

SOLVING DATA MANAGEMENT PROBLEMS

Now That Packaged & SaaS Solutions Are Available, The Spreadsheet Days Are Gone

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January 14, 2011

Processor • Vol.33 Issue 1

Until three or four years ago, formal data management was the sole province of large organizations. They were the only ones that could afford the expensive and complex technologies needed to collect, verify, validate, integrate, and store the data needed to do business. In recent years, a host of packaged and SaaS solutions have emerged that are available to businesses of any size for reasonable prices.

Just because a solution exists, however, doesn't mean it's right for a particular enterprise. It pays to understand your enterprise's needs and how they match up to a specific solution's offerings before signing up. To do that, you must understand the realities and complexities of data management.

Discover The Need For Data Management

Most enterprises spend little time on data management until a business-related problem arises. "The biggest issue is when you don't know you have bad data, and you're using it to base decisions on," says Loretta Smith, vice president of communications for the Data Management Association International (www.dama.org).

Something as seemingly innocuous as returned mail from the on-file address of a customer can be a sign that your data is flawed and needs better management. Many calls to a help desk that interrupt the flow of business also indicate data problems, as does poorer-than-expected financial performance. The evidence can be well-hidden and may not turn up until a company decides to migrate its data to a management solution.

BackOffice Associates (www.boaweb.com), a company that specializes in cleaning up data and ensuring its quality and accuracy, performed a human resources data audit in 2009 for a large client that had 40,000 employees around the globe. The client was preparing to move its data into a new management solution. "The company said the data would be really easy to audit," says **Trish Kennedy, BackOffice Associates CEO**. BackOffice Associates did retrieve the data from the enterprise's various locations around the globe, but it encountered some problems as there was missing or incorrect information within the files.

Key Points

- Most enterprises do not realize the need for data management until managers or IT personnel begin noticing business-related problems.
- Before selecting a data management solution, analyze what data your enterprise needs and why, how the data is used, who uses it, and where and when employees use it. Make sure the solution isn't too complicated for anyone but experts and that it integrates well with the rest of the company's applications.
- Companies that Aberdeen Group rates as best-in-class in data management see all aspects of the practice, from data collection to data governance, as a unified process. Enterprises of any size can be considered best-in-class.

For smaller businesses, the costs of wasted postage for piles of returned mail can be substantial, as can the loss of up-to-date customer information.

Vetting Data Management Solutions

It's tempting for an enterprise to adopt a new data management solution as soon as management or the IT staff realize there's a problem. This approach is the reason most IT implementations of any kind fail. So suppress the urge to buy the first solution that looks good.

"Data management's goal is to ensure that an organization's information and data assets are available to the people who need them when they need them in the form they need them," Smith says. Of course, this presupposes that the organization also knows what data assets are needed.

One of the top challenges enterprises face in selecting a data management solution is determining what areas of the business to address first, according to David Hatch, senior vice president, general manager, and data management analyst at Aberdeen Group. He says "Aberdeen research shows that customer data is the No. 1 target for data management initiatives among organizations surveyed." Because of the difficulties of acquiring new customers in the current economy, "it is more critical than ever to understand and act upon customers and their current demands to at least maintain current business," Hatch says.

Hatch explains that a particular challenge for smaller firms is transforming raw data into relevant information that non-technical business users can access and use. Part of the problem is that many data management solutions are so feature-rich that they overwhelm anyone who isn't an IT professional or a data management expert. "Companies of all sizes should focus on obtaining solutions that their users can understand and . . . are accessible and useable by [ordinary] users," Hatch says. Once you identify a possible

data management solution, don't adopt it until you evaluate how well it will integrate with your company's existing applications.

Data Governance

The process of setting rules and formalizing policy regarding data collection, cleansing, storage, access, and use is known as data governance. "When it comes to information management, companies that Aberdeen Group define as best-in-class have evolved to a holistic approach," Hatch says. "Data quality/cleansing, integration, warehousing, modeling, and delivering of data to enterprise applications are being addressed as one discipline. Best-in-class companies are nearly twice as likely as their peers to establish a data steward role or committee within the company." This steward or committee handles data governance, with input from all stakeholders who use or manage data.

"Company size is not really the differentiator when it comes to classifying data management maturity," Hatch says. "Many smaller firms are employing sound data management practices and are gaining business value that tangibly justifies the investment they have made in both technology and expertise."

Best-In-Class Data Management Metrics

Aberdeen Group research identified a set of metrics that defines best-in-class data management for enterprises. Although implementations may be different, SMEs and large companies can meet these metrics.

- Percentage of time actionable information is available within users' decision windows (real time, hourly, daily, and so on).
- Percentage of time key information can be accessed without relying on or waiting for the IT department.
- Percentage of users who are satisfied or very satisfied regarding their ability to access information relevant to their jobs and with the ability to customize views and reports using source information without IT assistance.

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