customer profiling</p> <p>Targeted campaigns that systematically move prospects through the sales cycle</p> <p>Improved conversion rates</p>
Resource Planning & Management	<p>Waste in resource planning and allocation</p> <p>Missed revenue opportunities due to insufficient resources</p>		<p>Optimal resource planning and inventory management</p>
Finance	<p>Greater risk exposure due to terms & conditions based on incomplete information</p>		<p>Optimal supply and risk management practices</p> <p>Streamlined account management</p>

Implementation Considerations

All successful data quality initiatives place dual importance on technical and people-related strategies. Companies must consider infrastructure, application and referential data options, as well as change-management processes, communications and training to ensure adoption and buy-in.

Take into account the following trends as you shape your approach:

- **Cloud Computing** – The rate of adoption is accelerating due to the benefits of ubiquitous access, low upfront investment, pay-as-you go models, and the ability to immediately tap into innovations. Most large enterprises are adopting a hybrid approach with both Cloud-based and on-premise applications due to security, compliance and legacy investments.
- **Software-as-a-Service** -- SaaS warrants serious attention as a cost-effective, easy and scalable solution to implement.
- **Data-as-a-Service** – DaaS enables on-demand access to high-quality data within the software applications you already use. It is creating a new standard for data cleansing, integration, enrichment, and maintenance.
- **Data proliferation** – The exponential increase in the types and amount of data raises the bar for integrating disparate data within and outside the firewall.
- **Growing demand for customer intelligence** -- Line-of-business professionals need access to a 360° view of a company that is actionable, trustworthy and timely.
- **Social media** -- Don't let the frenzy mask the importance of incorporating crowd-sourced data within structured data sets.
- **Real-time** -- This new standard for business delivery necessitates real-time customer intelligence.
- **Mobile** – An essential tool for frontline sales and service people for accessing data not maintained on the mobile device.

Perhaps the most ignored aspect of implementing a data quality initiative is anticipating and addressing people-related obstacles early in the process. You can have the “Cadillac technology” and the “Gold-seal” data, but these investments are useless if employees resist adoption.

Implementation Process

Assemble the Data Quality Team

The partnership of an executive sponsor, business unit members and IT professionals has proven to be the most effective composition to sell, frame and drive a data quality initiative across the organization. This team can credibly communicate that data quality is not an IT problem to solve; it is a company-wide improvement imperative with measurable outcomes and accountability. At the end of the day, data quality issues are really business issues. Staff the project with members most invested in customers and most able to effect change:

- **An executive sponsor** – Initiatives championed by a “C-suite” executive have a far greater success rate. CIOs, CFOs, CMOs...have the power to justify the investment of people and funds and to develop ROI benchmarks. These executives have perspective on the strategic goals of the business, and therefore are best able to set quantifiable KPI targets for revenue and profitability growth; improved operational efficiencies; and cost and risk reduction.
- **Key business unit members** – Building a thorough understanding of how the user community relies on data is an important first step to prioritizing needs and identifying trade-offs. Enrolling line management functions ensures that customer-facing departments bring their invaluable voice to guarantee that data and process decisions support business delivery.
- **IT members** –As line professionals increasingly depend on data to do their jobs, ITs role has moved from data owner to advisor. IT now helps the business meet its data quality goals by offering technical implementation options that accomplish objectives.

Delineate KPIs

The dirtiest data offers the biggest gains. To demonstrate the return on your investment, focus on data- driven processes – including sales, marketing, business intelligence and customer service. Develop an ROI scorecard built on baselines and targets appropriate for your organization. Figure C provides a sample framework.

Data Quality ROI Scorecard Template		Baseline	Target	Delta
Sales	• % reps meeting target			
	• Sales cycle time			
	• Pipeline close rate			
	• FTEs required for comp adjustment...			
Marketing	• Response rate			
	• Cross-sell rate			
	• Undeliverable rate			
	• % unqualified leads passed to sales...			
Customer Service	• Customer retention rate			
	• Speed of issue resolution...			
Other Functions...	•			

Prepare the Organization

People, by nature, are resistant to change. According to the Sales Executive Council (SEC), a primary reason why CRM implementations fail is due to lack of sales force adoption. Fifty-six percent of companies in their study were dissatisfied with sales force adoption and only nine percent were highly satisfied.

Stakeholders, or those most touched by the “new” way of managing information, may be perfectly happy going about their business in the current process. To win them over and create buy-in before, during and after the implementation, acknowledge growing pains and gains with:

- A comprehensive communication plan – By the time you talk with stakeholders about new business processes that ensure data quality, they should already understand the project goals, plan and their respective roles.
- Training – One of the most common steps data quality project leaders say they would do differently is building in more training and change management efforts early in the process.

Understand and Document Current State

Designing tomorrow's improvements requires a complete understanding of today's issues and realities. IT plays a pivotal consultative role with the business units to map and document data assets, requirements and process flows. By identifying each group's data elements and data gaps along with their corresponding business purposes, the Data Quality Team is able to classify 'must have', 'nice to have' and 'unnecessary' data elements to capture and maintain. Understanding common elements across these systems and how to bring them together is critical to the initiative's success.

Develop Data Integration and Governance Strategies

Once the data process flow and key data elements are understood, IT and business champions develop a strategy to bring disparate data together. This integration can be performed through on-site data cleanse and standardization software or through outsourced services. The new pool of data assets becomes the central resource to populate enterprise systems.

With the composite data pool compiled, cleansed and standardized, data governance policies ensure ongoing data integrity. If there is one "ah-ha" to maintaining data quality, it is inputting accurate data at the point of entry. Most organizations limit the "right" to establish new company records to a select and highly-trained group of customer-facing specialists, but continue to enable line functions to enter contact and other account details relevant to their jobs.

Select a Referential Data Source

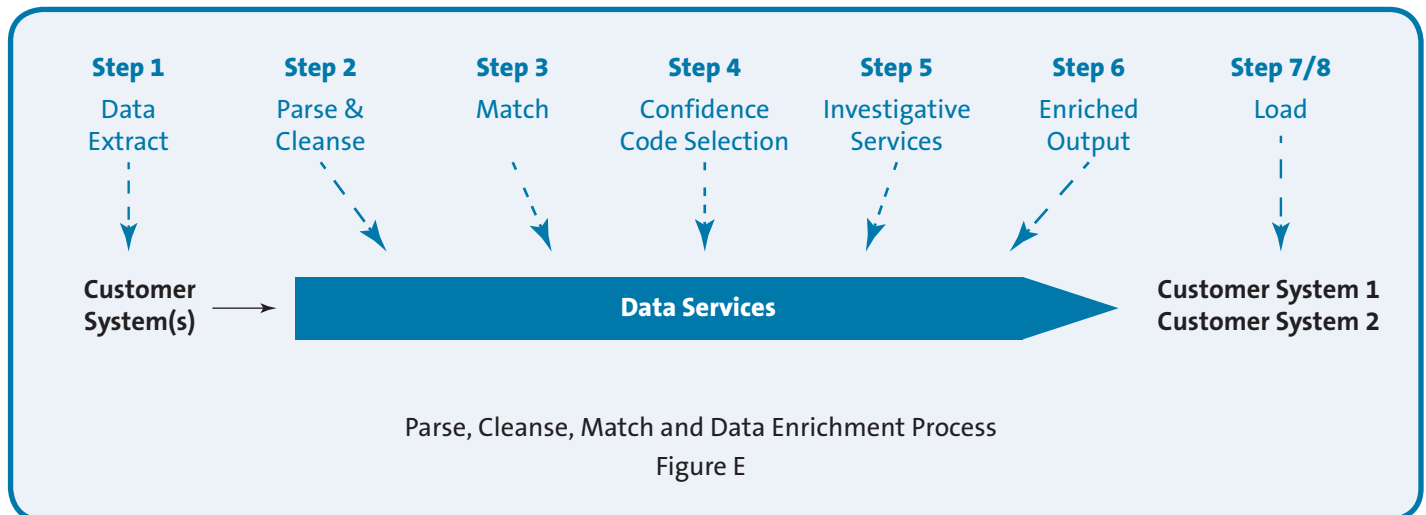
In the end, your enterprise applications are only as good as the data that populates them. To deliver true customer intelligence across the board, a trusted referential data source is essential for data integration, enrichment, maintenance, reporting and analytics. Superior information providers deliver a complete view of a customer – including corporate family tree relationships, associated demographic, contact, risk and other predictive information. This information helps companies build customer intelligence that takes into account the many ways one company interacts with another. As you evaluate data partners, in addition to accuracy and timeliness, consider the extent of coverage, consolidation, depth, linkage and predictive indicators offered by each. Figure D outlines the five criteria.

Referential Data Source Value Proposition		
Criteria for Selection	Desired Attributes	Business Value
Coverage	<p>Maximum number of unique companies in the U.S. and globally.</p> <p>Structured data sets that can access crowd-sourced unstructured data.</p> <p>Continuous maintenance of records, reflecting growth in the business universe.</p>	Identification of market size, penetration and sales and vendor opportunities; ability to add risk and demographic data to customer and vendor files.
Consolidation	<p>Single view of each legal entity with a universally-accepted standard to track any company globally through changes.</p> <p>Net data counts -- without double-counting businesses, such as “doing business as” and “trade styles” -- duplicates unrecognizable by matching software.</p>	Strategic insight and increased ROI for sales & marketing; accurate financial reporting; better predictive risk scores; negotiating power for supply chains.
Depth	<p>Highest possible percentage of populated fields.</p> <p>Payment data, bankruptcy filings -- collected from multiple sources.</p> <p>Company information should include verified information -- contact names, titles, annual sales volume, # employees, industry, contact phone and email.</p>	Fuller view of each record enables more intelligent approach to sales, marketing, and supply chain management.
Linkage	Comprehensive corporate family trees to uncover complex corporate hierarchy relationships, including headquarters, satellite offices, divisions, subsidiaries -- globally.	Uncover cross-sell and up-sell opportunities within corporate families and evaluate supplier relationships to negotiate spend and understand potential risk based on a parent company's financial stability.
Predictive Indicators	Extensive payment data for largest percentage of companies, with alerts for changes in a company's financial health and reliable predictions for its future.	Minimize acquisition costs, customer and supplier risk and maximize cash flow.

Integrate Data

Once you have selected a referential data source, the first step is to link or consolidate your existing customer, prospect and/or vendor information and match these records against this trusted, third party file. This process identifies duplicates and ties together disparate records from different systems across your organization. Once a match has been made, it is enriched with a global-ultimate parent ID assigned to the record, its corporate-family hierarchy is delineated, and other demographic and contact information is appended to the file.

The overview in Figure E outlines an initial process flow to integrate data from multiple enterprise systems. New records also follow this same workflow in real-time or through a scheduled batch process, while previously matched records can be put through a ‘recertification’ process.



Determine an Optimal Maintenance Strategy

After the initial data processing is complete, an on-going maintenance strategy is the next priority. Updating critical business information on customers and/or vendors should be done in ‘real-time’ or as near ‘real-time’ as possible. Companies with a high need for real-time data should seriously consider solutions that offer on-demand access to up-to-moment data within their business applications. Or, set a monthly, quarterly or other reasonable time schedule to refresh other less time-sensitive information, such as demographics, sales volume, SIC codes or number of employees.

CUSTOMER EXPERIENCES

Combining theoretical information with actual customer experiences provides a rich and practical perspective. In the following three interviews you'll hear how Lexmark, McGladrey and Dow Corning have each approached data quality. These companies shared with D&B Best-Practice Consultant, Alan Ceepo, the realities they faced as they embarked upon their data quality initiatives, including:

- Working within available resources,
- Across different enterprise systems,
- Cultural idiosyncrasies,
- Global and geographical complexities, and
- Industry-specific challenges.



Lexmark: Using Quality Data to Build Customer Intelligence

Lexmark provides businesses of all sizes with a broad range of printing and imaging products, software, solutions and services. In 2010, Lexmark sold products in more than 170 countries and reported more than \$4 billion in revenue. Lexmark International's Laura Avent, Manager of Customer Master Data Governance, managed Lexmark's Customer Master Data Management initiative, and Srikant Dharwad, Enterprise Data Architect, was the chief IT architect on the project.

D&B: Why did Lexmark embark upon a data quality initiative?

Lexmark: Data quality is something that we have struggled with for several years. Because data lived in disparate systems across the organization, we could not get a true picture of our customer. We could not link the many locations and relationships of a single legal entity, limiting our ability to truly understand our customer and to identify cross-sell and up-sell opportunities. The way we housed and maintained enterprise information made it impossible to get one holistic view of what we were selling and how we were servicing customer accounts. And, our industry classifications changed year-to-year, making market analysis impossible. Finally, we couldn't automate comprehensive financial analysis. It was a highly-manual process that required bringing together information from different business silos within the organization, so it was difficult to understand P&L.

D&B: How did you go about planning and implementation?

Lexmark: Roll-out of MDM in initial geographies began in June of 2008 and went live globally in January of 2011. We were fortunate that our CFO championed our project. Lexmark had attempted MDM several times in the past but the projects failed because they weren't embraced by senior management. This time, we had the critical support we needed to drive the initiative.

“Lexmark teams ... found that when the data is wrong, most often there is a business process behind it that’s causing the inconsistencies.”

We began our project by cleansing our financial data, and then systematically analyzed data within our CRM, ERP, and other enterprise systems. Before we even considered tool selection, we performed a data quality audit and found, not surprisingly, that the news was not good. Our data was riddled with duplicates and “orphans” that had no parent-tree lineage, preventing us from understanding how much business we were doing with any company in the database. It became clear that we needed a trusted, 3rd party referential database to cleanse and de-duplicate the data and establish corporate tree lineage, and we chose D&B.

We then established a data quality team with representation from each major work stream--business owners from marketing, sales, service, finance, and product, customer, and vendor management. Each area also had an executive sponsor to help us drive change. Over a six-month period, we conducted workshops in all of our major geographies around the world, including EMEA, Asia, and Latin America. These teams performed an in-depth inventory of our business processes and found that when the data is wrong, most often there is a business process behind it that’s causing the inconsistencies. We spent six months capturing and retooling our work flows to better support data quality, laying the ground work for our implementation plan.

D&B: What did you learn in your workshops?

Lexmark: First, we realized that we had no rigor or rules around creating new customer records, so duplicates and dirty data were the norm. It became clear right from the beginning that we had to establish strict data governance parameters to bring consistency to the way we capture and store information. We then created a data governance organization consisting of the leaders I refer to as Lexmark’s data quality “ordained evangelists” within each major line of business. These data stewards were charged with ensuring that their respective areas comply with our data quality protocol around customer record creation and data flow.

We also centralized customer record creation within an offshore group of data analysts in the Philippines. This function is the only group within the entire company with “fingers on the keyboard” rights to approve and enter new customer records. If someone wants to assign a sales rep to a customer or generate an invoice for a “new” company, our system requires that he or she go through the centralized customer creation process on the front end, eliminating the need to clean up data on the back end. That information is then sent to the subscribing enterprise application where they can enter transactional data within the

established company record. We focus on Master Data Management and allow the business units to perform and govern transactional data management specific to their business function, though some transactional data managers have expressed interest in bringing more governance to their areas in a future stage of the project.

D&B: Did you encounter resistance?

Lexmark: Data governance within Lexmark has required a fair amount of organizational change management. We had to create business processes that were much more rigid than people were used to. These requests take time to process. Sales and service people were used to the immediacy of creating records and became frustrated at first by having to wait a day or two for record approval. It takes time to embrace change, but people have begun to recognize the increased quality of our data and we're seeing less and less resistance over time.

“We gathered input from business units from all over the world, and then brought it back to a small, empowered cross-functional team of five for final recommendations and decisions.”

D&B: What does D&B data enable you to do differently?

Lexmark: The biggest improvement is that D&B's data has enabled us identify “global ultimate” entities with all related companies around the world to better understand our customers. It gives us distinct legal entities and corporate family tree relationships so we can get a true picture to help us better manage, sell to and service customers from a global perspective. For example, we may be working within a division of “Company A” in France but not in the U.S. Now, we can easily identify those kinds of sales opportunities. We've also just begun to profile our customers and find companies like them that we're not yet working with for prospecting purposes. Data quality also enables us to easily run financial reports and analytics.

Standardizing and analyzing our industry penetration is also much more accurate. Historically, Lexmark has been very strong in specific industries, but we've been inconsistent in the way we have recorded accounts within our revenue buckets. For example, one year, “University Hospital” might be classified by one sales team as education, and the next year classified by another sales team as health care. It was impossible to get an accurate picture of true industry segmentation. Now, with standardized SIC code information, we have a new level of granularity in understanding the industries we work with.

Within IT, data quality has also helped us to manage our vendor relationships more efficiently and cost-effectively. We performed a spend analysis on how much it costs to manage supplier relationships and found that it costs us, on average, \$100 to maintain a vendor record. D&B's data helped us analyze our most profitable vendor relationships and reduce the number of our suppliers globally, reducing our vendor management costs by 75%.

D&B: What advice would you give organizations embarking on a data quality initiative?

Lexmark: For Lexmark, I think one major success factor was that this was not an IT-driven project, but a business-driven project with IT playing a strategic, consultative role, and we had the essential top-management support. We gathered input from business units from all over the world, and then brought it back to a small, empowered cross-functional team of five for final recommendations and decisions.

Also, I would not underestimate the importance of internal communication and PR from the executive sponsor and implementation team to all levels of the organization, and the amount of training and change management effort required. I wish we had known that earlier on.

Finally, we would encourage people managing these projects to focus on the big gains and “stay the course.” When we began this project, people actually laughed out loud and said, “Good luck with that!” While many viewed our task impossible to accomplish, we remained clear in our mission and are proud to say that data quality today at Lexmark is viewed as a strategic tool and not an obstacle.

**McGladrey: Data Quality -- Supporting Planned Growth**

Dean Johnson is the Market Insight Director at McGladrey. McGladrey is the fifth largest U.S. provider of assurance, tax and consulting services with 7,000 professionals and associates in nearly 90 offices.

D&B: What business issues drove McGladrey to begin a data quality initiative?

McGladrey: McGladrey sells high-end professional services to mid-market companies and established companies “on the move.” Our clients are C-suite buyers, often CFOs, in highly-regulated industries. We have a history of mergers that has helped to fuel our growth, and this type of iterative expansion was reflected in our data and our processes for working with customers. Consequently, we were missing opportunities to truly understand the needs of our customers and prospects and to best serve clients across all of their locations and with all of our services. We have had 85 years of great success growing that way, but today, organizations are complex and so, for example, the McGladrey partner serving their client out of our Chicago office may not recognize an appropriate service that we should offer to that same client’s affiliate out in Los Angeles.

We also realized that to grow our business, we needed a better understanding of our potential market for new customer sales opportunities. Therefore, it was important to understand

companies as they're related to each other in terms of multiple locations for a single organization and the complex hierarchies among companies, such as parent and subsidiary relationships. We also realized that to grow we needed to build awareness of our brand, and sought a trusted knowledge base to work hand-in-hand with our brand-building efforts.

D&B: What solutions did you implement to support customer acquisition marketing?

McGladrey: Five years ago we launched a CRM System, salesforce.com. In doing so, we needed to populate it with companies and contacts in our sweet spot, and understand the relationship of those prospects, if any, to our current client base. We use D&B data, and this enables us to understand our growth potential in different industries and geographies and provides us with prospect companies and contacts for our lead generation campaigns, some of whom are within our current client base. In addition, D&B corporate family tree information ensures that we aren't approaching our existing clients as unknown prospects. D&B enables us to equip our people with deeper and better understanding of our clients so we can have more strategic conversations with them.

D&B: Who led the data quality initiative at McGladrey?

McGladrey: Our senior leadership team endorsed the initiative. One of the major sponsors at the time was in an operations role, and the effort was executed by the sales and marketing organizations with technical support from IT, but it wasn't an IT-driven project.

D&B: What were the biggest bumps in the road?

McGladrey: We were a fairly decentralized organization with about 15 different regions that had a lot of autonomy. So, not surprisingly, there were certainly cultural issues getting folks to understand that centralizing and sharing information is a good thing and there's no need to be territorial about data. Sales people who have had great success using their own methodology were understandably concerned when we asked them to start storing information and logging activities in a different way. We also had to overcome concern about using an external data source. Our people needed to see for themselves that they had access to much more information about a company than they did previously.

It's a process. In some cases, adoption was helped by the fact that salesforce.com feeds the commission structure. For folks who are using the system that are paid in ways other than commission, it took a little longer to increase usage. That continues to happen as they see the power of the data provided in helping us to really understand the needs of our clients and prospects and deliver on our value as high-end consultants.

"We also realized that to grow we needed to build awareness of our brand, and sought a trusted knowledge base to work hand-in-hand with our brand-building efforts."

DOW CORNING

Dow Corning: Aligning Data and Resources for Global Business Delivery – One Step at a Time

Ritch Cushway, Global Customer Financial Services Manager of Dow Corning (DC), is responsible for the processes of payment application and credit and collection. Dow Corning is a global leader in silicone-based technology and innovation with more than 7,000 products and services, 25,000 customers and 10,000 employees worldwide. Dow Corning customers range from the food and beverage, oil and gas, construction, solar, household cleaning, to personal and beauty care industries.

D&B: What drove Dow Corning to focus on data quality?

Dow Corning: With 60% of our business outside the United States, Dow Corning's data quality initiative was driven by the imperative to be a more globally consistent organization.

D&B: How did Dow Corning approach planning and implementation?

Dow Corning: We took an iterative approach to data quality management, starting with the global implementation of SAP in 1998 for complete visibility of data and operations across the world. But, as the organization implemented a global customer service capability in 2005, significant data inconsistencies surfaced. Dow Corning's initial attempt to solve our "too many hands in the pie" problem resulted in our creating customer master coordinators in Americas, Europe and Asia -- people responsible for the overall quality of the customer master data which drives order management, invoices, payments and other processes.

In 2007, Dow Corning took the next step, automating the creation of customer master data. The source of the data was the same, but it was put through an automation tool that we developed in-house using some of the workflow and automation tools within SAP. While this step created some improvement in quality, the improvement was not significant enough to streamline operations. Consequently, Dow Corning restricted the creation of new customers only through the automation tool. That made our master coordinators' jobs much easier. Instead of having to review the results of 200 – 300 people who potentially created a new customer, they only had to review the results of the customer automation tool. In the end, we have improved our data quality and business results due to the creation of our customer master coordination group and our workflow steward group, the customer master automation tool, and the use of D&B data that all support global sales and service groups.

Finally, given that we are in the chemicals business, compliance is also a major concern for us, so we established multiple data entry screens to ensure compliance with export controls, local laws, U.S. laws...from the point of entry.

D&B: Please describe D&B's role in your data quality efforts.

Dow Corning: For eight years we have been working with D&B to match our master customer data against the D&B database. We extract our customer master data quarterly and feed it to D&B. Then, we can see which records are matched and unmatched, and for unmatched records, we hold a quarterly data review process. We only accept a match code confidence level of seven and above. If a record has a lower confidence level, then we look at it. Often, records with lower matches are of a customer who purchases from us exclusively via the web and does not enter his/her company's legal corporate name or uses a personal address versus a corporate location.

We also rely on D&B data to build corporate hierarchies to see an aggregated view of our customers and understand who our highest purchasing clients are. We actually marry D&B's legal entity hierarchy with what we call our "strategic hierarchy," allowing us to take the global ultimate and link it into our strategic framework. This insight is used in about 40 different business warehouse reports and on many different management dashboards.

"Service reps and sales people on the frontline were fearful about not being able to be customer responsive... But that was quickly offset by the improved data quality and the overall elimination of time-consuming, non-value-added activity that incorrect data causes."

D&B: How has D&B data improved your business results?

Dow Corning: On a tactical level, our partnership with D&B improves our already strong adherence to contracts and legal responsibilities. It also enables us to ensure that invoices and payments are correct, which in turn eliminates non-value-added activity with customers and suppliers.

From a strategic customer financial service standpoint, it gives us insight on payment trends through key reports we use for credit and collection. It also enables us to measure our supply chain effectiveness, how well we are delivering to our key customers globally. We can even drill down to understand on-time delivery performance statistics of specific plants and warehouses. With consistent data quality, we can also compare profitability and revenue by location for insights into where our growth is coming from. All these kinds of views would be totally impossible if you didn't have some way to aggregate up our customers.

D&B: What advice would you give to other companies striving to improve their data quality?

Dow Corning: First, I would recommend putting in place a global business process information technology team with representation from finance, line of business and sales. Until we had global teams in place at Dow Corning, we had false starts in achieving consistency in our data and the processes behind that data. Every company and every department believes it has unique needs that justify variations, but as a team we only justify uniqueness when it really adds value. Finally, I recommend that companies pay attention to internal communications

and change management training. But sometimes you just have to be forceful and say, “Here’s the direction we’re going in and you have to get on board.”

D&B: Did you experience resistance to the structure and rules, and if so, how did you overcome it?

Dow Corning: At the operational level, service reps and sales people on the frontline were fearful about not being able to be customer responsive with their access to data more controlled. But that was quickly offset by the improved data quality and the overall elimination of time-consuming, non-value-added activity that incorrect data causes. We also overcame resistance by our ability to create global dashboards and put great information in the hands of executives and middle management.

LOOKING AHEAD

Wrestling data quality is worth the effort because it drives top-line and bottom-line business results. Organizations that commit to data quality as an integral part of doing business reap the benefits of applying strategic customer and vendor intelligence to all aspects of their business.

I hope these best-practice learnings launch you on your own data quality initiative. Each case study demonstrates that organizations must begin with customer needs and expectations and retool systems to support these goals. Established strong business partners and executive-level champions pave the way and remove obstacles. Internal customers must feel included, educated, and empowered by new ways of doing business to acquire, grow, service customers and better manage spend and supplier relationships. And don’t forget to measure and communicate every success ... it keeps your initiative relevant and evolving.

I would like to thank Lexmark, McGladrey and Dow Corning for sharing their insights. Please contact your D&B representative to explore ways to plan, execute, and sustain a data quality initiative for your organization.



About Alan

Alan Ceepo is a Best Practice Consultant for D&B. With an undergraduate degree in Economics and a Masters in Business Administration, and over 20 years of experience in marketing, sales, customer service and operations, Ceepo has a 360 degree perspective on bringing together technology, people, and processes to leverage data quality throughout an organization.

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