



## How to build a business case for Data Quality project

This paper describes how you can build a compelling business case for a Data Quality project.

### Data Quality Roi & Business Case

There is general acceptance that a Data Quality project will deliver benefits to an organisation.

In a business case, the cost of technology and project are readily identifiable, the benefit is sometimes more difficult to define.

Successful DQ projects were able to articulate a clear business case, where improvement in data quality is translated into better decision making, reduced costs, lowered risk and improved profitability.

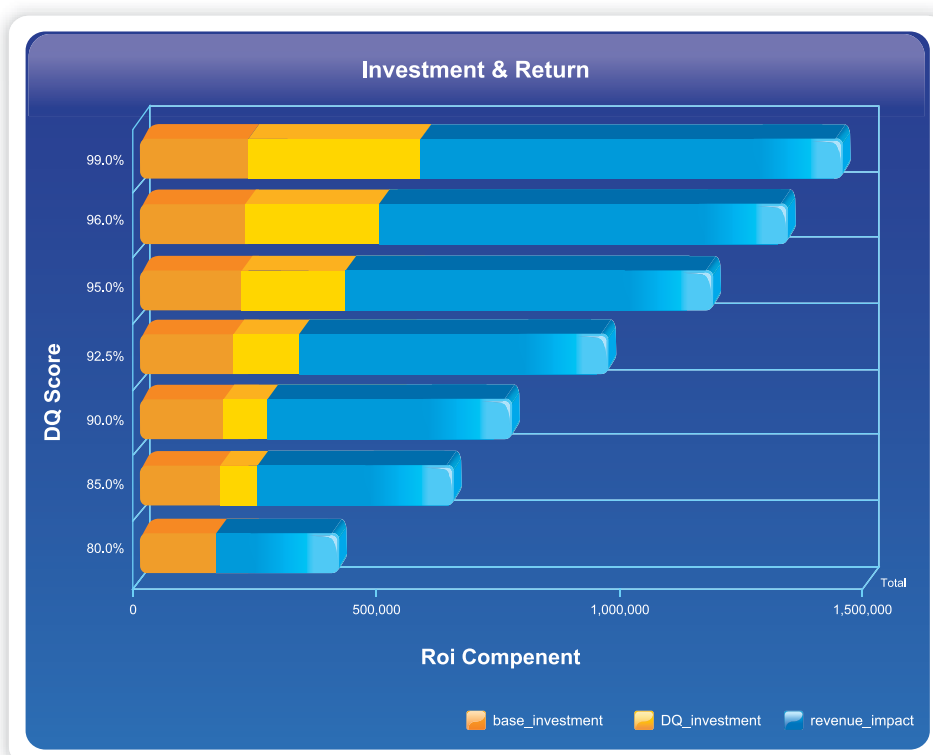
### DATA QUALITY BUSINESS CASE

The key to this is to qualify the net improvement in Data Quality for the corporate information and decision process that directly make a major impact to the organisation.

In other words, a data quality business case needs to focus on the benefits of improved data quality on decision making, and the level of investment needed to achieve that level of data quality.

In the DQ business case, it

1. Measures the current data quality
2. Identifies the data & business process that has maximum impact to the business
3. Assess the level of improvement attainable with DQ investment
4. Quantify cost and net benefits
5. Identify the optimal investment level





Data Quality Manager



### POTENTIAL BENEFITS

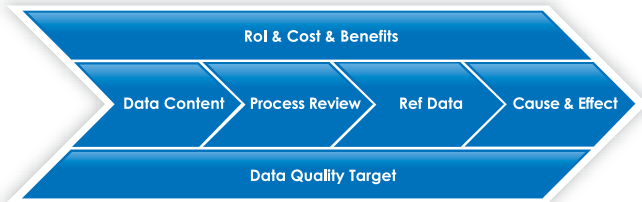
Most of benefits in DQ colnm a number of areas :

<b>Cost Reduction</b>	Reduce banking transaction / fees Reduce compliance cost Reduce delivery costs Reduce internal process overhead	<b>Marketing Campaign</b>	Reduce campaign costs Increase delivery rate Increase conversion rate Increase campaign return
<b>Financial savings</b>	Reduce business M&A costs Correct pricing Eliminate double invoicing	<b>Credit Risk</b>	Optimal cash reserve to risk Reduce credit risk Reduce fraud Better assessment of risk Reduce write-off & debt collection
<b>Supplier</b>	Better supplier discounts Reduce procurement effort (reduced suppliers) Maximise payment terms Improve commercial conditions Reduce contract administration costs Consolidate deliveries therefore reduced transport costs Reduce effort in procurement	<b>Inventory</b>	Reduce cost of inventory Reduce range of inventory Reduce storage cost Reduce inventory level Better cyclical inventory planning Improve efficiency in order replacement
<b>Management Control Speedy Action</b>	Reduce operational risk Reduce workaround, or fall back procedures	<b>Channel</b>	Maximise channel/reseller share of wallet Reduce channel management effort Increase channel value
<b>Customer</b>	Reduce ReturnToSender costs Implement opt-out or do-not-contact Preserve customer information and privacy Reduce communication costs Increase cross selling Increase customer service productivity Improve cash flow & receivables Reduce customer service costs Better product design Reduce customer record management costs Retain customers	<b>Risk</b>	Increase confidence in business decisions Reduce compliance risk Reduce contingent reserves or insurance on major decisions Avoid damage of brand



## BUILDING A BUSINESS CASE

The best way to build a business case is to start with a Data Quality Audit. ACW Consulting, the services arm of DQM can provide a short and succinct Data Quality Audit. In a business case, ACW Consulting will investigate data content analyse cause of data quality issues and potential solutions, assess expected improvement in data quality, and estimate business benefits for a DQM project.



The outcome of the Data Quality Audit is a clear statement of needs, and a commercial case for a Data Quality management project.



## DATA QUALITY AUDIT

### Data Content Assessment

- review and assess internal data quality
- focus on consistency with business rules, duplications, missing values, incorrect references, format & structural errors and timeliness

### Process Review

- review the current data management process
- identify key sources of data issues or corruption

### Reference Information

- review and identify alternative reference sources
- investigate the use of external reference data to improve or correct data gaps

### Cause and Effect

- Identify the direct business impact
- Quantify the net impact

### Quality Target & Benefits

- Describe DQ level that is practical and achievable
- Describe net benefits in each DQ target level
- Impact on this and other project areas

### Cost & Benefit

- Determine costs & risk
- Assess optimal investment target
- Determine programme governance