



HOW'S YOUR DATA HEALTH?

**Competitive Advantage Through
Data Quality for Sales & Marketing**

Accept It; You're Probably Infected ...

EVERYONE HAS DATA HYGIENE ISSUES; FEW REALIZE; FEWER ACT

Whether you realize it or not, you almost certainly have it

Data health issues that are a tax on your business performance, that is. Whether you manage them or not, they're in your business.

And statistics say you're probably one of those who don't even know they're sick, because market evidence suggests that less than 1 in 10 businesses are on top of this issue. The figure includes many Fortune 500 enterprises.

The truth is, even in the age of "Big Data," data quality is just woefully overlooked in most sales and marketing organizations. Why? Well "data maintenance" does lack a certain sex appeal. Being able to claim "we're implementing a new social media campaign!" or "we hired 10 more telesales reps!" can feel a lot more compelling than concluding that "our marketing data is terrible; we need to fix the fundamentals first."

However, most top business performers are always looking for an edge. We suspect it's simply the case that most marketers or sales execs aren't even aware of this drain data quality has on their business.

You've been living with it, so you probably don't realize what it's doing to you

The Data Warehousing Institute estimates that "dirty data" cost businesses in the United States up to \$600 billion annually. And sales and marketing operations constitute a big piece of that.

If you're not one of that 10% who maintain their data health, you have an unexploited opportunity to make performance gains – and steal a march on the competition. There is a really compelling economic argument to do something about this:

- Poor data inhibits sales productivity:
 - 25% of a field sales rep's selling time is wasted with incorrect data¹
 - 29% of sales rep's overall time is spent on research²
- It's a moving target:
 - 30%+ of contact records in a database become inaccurate in a year – data "rots"³
- Good data is tied to sales results:
 - High quality data correlates to 39% more closes & 66% more revenue⁴
- Good data is tied to marketing results:
 - A highly-targeted list produces much better conversion results; larger lists drawn from better-quality data yield higher absolute numbers of conversions⁵

¹ Source: Data.com, 2013

² Source: Sirius Decisions, 2013

³ Source: Data.com, 2013

⁴ Source: Sirius Decisions, 2013

A good data strategy is like Olympic-caliber sports medicine

Let's put good data in the context of sales and marketing users. Wouldn't it be idyllic if you could always say that you have:

- Enough of the right contacts, with adequate data
- So that your sales team
 - Can tell the difference
 - And reach them when they try to connect with them
 - While quickly finding added information they might need
 - Without spending their precious time on research
 - And never running out of fresh names to call
- And your marketing team
 - Can easily and quickly pull a highly-targeted lists
 - From a database they share with sales
 - So they can execute outbound campaigns
 - That get good conversion rates
 - Without conflicting with anyone else's campaign
 - While folding in the results of their inbound campaigns cleanly into that same database
 - Without records getting lost or creating duplicates
- While every member's contribution informs and guides the rest of the team
 - A sales rep modifying an Outlook contact updates the email address that marketing then e-blasts, so a new promotion reaches all contacts
 - Marketing's latest list enhances the data in the account record, so telemarketing is better-informed during their new calling campaign, gaining higher conversion rates
 - A new inquiry initiated by a marketing campaign alerts the sales rep who owns that account in real time, accelerating pipeline progression

Got your attention? Then let's look at how you regain your health

We find it's most helpful to look at data quality maintenance in the following sequence:

1. Know what to look for - the symptoms ...
2. How sick are you? Time for a physical ...
3. Was it the water? What's making you sick ...
4. Get your strength back. A treatment plan ...
5. Stay in top shape. It's a lifestyle change ...

⁵ Source: *the laws of physics*

Know what to look for – the symptoms ...

HOW DATA QUALITY ISSUES MANIFEST THEMSELVES

If it's so important, what IS "Data Hygiene"

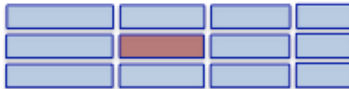
The terms "data hygiene" and "data quality" are used loosely. Many sales and marketing executives have actually never heard the terms.

And if they have, they may interpret them narrowly to describe only one aspect of the total data picture. Partial knowledge leads to addressing only part of the problem.

So, what have I got, doc? The six data pathogens

It's healthy to start by categorizing data quality issues. Six distinct "data pathogens" describe the sales and marketing issues that deserve attention:

1. Accuracy



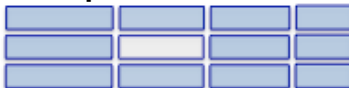
Bad contact data. Individual fields in your data have garbage in them. Telesales can't successfully dial 999-999-9999 and info@bigcustomer.com can't be campaigned by marketing.

2. Duplication

Joe Smith
John Smith
Sally Smith
John Smith

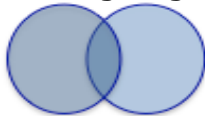
Same contact, multiple times. Havoc. Who owns it? Which record should be pursued? What measures are accurate? Where do you look for answers?

3. Incomplete Records



Missing contact data. Individual fields in your data are incomplete. You cannot segment or target "Director of Operations" contacts with blank title fields, and it's pretty tough to execute direct mailings with blank addresses.

4. Mis-Targeting



The wrong contacts. An accurate contact record does you no good if you need new product development and you have only procurement administrator contacts, or the pursuit of the mid market fails when your database is mostly enterprise accounts.

5. Incomplete Database



Not enough contacts. 50,000 contacts can sound pretty good. Until your models show that you need 250,000 records to adequately cover your target addressable market (TAM).

6. Mismatched Databases



CRM Contact data ≠ ERP data. The address you have for a contact in your CRM does not match the contact data in your ERP. Receivables older than 90d sure grows when invoices aren't reaching the billing point of contact ...

How sick are you? Time for a physical ...

CONFIRM YOUR DATA PRIORITIES; BASELINE YOUR DATA HEALTH

For someone your age, what should your cholesterol levels be?

If you lack a baseline for what data quality means in your organization, it's very difficult to assess the problem and assemble a course of action.

- Which data fields really are critical for your sales and marketing teams?
- How good is the data in those fields?
- How many contacts are there in your target market?
- What percent of your target market do you have covered?

First, should cholesterol even matter for you ...

There are many indicators of data health. Every organization has particular information that's critical to their unique sales processes. Focusing on data that don't have business impact for your business wastes time and resources.

- For some organizations, the physical address at the company level is absolutely critical so it can be tied to facilities, territory, or other geographical information.
- For others, the consumption of particular services – logistical, telecommunications, benefits – may be key to making effective decisions.
- And in some cases, it might be having the correct titles present as contacts.

You very often will have 100 or more data fields you track in each company record. But usually less than a dozen or so of those are critical to key business processes, and are therefore the right parameters to measure to determine your true data health. If you don't have those clearly defined, start here.

As you solve for this, make sure you ask penetrating questions to get to the absolute core, minimally-necessary set of data attributes. Ensure each part of the organization weighs in here: fields sales, inside sales, telesales, marketing, etc. Each has different needs.

Now, get yourself tested!

Now that you know what you're looking for, test the specific data health attributes you care about for the six data pathogens:

1. Accuracy
 - a. What % of your data have field with entries that are identifiably garbage?
2. Duplication
 - a. Within your CRM, what % of your Leads duplicate other Leads? Or Contacts? Or match up to existing Accounts?
 - b. What about your CRM compared to other systems, such as your marketing automation platform or ERP?
3. Completeness – Records

- a. What % of your critical data fields are blank?
- 4. Targeting
 - a. What fraction of your data lies within your TAM?
- 5. Completeness - Database
 - a. What fraction of the TAM do your records cover?
- 6. Mismatched Databases
 - a. Does your CRM match up to your marketing automation software? How about your ERP system?

Was it the water? How you got sick ...

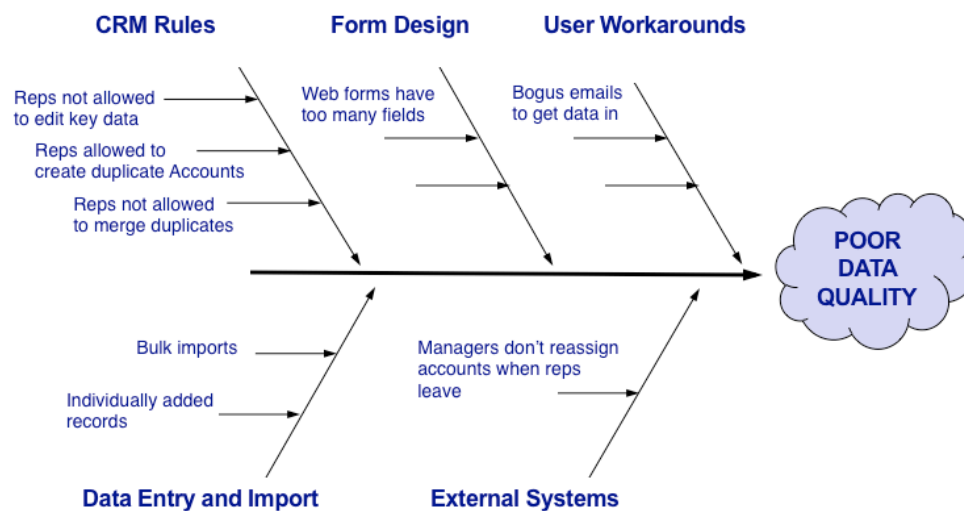
PROCESS AND SYSTEM ANALYSES TO DETERMINE WHAT NEEDS FIXING

How did I get sick in the first place? Root cause analyses

Chugging antibiotics to purge a pathogen is not very helpful when you stand a good chance of getting re-infected next month.

Your baseline has given you a clear diagnosis of what the real, business-impacting data health problems lie within your systems. Before trying to fix them, sort out where they originated from and why.

Like any other complex problem, data issues will have multiple flavors. Categorize them sort in order of impact / volume. Then assess what really led to each problem. Was it bad business process, poor business rules, gaps in the database, inadequate coding safeguards in the database, inappropriate tools?



Example: Bogus email address "info@...":

- On investigation, the record source was a trade show
- Looks like the record was bulk-loaded by marketing
- Data inspection shows that the original record had no email address
- Field history shows that the telesales rep assigned to follow-up on the lead changed the email address from "blank" to info@PrimeTargetCo.com
- That change coincides with the first logged call against the lead – "voicemail left"
- Inspecting field settings reveals that Email Address is a required field – a lead can't be edited without completing that field.
- *Root Cause: While the rep had no way to know the person's email address when they left the voicemail, they were still required to fill the field in.*

Get back to health – a treatment plan ...

ASSEMBLING THE RIGHT DATA MAINTENANCE STRATEGY

Make sure you practice sound fundamental medical procedure

Basic data management procedure and infrastructure, like a hand-washes between each patient visit or sterilized surgical suites, should be in place throughout your organization. Audit your processes for the basics.

Here's a sampling:

- Infrastructure - where are you keeping the data?
 - Do you have a well-architected database system? Or are there three separate databases and fifty-three different spreadsheets maintained separately.
 - Do you play nicely in the sandbox? Marketing vs. sales – how do you both work the same data together at the same time?
- Process for correcting errors once you've found them
 - Do you have effective tools to do the job?
 - Do you have business rules for what can be changed, and by whom, with those tools?
 - Deduplication – you can usually sort out which records are duplicates. But how do you determine the master record, the master owner, and which fields
 - Standardization – what fields need standardization to support your business processes? State/province in 2-letter format? Titles in standardized form? Street addresses? Country codes?
- Tracking and measurement capability
 - Record sourcing – where did it come from? Do you have a disciplined approach to capturing the original source of a contact, the first time you learned of them?
 - How about for capturing the first time they paid attention you (engagement source)?
 - Final resting place – where did a lead end up? Do your mechanisms allow you cradle-to-grave tracking through your systems?
- Getting data into your database:
 - How do you transfuse in new lists in without creating contamination (duplication)? You want to do intelligent uploads, not dumb uploads.
 - Adding or updating individual records – how do you minimize onesy-twoesy duplication?
 - Do you block the creation of a duplicate, or just flag the owner or their manager? How about if security permissions settings prevent the user from seeing the duplicate record?
 - Inbound routing – when a new lead emerges, how do you get it to the right place? What if it matches a record already far down the sales process?
 - List integration – multiple list sources are most likely required. How to you sync all them into your database in an efficient manner?
 - Data enrichment – got a good source for a critical data attribute? How are you going to get it in there, synced up to the right records?

- Prospecting tools – tele, inside, and field sales will always need some data you just don't have. Good tools help them avoid unproductive research hours.
- Graveyarding
 - When your data is identified as expired, how do you go about sequestering it without losing information and history?

High-tech medicine: MRI's, lasers, and robotic surgery, not leeches, please

Don't be like the client who said, "well, we hired several interns last summer to run through all our data and clean it up manually for us." That's just ... painful to witness. And, unfortunately, it's not at all unique.

You *cannot* do this efficiently or effectively by attacking it manually. You must have the right software tools. They're available, they're inexpensive, and, if applied properly, they work very well. You should view them as a critical enabler.

Dietary Supplements, Part 1: List strategy

Once you know your data gap to your TAM, you need to identify which list sources will make up the required difference. This requires a thoughtful process. What you're after is one that provides the right records with good enough data to get the job done *for your organization*.

- Which sources best fit you? Sometimes large, generalized list sources are adequate. Sometimes, it's best to select list sources that have high focus on your industry.
- Which sources provide data for which problem? Some are better at Contacts than at Accounts.
- How targeted do you require your records to be? A generalized list can give you names that match the title / function that you wanted, but those are generally just a good guess, a shotgun approach. Maybe you really need to make sure you find exactly the right decision-maker with validated email and phone number. Economics and go-to-market strategy will dictate - there's a bit difference in the price per record.

A couple of tips:

- Pick the lists that suck the least. Yes, that's the best way to think about it – and to set your expectations appropriately. There's no magic, sparkly, rainbow unicorn of a list out there that will suit you perfectly with flawless data. Does. Not. Happen.
- Make it plural. Don't handcuff yourself to a single list. Most often, a hybrid approach will serve you bet.

Dietary Supplements, Part 2: Appending & enrichment sources

You'll always need original sources for your data – fresh lists. But you will also want ways to enhance the data you already have, filling in blanks and fields didn't exist in the originating sources.

Consider where these appending and enrichment tools best fit in your processes and systems. They can be at the front end, where new records appear on an individual basis (hand-entered or from form fills on your website), automatically detecting matches and filling blanks. They can also be mid-stream, coming your existing database and looking for matches and opportunities to fill gaps.

Medical internship lesson 1: Wait for the test results

It's important to decide not only what data you need, but when you need it.

If you're distributing leads that come in with minimal information, but some key information doesn't become critical until later in the sales cycle, making those fields mandatory out of the gate simply makes life difficult and impractical for everyone. And it encourages garbage data, because *something* has to be in there, even if it's a wild guess.

Make a listing of all attributes for your records, and map them against where the data resides (tables and fields and which databases). Then map it to the point in the sales cycle where that data is mandatory, nice-to-have, or purely optional. With that in hand, you can set your system up to enforce completion at the appropriate time.

Medical internship lesson 2: A ton of dietary supplements just makes for expensive urine

Patience applies to your ability to consume the data over a certain time period, as well.

So you need a million records. Right now, or over the next 3 years? Money has time value, so why purchase more than you can consume this year.

Don't forget, what you buy has a shelf life, anyway. That's a bummer if you buy it and watch the shelf life expire before you can use the medicine.

Staying Healthy: It's a Lifestyle Change

MAKING DATA MANAGEMENT AN EMBEDDED BUSINESS PROCESS

Data quality management is a process, a never-ending journey, not a destination. Set your team's expectations that you will be committing to a whole new long-term approach to data management. A few fundamentals are very good to embrace.

Crash diets have a very poor success record

We run into clients who think that data quality is something to fix, so they can move on. Let us slay that dragon of poor judgment right now.

Reaching a good state of health is not about suffering through a crash diet once and then returning to your bad old ways. It's about a lifestyle change – figuring out what you have to do right to stay healthy, adopting those new behaviors, and ditching the bad habits that got you there in the first place.

Data quality management is absolutely no different. As you've seen, data ages. Data changes. New sources of infection will always emerge.

Make sure the boss supports your fitness objectives

Very few meaningful initiatives in business proceed without visibility to – and, critically, support from – key executives.

You're going to shift paradigms. You're impacting dashboards and page views. You're exposing weaknesses and surfacing vulnerabilities. You're creating new administrative burden and process requirements. You're creating transparency where none existed previously.

Do not underestimate the constituencies who will align against you for all the right and all the wrong reasons. You'd best have the appropriate C-suite battering ram at hand to club your way through those brick walls of resistance, else your efforts will likely lack the authority or the budget to proceed very far.

Got a chart? Keep your eye on the scale and your blood pressure ...

Peter Drucker said it best, "if you can't measure it, you can't manage it."

Data quality is a managed quantity that should be addressed like any other business process. It needs appropriate measurements and the means to measure them. It also requires dedicating human assets with the chops to produce the analyses, evaluate them, and do something about them.

Consistent and clear measurements make the case for your boss, too. And if you can tie them to real ROI impact, you'll really have executive attention.

Here's a place where sales can borrow from your operations folks addiction to six sigma processes – always be looking for improvements. Because you're always going to need them. Data management is just as applicable to kaizen as is your manufacturing floor.

Select a primary care physician – and give ownership, accountability, & authority

Who's your "Data Czar"? Does your organization have a person or persons responsible for your data?

This role should:

- Be formally assigned responsibility for data quality.
- Have their performance measured to data KPI's.
- Have the authority to act on the data.
- Have the execute support to get the answers and actions from all parts of the organization they deem necessary to affect change.

Perhaps most importantly, remember that this is one person to kick butts, not one person whose butt to kick. They must have the heft and backing to get the job done.

Appendix A – Case Studies

Case Study 1: Making your database smaller can make it bigger

A client was plagued with duplication and error issues that made decision-making very challenging.

Their database was centralized, key data fields were defined, and externally-managed lists were imported and integrated. Software tools were used to de-duplicate the data, to cleanse compromised data fields, and then to identify and sequester un-recoverably bad-data records.

The database shrank by 30% (!) with the consolidation of duplicates, and another 30% of contact records were sequestered as bad data.

Sales reps and managers were then able to trust their data and choose a record without having to wrestle with whether it was the right one or not.

Perhaps most interestingly, though, with centralization of records, the actual marketable database size grew by 50% - eblasts were covering a larger data set.

Case Study 2: Stocking up can waste a LOT of money

A client was pursuing a new list source – one of the highly-marketed prospecting tools that integrated directly to their CRM. Each seat purchased came with a monthly record-set allotment; in total, the firm would have access to nearly a million new business contacts per year.

However, a TAM analysis of their target market subsequently showed that their entire market should consist of about 250,000 contacts.

By curtailing the contract for the new prospecting tool, they were able to save a seven figure sum on list acquisition and still get what they needed.

Appendix B – Tips & Tricks

1. Nailing down your data needs – questions to ask yourself
 - a. What information is necessary to make critical business decisions or complete key business processes?
 - i. Do you need accurate employee counts to validate that the cost-to-serve of this client will make a sale profitable? Or is it their revenue number?
 - ii. How do you determine what products they are interested in, so an accurate quote can be generated.
 - b. What negative business impact will result if specific data fields are wrong, now or later?
 - i. Incorrect definition of customer’s business requirements leads to an erroneous ROI calculation – and a customer who cancels or sues a year after implementation.
 - ii. Incorrect purchase order number on deal closure leads to unpaid invoices.
 - iii. Incorrect billing address leads to a customer not receiving invoices.
 - c. For required data fields, how and when do your team members get that data?
 - i. If you force them to fill in fields before it’s likely they will have the data, will they enter dummy data simply to meet the requirements to move forward?
2. Some tips and tricks for selecting a Data Czar
 - a. This should be a person with strong analytical skills – running a 10,000 record spreadsheet through a dozen pivot tables to extract information should be second nature.
 - b. They should possess, at minimum, a basic understanding of database structures.
 - c. They should have strong familiarity with your business processes so they can make good inferences when performing the needed root cause analyses.
 - d. They should be critical thinkers who have the intellect to “ask the five why’s,” the curiosity to like asking those questions, and the hutzpah to ask them of senior executives.
 - e. They should be at the manager or director level – they need to have the gravitas to be able to engage executives across functions when seeking consensus for action. It’s likely the people actually performing the data hygiene will report to them.