

DATA WAREHOUSE INSTITUTE SURVEY ON DATA QUALITY

(Executive Summary)

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INTRODUCTION

As we enter the 21st century, we are at the dawn of the Information Age. Data and Information are now as vital to an organization's well being and future success as oxygen is to humans. Without a fresh supply of clean, unpolluted data, companies will struggle to survive.

The Data Warehousing Institute estimates that data quality problems cost U. S. businesses more than \$600 billion a year. Yet, most executives are oblivious to the data quality lacerations that are slowly bleeding their companies to death. More injurious than the unnecessary printing, postage and staffing costs is the slow but steady erosion of an organization's credibility among customers and suppliers, as well as the inability to make sound decisions based on accurate information.

The problem with data is that its quality quickly degenerates over time. Experts say that 2 percent of records in a customer file become obsolete in one month because customers die, divorce, marry and move. In addition, data entry errors, systems migrations, and changes to source systems, among other things, generate bucket loads of errors. More perniciously, as organizations fragment into different divisions and units, interpretations of data mutate to meet the local business needs. A data element that one individual finds valuable may be nonsense to an individual in a different group.

Fortunately, new strategic initiatives, such as CRM, business intelligence, and supply chain management are sounding wake-up call to top executives. Many are learning the hard way that data quality problems can sabotage the best laid strategies and expose errors to a much broader, and critical, external audience.

The Goal is Achievable

The good news is that achieving high quality data is not beyond the means of any company. The keys are to treat data as a strategic corporate resource; develop a program for managing data quality with a commitment from the top; and hire, train, or outsource experienced data quality professionals to oversee and carry out the program. Then, it is critical for organizations to sustain a commitment to managing data quality over time and adjust monitoring and cleansing processes to changes in the business and underlying systems.

Commercial data quality tools and service bureaus automate the process of auditing, cleaning, and monitoring data quality. They can play a significant role in data quality efforts and be well worth the investment. Most commercial tools are now moving beyond auditing and scrubbing name and address data to tackle other data types. They are also beginning to step up to the challenge of validating company-specific business rules, and augmenting addresses with geospatial and demographic data, among other things.

Data is a vital resource. Companies that investigate proportionally to manage this resource will stand a stronger chance of succeeding in today's competitive global economy than those that squander this critical resource by neglecting to ensure adequate levels of quality.