

Customer data as a strategic resource – business cases from the financial industry in Switzerland



Agenda

- > **Introducing:**

- > COMIT and the strategic topic „Client Facing Solutions“

- > **Main part:**

- > Consulting approach for data governance programs
 - > Data Quality business cases and methodology for data quality projects

- > **Conclusions:**

COMIT – The strategic topic „Client Facing Solutions“

COMIT

- > Employer of 750 IT and business experts at an 10 locations in Switzerland, Germany, Austria, Singapore and Luxembourg
- > 30 years in business
- > Primary market „Financial Industries“
- > Plan, build, run
- > Owned by SWISSCOM

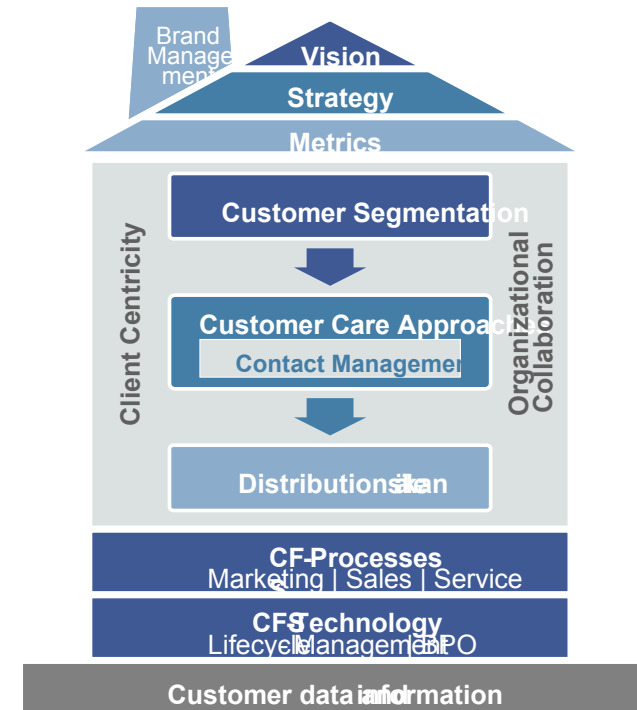
Stefan Hegglin, Customer data management

- > Head of customer data management
- > Consulting BU
- > Client Facing Solutions

COMIT – The strategic topic „Client Facing Solutions“

> Client Facing Solutions:

> DQ-Partners: Human Inference,
University of St. Gallen



Customer data management: Our Mission

We solve data quality issues and establish companywide data governance programs.

Newest innovation: BPO Service DQM together with HI

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Key factors

- > Customer data is increasingly regarded as a strategic resource – insufficient data quality limits the success of strategic initiatives
- > In the future, differentiation in the market takes place via the customer dialogue
- > Data quality as the weakest link of the chain to CRM success
- > Data quality projects are not typical IT projects and require staff with a pragmatic proceeding and business and IT know how

Data Quality Management (DQM)

Project objective

- > Ensure sustainable excellent data quality in the area of customer master data (CRM readiness)

Actions to be taken

- > Elimination of the existing data quality issues
- > Creating the organizational measures and processes to ensure data quality
- > Establishment of monitoring mechanisms
- > Awareness of data quality –in sales, as well as in the back office

Chosen Approach



Phase 1: Rapid Assessment

- revealed about 60 data quality issues
- showed weaknesses in the organizational responsibility of the Data Management
- Prioritized the greatest need for action and formulated biggest business cases

Chosen Approach



Phase 2: Formulating Vision / Strategy

- Value proposition of Data Quality Management
- Regulation of the responsibilities for DQ (Ownership)
- Defining the scope
- Set key priority for the DQ improvement, where clear business cases can be calculated or estimated

Chosen Approach



Phase 3: Singular cleansing project

- Achieve CRM Data Readiness
- Solve the most important DQ problems
- Formulation of sustainability processes per issue
- Inclusion of sales and back office staff

Chosen Approach



Phase 4: Establishing a permanent DQM

- Reorganization of the department „Zentralregister“
- Monitoring of some 100 DQ parameters
- Preparation of Key Performance Indicators
- Proactive communication with data producers
- Sustainable improvement of data quality

Project results

- **Data reduction by more than 10%**
- **ROI less than 14 month**

- **As a consequence: lower data retention costs and lower cost for further data migration**

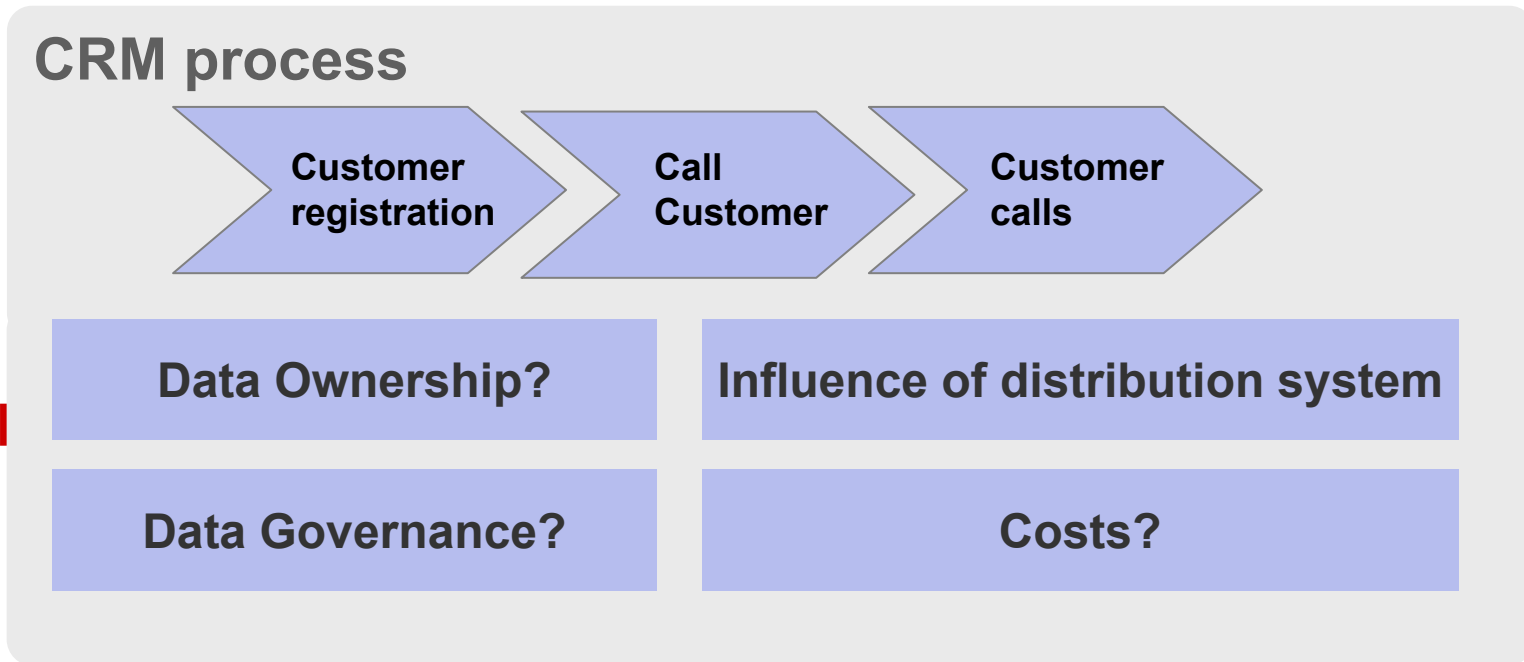
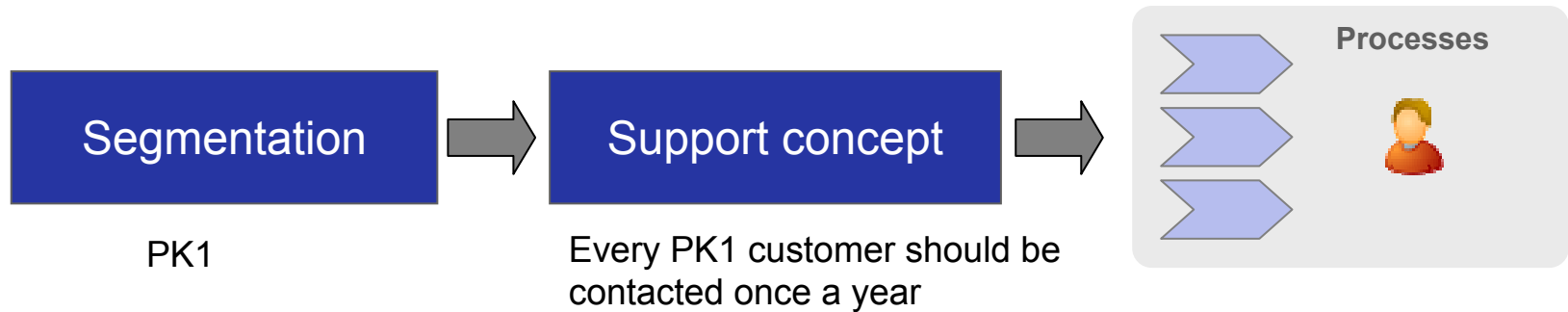
- **Better overview of customer relations (Information about the customer are available in one trustful, customer base)**
- **Base for establishing a service center**
- **Quality improvement in customer communication**

- **Efficiency in Direct Marketing improved (significantly lower control costs)**
- **More efficient management of the data (no redundant maintenance)**

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Example 1: CRM process



lls

Example 2: incorrect customer data

BP	CustomerType	Name	FName	Title	Sex	Segment	att.
12651	Companies	J. Müller		Dear Sir or Madam		IC 1	AG

Dear Mrs. J. Müller AG.

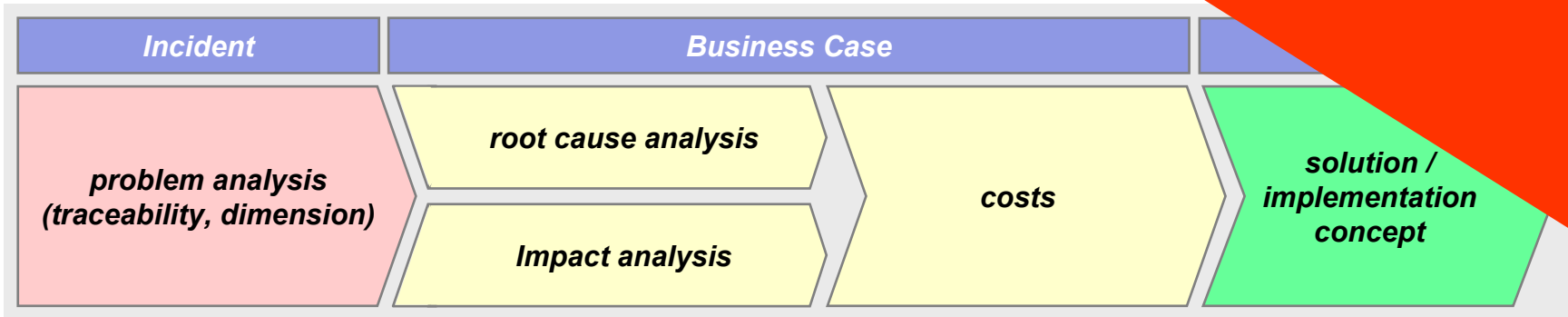
Dear Sir or Madam



- Expenses: Privates pay hardly any charges
- Campaigns: Customer is never addressed as a company
- Segment: Customer care concepts will fail
- Products: Business clients have products of private

Factors for an efficient Data Quality Management

DQ Approach



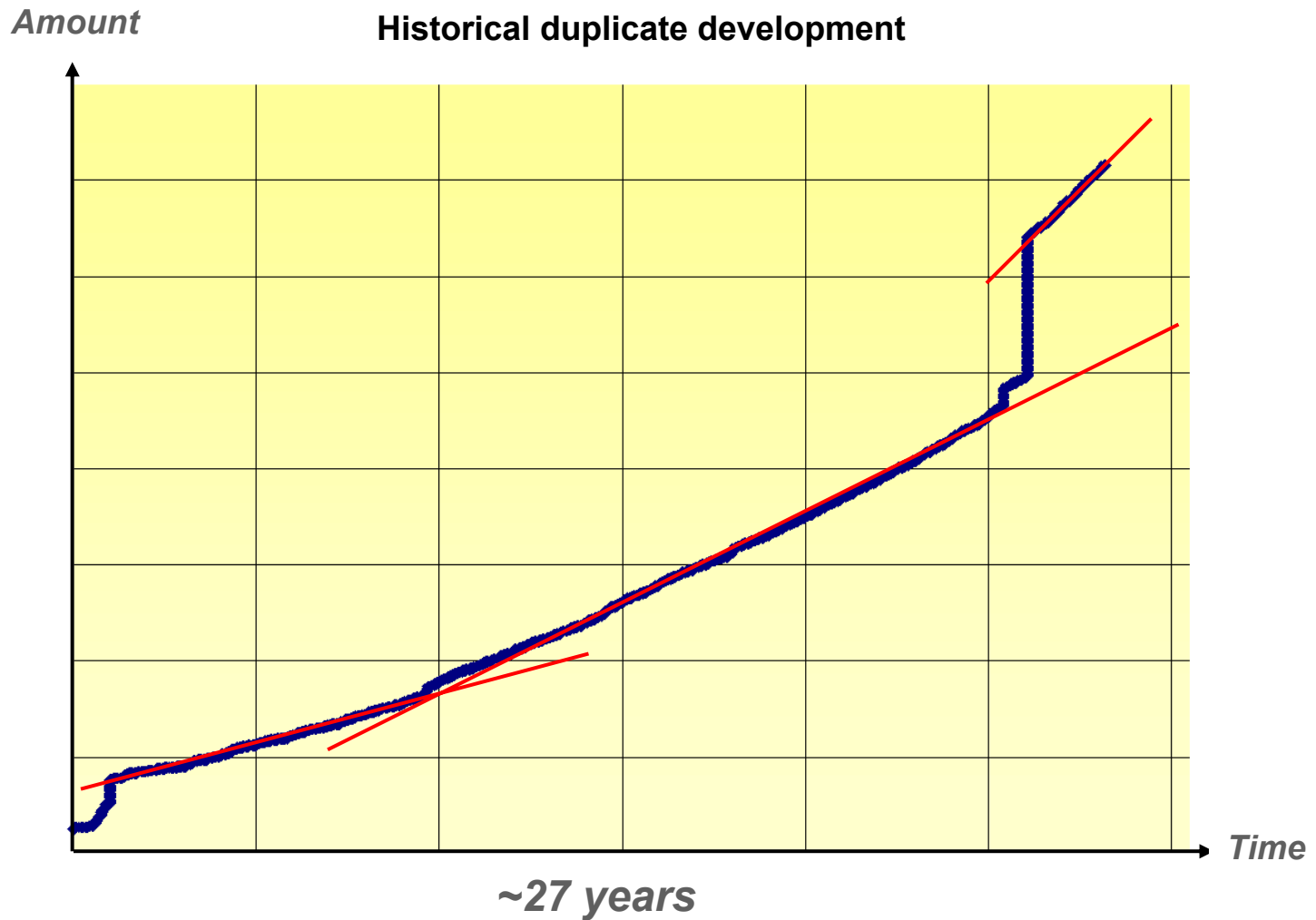
- > Costs of the data defect are drivers for elimination
- > No ad hoc projects (singular as well as periodical)
- > Permanent DQM in terms of sustainability
- > → organizational responsibility is needed

Example 3: duplicates

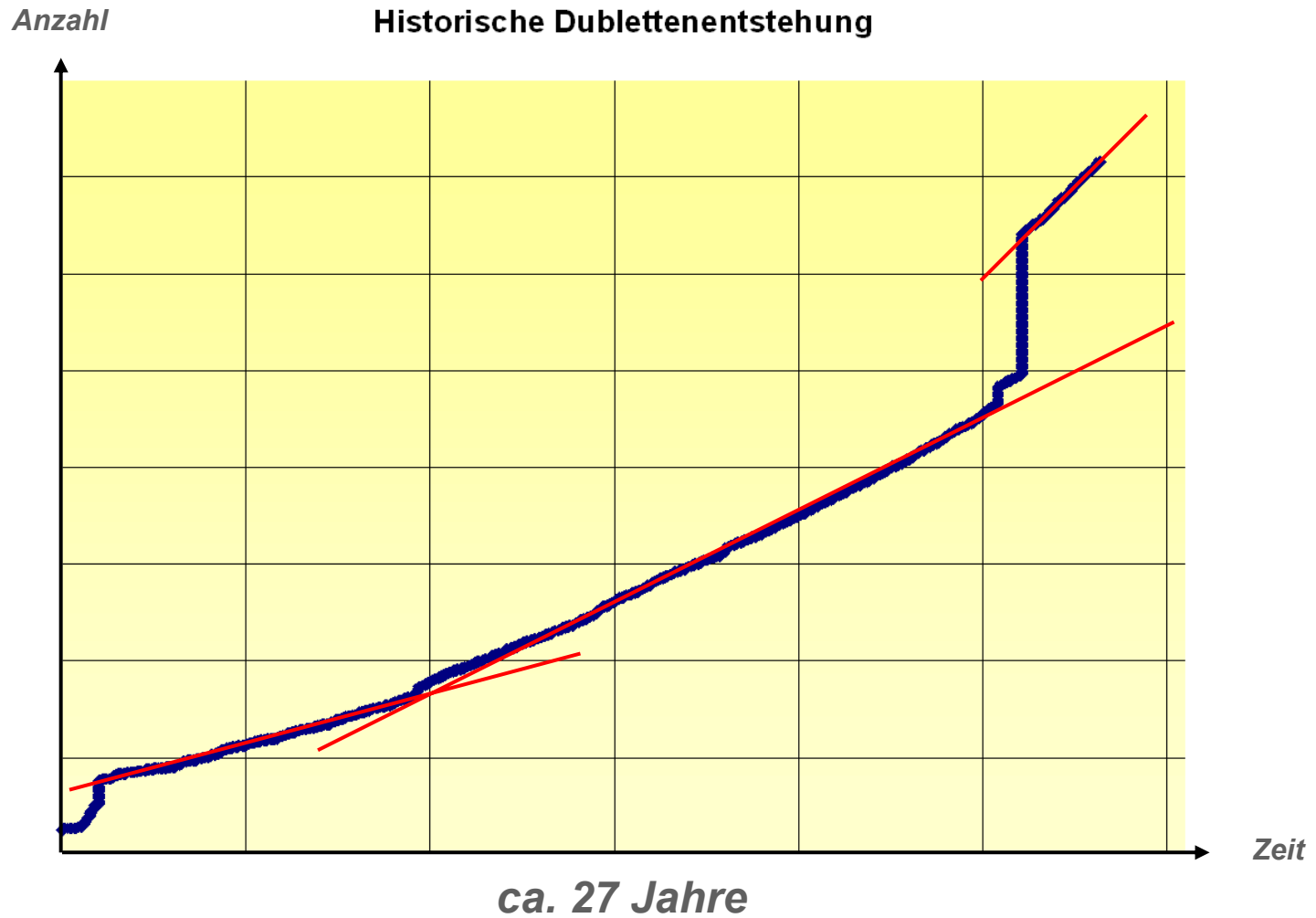
BP	Title	Name	FirstName	DOB	Address	Zip	City	Segment	Phone1	Phone2
1234	Mr.	Burt	Edwin	16.07.1945	Hardstrasse 203	8004	Zürich	Individual	044 123 45 67	079 876 54 32
2345	Mr.	Burt	Edi	16.07.1945	Hardstr. 203	8004	Zürich	Private	044 123 67 45	

- > Timeliness and correctness of Information
- > With duplicates, CRM is distracted or made impossible
- > Wrong segmentation have negative impact to customer care concepts
- > Reputation issues after data changes using the example of a service center (multiple history)
- > marketing campaigns to same person twice
- > We don't know the correct amount of customers – this may lead to excessive shares at the SNB or to wrong reporting

Example 3: duplicates



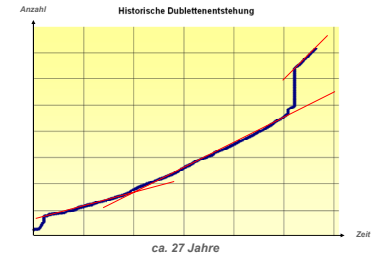
Example 3: duplicates



Example 3: duplicates

Business Case

- > Medium retail bank calculated on CHF 140.- per duplicate and year
 - > Multiple mailings
 - > Manual list matching
 - > Increased administrative effort
 - > Doubled customer care effort
- > **One time saving per customer of CHF 100'000 to the national bank**



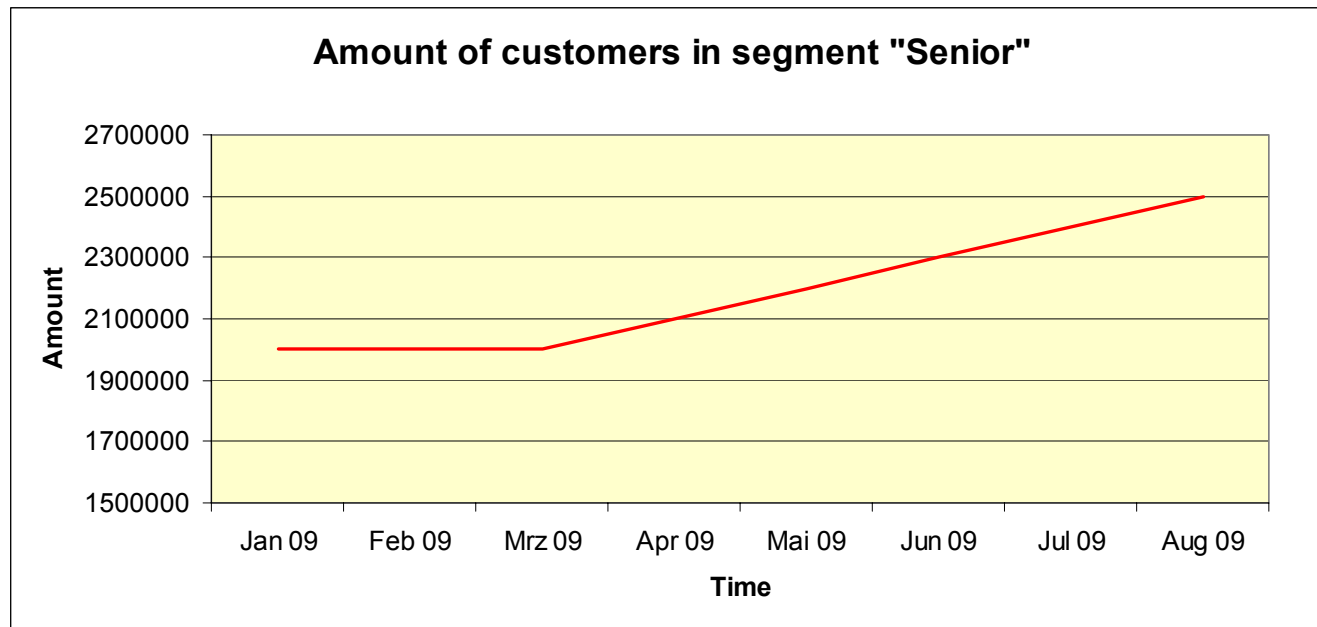
Annual costs

CHF / duplicate	140
Amount of duplicates (estimation)	10'000
CHF / year	1'400'000

Experience from the financial industry: 10-15% duplicates rate

Example 4: segments

Problem: Telco segment grows since a new CRM system was implemented



- > Within the CRM application, DOB is mandatory
- > 1.1.1900 is entered by the users

Approaches (I): DQM must be anchored in a CRM vision

DQ strategy

- > For a successful CRM project, a high degree of DQ is necessary
- > Before implementing a CRM project, DQ must be increased to the desired level
- > Sustainable DQM ist mandatory for an efficient CRM practice



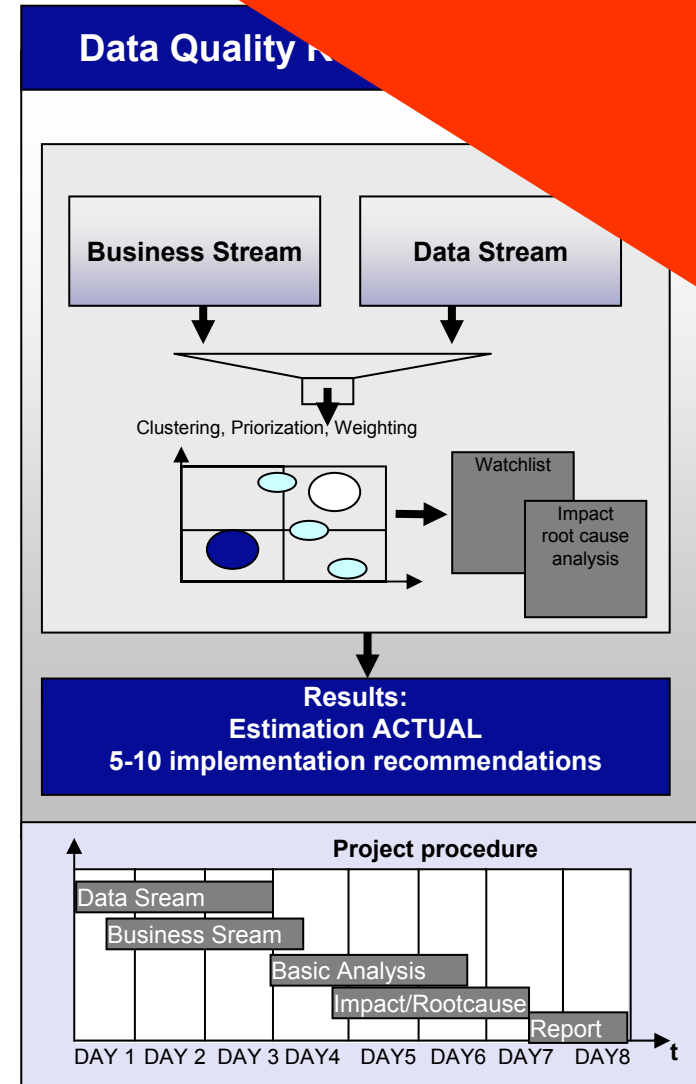
Approaches (II): COMIT Rapid Assessment Data Quality

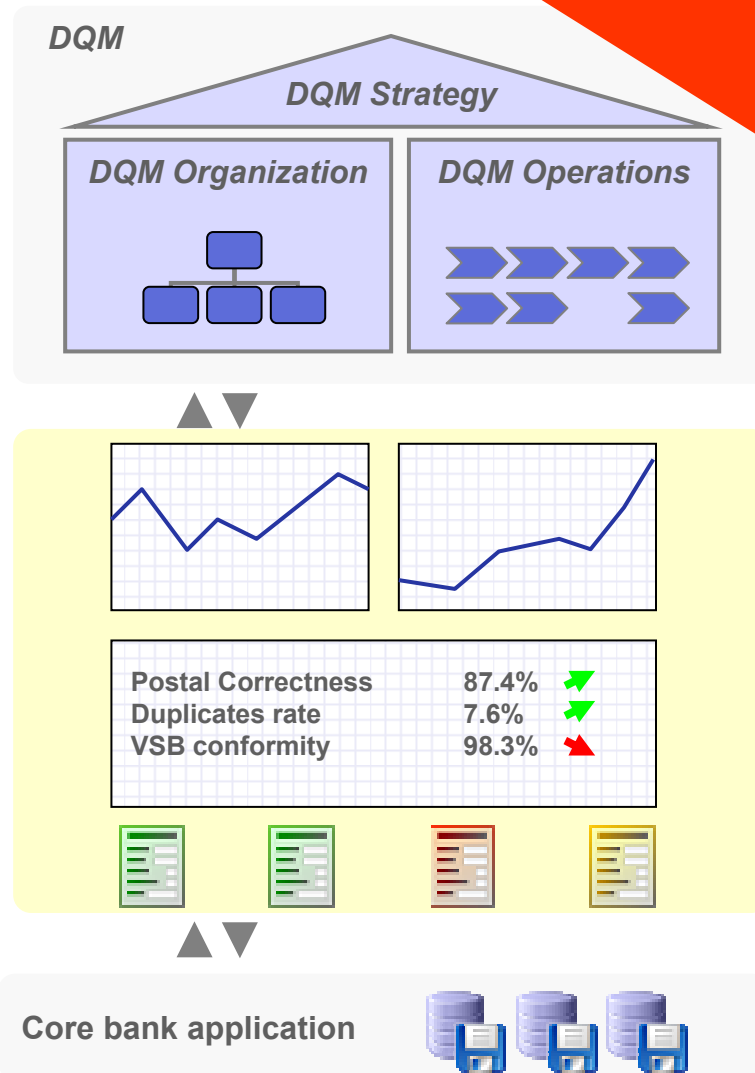
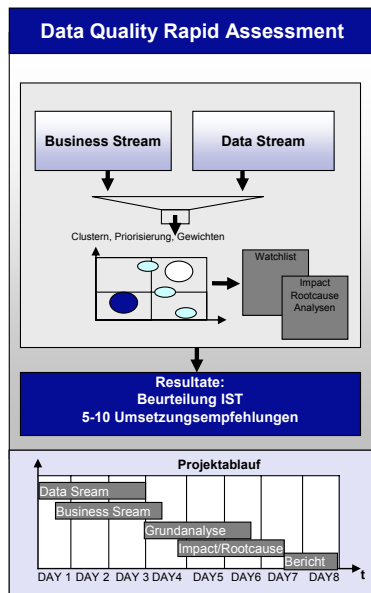
DQ transparency

- > The Rapid Assessment helps you estimate today's situation of your data assets, debunk cost potentials and identifies causes of low data quality.

Advantages:

- Focused on one exercise
- Standardized procedure
- Transparent costs
- Defined result set





Conclusion

- ▶ **Data turn into strategic resources:
This requires active data management and a
companywide data governance unit**
- ▶ **From a CRM perspective**
 - data quality is a limiting factor
 - data quality must be steered actively
 - proactive is better than reactive acting
 - efficiency can be increased by „good data“
- ▶ **Address data quality issues via business cases**
- ▶ **Take the challenge and start an initiative in your
company**

Your reference



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Our references in the range of DQM

