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## Why Having the Right Data at the Right Time Is Paramount to Corporate Legal's New Normal

Think about any given piece of data your organization has and ask yourself if you can say where it is located, who has access to it, how it is maintained and how it gets used. Many companies struggle to answer even those basic questions—much less whether the data is correct and complete.

By **Chris Fritsch and Jonathan Reed** | August 25, 2020



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The practice of law today revolves around data, which is the key to making informed, timely decisions, minimizing risk and increasing productivity. But while all companies are in possession of massive amounts of data, the control, storage and quality of that data present major problems.

Think about any given piece of data your organization has and ask yourself if you can say where it is located, who has access to it, how it is maintained and how it gets used. Many companies struggle to answer even those basic questions—much less whether the data is correct and complete.

Today's corporations—and their legal departments—already facing an uphill battle when it comes to organizing and maintaining data have now had this daunting task made more complex in the face of pandemic-induced uncertainty and a shifting regulatory landscape.

## **The Current Corporate Data Landscape**

Data and automation are changing the way companies do business, from managing contracts to optimizing strategies to keeping up with customer information. As a result, the range of settings in which corporate legal departments are using data is ever-expanding.

Now the COVID-19 pandemic has added even more layers to the corporate big-data picture, bringing a surge in new kinds of data related to safety precautions, HR issues, contract modifications, increasing litigation and an uptick in bankruptcies, to name a few. Meanwhile, global privacy regulations have increased requirements for companies to track personally identifiable information across the organization. Compliance with rules including the General Data Protection Regulation, Canada's Anti-Spam Law, California Consumer Privacy Act and the New York SHIELD will necessitate defined processes for finding, storing, reporting on and deleting key data in a timely and systematized manner.

All this new data also needs to be managed as seamlessly as companies' existing data, but with a remote workforce that is currently dispersed. This makes having a controlled, centralized and remotely accessible system for maintaining and accessing data more important than ever.

To adapt to these shifting demands and regulations, the corporate legal function is finding that it needs to modernize and innovate in finding ways to understand, cleanse and assimilate data.

## **Understanding Your Data**

To effectively deal with data issues, you first have to evaluate and understand the data. But knowing what data your organization has can be more complicated than it might sound. Too many organizations keep their data in multiple, disconnected files and systems, as well as on individual computers—and working from home now adds the temptation to store important information in places less secure than the office. Having organizational data scattered rather than in a single system is problematic for consistency, context and quality. It also makes the data nearly impossible to analyze and act upon.

Understanding your data begins with assessing what systems of record hold data, how that data is used in key business processes, the value of various types of data, what is necessary to maintain the data and what the best systems and processes are for maintaining the data. After answering those questions, an organization can put together a plan to migrate data from disparate locations to more centralized, secure systems.

Only when you understand the full universe of the data you have can you start to clean it and make it more useful. It's also crucial to consider both data quality and context. For instance, data contained in traditional customer relationship management systems is typically not updated regularly. Additionally, some data might be collected or entered only a single time and may not be updated at regular intervals, which changes the context for analyzing and using it.

## **Cleaning Your Data**

It's also important that your key data be clean. However, most organizations lack rigorous policies and resources for maintaining data quality. This is particularly problematic since research indicates that, without regular maintenance, up to 30% of data can degrade each year (<https://clientsfirstconsulting.com/services/true-dq-data-quality-solution/>). That bad data potentially costs

U.S. companies over \$3 billion per year (<https://clientsfirstconsulting.com/data-quality/>) and may be costing individual businesses up to 12% of their potential revenue (<https://econsultancy.com/the-cost-of-bad-data-stats/>).

Cleaning up data can improve operations and can also be a major boost for efficiency, as employees often spend up to half their time (<https://clientsfirstconsulting.com/dollars-sense-cleaning-crm-data/>) searching for data and trying to correct and organize it. The pressure to improve data quality is also greater than ever given the increasing number of regulations requiring that customer data and PII be identifiable, accurate and readily accessible.

As a result, coming up with a plan for cleaning your data is critical. Additionally, it's important to dedicate the necessary data quality resources including time, money and people. Attaining good data quality then opens the door to aggregating that data to glean the business insights you need to make sound decisions.

## **Aggregating Data**

Once your data is clean, you should focus on turning it into valuable, actionable information. This involves making sure you have the right software and tools to allow you to aggregate, assimilate and report on the data. Cloud-based legal matter management platforms now make it easy for organizations to consolidate separate systems of record into a single, centralized system that can be accessed securely anytime from anywhere. These systems also provide a number of additional benefits including:

- Improving decision-making.
- Boosting productivity.
- Reducing risks.
- Maximizing efficiency and revenue.
- Reducing costs.
- Facilitating compliance with internal policies and external regulations.
- Instituting sound business processes.

## **Final Takeaways for Data Success**

During these times of unprecedented uncertainty, organizations that have the right data in the right place at the right time will be in the best position to control their operations and make the informed, timely business decisions needed to meet the demands of the new normal. To get control of the data deluge, here are some steps to follow:

1. Document where data is stored, how it is accessed and who is maintaining it.
2. Perform data quality assessments to determine which business processes are using your underlying data to create organizational value.
3. Document the necessary actions for cleansing and maintaining high-quality data going forward, including system consolidation, migration and integrations.
4. Dedicate the necessary resources to regularly clean and maintain data.
5. Consider selecting software to make the process easier and more effective.

While the process of understanding, organizing, cleaning and aggregating data can seem daunting at first, it can be divided into manageable stages, allowing for incremental achievement of results over time. The important thing is to start now, and you will soon realize that the results are worth the effort.

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