BUSINESS MANAGEMENT MASTER CLASS SERIES

Database Quality Master Class

Most of us have them and we're all on them! Databases are the foundations of good customer relationship management and also a major cause of customer complaint. Given the importance of good databases it is interesting to note that many organisations do not substantially invest in database validity. By way of example a recent Audit Commission report found that the NHS spends around £100m a year on patients on GP lists that have moved or died. Surgeries were informed in no uncertain terms that they must clean up their databases or face hefty fines.

This follows on from changes to data protection legislation further regulating how databases are managed and increasing the rights of individuals at home and at work. We also now have the Mailing Preference Scheme and Telephone Preference Scheme – if you mail or phone people on these lists you could face a fine.

We now live in a database aware society where an individual's presence within databases has almost become an extension of them as human beings. For many people if you abuse their database persona you are attacking them as individuals. Because of this database validity has become a big issue for consumers and businesses alike.

What is Database Validity?

Broadly speaking there are two types of database validity: technical and semantic.

Technical validity

Technical validity refers to cleanliness issues typically taken care of by technical database administrators. Within this category we have key integrity (keys tell the database management systems how to link records together), record duplication (within a single database and organisation wide), stranded data due to poor deletion / merging (e.g. a contact is deleted but not their address when no other record shares that address), invalid lookup values e.g. following a change to the user interface, data corruption, poor application design, change in one database not reflected in others and a variety of other essentially technical issues.

In general technical issues can be reported on reasonably easily and problems can be fixed either automatically by the system itself or manually by a proficient database administrator (DBA) and / or the system's developers. However, if the technical team has ineffective admin tools, or has insufficient time to attend to the errors, database quality will reduce rapidly and user / customer dissatisfaction will increase on a daily basis. Most organisations invest at least minimally in this aspect of data quality – those that do not tend not remain in business for long.

Semantic validity

The second type of validity is a matter of semantics, hence the name – semantic validity. Technically the records involved may be in pristine condition but they are nonetheless incorrect. They have been made invalid as a consequence of the progression of time and the inevitable change that takes place as time advances.

Consider this: let's assume for a moment that every year 8% of businesses move address, and also that 19% of MDs, 17% of FDs, 11% of HR directors and 15.3% of IT directors will move onwards. It is a fact of life that in any one year approx one third of all database contacts will become obsolete as a consequence of change over time. (Ref: Conduit & Identex).

Additionally, phone numbers change, post codes change, people get married, organisations merge (and de-merge), companies close, job titles change, interests vary, people retire, they die – these are facts of life that are surely impossible to ignore. Despite this a wide variety of organisations do exactly that and then wonder why their lead generation rate is so poor.

The traditional way of approaching this issue is to rely on "change of details" cards sent back by contacts and mailings returned by the Post Office. This approach is however fundamentally flawed because many mailings are delivered directly to the waste paper bin; most people do not feel any significant urge to complete a change of details card; and a significant proportion of mail returns are simply attempts by contacts to get themselves off databases (not known at this address can mean 'stop sending me junk!'). Relying on your contacts to be proactive communicators with a deeply felt desire to keep you informed does not generally work.

Another approach is to make database users responsible for keeping your records up-to-date. The concept is simple enough – telemarketers and sales staff are in regular contact with the people on the database so it is reasonable enough to expect them to note down and action changes to contact details. Perhaps so, but these are also the people with least time, most targets and least motivation. You may think they *should* care but the reality is that they probably do not. They will complain about the poor quality of the database but they will often do very little themselves to improve the situation. Also bear in mind that your highly competitive sales staff are all too well aware of the volatility of their positions and may be less than enthusiastic when it comes to sharing their hard won prospect intelligence with a central database.

The Way Forwards

Given that freezing time is not currently an option and that remote viewing / telepathy remains unproven what can be done to improve database quality without excessive cost?

Firstly, when in a hole, stop digging. If your databases have been gathering dust and rotting for a number of years a sudden drive to improve things overnight will probably simply make things worse rather than better. The first thing that you should do is to identify just how bad things really are by conducting a survey of a statistically relevant number of randomly selected records. You should also ensure that your technical teams have sufficient reporting systems in place to be able to tell you <u>exactly</u> how clean the database is from a technical perspective – over time, reliably.

Secondly, consider what you want to achieve in terms of tangible results and how much time / money / effort you're prepared to invest in order to get what you want. Clearly it is very important to be realistic when setting your goals. If you want your database to 100% clean 100% of the time, think again – such goals are wholly unattainable no matter how much time / money you invest.

At this stage it is also worth considering a targeted approach. For instance, you probably want to have higher levels of validity for your customer / invoicing database than for your prospect database. If you examine your prospect database is it possible for you to target e.g. the 20% of potential clients that are most likely to generate 80% of your leads? Your database should contain metadata (data about data) that should enable you to do this e.g. turnover / business sector / existing customer status / current revenue / … If you're going through printouts with a highlighting pen reconsider your strategy – you need to be able to segment your target market quickly if you wish to be responsive to the market.

One of the most common consequences of being able to segment is the realization that some segments have very little data behind them. If this is the case you may also need to invest in external data (which you will need to qualify / validate) or perhaps initiate sub-projects to conduct research to fill the gaps. Either way you need effective segmentation metadata to identify where the gaps are.

You may also wish to consider how you indicate that information is correct i.e. that someone has verified that the information is as it should be or if validity is unverifiable. There are a number of approaches but fundamentally no matter what the method you should have a way of avoiding validating records too frequently and you should be able to easily identify records that are untraceable.

Once you have established a baseline, defined realistic, targeted goals and determined the resources that you're willing to invest you are ready to generate what should be a long term business project to improve the quality of your databases in a focused manner without excessive costs.

In real terms this means an annual telephone call to verify that contact details are correct. The call can be in-line (made when calling about something else) or in parallel (a call made specifically to validate records).

The project can utilise existing staff or you may wish to consider setting up a new business function to work with existing users. In any event you should embark upon a process of re-education to gently persuade existing users to assist in the process. By definition this means that the project needs to sponsored from on high, acted on by all layers of management and supported by all areas of the enterprise.

If you persist and are consistent in your endeavours you will gradually notice a few subtle changes. When you send out mailings they get delivered, and moreover they get delivered to people that might just be interested in what you're sending. When you make a telephone call you actually get through to the person that you wanted to call. When you want a report on who you know in the pharms sector that's a major player and has not been a customer in the past - guess what - you'll get a report on your desk rather than a brand new highlighter pen and a night's supply of filter coffee.

Finally, please remember that databases are for life and not just for single marketing campaigns…

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