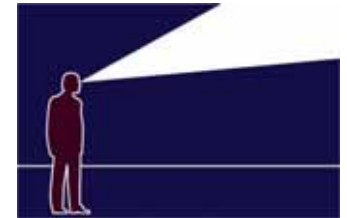


Data Driven: Profiting from Your Most Important Business Asset



Thomas C. Redman, Ph.D.
Navesink Consulting Group

IAIDQ Ask the Expert Session
via telecom

October 1, 2008

www.dataqualitysolutions.com

www.thedatadrivencompany.com

Data Driven: Profiting from Your Most Important Business Asset

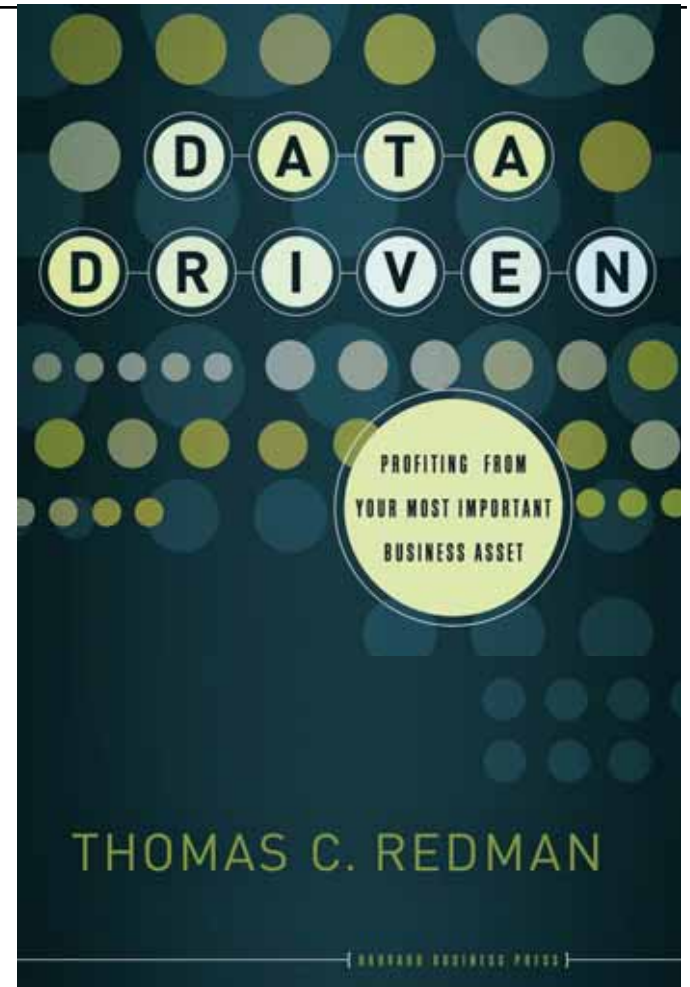
Published by Harvard Business Press

Officially out September 22, 2008

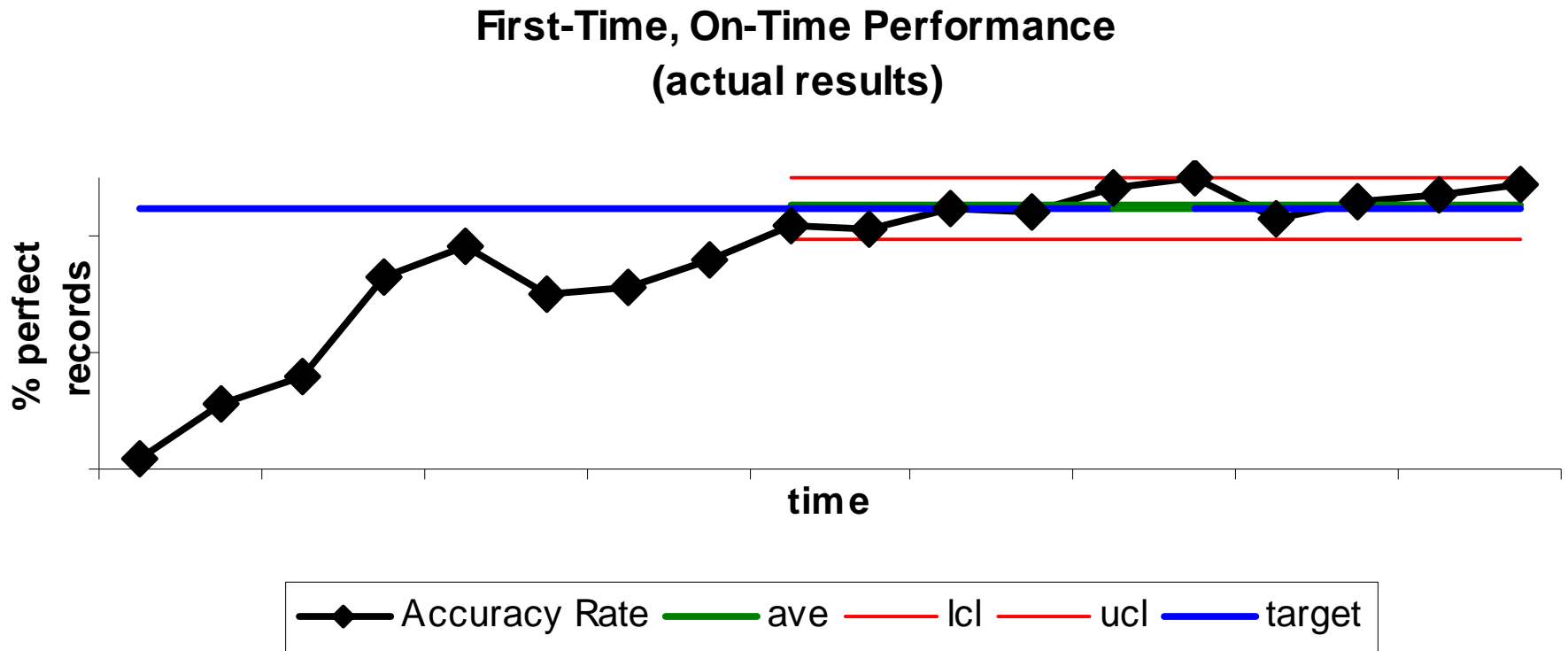
At all e-sellers and at least some major book stores.

Less than \$20USD at Amazon.

Use link from [IAIDQ bibliography](#).
www.thedatadrivencompany.com



Those who apply diligent efforts (almost) always improve data quality. And benefit!



**Each error not made saves an average of \$500.
This amounts to millions quickly!**

Paradox, part 1

How do we reconcile the evident successes with the observation that data quality is so poor at so many companies?

Hypothesized Answer:

- They (usually) don't recognize data as assets (after all "out-of-sight, out-of-mind) and so worth the effort.

Consultant's exercise: Fire!

You can save only one of the following:

- ❑ Antique French Desk.
- ❑ Brand new PC, with all the bells and whistles.
- ❑ Only copy of the organization's fifty biggest accounts.

The Data Doc's Response: Finally!

The paradox, part 2

How do we reconcile the fact that everyone intuitively knows that data are critical assets with the fact that organizations don't manage them as such?

Hypothesized Answer(s):

- They don't understand what "manage data assets" really means.
- Specifically, they don't see how to make money with data.

What Does “Manage Data Assets” Really Mean?

Generally recognized as business assets:

- Capital, in its various forms
- People, including the knowledge in their heads.

Organizations naturally manage their assets...

- They take care of them.
- They put them to work, to make money.
- They adjust their management systems to account for the special properties of each asset.

For data, “taking care” is mostly about quality

Prescription 1: Take steps to ensure that

- ❑ Possess and acquire the right kinds of data.
- ❑ People can access and understand them.
- ❑ People can trust that they are “good enough.”
- ❑ They are of high enough quality to withstand market scrutiny.
- ❑ They are kept safe from loss or theft.

It is highly significant that (almost) all organizations that diligently follow many of “the ten habits” make order-of-magnitude improvements.

Those with the best data think “prevention”

**A Database is Like a Lake
To Clean Up The Lake, One Must First
Eliminate The Sources Of Pollutant**



Putting data to work

Prescription 2: Use data to create new revenue

- Sell them directly in the market.
- Build them into other products and services.
- Use them to enhance other products/services.
- Use them to make better decisions.
- Use them to improve the day-in, day-out running of the business.

Critical point: Management must explicitly think through how they will put data to work in creating new value.

So far, I've identified fifteen ways to fulfill these demands

Provide Content

- New Content
- Re-package
- Informationalization
- Unbundling
- Exploiting Asymmetries
- Closing Asymmetries

Facilitators

- Own the Identifiers
- Infomediation
- Data mining/Analytics
- Privacy and security
- Training
- New Marketplaces
- Infrastructure technologies
- Information appliances
- Tools

Informationalization

Basic Idea: Enhance existing products and services by building data and information in.

Customer Needs Fulfilled: Simplicity, integration, etc.

Industrial Age example: Product instructions

Information Age examples:

- Auto makers are now including GPS Navigation systems.
- NC State is re-designing the hospital gown, building a thermometer and other sensors in.

Evolving the management system

Prescription 3: Recognize that data have unique properties

- Example: Unlike other assets, data can be shared
- Most important: Data are the only asset that are uniquely an organization's own. The "ultimate proprietary technology."

Prescription 3, cont: Adjust the organizational structures, roles, and responsibilities as a result.

- Counterexample: Chief Information *Technology* Officer

Data are the Organization's Ultimate Proprietary Technology!

- No other organization has, or can have, the same data.
- Data are subtle and nuanced.
 - Model “customer” in unique ways that best suit it.
 - Capture and utilize unique “facts.”
 - Processes to capture unique data are also difficult to copy.
- Eventually, of course, some data become standardized to facilitate communications.
- Data offer opportunity for sustained advantage—and everyone knows it!

Some Implications for Data Quality

Existing

- Cost Reduction
- Internal customers
- “Master Data”
- CITO
- Standardization

Proper

- Revenue growth
- Competitive advantage
- Data exposed in market
- “The business”
- Novelty, uniqueness

The case for data quality
(anything for that matter) is a
lot easier when it involves
new revenue

What Did He Say?



Thomas C. Redman, Ph.D.
Navesink Consulting Group
President
732-933-4669
www.dataqualitysolutions.com