



Success Factor Data Quality

How optimal Data Quality protects
your investments in...

- ▶ Data Warehousing
- ▶ Business Intelligence
- ▶ CRM

...and increases profitability...

**Databases are just containers:
It's the content that matters...**





About Omikron Data Quality GmbH

Since 1993 Omikron has focused on the improvement of customer data. Starting as a small innovator, Omikron has become one of the leading data quality specialists in central Europe. Offering internationally applicable software, data quality services and consulting, we assist our customers to make lasting improvements in the quality of their data. 31 CRM providers, 1100 customers, and 14000 users in retail, industrial, and service companies trust in the efficiency and reliability of our products.

A high-speed photograph of a water droplet falling into a pool of water. The droplet is suspended in mid-air, just above the surface, and has just made contact, creating a crown-shaped splash and concentric ripples. The background is a soft, out-of-focus blue gradient.

Data: the solution for better decisions.

"Data have become an important business asset. Companies who invest in the efficient administration of these valuable resources will probably succeed in the international market, compared to those who do not recognise the importance of these resources and do not maintain adequate data quality."

(The Data Warehousing Institute, Seattle)

Data quality Challenge and Opportunity

"A company can get a very big black eye in short order if it doesn't pay attention to the quality of data"

(Ted Friedman, Gartner Group)

Information: Productive factor for the 21st century

Modernization results in changing conditions: previously, a company's market success normally depended on material factors. Today, high-quality information is a prerequisite for successful business decisions.

Data Warehousing and Management Information Systems represent the most effective methods to turn information into a productive factor. This may require a significant investment. However, given poor-quality data, such projects can never achieve the desired return on investment (ROI).

Better data lead to improved efficiency

Huge amounts are invested in quality assurance for *production*, but managers still take *data* quality for granted. A survey by Meta Group revealed that **bad-quality data is responsible for the failure of 35% of all information technology projects**; in the USA alone this results in 2 to 4 billion

dollars of wasted spending. The Data Warehousing Institute cites even higher figures, since systems based on defective data suffer from a lack of acceptance by internal and external users alike. This can cause the entire investment to be called into question.

Data Quality: Influences and potential use

Errors in electronic data have a variety of causes. Economic and political developments have made manual data administration too expensive. At the same time, many business processes have been reorganized or out-sourced into separate, fragmented structures. Customer data that were formerly managed by a central internal department may now be gathered and edited by any number of external call centres. The result: errors in the data as originally recorded are aggravated by redundant data management, as well as by structural errors due to unreliable relationships, incomplete records, and outdated information. Each of these negative factors can reduce the profit potential of your data.

Simultaneously, **demands on data have increased rapidly**: since the early 90's the growing automation of administrative processes has been joined by an increased automation of sales and marketing activities. A salesperson may be able to understand unstructured customer data, but a computer does not have the same imaginative power.

Problems caused by data integration

Corporate mergers have once again become popular. Such mergers almost always lead to combining related IT-systems to take advantage of synergetic effects, both for corporate and for customer data. Often it is later discovered that the combined data was improperly "mixed", with irreversible consequences. Correcting such deficiencies is anything but simple. Similar problems may occur during the consolidation of IT-systems, or when migrating to a new ERP or CRM-system.

Usually the internal IT-department cannot be blamed: since such adjustments are normally one-time events, there is no previous experience to call upon. In addition, the IT-department must perform the data migration on top of normal day-to-day activities. This leads to problems that cannot be solved with standard software or by manual intervention.

Data Quality in Customer Databases

CRM aims to develop and maintain profitable, long-term customer relations. These principles can only succeed when supported by clean data. The Gartner Group projects that over 50% of CRM-projects in 2005 will fail or will suffer from limited acceptance because of poor-quality data.

Better Data Increases Profitability

Data quality is a success factor, meaning it *multiplies* the results from many measures. This is especially true for customer data. Knowing your customers better allows you to communicate with them more effectively.

Principal customer data (master records) consist of delivery information, personalisation details, and selection criteria. This classification clearly demonstrates the advantages of higher quality data:

► Delivery information

Poor data lead to delays in delivery, additional inquiry expenses, an increased percentage of undeliverable shipments, and thus a reduced marketing efficiency. Delivery information also includes e-mail addresses, telephone numbers, as well as the names of company representatives (which are frequently out-of-date).

► Personalisation details

These details ensure that customers feel that they are addressed personally. According to Professor Vögele at DMI (the "Institute for Direct Marketing" in Germany), a personal salutation increases the rate of replies to mailings by 15%. Unfortunately, our experience shows that an average of 3% of gender (M/F) flags and nearly 5% of salutation (title) fields are incorrect.

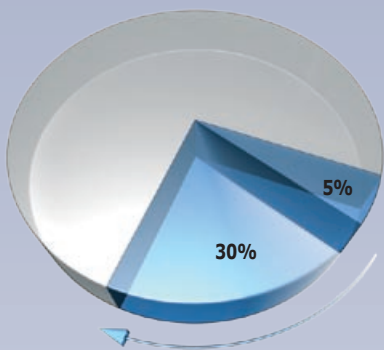
► Selection criteria

These typically include industrial codes such as NACE or SIC tables; or for private customers their age, gender, and lifestyle information (statistically deduced, via data enrichment, or from individual inquiries). Selection criteria must be clearly structured and consistently coded. Incomplete or inconsistent information make individual operations aimed at specific target groups unreliable, thus preventing one of the most effective methods to increase marketing efficiency.

► Multiple Purposes

Some information has multiple uses: for example, the gender (M/F) flag is needed to create a correct personal salutation, but for private customers it may be a selection criterium; and it is one of the most important variables for the analysis of purchasing behaviour.

Customers Data at Risk

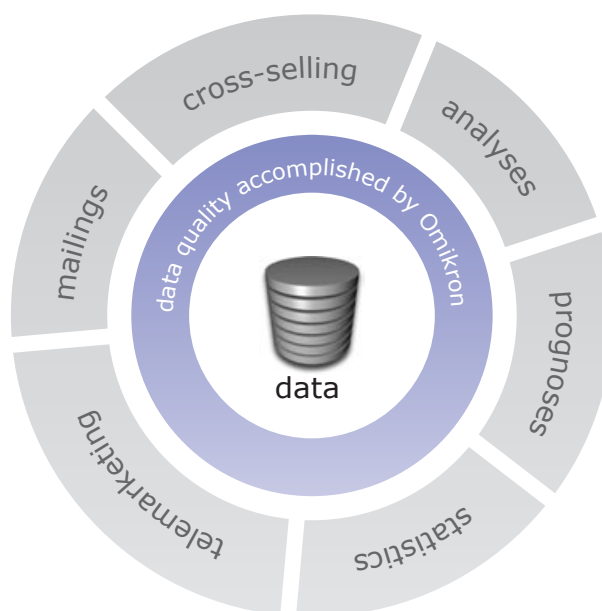


Deceptive statistics: A seemingly inconsequent 5% overall duplicate rate hides the true nature of the problem. Duplicates are not distributed equally: they occur most frequently with regular (repeat) customers - and these customers form the definitive basis for any analysis of purchasing behaviour.

► **Transaction records**

These are linked to customer master records, and can be analysed meaningfully - but only when the master data records are unique, i.e. free of duplicates. Then the analysis of customer purchasing behaviour, order history, CLV and cross-selling provides detailed insights, permitting more effective, individualised customer appeals.

The value of your data results from the improved response to your offers from customers and other interested parties. This is sufficient reason to invest in measures that preserve and increase this value. Omikron has developed intelligent technologies for all of these requirements, and has implemented them successfully in many projects.



Quality of master data for materials

Users of ERP-systems are familiar with this problem, especially resulting from corporate mergers: a part or component is listed under various data records with differing part numbers. Depending on the department and the user(s) involved, vouchers, shipping labels, and material flow plans may use one or another data record for the item. This results in dual inventory, duplicate portfolio maintenance, and falsification of production calculations and analyses, leading to higher production costs and an increased capital commitment. Synergy effects (such as ordering larger quantities) are wasted.

Conclusion: Data duplication must be avoided in material and inventory systems as well: either right at the beginning, or through subsequent maintenance. Omikron meets these challenges with specially adapted technology, to greatly reduce the manual effort required. Each of the leading German e-procurement systems (Heiler, Onventis, and Poet) use Omikron's error-tolerant search technology to find data records even when confronted with alternate spellings.

Omikron

Products and Services for Data Quality

Omikron Your partner for data quality

No matter whether you want to improve your existing data, introduce a new IT system, integrate data from a newly acquired subsidiary, or perhaps you plan to merge multiple data sources into a unified data warehouse: take advantage of our experience. With the help of intelligent software, comprehensive consultation, and a portfolio of data quality services we can assist you in preparing your data to meet both today's demands and future requirements.

Data Quality Consulting

We are often asked to help only after poor data quality has already caused significant problems. Better results can be achieved by involving us in your project right from the start, so that we can assist your SAP-, management-, and IT-consultants in the developmental phase with specific information relevant to data quality aspects.

In over ten years we have accumulated extensive knowledge and experience in data quality. We look forward to the chance to add this knowledge to your project in the form of individual consultation. With the indispensable combination of specialized analysis tools and professional technical experience we analyse the current state of your data sources, and then make a joint decision with you about any additional measures that are needed.

Omikron services

As Goethe once said: "Knowing is not enough; we must apply". Consultation alone is not enough. We don't just give you the concepts, we can also deliver the implementation. Whether you need **duplicate checks, normalisation, recoding, or data enrichment from external sources**, you can depend on us for the highest quality. We often find ways to improve the state of data records that have already been processed. The secret is quite simple: since we developed the technology, we are best equipped to use it. In return, our developers receive valuable field information for improvements to our software.

Omikron Software for Data Quality

It all began in 1992, when we invented a new similarity evaluation to check for duplicates: our FACT[®]-algorithm (Fragmentary A likeness Comparing Technique).

It quickly turned out that this new algorithm was much better than existing matchcode and phonetic processes. In 1993 we integrated this functionality into a software application, which by 1996 grew to become a complete software package to manage the quality of address data.

In both 1997 and in 2003 we replaced the software with new generation code to support the latest programming languages and development methods,

in order to optimise maintenance and adaptive capabilities.

Today Omikron is one of the leading specialists for data quality solutions in central Europe. Omikron integration modules are available for almost every important business application (including SAP and Siebel). Omikron has been awarded performance certification from the German Direct Marketing Association (DDV). According to CRM-Marktspiegel ("Business Mirror"), Omikron is the market leader in CRM-duplicate checking.

Research

Research cooperation with DaimlerChrysler

As systems become more complex, the demands on data quality increase as well.

This is why Omikron doesn't just sell packaged software; instead, we continually research new algorithms. To gain insights about international data coming from differing language regions, Omikron takes part in cooperative research with DaimlerChrysler Research and Technology (in Ulm, Germany). In this environment Omikron's intelligent and largely language-independent technology can be applied effectively, and can be simultaneously improved through the experience gained.

Competence from within

Carsten Kraus (CEO of Omikron Data Quality GmbH) is the leading German author for expert contribution on data quality and a valued speaker at national and international conferences.



Customer Opinions



"The on-going management of our data plays an extraordinary role for our bank, because we treat information as a business resource. The results from Omikron Data Quality Software are even better than other high-end solutions we used previously. In particular, the modular structure of the software and the consistent use of an integrated and user-friendly graphic interface convinced us."

Thomas Stephan, National-Bank



"We receive first-class results from Omikron's software when comparing addresses from international customer databases. A wide variety of settings and the high comparison quality fulfill all our needs. An investment which really pays off."

Hans-Peter Lories, Siemens




Decide with Confidence

"After extensive testing on Scandinavian data Bonnier Business Information has chosen the Omikron Data Quality tool to be a part of our new global match solution."

Andreas Gustavsson, Bonnier / Dun & Bradstreet



Over 14000 users, 1100 customers and 31 CRM providers rely on products and services from Omikron!



What about your data?

How could you benefit from improved data quality?

What potential for cost reduction and profit optimisation has your company left unused? Find out what Omikron can do for you. A consultation and analysis by one of our data quality specialists can give you certainty in just a few days.

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"Care about the quality of your data! Develop a data quality strategy and spend 50% of your CRM-project resources on data optimisation."

Gartner Group, 7 Golden Rules for Successful CRM

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