Data sharing: your winning edge

| Keeping up with volatile data landscape

Every single business process and every decision made is based on data. Obviously, companies need reliable data, but data changes quickly and relentlessly.

Are you aware of the scale of this phenomenon?

→ **Every single minute**, in any large organization, a master data record for customers or vendors (business partner data) is changed or added.[1]

→ On an average, **21%** of business partner records outdate within 1 year.[2]

→ **60%** of business partner records show critical violations (and yes, still flowing through your downstream processes).[3]

→ With large amounts of data records handled manually, it's no surprise that duplicates are a common thing. It's actually **15%** of your current business partners data. [3]

→ The European Commission forecasts that by 2025 the global data volume will multiply by **factor 5** – from 33 zettabytes in 2018 to 175 zettabytes in 2025 (European Union, 2022).

→ According to Gartner, every year, poor data quality costs organizations an average **$12.9 million** (Sakpal, 2021).

[1] CDQ analysis of the "Business Partner Update Monitoring" feature in CDQ Cloud Solutions.
[2] Based on analysis of CDQ data pool in the period from March 2021 to March 2022 containing an average of 2 million data records and an average of 35'000 updates per month.
[3] Based on CDQ benchmarks and projects conducted with our clients.

These frequent changes pose a serious risk for **data to become inaccurate, incomplete, and outdated**. Every company needs to keep up with this heavy burden of data maintenance. And it's not a simple one.

But what if there was a better way to approach business partner data management?

Dr. Dimitrios Gizanis
CEO, CDQ

Data sharing is the way to go

Watch the video of the CEO on CDQ vision here.

Data sharing is the way to go for better data quality

Data sharing is not just another buzzword, but a proven **community- and research-based approach** to create and maintain **data as a shared resource** by a community of peers.

Specifically in the business partner domain, data sharing takes the data maintenance burden off your shoulders and rapidly boosts data quality. How, exactly?

Your company has the same customer as another company. Know Your Customer (KYC) requirements are same for both organizations. In fact, most of customer data attributes like legal name, address, tax number, as well as financial stability and social compliance, refer to real-world status of a business partners.

Any company dealing with business partners needs to react promptly to keep the data correct and fit for use. Existing business partners change their addresses, run out of business, or tax numbers expire, and all these changes are to be identified.

Why manage these changes on your own and in silos, when data sharing helps you get the result quicker and at a lower cost?

Unique approach to a common challenge

A CDQ analysis ascertained that **the overlap of business partner data among large enterprises ranges between 40% and 60%** (depending on industry affiliation).

Furthermore, we identified an even higher percentage of same data quality rules in place (typically defined manually and managed in every company) and similar external data sources (such as corporate registries) used by most companies to update and enrich datasets (again, each data source is manually mapped and connected in every single company).

The gist of data sharing: trusted network of companies managing business partner data as a shared resource.

Distributing efforts across the community leads to higher efficiency and trust. Less effort per community member brings higher data quality for all. Community members gain access to **shared knowledge, shared data sources** and **shared data**.

Shared knowledge

Community members share their experiences and practices (good and bad) in managing data, jointly develop a common language through a semantic data model (documenting key data objects, their attributes, and linkages) and manage a book of shared data quality rules (accessible for every community member to validate new data records and monitor its overall quality).

Shared data sources

Community members share access to a set of external data sources, which provide automatic updates and enrichments.
These data sources include open data sources such as public corporate registries and commercial data sources, like Bureau Van Dijk, Dun & Bradstreet or info4c.

Shared data

Data sharing is the highest evolution stage of collaborative data management. Every time a community member receives information about a change in their master data, the company updates the record and shares it with peers, who automatically receive the update in their database.

CDQ is the first company in the world to provide a Cloud Platform with solutions for collaborative data management

Moreover, CDQ is the first provider of data sharing (intermediation) services for B2B data which fulfills the requirements of the EU Data Governance Act (European Commission, 2021).

With a focus on business partner master data, **CDQ Cloud Solutions** support your data lifecycle while elevating data quality.

CDQ Cloud Platform is a single gateway to over 70 external data sources and more than 2150 ready-to-use data quality rules powered by data sharing and provides easy-to-integrate capabilities for your data journey from the start.

Data assessment:
understand and benchmark data quality with the **CDQ Data Quality Cockpit**

Data maintenance:
monitor and automatically maintain data with **CDQ Zero Maintenance**

Data creation:
onboard new business partners with **CDQ First Time Right**

Risk assessment:
prevent payment fraud with **CDQ Fraud Prevention** and monitor compliance of business partners with **CDQ Compliance Screening**

Ongoing exchange:
of best practices and data quality management approaches in a unique setting with **CDQ Data Sharing Community**

More than just a trend: Business value generated

Companies participating in data sharing benefit from this innovative and proven approach in both operational and strategic dimensions:

Data managers gain **direct benefits** as

- Data creation is much **quicker**
- Data maintenance is **more efficient**
- Data users have **more trust** in the data

The entire organization profits from **business benefits** including

- More business process **efficiency**
- **Less** operational **risks**
- **More insights** and better decisions

More business process efficiency

- **Higher automation rate based on high-quality data**
  (e.g., reduced cycle time of business partner approval process, improved cash conversion cycle)
- **Process failure reduction**
  (e.g., correct invoice addressing to reduce returns)
- **Post-merger success**
  (e.g., integration of clean customer and vendor data is much easier than being faced with duplicates, diverse address formats, or outdated identifiers)

More insights and better decisions

- **360-degree-view on customers and vendors**
  (e.g., cross-department understanding allows a holistic perspective, enables reliable analytics, comprehensive predictions, and efficient business processes)
- **Delivery shortage predictions**
  (e.g., knowing production locations of your vendors (current location instead of addresses from 2 years ago) helps to understand impacts of natural disasters or political unrest on your supply chain)

Less operational risks

- **Financial & operational risks**
  (e.g., know the effective bank accounts of your vendors and do not transfer money to fraudsters, share uncovered attacks with peers to build resilience)
- **Compliance**
  (e.g., based on automated sanction party checks, be aware of all regulations globally, and identify affected customers before custom authorities do)

Turning data-driven mindset into business value: client perspective

Evonik Industries

The challenge

In earlier days, business required data to be available quickly but not necessarily fully correct at the time of creation. Evonik had a mature data management approach with clearly defined roles and processes.

However, with the new corporate goal of becoming a data-driven company, Evonik's enterprise data management team had to take their data management approach to the next level and selected the CDQ suite to do so.

The solution

- Analysis of lifecycle process for business partner data, including data creation, change, and deletion
- Identified need to create and maintain data faster, improve and ensure its quality, increase process automatization level, reduce cost, and provide updates even before business gets informed
- Incorporating external data sources into the existing system and alongside exisitng internal data sources
- Touchless first-time right data lifecycle process based on automated data enrichment

EVONIK
Leading Beyond Chemistry

The result

The CDQ Suite offers a great user experience due to a modern software solution with a clear, structured, and highly automated maintenance process leading to:

SPEED
Reduction of workflow process time from 6 to 2 hours on average

TRUST
First-time right rate increased to 99,9% for sold-to parties

EFFICIENCY
Overall 20,000 hours of time saving within the first 12 months

Watch a video of the Evonik success story!

CuVenSA

Evonik's Journey to a Touchless First-Time Data Life Cycle Process

CDQ Good Practice Award 2021

01.12.2021 | Markus Mützel, Magnus Thum

EVONIK

Bayer

The challenge

After a huge merger the company needed to ensure a smooth one face to the customer. Consolidation of over 1,300,000 customer and vendor data records of two companies into one database was indeed a huge effort: high number of duplicates, unclear data overlap, diverse data structure from 200+ countries, and a burning need to identify and flag records from natural persons (GDPR compliance).

The solution

- Deduplication and overlap check for over 1,300,000 customer and vendor master data records
- Usage of CDQ DQaaS cloud-based data quality services
- High degree of automated matching based on algorithms
- Development of customized data quality ruleset to be re-used in future data cleansing activities

The result

DATA QUALITY
Over 80,000 duplicates eliminated and improved data quality in over 1,000,000 records in a record time span of 10 weeks

TRUE CROSS-SELLING
True cross-selling potential identified based on consolidated customer data records

COST SAVING
Cost-saving potential due to duplicate-free supplier data

GDPR
Reduced GDPR risks by identifying natural persons

COST REDUCTION
Cost reduction because data migration costs are less with clean data

Watch a video of the Bayer success story!

Vendor Master Data ~~ent~~ with Bayer
Novel Approach to Auto~~~~ ~~~~on Making

Jens Peter Henriksen
Bayer AG

Jens Greiner
Bayer AG

More data sharing enthusiasts

I believe data sharing is a future key capability: by using it we can save time, reduce business issues, and obviously achieve efficiency improvements.

Emanuele Francia
Enterprise Data Governance Manager
Tetra Pak

Sharing proven bank account data saves significant time, compared to contacting the customers/vendors directly to verify new bank accounts.
„Data Shareconomy" is an effective approach to unlock this source of trusted information.

Philippe Baumlin
Manager of Global Master Data Strategy
BASF

What I see from other companies is the same issues, same problems, but within the Data Sharing Community you can really benefit from exchange with other organizations.

Dr. Sebastian Zander
Data Process Consultant
Sartorius

If data sharing is going to be a common practice, why not start ahead of others and benefit right away?

Deloitte names data sharing as one of six tech trends in 2022:

"As the data-sharing trend advances, we expect more organizations to engage in data collaboration to tackle common challenges"

Buchholz, Bechtel & Briggs, 2022

McKinsey Digital lists data sharing as one of seven characteristics of data-driven enterprises:

"By 2025, large organizations will collaborate through data sharing platforms to create valuable insights for all members"

Assur & Rowshankish, 2022

Forrester Research found that

"more than 70% of global data and analytics decision-makers are expanding their ability to use external data"

Belissent, 2021

At CDQ, we have research-based evidence to prove the momentum.

More than 30 internationally successful companies and corporations are already sharing the burden of business partner data maintenance on many shoulders and benefit from our extensive data management know-how, and the exchange of best practices within the community.

The time has come

And while you were reading:

- Your colleagues have created at least one duplicate business partner entry.
- Two deliveries to customers were shipped to a wrong address.
- Five data scientists were driven crazy by defective datasets in your company.

Dr. Tobias Pentek

Head of Community & Innovation

E-Mail
tobias.pentek@cdq.com

LinkedIn
linkedin/tobias-pentek/

About CDQ

CDQ is a global leader in collaborative data management.

CDQ emerged from the University of St. Gallen in Switzerland with more than 17 years of data management expertise. CDQ provides a Cloud Suite to manage, validate and enrich business partner data – powered by Data Sharing, enabled by solutions, supported by research.

As part of DQaaS (Data Quality as a Service), this Suite automates data maintenance and maximizes the potential of enriched data. The goal is to provide 100% data quality with zero maintenance for customers.

We leverage data sharing as the best way to better data, so companies can tackle data quality together.

We're happy to discuss your current data situation and look for a smart fix together

Let's talk!

CDQ AG
Lukasstrasse 4
CH-9008 St. Gallen

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