

A LONG, STRANGE TRIP AHEAD: PROCESS MANAGEMENT AND DATA QUALITY

(Position Paper)

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I've had the good fortune to work with a number of organizations on their data quality programs for over fifteen years. Poor data quality has been, and is, the norm. Data are incorrect (inaccurate), out-of-date, poorly defined, not relevant to the task at hand, difficult to interpret, and so forth. But, if my memory serves, in almost every situation, one or both of the following was a root cause (and often the most important root cause):

- Data creators (i.e., sources of data) did not understand the needs/requirements of important data customers, or
- Data customers (i.e., those who put the data to use in operations, decision-making or planning) did not understand what the data meant.

Said differently, the communications channels between data creators and data customers were poor or non-existent.

We consistently see much better results when we connected the two parties. I've often heard some version of the following:

“We didn't know that anybody cared about that field, so we just put in anything the system let us! Now that we know you (a data customer) need that data, we'll be happy to get you what you need.”

And a couple of relatively simple changes to “small-p processes” yields large improvements.

These experiences have led me to conclude that, today at least, the most important data quality issues are “in the white space,” between organizations and not within them. And process management is unsurpassed at helping manage the white space (when the white space is between two companies we employ “data supplier management.” The essence is the same). So process management is essential for data quality.

Further, I call the most important flows of data/information across a company or large government agency its “information chains.” These chains must be explicitly managed. Note that I am reserving the term information chain to refer to the data/information portions of long, cross-functional processes. These are BIG-P Processes. Even the largest organizations have no more than a dozen BIG-P Processes. Actively managing these is essential to the company-wide data quality effort.

But process management can be devilishly difficult to implement, even for small-p processes. There are many reasons for this:

- Companies have historically been functionally aligned, and for good reasons.
- Process management is threatening to middle managers.
- Students are not taught process management.
- Re-engineering became synonymous with “layoffs.”

So despite its successes and potential, process management faces an uncertain future. The optimist in me believes that the process management will continue to penetrate organizations, albeit slowly and sporadically. Poor data quality costs the typical company up to twenty percent of revenue—a cost that will become increasingly difficult to ignore. So are the “DQ disasters,” such as the current crisis in financial reporting.

A few forward-thinking companies within an industry will force the issue. They will (and are advised to):

- Identify their most important information chains.
- Overlay process management on the current organization chart.
- Look for opportunities, like those cited above, to connect people and organizations and make easy improvements.
- Expand process management as they gain experience and confidence.

As these companies reap the benefits, their less forward-thinking competitors will have no choice but to implement process management.

Educators play a critical role. The younger generation, with less invested in current management structures, will lead the charge in many industries. The earlier they learn about process management, the better.