Building Quality Data: A Sound Structure for Your CRM

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The quality of the data in your CRM is essential to maintenance of a strong CRM system. Just like the foundation of a building, when building out your CRM system, a solid data structure is essential. Additionally, once your system structure is complete, its integrity needs to be maintained. Good data quality is the key to getting results and return on the substantial investment in your CRM system. Sound CRM data helps to maximize productivity, enhance communication and expand your client base.

Structural Issues

But building good CRM data quality can also be challenging. Just like a little bit of mold in a building, bad data can quickly overrun your CRM. Normal business events often exacerbate data decay. Some companies move and open new locations, others merge or go out of business. Likewise, some people move and change roles, others get married or divorced. A few even retire or die. This means that phone numbers, emails and physical addresses change constantly. Every year, about 22.5%% of contact data becomes inaccurate, according to Hubspot. A blog post from marketing analytics company, Kissmetrics, cites these sobering statistics:

- 40% of email users change their email address at least once every two years
- 15% change an email address on or more times per year
- 20% of postal addresses change each year
- 18% of all telephone numbers change every year
- 21% of all CEOs change every year
- 25-33% of email addresses become outdated every year
- 60% of people change job functions within their organization every year

The Costs of Bad Data

It's easy to see that in no time, all your valuable data can become dated – which costs the firm money. In fact, IBM estimates the yearly cost of poor quality data, in the US alone, in 2016 was approximately $3.1 trillion. Incorrect, missing and outdated data can hinder your efforts to create and maintain meaningful client relationships. You rely on accurate data to ensure that your messages reach your target audiences, to help identify key relationships, to track activities with important Clients and prospects and to ultimately enhance business development efforts. What can be even more of an issue, inaccurate data can erode user trust in the CRM and affect adoption. If attorneys think that data is bad, they will think the system is bad and they will be hesitant to use it.

What to Do

To avoid these issues, it is tremendously important to keep up with data changes. Just like that metaphorical building structure, if your CRM data quality degrades over time, so does the value or your system. But keeping up with the data can seem like daunting job since the volume of data grows each year. It's not uncommon for a large law firm to have a half million records or more. Luckily, there are some simple steps you can take to prevent data degradation and keep your system working for you, instead of against you.

Assess the Mess

Before embarking on any data quality project, it's important to evaluate the situation. A good way to start is by asking a few key questions about data in your CRM:

- Do you have complete information for people and companies?
- Is the information up-to-date?
- Are there any holes in the information?
- Does each contact have a valid address, phone number and email?
- How many duplicate records are in the system?
- How current are your email and event lists?
- What is the bounce rate on your campaigns?

Next seek out data inconsistencies. Look for missing contact information or information in the wrong fields. Then check the formatting. Does the firm have data styles and standards and does the existing data in the system conform to them? Are street addresses, prefixes, suffixes and titles abbreviated or spelled out? Are phone numbers and extensions consistent? How are nicknames and records for couples handled?

Then look for irrelevant records. Over years, the size of a CRM system can swell. As people leave the firm, they don't just take their data with them. While it's a CRM best practice to review those contacts and assign the relevant ones to others in the firm, in reality that often doesn't happen. This results in 'orphaned' records - contacts who are no longer associated to anyone and are not being maintained.

Where to Begin

It's easy to become overwhelmed after evaluating the scope of a CRM data quality project. There can be a so many issues that it can be a challenge to figure out where to even start. Obviously, you can't tackle them all. But don't despair. The thing to remember about data quality is that it will never be 100%. But that's ok; it doesn't have to be. What is important is to focus on the most important information.

Start with a cost-benefit analysis. For a small subset of key contacts in the database, it will be really important to have complete and correct contact information. Think top clients and key business development prospects. Additionally, there can also often be a subset of bad data that is causing the most problems. Maybe the bad e-mail addresses are causing key communication bounce rates to spike.

If you are working on enhancing CRM value and adoption for a key group of attorneys, begin focusing on the contacts they care most about. And don't forget to attend to the records for key firm professionals and staff. People frequently look up these records and any incorrect data will be noticed. Working with these subsets of data can make a huge difference – and will also give you a feeling of accomplishment; that promoting data quality is indeed possible.

Dedicate Resources

Once you prioritize your projects, you must dedicate resources. This includes investing not only money but also committing the time and people. There is no magic bullet for data quality. Good CRM data quality requires ongoing attention by trained and dedicated data quality professionals, sometimes called CRM data stewards. Firms that fail to focus adequate resources on their data will find that marketing effectiveness falters and adoption rates fall.

For firms that don't want to hire internal resources, it's now easier than ever to acquire trained and experienced data professionals. Outsourced data stewards offer firms the option of having trained CRM data quality resources who can serve as part of their team whenever they need them – without having to cover the expenses for training, supervision, benefits and expensive office space.

Once you have dedicated your resources, where should you focus them?

- **Dated Data**: Some firms start with the irrelevant or outdated data found during the initial data assessment. While many people may think that you should never delete records from your database, this isn't always true. If you have contacts who are not connected to anyone in the firm, are not on any lists and don't have current activity, at a certain point, it may make sense to remove them from the system.

- **Incomplete Data**. Next, spend time to research the missing information for key contacts and add it to the records. To help identify changes to shared data, it can be helpful to add a link or other notation somewhere in the record regarding who made the change, when the record was researched and the location where the correct data was found.

- **Inconsistent Data**. First, ensure that the firm has a consistent firm style and document it in a contacts standards guide. Then, fix existing data inconsistencies to ensure that all records conform. Most importantly, be sure to share the standards guide with users to minimize future inconsistencies and the creation of duplicate records.

- **Bounces.** Start with the largest or most frequently used mailing and event lists and identify the emails that have bounced. Research those contacts and either update their information or remove them from the list.

- **Duplicates.** You can search for duplicates in several ways. Start with duplicate email addresses since, for most records, an email address can be a unique identifier. Then search for additional duplicates by first name + last name + company name. Research and merge the dupes, filling in any missing information. To prevent the creation of future duplicates, train users on the benefits of utilizing CRM's features that allow duplicate identification during contact entry and can assist in filling in contact information to minimize data entry.

Never

That's the answer we frequently give to Clients who ask us when a CRM data quality project will be finished. Because of the frequent changes that take place with contact records, attention to data quality must be both constant and continuous. It's also incredibly important, because it ensures that the firm's CRM investment won't be wasted. But the most important reason firms should care about data quality is that CRM is not a project or initiative, but rather a fundamental change – and improvement – in how the firm manages its most important assets: its relationships.

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- *For more than 10 years, the team at **CLIENTS**First Consulting has been helping Professional Services firms and other organizations successfully select and implement CRM and eMarketing systems to maximize value, adoption and return on investment. If you need help with CRM, eMarketing, Data Quality, Data Privacy Compliance or Client Intelligence, contact us at 404-249-9914 or Info@CLIENTSFirstConsulting.com.*