Top 5 Reasons
to Implement a Data Quality Solution
Why Data Quality?

The quality of your data translates into business performance and profitability. If your data is timely and accurate across the enterprise, you’re poised to operate at high levels of speed, precision and efficiency. Your supply chain is synchronized; your financials are spot-on. You’re equipped to attract and retain customers, rapidly expand into new markets and make informed, data-driven business decisions.

Most business and IT leaders recognize the theoretical importance of data quality. Yet many don’t take action until bad data manifests itself into a high-impact business issue – a critical accounting error, a botched production order or faulty billings that cost millions in revenue. And too often, the fix is a Band-Aid on a single issue that leaves unaddressed widespread and insidious data quality problems that can drive up costs and hemorrhage revenue – without anyone noticing.

The costs can be extreme. A study by research consultancy Ovum concluded that bad data cost U.S. businesses $700 billion a year, or 30 percent of their revenue. Another study by Gartner calculated that companies lost an average of $8.2 million a year because of poor data quality.

53% of companies that have SUFFERED LOSSES OR PROBLEMS due to poor data quality

40% of BUSINESS INITIATIVES FAIL TO ACHIEVE TARGETED BENEFITS because of bad data

77% OF COMPANIES believe their bottom line is affected by INACCURATE AND INCOMPLETE DATA

A dedicated data quality program and supporting technology solution are increasingly recognized as an imperative as business reliance on data continues to rise. With the right approach, organizations across industries are able to:

1. Minimize critical business interruptions
2. Keep up with the pace of business change
3. Confidently manage risk and compliance
4. Expand or consolidate systems
5. Prepare for continuous data governance
Business interruptions can occur in any area of an organization and cause ripple effects of excessive time and cost. Typically, they are related to information that is inaccurate or outdated, where the consequences could be grave and disruptive. It pays to proactively size up the scale and impact of business interruptions and identify their root causes.

Often, poor data quality is the culprit behind erratic shipments, production delays, cost overruns and conflicting reports that trigger fire drills and finger-pointing. Bad data can result from differing definitions of common terminology across applications, duplicate entries, conflicting semantics and various renderings of the same information, for example, a customer referred to as Acme, AcmeTech and Acme US with different address locations.

In many large enterprises, such discrepancies proliferate across transactional, operational and strategic data, especially when manually-entered data or non-validated uploads occur.

A thorough data assessment is the first step to determine if the state of your data supports the business outcomes you want to achieve. It will pinpoint gaps and disconnects in financial and operational processes and quantify impact and risk. Most important, it lays a foundation for a data quality business case and a strategic program for ongoing data governance that’s critical for turning data from a business liability into a business asset.

Figure 1. Poor quality data is often hidden within dozens of functional areas.
Globalization, competitive pressures and escalating customer expectations are prompting businesses to focus resources on improving their speed and agility to cope with change, capitalize on opportunities to enter new markets, reach new customers and deliver innovative products and services.

At the same time, the data at your organization’s disposal is greater than ever. Big data from business partners, Cloud systems, social media and mobile devices is dramatically increasing the volume, variety and velocity of information. These converging dynamics are raising the stakes for data that’s timely, accurate and actionable.

Organizations recognize the imperative for data to keep pace with change. In a TDWI study, IT and business leaders ranked real-time data quality as the second-fastest growing discipline in data management. How do you address data quality across information that appears and changes at cycles faster than your systems can perform?

If your organization encounters a merger or acquisition, how are you rationalizing and harmonizing common information across siloed systems? What systems do you set in place to monitor quality and alert you to data inconsistencies and inaccuracies—not just whether fields are complete, but whether the information in them is business-ready?

Taking an automated approach to migrate data from hundreds of source systems and provide a global, consolidated view across not just projects but across multiple processes, resources and systems helps:

- Increase the velocity of the data quality lifecycle
- Capture real-time alerts on business-critical data discrepancies
- Quickly address data issues before they impact performance
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2. Keep Up with the Pace of Business Change continued

Figure 2. The Data Journey

Why Data Quality?

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Expand or Consolidate Systems
Prepare for Continuous Data Governance

Conclusion

FASTER ROI THROUGH:

ACCELERATION
Pre-built Content & Collaboration

ACCESS
on Any Device

REUSE
Maximize Reuse

DATA QUALITY

PLAN
Data Strategy

MIGRATE
M&A, Consolidation, Upgrades

MONITOR
Data Quality Management

CLEANSE
Excel-based Mass Update and Data Quality Remediation

MANAGE
Master Data Governance

ARCHIVE
Information Lifecycle Management

VISIBILITY

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Confidently Manage Risk and Compliance

Strengthening risk management and compliance is high on the executive priority list. In virtually every industry, organizations contend with increasingly complex regulations at the state, national and global level, with Sarbanes-Oxley, HIPAA and FDA being among the most widely recognized. Service-level agreements (SLAs) with internal and external stakeholders introduce additional requirements.

In the worst case, non-compliance can lead to a high-profile blunder and millions of dollars in lost revenue, punitive fines and brand damage. Compliance is a key element of risk management in both finance and operations, and depends on a foundation of timely, trusted information that can withstand scrutiny.

Data silos and inconsistencies leave many organizations exposed to non-compliance damage by making best-guess decisions. For instance, in the financial services sector, 79 percent of risk professionals are somewhat to very concerned over the quality of data on which their institutions base decisions, a Deloitte survey found. Beyond regulatory compliance, poor data quality also undermines internal risk management related to supplier and customer relations, new business ventures and other areas.

A data quality solution that alerts you to anomalies and supplies a framework for ongoing monitoring and management can significantly strengthen business lines such as human capital management, as well as compliance and risk management programs. The ideal approach audits the information you rely on for compliance efforts. It spots discrepancies and traces problems back to the source. This process helps ensure that data is accurate and complete at the field level, as well as business-ready and reliable for critical compliance reporting.
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Most businesses are modernizing their systems to accommodate a growing global footprint and to find better, more efficient ways of managing their business and workforce. Many are moving away from aging on-premise legacy systems towards cloud environments for HR, CRM and ERP. Others are upgrading to newer versions of business software they’ve traditionally run.

At the same time, the emergence of big data from social media, mobile devices, sensor-based equipment and other sources offers a trove of new information that can be turned into business insights. It also presents challenges in ensuring that new data aligns with systems of record and avoids creation of additional data silos.

Data quality should be a critical component to the data migration effort typical in IT modernization and rationalization. Best practice methodologies and proven technologies can help you identify the data you need to cleanse and move into the new systems, as well as which data you can safely archive or retire, based on the business outcomes you are trying to achieve.

Pre-migration is the perfect time to assess your data quality before expending the time and money to move all data (good or bad) into your new system. Taking account of your data strategy, the process by which you manage it and the resources you need is just as important as the new systems.
Prepare for Continuous Data Governance

A well-defined and agile framework for continuous data governance is vital to ensuring ongoing business-ready data after a data migration or within a data quality initiative. Though data may be complete and exact post-migration, quality inevitably degrades without data governance as new data and sources are incorporated and business processes evolve.

Following a data migration, a BackOffice Associates customer opted for a manual approach to data quality that required users to have deep knowledge of master data specifications and entry requirements for SAP. The process was difficult, labor-intensive and prone to error. At the customer’s request, BackOffice Associates applied its data governance solution to automate data quality processes, enabling the customer to cut its cost in manual entry by 85 percent, saving nearly $750,000 a year.

A Center of Excellence (COE) provides for centralization of repeatable best practices and an organizational structure for continuous data quality, as well as other data management disciplines. A COE is well suited to support an advanced, application-driven approach to data governance, using either Passive or Active Data Governance.

**Passive Data Governance**
- Alerts you to critical issues through reports, metrics and analysis
- Enables monitoring and measurement of data quality against business requirements

**Active Data Governance**
- Establishes an automated method to eliminate errors at the onset and reduce error remediation time
- Provides a closed-loop method for error management, approvals and posting back to source systems

With sound data governance, your organization is positioned to rapidly identify and correct data quality issues before they materially impact the business. Increased data readiness minimizes business process interruptions and reduces error resolution times. As reflected in Figure 3, value increases progressively from a basic COE for data governance to an approach using Active Data Governance.
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5 Prepare for Continuous Data Governance continued

Figure 3. Active Data Governance enables the greatest degree of data quality, fewest interruptions and least error resolution time.
Conclusion: Rapidly Remediate Data Quality Issues

Achieving a high level of data quality calls for expert information governance strategies and best practices. Data quality solutions can rapidly identify and remediate your organization’s data quality issues, starting with a data audit that will provide you with data quality visibility in a very short timeframe. Active data governance maintains top quality data and provides a “firewall” to prevent data errors while achieving successful business outcomes.

BackOffice Associates can help you lower your data costs, achieve global visibility, take control of your global data standards and deliver real-time reporting on trusted data for all of your critical business operations and decisions. Our expertise in data quality and data governance jumpstart your path to business-ready data with proven solutions that help you:

- Automatically and rapidly locate, evaluate and remediate costly data errors
- Improve efficiency by eliminating manual processes
- Enable continuous improvement through analytics
- Accelerate the data quality lifecycle with prebuilt techniques and domain-specific reports
- Customize data quality to your unique needs, either on premise or as a service

BackOffice Associates Solutions

- Data Assessment
- Data Quality
- Data Migration
- Passive Data Governance
- Active Data Governance
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Contact us for a data assessment.

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