

Business in Brief

Data Quality...



Introduction

Companies need to be able to rely on the quality of the information that serves as the foundation of their core business. Inaccurate or inconsistent data has a wide-reaching negative effect, hindering a company's ability to understand current and future business problems. Poor data information ultimately leads to poor decisions and a host of negative results including lost profits, operational delays and customer dissatisfaction.

The primary goal of any data management strategy is to provide the infrastructure to transform raw data into consistent, accurate and reliable corporate information. Quality of information is an absolute necessity.

Data is a product like any other and as such, is both produced and consumed; there are common management practices that can be applied to the management of data.



Producing a first-rate product is only possible if the system that produces the product is a first-rate system. This is an important point. Companies renowned for the quality of their products, such as Toyota, expend a great deal of effort investing in improvements in order to maintain the excellence of their products. It follows therefore that a high standard in the quality of data solutions is key to the production of quality information.

Several important characteristics apply equally to information systems; these include:

- Focus
- Efficiency
- Standardisation
- Accountability

Focus

Focusing on information management produces quality data and this holds true for all areas of a business. Even if a company experiencing significant data issues expends precious budget on new applications and employs data analysis tools to ameliorate information quality, it is still possible for the issues to remain unless they look at the bigger picture.

For example, if staff in an area of the business such as customer service are rewarded by volume of the transactions they throughput, this means that the focus is on quantity rather than quality. This variance in focus will ultimately have a negative impact on the nature of the information being relied on by the business. By proactively managing the data by refocusing staff, the quality of information entered into the system will significantly improve.

Efficiency



The removal of unnecessary repetitive tasks and processes will significantly reduce the possible points of failure and dramatically improve data quality. Data redundancy is a perfect example of data management inefficiency.

It is not uncommon for companies to propagate and copy data from one system to another, across the business. Customer, inventory, product, sales and other details are maintained in a variety of databases, and files making duplicate information nearly impossible to synchronise and reconcile. The near impossible question for businesses to answer is “Which data in the system is the correct data?” This is why data redundancy is perhaps the single greatest cause of data errors.

Information is the only reusable resource within a business and as such can be used by multiple users at the same time. Storing and maintaining system information in one location is an efficient data management practice that will lead to quality information.

Standardisation

Standardisation is a hallmark of any system that produces a quality product, as variation tends to decrease its value. This is true for when information is the product as for any other. It is therefore imperative that companies must have well defined, up-to-date standards for information management.

These standards must be implemented, followed and most importantly kept current. If standards haven't been reviewed and updated on a timely and regular basis then it is quite likely that in a fast moving economy they are probably out-of-date and irrelevant.

Accountability

By far the best way to solve data issues is to ensure that errors do not occur in the first place. This can be achieved by making every person, or system, accountable for the quality of the information they produce and ensuring that inaccurate data is not passed on to the next link in the process.

Achieving accountability involves the entire organisation as every producer of information has a consumer of that information for whom timeliness and relevancy is key. If the quality of information is poor then downstream workers and systems will be unable to perform their roles effectively.

Accountability can be achieved through the rigorous quality testing of discrete information systems and through the education and measurement of staff members. If information is received from external sources then establishing information warranties is an acceptable practise to acquire a quality product.

Summary

Applying basic quality management practices to information actually prevents data errors from developing. This can only be achieved by understanding each relevant business process and data store and ensuring that each step and level is focussed on quality, is efficient, standardised and accountable.

Approaching data in such a proactive manner is far less expensive than attempting to achieve quality through detection and cleansing and with far more effective results. There is a place for detection and cleansing but only to help identify the root cause of the problem and help with the implementation of preventative measures to stop the problem from occurring in future.

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