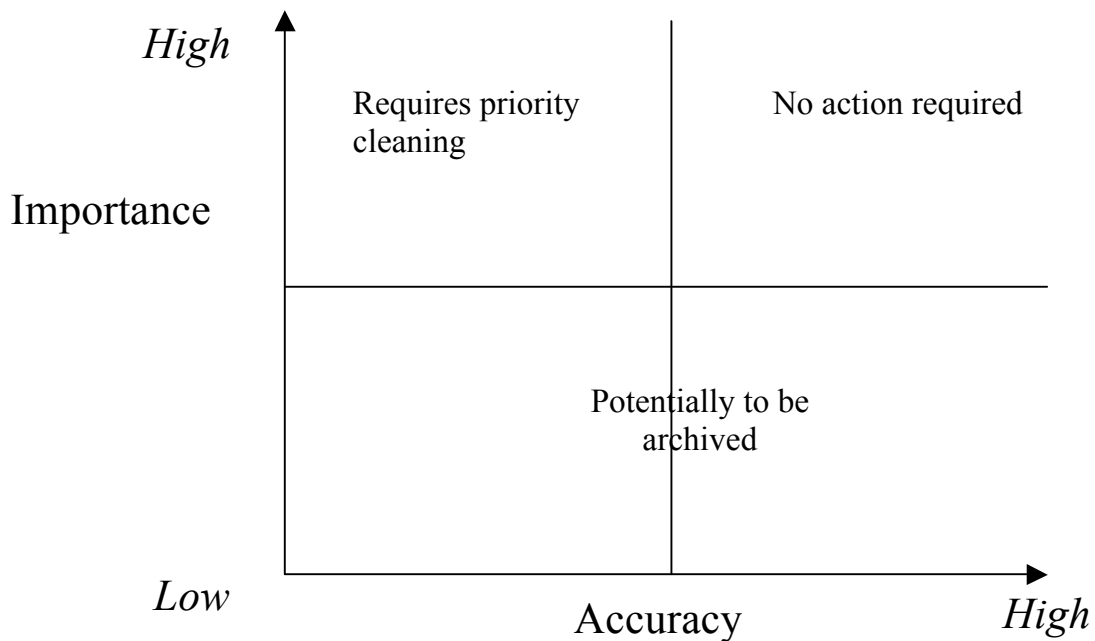


Where should firms focus their data management effort?

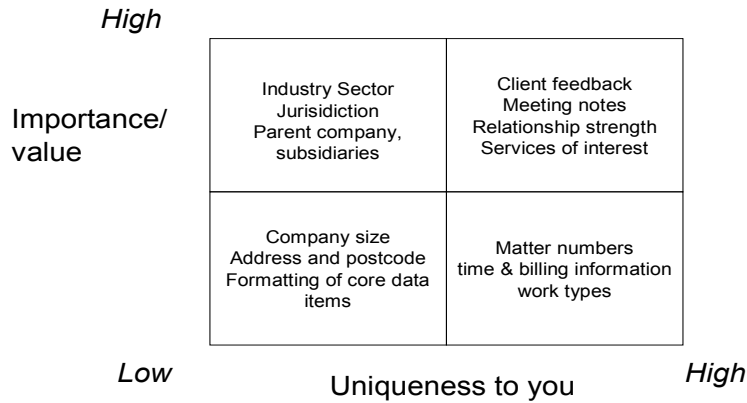
For those firms who have implemented a CRM system, or are thinking of doing so, managing the data is one of the most critical things to get right. It is almost certainly the case that not all data that the firm holds is of the same value. The challenge is to identify the data that is important.

Another thing that is also almost certainly true, is that the firm will not have unlimited resources to clean up and manage their data. Therefore the start for any data cleaning plan is to audit your data in terms of how important it is to the firm and how accurate it might be. This should then enable the firm to segment their data into the following groups and clean (or reject) the data accordingly.



Typically when an audit like this is carried out on a firm's data they find that somewhere between 15 and 20% could be immediately archived with little or no impact on the business. Whilst you may not be able to go further than this right away, in terms of deleting data, I would strongly advocate that the next step is to take a long hard look at what data you're actively managing.

Most data management teams try and spread their limited resources across the entire database, as a result they seem to constantly be reacting to “he who shouts loudest” as opposed to focusing effort where it adds most value.



This diagram shows a different way to look at this challenge. On the one axis is the importance of a particular piece of information to winning and maintaining new business e.g. understanding the strength and quality of the relationships with a particular client or contact is extremely important. On the other axis is the uniqueness of a particular piece of information to you e.g. I would argue that client addresses or industry codes are not unique to you (despite the number of “unique” systems for classifying industry codes that I have uncovered in 15 years working in the professional services market)!

By reviewing the data you maintain in this way it becomes easier to break up your data management tasks into these 4 quarters, the objective being to move towards a position where you focus your core team’s effort in the top right hand corner and look to outsourcing the top left and automating the bottom left and bottom right.

In the next article I will focus on the steps to implementing a successful data management plan and the bear-traps to watch out for!