




THE THREE FUNDAMENTAL PILLARS OF

CRM DATA MANAGEMENT





INTRODUCTION

Data truly is the lifeblood of successful businesses around the world. Virtually any operation you can conceive of requires the use of quality data, whether it's health care technology or e-learning tools to ensure students are on track. Thinking broadly of how many things could go awry with bad data quality, the need for processes to collect and maintain high quality data becomes abundantly clear.

According to Forrester's "Insights-Driven Businesses Set The Pace For Global Growth," businesses that embrace a data-driven strategy are growing 30% year-over-year. That's eight times faster than the global GDP.

With CRMs full of accurate and clean data, businesses open themselves to a world of positive interactions: better client relationships, better customer experiences, and better programs for both marketing and sales. Over time, the data opens new worlds of possibilities, including industry-leading innovation, increased reputation in the market, and the ability to stay ahead of less data-savvy competition.

But first, you need to understand data and how to stay confident it is high-quality and managed well within your CRM. How? We've compiled the basics you need to know to understand the world of data, and take it into your own hands.

3 PILLARS OF DATA MANAGEMENT

Data management has three pillars of support: data quality, data governance, and leadership support. These are the three things the most successful data managers note as being must-haves. Without these pillars in place, it's impossible to build a strong foundation of quality data on which your business can grow its success.

1. DATA QUALITY

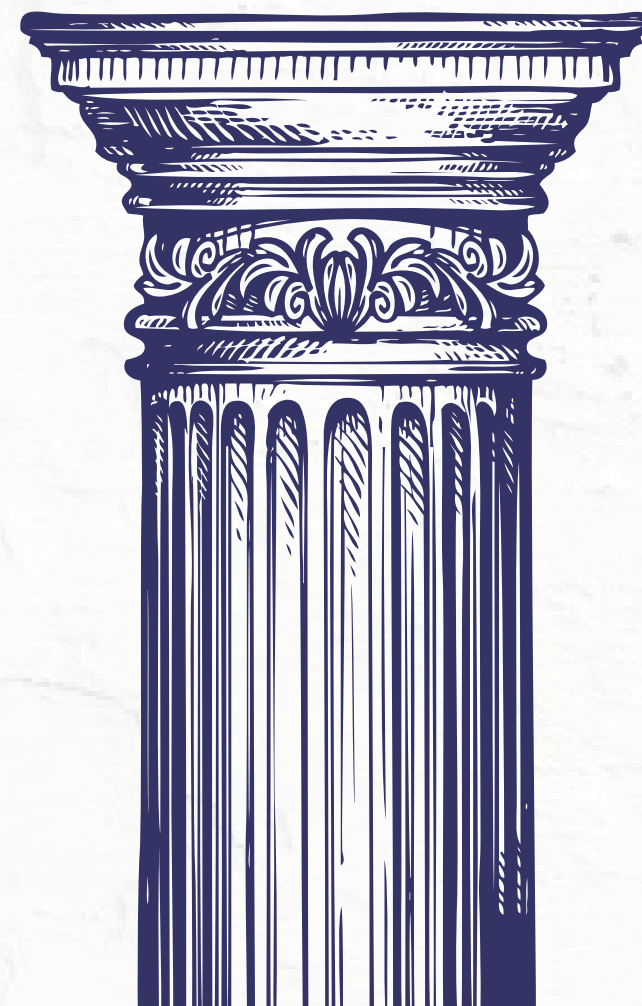
Data quality is determined by the actions on your data: profiling, standardization, deduplication, verification, enrichment, and monitoring. Unfortunately, these things are not possible to do at scale using native CRM functionality. A third-party tool like Validity's DemandTools can alleviate that burden and also automate the processes.

2. DATA GOVERNANCE

The people, processes, and technologies an organization is using to manage data. Without a standard for data that accommodates your business needs, plus a plan for using the process and maintaining the standard, you're working against the current of data quality.

3. LEADERSHIP SUPPORT

Without buy-in from every level of your organization, you're at higher risk of processes becoming derailed by leadership-directed initiatives. When all parties within the business are clear on the need for high quality data and trust the process in place to maintain it, you're less likely to run against challenges in your quest to have first-class data.



BECOMING A DATA-DRIVEN ORGANIZATION STARTS WITH UNDERSTANDING HOW THESE PILLARS AFFECT YOUR BUSINESS, THE COST OF INACTION, AND A PLAN TO BRING ALL THESE ELEMENTS TOGETHER FOR SUCCESS.

PILLAR 1

DATA QUALITY



Poor data quality's impact is far-reaching through an organization. From strained communications between employees and customers or prospects, to outright missed sales opportunities and revenue loss, bad data can wreak havoc on a business.

WASTED TIME AND EFFORT

Knowledge workers waste up to 50% of their time dealing with mundane data quality issues, and sales departments lose approximately 550 hours and as much as \$32,000 per sales rep per year from using bad prospect data.

LOST REVENUE

The cost of bad data is 15% to 25% of revenue for most companies.

ORGANIZATIONAL FAILURE

Gartner estimates poor data quality is the main reason up to 40% of all business initiatives fail to reach their targeted potential.

MISSED OPPORTUNITIES

You don't want your competitors to know more about your customers than you do, right? If your communications aren't reaching intended customers due to missing or inaccurate data, or if you're missing buying signals because there's not enough data to tell the right story about the buying journey, you're leaving the door wide open for your competitors to give your customers a better experience.

To avoid these negative consequences of bad data, you need to define, refine, and stick to data governance and quality processes. After that, the data will illuminate your way.

We could talk about data quality for another 20 pages, but to spare you the rabbit hole, we'll be releasing a dedicated guide to data quality, with actionable tips and guidance to keep your data functioning at optimum efficiency.

PILLAR 2

DATA GOVERNANCE



ENGAGE THE RIGHT STAKEHOLDERS

There's no two-ways about it: A governance team is a must-have for true data management success. This team should involve a subject matter expert from all areas of your business, helping the organization reach a cross-functional consensus informed by needs, regulations, and industry standards.

The companies reporting the highest satisfaction with their data quality often adopt an executive-level committee to oversee data operations. This can include several leaders, or simply a Chief Data Officer (CDO) to lead the charge. This leadership direction can provide helpful policies and strategies and give the execution team guardrails to stay within when exploring which data to collect and how to keep its fidelity.

To be sure, data governance isn't just for large organizations. If you have only a few hands to help, one or two people can lay the groundwork for this type of highly effective approach. The time investment will be worth the reward, as it'll be scalable for growth and increasing intricacy. Data governance will serve as the checks and balances for CRM setup, data flow, end user adoption, and the recognition and resolution place for technical debt.

DON'T GET LOST IN THE PROCESS

Control of your data is the most critical part of data quality. Without control, things can go awry. To have control, though, you need ironclad processes that are clear, well-understood, and practiced without fail across the entire organization.

One of your goals as a data manager should be to simplify all the process you can simplify. Try to minimize steps, maximize automation, and make it easier for the end user to stick to the process. When end users understand and appreciate the need for

the processes at hand, they'll be more invested in them and be more willing to work with a CRM that might not exactly function the way they expect or want.

You will want to know the answer to all of these questions:

- *What are our data quality best practices?*
- *Why is there governance around data and how it enters our CRM?*
- *Who's responsible for maintaining data quality?*
- *For my department, what are the data quality standards?*
- *What analytics will be available from the data we capture?*
- *How does this benefit the end users?*

TAILORED TECHNOLOGY

Technology is your friend. But until you know what you need from technology, it can feel more like doing a puzzle with pieces that simply don't fit. Once you determine your needs and how users should interact with the tool, you can start to look for the right solution...but be advised, you likely won't find a catch-all. While CRMs offer a solution to siloed data, you'll need to augment it with the right mix of tools to keep your system running effectively and efficiently.

When looking for tools, don't be surprised if you realize your needs aren't technology, but instead, modifications to your data processes. Once you identify what processes need changes, you'll likely find technology meets your needs more readily than before.

Of course, evolution in both your own strategies and goals and the technology itself is inevitable. Be prepared for continual refinement and don't get discouraged! The quest for high-quality data is worth the effort.

PILLAR 3

LEADERSHIP SUPPORT



When leadership teams embrace and prioritize CRM data quality, it becomes an organization-wide initiative. We found in our [State of CRM Data Management 2020](#), only 8% of organizations meet these particular criteria: Leadership prioritizes CRM data quality; an effective, ongoing data governance process is in place; and CRM data management is the full-time responsibility of a cross-functional team.

As we've noted, those three components are absolutely crucial for exceptional data quality, yet only the "Elite 8," as we called them, reported them as part of their data strategy.

Further research proved the Elite 8 were wise to insist on leadership's prioritization of data quality, as 85% of them rated the overall quality, accuracy, and usefulness of their CRM data as good or very good. Plus, 90% rate the trust and confidence users have in their data as high or very high.

This evidence leads us to believe without leadership support, your CRM data quality suffers from a lack of a strong, organizational foundation which erodes trust in the quality of data and the overall efficacy of the CRM solution.

**ONLY 8% OF PARTICIPANTS
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- STATE OF CRM DATA MANAGEMENT 2020

ADOPTION

Frankly, a solid CRM data management strategy does no good without a group of individuals dedicated to it. CRM adoption is just as critical to high quality data as are the data processes in place. Adoption and quality processes need to happen simultaneously to keep the cycle virtuous instead of vicious. High quality data is needed to help end users be successful and trust the system, but without the right UX, you run the solid risk of muddying up good data instead of enhancing it with what users learn through customer interactions.

But CRMs are built for the business, not the end user. It's not ideal for the users, but it is what it is. That's why we're in the business of giving CRMs a more consumer-grade feel with a familiar and fast interface, something like an Excel doc, but with CRM's data-relation intelligence.

Your approach should be to flatten your CRM and provide role-based workspaces to make your end users more efficient with less effort, making adoption an easy sell. Since CRMs don't do this innately, you need to focus on what your end users need (particularly sales and service users), and then let those needs inform more downstream processes and experience for other teams, like marketing and finance.

Consider the processes, goals, and end users in charge of data quality, and think about the CRM technology at hand. Do they complement each other or does the CRM hinder more than help? If your answer is anything less than a vote of confidence, you'll need to find ways to promote CRM adoption. This could include finding CRM-augmenting technology like Validity's GridBuddy Cloud to help make CRM interfaces, like Salesforce, easier to navigate and manipulate. Or, in absence of CRM efficiency tools, perhaps consider changing processes to find the best happy-medium between your innate CRM functionality and the manual needs of your end user.

Above all, don't neglect to recognize CRM adoption as a real challenge you'll face in your journey to better data. Continually check in with your end users to confirm the processes and CRM in place work well for the team. Confirm your organization isn't taking shortcuts or workarounds because the CRM is unwieldy, or worse, that no one is using their own method of data collection outside of the CRM.

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HOW IT ALL COMES TOGETHER

Rome wasn't built in a day, and although you now have solid pillars on which you can build a foundation of high-quality data, it'll take work to get to your end goal of more actionable, trustworthy data.

Start by having conversations with your stakeholders to identify pain points, negative outcomes of current data quality, and what works just fine today. Then, work together to find a collaborative process helping each department reach their goals through data – and don't forget to keep your leadership informed, engaged, and supportive. Data is the core of any successful business, whether for sales and marketing or simply operational efficiency.

With these basics, you're on your way.

DATA QUALITY

Keep the fidelity of your data to avoid a multitude of negative impacts like poor quality leads, operational inefficiency, and missed goals. Using tools to help you not only easily manipulate data but encourage adoption of the CRM, like [DemandTools](#) for data quality or [GridBuddy Cloud](#) for adoption, can make all the difference in your data quality and its related outcomes.

DATA GOVERNANCE

Have a strategy accommodating not just end users, but all downstream stakeholders to ensure alignment and commitment to the process. This will ensure everyone is on the same page and working toward the same goal, the same way.

LEADERSHIP SUPPORT

Get buy-in from the top. An organization-wide commitment to data quality and governance has the best chance of survival with the complete support and endorsement from the highest levels of the company.



Businesses run better and grow faster with trustworthy data. Tens of thousands of organizations rely on Validity solutions – including Everest, DemandTools, BriteVerify, Trust Assessments, and GridBuddy Cloud – to target, contact, engage, and retain customers effectively. Marketing, sales, and customer success teams worldwide trust Validity solutions to help them create smarter campaigns, generate leads, drive response, and increase revenue.

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