

Is the data in Your CRM a ticking time bomb?

 By [Martin Doyle](#)

15 Jan 2015

Customer relationship management (CRM) has moved from specialist term to buzzword, and now, into the core of business.

According to a [blog by Sugar CRM](#), about 15 million people used some kind of CRM system in 2012. The same blog says that large businesses were more likely to adopt CRM software first, since the potential benefits are so much greater.

Gartner is well known for its predictions, and its analysis of the market is clear: the appeal of the CRM is growing, and smaller businesses are able to adopt the technology thanks to affordable pricing and cloud hosting. Gartner predicts that CRM software will grow at a rate of [14.8% through to 2017](#). That's a lot of data being collected - and a huge potential for expense.

Harvest Time

The maturing CRM market is a reflection of our desire for data. Data lets us understand our customers, communicate more effectively with those customers, and segment them for more effective marketing. This is why many businesses harvest massive amounts of data about their customers and store it in their CRM, then leave it to fester, either neglecting it or harvesting even more.

Over time, simply collecting this data gives you your first potential for a ticking time bomb. The CRM becomes clogged up and weighed down by old and inaccurate contact records. This wastes money when it's time to do mailshots, but it also wastes your employees' time as they struggle to figure out which records are too old to be trusted.

Fancy Fields

As the CRM has become a standard feature in business, employees are expected to collect a broader set of data. Social media metrics are brought in, and soon there's an embarrassment of riches: data about every interaction with every customer, or every lead that's come into contact with your team. Each record could have hundreds of potential fields.

Maintaining all of these different records is a challenge for users, since manual entry becomes incredibly cumbersome when you add more potential entries. It's human nature to try to take short cuts, so there's a perfect storm brewing: a combination of highly specialised fields and a workforce who simply don't have the time to populate them as you'd like them to.

There are two possible outcomes from this. One, you wind up with missing and incomplete data - a customer service

disaster waiting to happen. Two, you could accumulate a large amount of data that is completed without due care and attention, making it poor quality right from the word go.

Sure, you could hire an administrator to manually fight the flow of bad data, but a continual flow of poor quality data coming in, combined with natural decay, means the return on investment will be next to nil.

Protection and Security

Most CRM software is designed for security, but there are always a few cracks in the armour. An unmanaged CRM is a possible source of a leak, and poor data handling can expose holes in your processes and workflows - flaws that could cost you dearly.

The Information Commissioner's Office has the power to levy fines up to £500,000 for the poor handling of personal data, and there's talk of these being increased to 5 per cent of global turnover. Information security is not optional, and anyone collecting customer data is vulnerable to prosecution, prison and brand disaster. One of the key provisions of this law is giving people control, allowing them to update and remove data at will. Could your CRM support this kind of granular maintenance? And is it in any fit state for you to try?

Decayed and dirty data in CRM systems and contact databases is costing businesses tens of thousands of pounds every year, through penalties, brand damage and more. Poor record keeping, poor security and a failure to comply with consumer requests is a risk your business would be crazy to ignore. See the [8 Data protection principles by the ICO](#).

Staff Morale

Valuing staff is essential to limit churn and raise morale, and giving them the correct tools for the job is part of that. If you don't solve your employees' problems, you're fighting a losing battle, and you will eventually lose them

Failing to acknowledge data decay, or take action to reverse the tide, is a sure fire way to store up problems for the future. As your CRM data becomes less useful, employees will waste their time trying to come up with workarounds. The CRM will become the system legendary for its poor data quality, and new staff will be warned off it from day one.

If you want your CRM to be used, and if you want it to support your employees, don't expect them to work around its problems.

Saving the CRM

CRM data goes out of date every day. In the last 48 hours, someone in your database probably changed their email address, sold their house, got a new mobile number, moved offices, got a promotion or got married. It is an inevitability of data collection.

If you are collecting data without any thought of data quality, your CRM could be a ticking time bomb. Data cannot be trusted, enhanced or relied upon if it is becoming irrelevant and out-dated. Adding more data could just be increasing the likelihood of an explosion. Paying lip service to data quality with manual edits simply places your staff on an unfair trajectory towards failure.

Think of a CRM like a database. It contains records that are unusually time-sensitive: addresses, names, people's personal details. Not only does this data decay incredibly quickly, but poor management could land you in hot water if you fail to meet compliance obligations. Data quality is therefore one of the biggest and most relevant risks to your CRM, and the longer you ignore it, the worse it will get.

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