

Justifying the Investment in Information Quality

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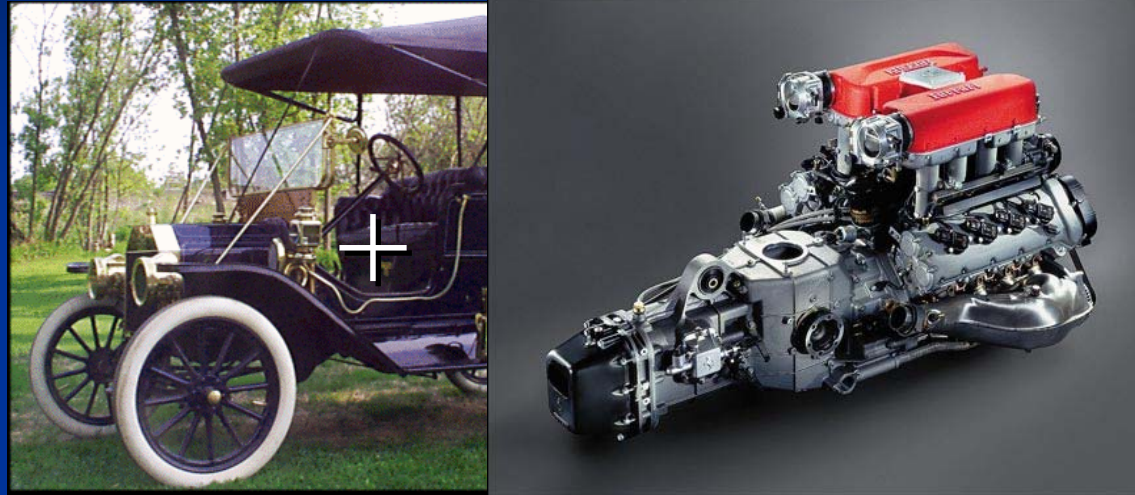
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Question:

Why is it so difficult
to get the sufficient funding
for improving
the information quality?

Think How Fast This Car Can Go.



2.9 Liter 4-Cylinder Engine 3.0 Liter V8 Ferrari Engine
20 Horsepower 400 Horsepower

Speed = $f(\text{Gasoline, Engine, the Rest of the Car})$

Performance = $f(\text{Data, Technology, Organization})$

Answer:

*It is difficult to realize
the full potential benefits of IQ
without redesigning the organization.*

*Justification often overlooks
these full potential benefits of IQ.*

My Point:

Organizational redesign is:
a BIG business and
a VITAL business.

Also, it really needs the participation
of the IQ industry.

Did You Know:

In 1999, in the U.S.A,
total over 8 million people had a managerial occupation,
their median salary was \$59,591, and
they managed the production of \$9.5 trillion GDP.

By 2005, in the U.S.A,
less than 6 million had a managerial occupation,
their median salary rose to \$68,648, and
they managed the production of \$11.1 trillion GDP.

*All dollar figures are inflation-adjusted
to the dollar value of year 2000.*

In five years (from 1999 to 2005), the number of managers
shrank by over 25% while the economy grew 18%.

In Other Words,

Estimated payroll of managers in 1999: \$481 billion

If the payroll grew at the same rate as GDP,
by 2005 the payroll would have been: \$565 billion

The number of managers actually shrunk
by over 2 million: \$355 billion

Total estimated savings: \$210 billion

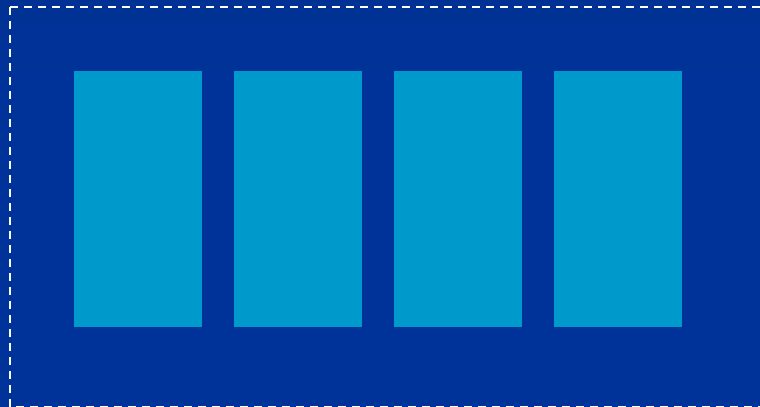
Money “paid back” to managers: \$54 billion

Money went to restructuring,
consumers, stockholders: \$156 billion

Per Year,
Every Year,
Just from
the payroll
of managers

25% of What?

Scenario 1



Scenario 2



ORGANIZATIONAL PERFORMANCE



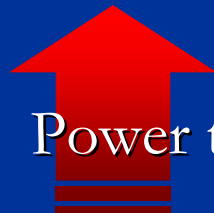
Power to DOMINATE

Implementing New Competitive Strategies and Business Models



Power to INNOVATE

Redesigning and Restructuring the Organization



Power to ENHANCE

Impact on Managers, Knowledge Workers, and Data Workers

INFORMATION QUALITY

Data Cleansing, Metadata Repositories, Data Warehouse

Takeaway

- IQ is more than “conformance to standard.”
- IQ is more than “meeting or exceeding the user expectation.”
- IQ is an infrastructure that enables us to:
 - redesign and restructure organizations;
 - develop and implement new competitive strategies and new business models; and
 - ultimately maximize the shareholder value of the firm.
- Justifying the investment in IQ should include the full potential that IQ can deliver.