

# The business value of trusted data

An infographic for Chief Data Officers looking to strengthen the whole data and analytics value chain

'Trusted data' refers to the notion that everyone in an organisation – from the CEO to a customer service agent – needs to have confidence in the data that is used to run their business, both operationally and analytically.

## The true cost of bad data for businesses

**50%** of data warehouse, Big Data and AI projects will fail or receive limited acceptance due to failure to proactively address data quality issues <sup>1</sup>

**69%** of companies believe inaccurate data will undermine their ability to deliver an excellent customer experience <sup>2</sup>

It costs

**\$1.60** to verify a record

**\$16** to cleanse it and

**\$160** to fix the effects of bad data <sup>3</sup>

<sup>1</sup> Thomas Redman, "Data Driven: Profiting from Your Most Important Business Asset",

<sup>2</sup> Experian, Global Data Management, 2018

<sup>3</sup> G Labovitz & Y Chang, "Making Quality Work"



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*If bad data is the norm, maintaining a foundation of trusted data for all stakeholders is surely one of the most compelling competitive differentiators your business can achieve."*

## The three pillars of trusted data



### Data integration

Breaking down technical and business silos



### Data quality

Because decisions made on bad data are bad decisions



### Master Data Management

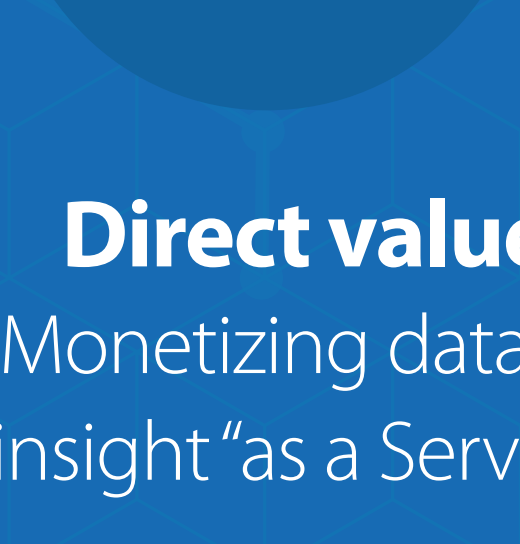
The pursuit of a single version of the truth

## What's keeping CDOs awake at night?

- 🕒 Lack of clarity over data ownership
- 🕒 Difficulty producing an accurate customer count
- 🕒 Different answers to the same question
- 🕒 Business users 'manage' their own data in spreadsheets
- 🕒 Duplicate data across systems
- 🕒 Resources tied up in discovering and fixing data issues
- 🕒 Processing errors due to incomplete data
- 🕒 No single version of the truth
- 🕒 Not knowing where the data comes from
- 🕒 Not knowing what the data is used for
- 🕒 Risk of regulatory fines
- 🕒 Risk of reputational damage

## Calculating the business value of trusted data

You can calculate the value of data in terms of opportunities, top-line growth, improvements to the bottom line and risks.



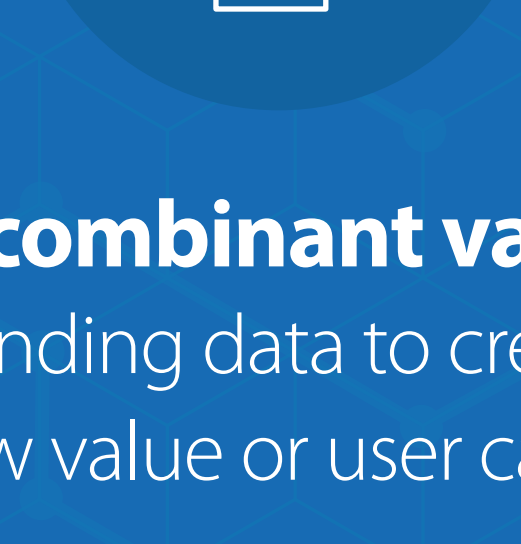
### Direct value

Monetizing data or insight "as a Service"



### Indirect value

The impact of data-driven decisions on the bottom line



### Recombinant value

Blending data to create new value or user cases



### Automation value

Freeing up staff for higher-value activities



### Algorithmic value

Machine learning predictions or recommendations



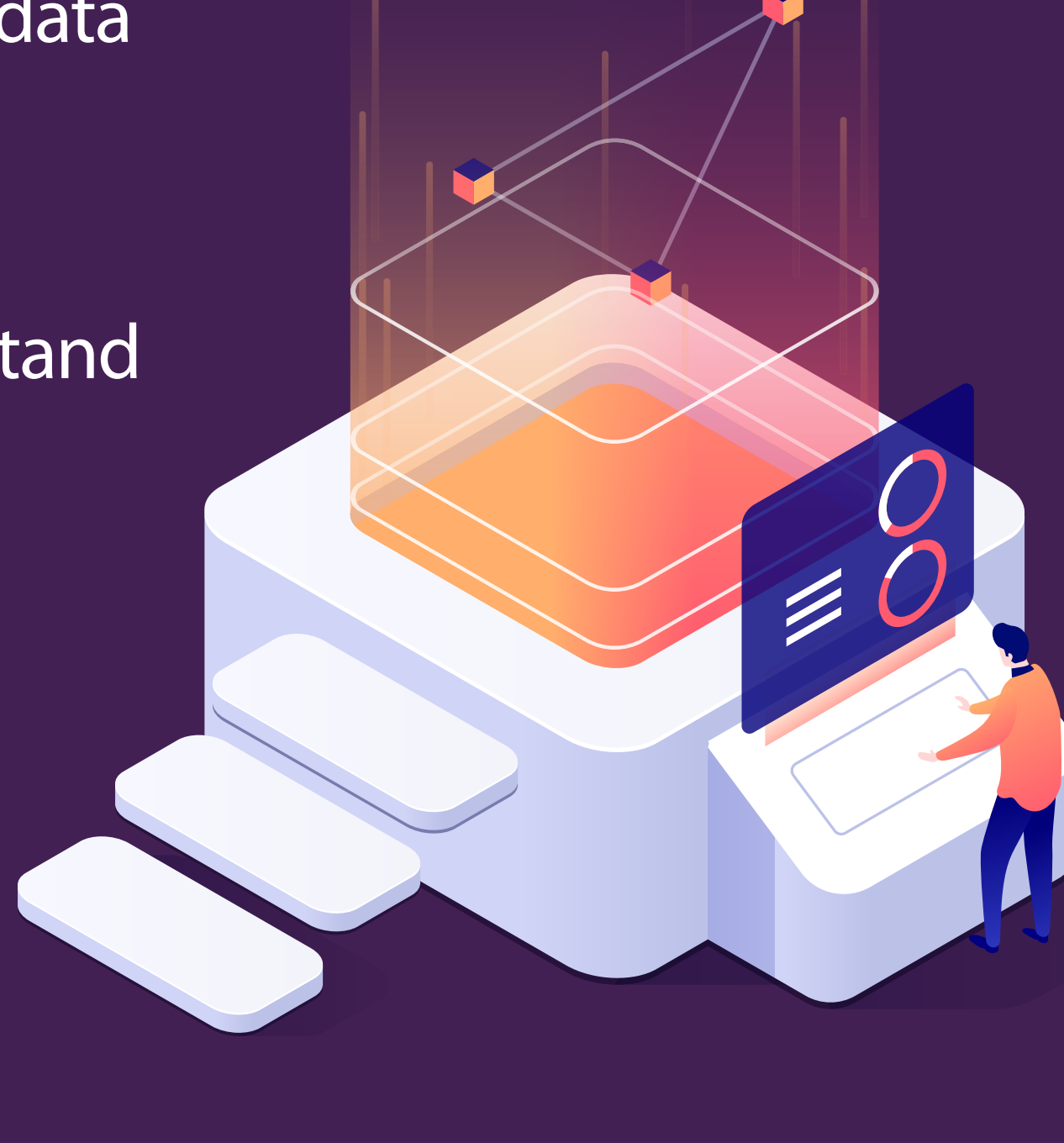
### Losses

The opportunity costs of losing or neglecting data

## Bad data is not an IT problem – it's everybody's problem

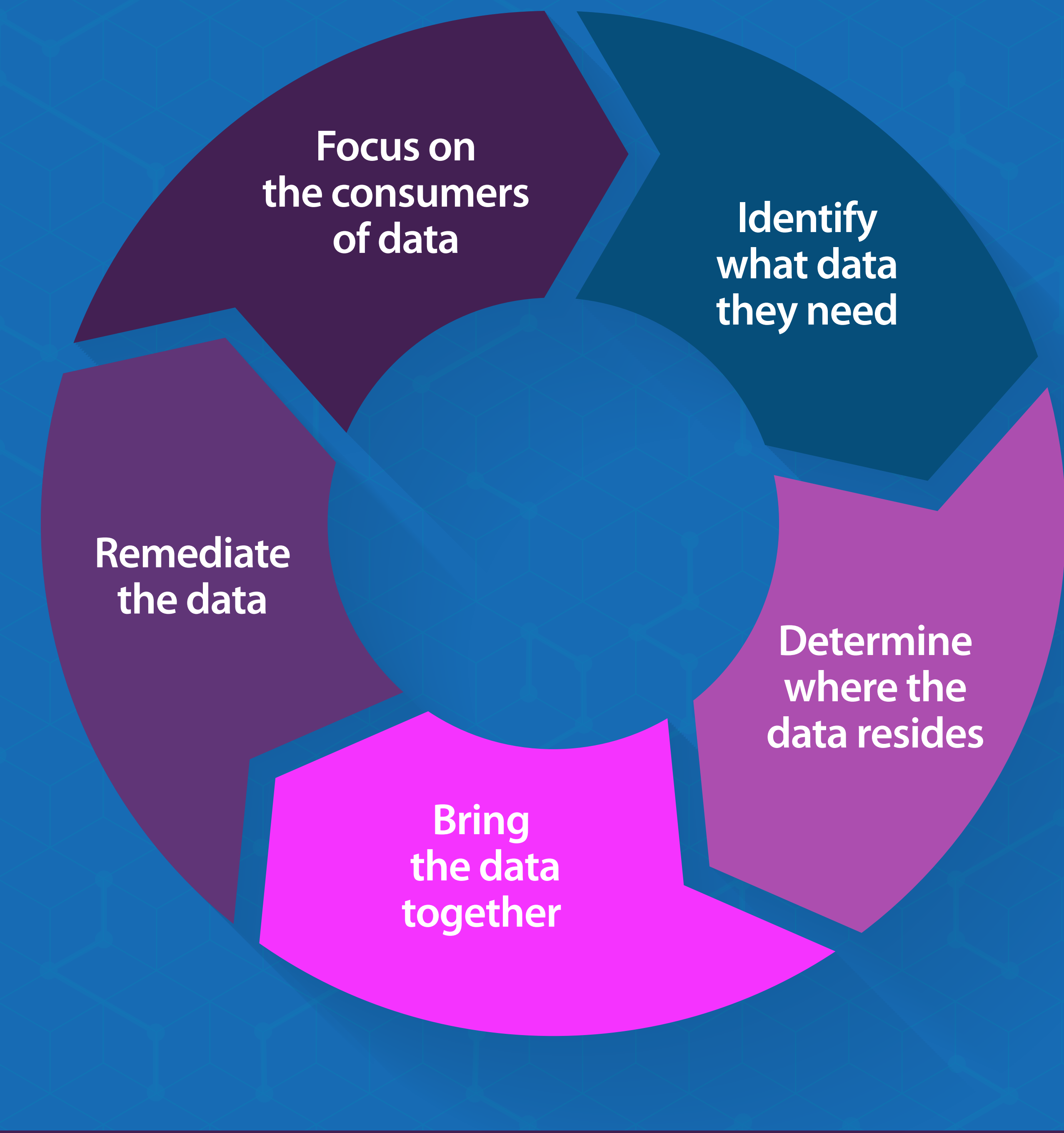
To get business engagement with, and funding for, a sustainable data governance programme:

- ✓ **executives** need to understand the link between improvements in data quality and business outcomes
- ✓ **business users** need to understand the importance of their role in improving data quality
- ✓ **IT** needs to understand the business role of the processes they're tasked to support



## The business value of a lifecycle approach to data

Successful data management projects have one thing in common: their CDOs are fully engaged with their business community.



## Where does your business sit on the data maturity curve?

The goals of advancing data maturity should be to create a trusted data foundation for your increasingly digital business and to establish guiding principles for the ethical use of data.

