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# Data Governance & Quality

Fuel for Business

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Companies in every industry know that they can't just consider themselves to be manufacturers, retailers, financial services organizations and so on. No matter the vertical in which they operate, they also must consider themselves data-driven businesses, able to analyze the data they've accumulated to guide decisions and influence corporate direction.

Attesting to business' recognition of this is that the number of analytically mature organizations is growing, making up 20 percent of all organizations, according to findings from the 2018 Data and Analytics Global Executive Study and Research report from MIT Sloan Management Review. While the percentage of analytical innovators who incorporate analytics into virtually every aspect of their strategic decision-making is taking off, they still trail the 46 percent of organizations deemed to be "analytical practitioners" – those who have made significant progress in analytics, but have not yet fully taken advantage of it. About one-third of businesses are deemed as "analytically challenged".

For the majority of organizations that fall into the practitioner and challenged categories – and those in similar circumstances – there is a way to get a better analytics footing, by adopting a data governance strategy and implementing data quality best practices.

## **Data Quality: Better Business Performance and Growth**

There are many facets to the practice of data governance. Prominent among these is the application of standardized data quality – that is, a combination of agreed upon quantitative and qualitative measures to better understand the population within a data set. Basic data quality assesses the components of conformance, validity, and completeness of data. But enterprises implementing data governance programs are also increasingly crowdsourcing data quality through more qualitative measures to track contextual data quality for different areas of the organizations.

Without thorough data quality in place, analytics insights based on inconsistent and low-quality data don't enhance business outcomes – and sometimes have a negative impact on revenue and costs. For instance, if insurance carriers are left without categorized and accurate data from relevant internal business units and/or their external partners to analyze, they may find themselves poorly positioned to appropriately determine policy pricing or handle fraud detection for claims.

On the other hand, high-quality data that provides business users with transparency into agreed-upon data quality context and trends, can open the door to smarter business decisions, as well as lead to innovation and transformation. With it, the claims or fraud team at that insurance carrier is well-positioned to better analyze both historical data from billing and claims management applications – along with real-time and other new pieces of information coming in by way of government statistics, telematics devices, and other sources – by seeing profile statistics and contextual data quality measures. This will enable the organization to come up with accurately priced policies and improved fraud detection. Plumbing the depths of the information that users have access to, can also help companies discover new and profitable business opportunities. For the insurance carrier, that might lead to the development of higher-end services for premier clients. The business can be assured of a sturdy and reliable foundation for analytics efforts that support enterprise objectives.

With data governance practices supporting the automation and crowdsourcing of real-time, end-to-end data quality tracking throughout the data supply chain, it's clear to the consumer that the information is of high quality. Nothing that could hurt customer satisfaction, for example, slips through the cracks. No cumbersome manual alerts, reviews and reprocessing. No worries that data transactions have not been completed. No concerns that issues have not been remediated when built-in analytics stop processes when errors are detected. In other words, no problems when the balancing,

reconciliation and the content and quality of data are innate and integral to all steps involved in a business process.

## Businesses Operate in High Gear

Many companies that have moved forward with efforts critical to supporting enterprise data governance and quality are enjoying the results of their initial work.

Take the case of one service provider that already had extensively penetrated its market, and needed to upgrade existing customers to produce revenue growth. To that end, it needed to incorporate company-owned historical data about customer usage, plan types, credit and more from multiple sources, as well as third-party data around income and demographics and real-time data such as location. Clearly, ensuring that all this data was consistent and of high quality – a key aspect of data governance – was critical to coming up with a propensity score to rank every customer for his or her willingness or ability to upgrade. By leveraging reconciled data in its analysis, the company was able to predict that only 60 percent of the customers in their original target base actually would have the propensity and financial ability to accept its upgrade offer. Consequently, it was able to save money by reducing its campaign targets and, better yet, to realize an 89 percent offer conversion rate. It saw its marketing spend return on investment increase by over 40 percent.

In another instance, a leading multi-line insurance company was able to improve financial reconciliation processes – reducing costs, enhancing speed, mitigating risk, and improving accuracy – by instituting a data governance framework as it migrated from mainframe to distributed systems. The framework set the parameters for automating end-to-end data

quality and putting in place an approach based on automating balancing, reconciliation and monitoring of financial transactions via configurable business rules across the data supply chain. Costs and risks were reduced with an accelerated financial reconciliation process and improved data quality, while dashboard visibility into the real-time performance of the process helped the company improve decision-making and speed up business transformation.

As scenarios like these make clear, operating a business that adheres to core features of data governance or, ideally, an entire data governance framework, gives a company the ability to drive its organization forward at high speed. Operating a business that doesn't take this approach, however, will leave the business in jeopardy.

Develop, implement and optimize your data management and governance strategy with Infogix. Visit [www.infogix.com](http://www.infogix.com) or call +1.630.505.1800 (US, Canada, and International), +44 1242 674 137 (UK and Europe).