



## Financial Services

The 26 Questions to Ask Before Building Your  
Business Case for Customer Data Transparency

## The road to customer data transparency

Master data management (MDM) is a key enabler for providing a single, trusted view of business-critical information, such as customer data.

Trusted sources of customer data can help you reduce the cost of application integration, improve customer services and get actionable insight from analytics.

Key to making customer data trustworthy is having a transparent view of it and understanding the purpose for its collection.

Data purpose encompasses its definition, usage and content, while transparency ensures that governance policies, including accuracy, origin, accessibility, security, auditability, ethics and legality, are in place.

*“Having good data is not enough to become more data-driven in decision making. You need to accompany it with data transparency to make it truly actionable.”*

— Darren Cooper, Stibo Systems

### Developing the business case — Get buy-in from your stakeholders by asking the right questions

The typical business case – or return on investment (ROI) calculation – includes themes on cost reduction, new revenue opportunities and risk aversion. You may even have prepared a spreadsheet calculator into which you can plug numbers to reveal an economic outcome.

However, before embarking on number crunching, the business areas from which those metrics will come need to be defined. Importantly, the owners of these business areas will need to be on board with the objectives of the business case. They need to be convinced that any type of solution would benefit them directly, and as such they are willing to actively contribute to the development of the metrics that will constitute the business case.

This paper provides examples of key questions that help you to get business owners more engaged with working towards better customer data transparency. Getting them engaged will help you to find those key metrics that will substantiate your business case. Business owners should be able to articulate how customer data transparency influences positively their own objectives.

The example questions below concern particularly those business areas that have heightened requirements for customer data transparency within a financial services organization but may be very much applicable to many other types of business.

### Business first, then technology

Having started your conversation on customer data transparency, you will need to envisage the development of subsequent workshops that will help to shape some of the metrics and data points that will form the basis of a future ROI calculation. Some examples of the types of metrics you can explore are provided in the following sections.

### Key business initiatives that rely on data transparency

- Becoming data-driven
- Establishing data ethics
- Turning data into revenue streams
- Gaining customer advocacy
- Adhering to regulatory compliance

## Business case conversation starters by role

The key business owners whose support will help you to develop a business case for customer data transparency		
Role	Objective	Questions
<b>CDO</b>	Extracting business value from data	1-3
<b>CCO/CRO/CSO</b>	Safeguarding the integrity of the company	4-7
<b>CIO</b>	Establishing the IT strategy	8-10
<b>LoB owner</b>	Driving positive business outcome	11-17
<b>CMO</b>	Capturing new customers	18-19
<b>CEO</b>	Developing a brand that is ethical	20-26

# The chief data officer (CDO) — Extracting business value from data

Question	Explanation
<b>1</b> Is there an accountable and measurable data stewardship process associated with customer data management?	<p>The data steward ensures that the policy, under which customer data is governed, is implemented and transparent. Indeed, the activity of stewardship should be also transparent.</p> <p>If customer data originates from channels such as distributors and agents or is shared with business partners, a lack of data management policy can lead to data being used for purposes for which it was not intended or authorized. Data control should be under manual or automatic stewardship. Controls ensure transparency of the implementation of a coordinated data governance policy.</p> <p><b>Defining the business case</b></p> <p>The implementation of KPIs is essential to measure:</p> <ul style="list-style-type: none"> <li>■ Performance of the data content (quality, transformation, etc.)</li> <li>■ Data transparency (origin, usage, etc.)</li> <li>■ Stewardship activity (audit, manual intervention, business consultation, etc.)</li> </ul>
<b>2</b> Are there KPIs that link customer data transparency actions and indicators to the business processes that consume the data?	<p>It can be useful to establish a map of applications and business processes that use customer data in ways where transparency is paramount. For example: compliance reporting and analytics destined for regular business decision making. Such mapping can help identify business use cases for better customer data management practices.</p>
<b>3</b> Do you have a program for the development of a data culture within the enterprise?	<p>The sharing of data across line-of-business (LoB) boundaries can add significant value. However, decision makers need to have confidence in the information provided in order to act upon it.</p> <p>Those promoting a culture of becoming more data-driven need to develop awareness of how to interpret information, specifically meta data, that describes both the data and its transparency.</p> <p><b>Defining the business case</b></p> <p>Sharing customer data across LoBs is a common and desirable use case. A business case should examine the various sources of customer data suitable for sharing in terms of their potential content value and establish an assessment of the suitability of transparency controls. The more complete the controls, the more potential the data has of providing business value.</p>

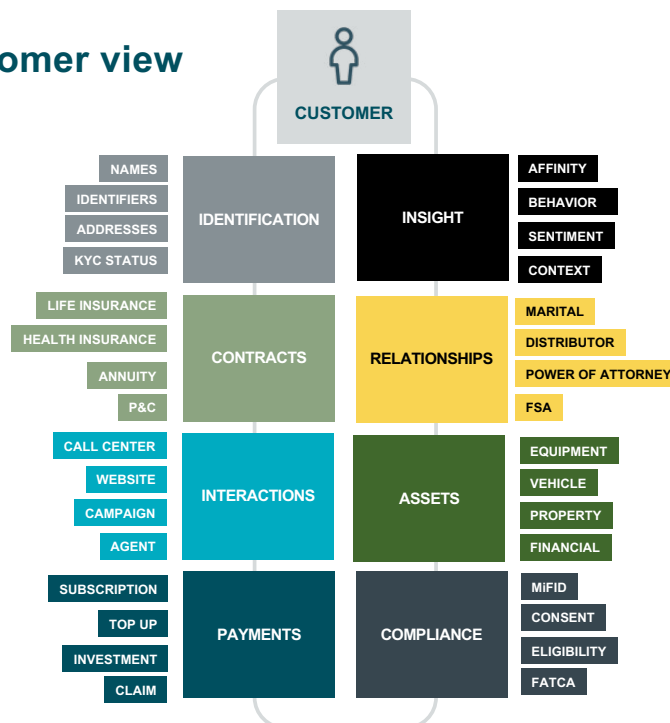
# The chief compliance/risk/security officer (CCO/CRO/CSO) — Safeguarding the integrity of the company

Question	Explanation
<b>4</b> What part of the business makes sure that the party data you are using in your regulatory and compliance reporting has a suitable source of information?	<p>Having reliable party data is a foundation for many types of regulatory calculations. Determining risk weighted assets, supporting KYC, AML and risk profiling all need reliable information sources.</p> <p>When taking information from analytical sources such as data warehouses, compliance initiatives risk lacking the insight into the origin of the information they use. As regulators probe ever deeper behind the numbers presented within reporting, the onus is on business leaders to show how the organization implements methods that safeguard their transparency.</p> <p><b>Defining the business case</b></p> <p>Business cases should map correlations between sources of party data and business processes that support risk and compliance calculations, looking for how business led controls support (or not) transparency. Gaps in controls should be identified individually and evaluated for risk. Existing or potential owners of controls should be noted.</p>
<b>5</b> How important are corporate standards for data handling when applied to your customer data?	<p>Customer data can contain highly personal information. As such it is impactful from many perspectives including business revenue, legal and regulatory compliance, social responsibility and brand trust.</p> <p>The business should have control of the sources of personal information that enter and exit the company. Companies are increasingly using external information sources to complement their own. Appropriate security and data ethics policies need to safeguard proper use of externally sourced information.</p> <p><b>Defining the business case</b></p> <p>Business case considerations can include:</p> <ul style="list-style-type: none"> <li>Are there constraints on providing access to and manipulating personal information (PI), consent (e.g., GDPR) and other sensitive information?</li> <li>What risks would result from incorrect data handling?</li> <li>Would it be possible to trace and audit those risks?</li> </ul>
<b>6</b> Do your corporate data management guidelines include a plan to make sure that the data you gather, produce and share is ethical?	<p>Is there good conduct in relationship to data? And what are the consequences of not having good conduct, in particular for customer data? Data ethics policies ensure legal collection, usage and disposal of data.</p> <p><b>Defining the business case</b></p> <p>Business cases should identify opportunities to enforce corporate guidelines for data ethics.</p>
<b>7</b> Do you believe your customer data could be under threat?	<p>Data threats from both inside an organization and from the outside are no longer from cyber security alone and now include misuse, consent violation and illegal procurement.</p> <p><b>Defining the business case</b></p> <p>Is there a plan for disaster recovery and security specifically designed for customer data? Do procedures that support customer data transparency also include the controls on coherence of the information and access to it?</p>

# The chief information officer (CIO) — Establishing the IT strategy that enables the business to take data-driven decisions

Question	Explanation
<b>8</b> Do you have the ability to measure the cost of data maintenance and integration when implementing new applications?	<p>Costs of data maintenance, integration and migration can be a significant portion of any project's budget. Creating application specific data sources risks placing customer data out of reach of corporate control and thus escape measures to ensure its quality and transparency.</p>
<b>9</b> How do you ensure that the customer data required of any particular project, e.g., an analytics project, is suitable for the purpose of that project?	<p>Big data and analytics objectives are often plagued with data quality issues. Analytics teams respond by building customized solutions that transform operational data into a more suitable form. The consequence of this is that the data's lineage and audit trail can get lost. This leaves doubts as to whether the resulting analytics are actionable or not.</p> <p><b>Defining the business case</b></p> <p>Business cases should look for challenges in building and maintaining trusted data repositories for analytical projects. They should also examine what analytics are being shared and which types of decisions are being made based on customer information that is not fully transparent.</p>
<b>10</b> Do you have a controlled environment from which customer data can be shared across the organization?	<p>Having the data in a data warehouse or data lake is not enough to support enterprise wide data sharing. Data must be accompanied by definition of its purpose and transparency and have controls on its access and usage.</p> <p><b>Defining the business case</b></p> <p>Business cases should question controls on the origins of information to be shared. In particular, data should be demonstrably collected from ethical sources.</p>

## The single customer view



# The line-of-business (LoB) owner — Getting more actionable insight from data to drive positive business outcome

Question	Explanation
<b>11</b> What is a customer?	<p>This is often perceived as a rudimentary question. However, the answer is sometimes surprisingly difficult to pin down. The definition goes to the heart of developing a business case. Individual departments, lines of businesses and indeed customers will likely have different viewpoints on this.</p> <p><b>Defining the business case</b></p> <p>A business case will benefit from the presentation of information that properly sets context and scope to the definition of terms such as customer. Identify discrepancy in the definition of certain types of party data that can lead to it being used for purposes for which it was not previously recorded or authorized.</p>
<b>12</b> What differentiates the customer experience at each touch point?	<p>Call centers, self-service and automated responses (e.g., bots) depend highly on the ability to take action on information. Increasingly, this action is expected to occur and take effect immediately. Customer data transparency is needed to underpin this. It therefore will affect business cases related to customer satisfaction derived from response time, ability to complete service request and managing new enquiries for financial assistance.</p> <p>Touchpoints need coherent and reliable data that includes customer identity, portfolio of products and services, interactions, extended relationships, agent relationships and additional insightful information such as customer satisfaction scoring, ability to influence and personal preferences.</p> <p>Touchpoints can extend beyond the organization to distribution partners and fintech applications.</p> <p>Touchpoints are an opportunity to garner trust and confirm consent. As such, they should abide by data ethics guidelines and be fully transparent in their operation.</p> <p><b>Defining the business case</b></p> <p>Look for traditional customer-originated measurement points such as CSAT and NPS as well as length of service time.</p>
<b>13</b> What actionable customer information do you manage that is competitive?	<p>Organizations should consider the ability to gather information that is not managed today specifically for the purposes of building customer and competitive insight.</p> <p><b>Defining the business case</b></p> <p>Questions to consider might include:</p> <ul style="list-style-type: none"> <li>Are customers treated as equals or individuals?</li> <li>How might they be differentiated beyond segmentation?</li> <li>Is there information that can be presented, collected or derived ethically to enhance competitive position?</li> </ul>

*“Data is only immediately actionable when safeguarded by governance processes that support transparency.*



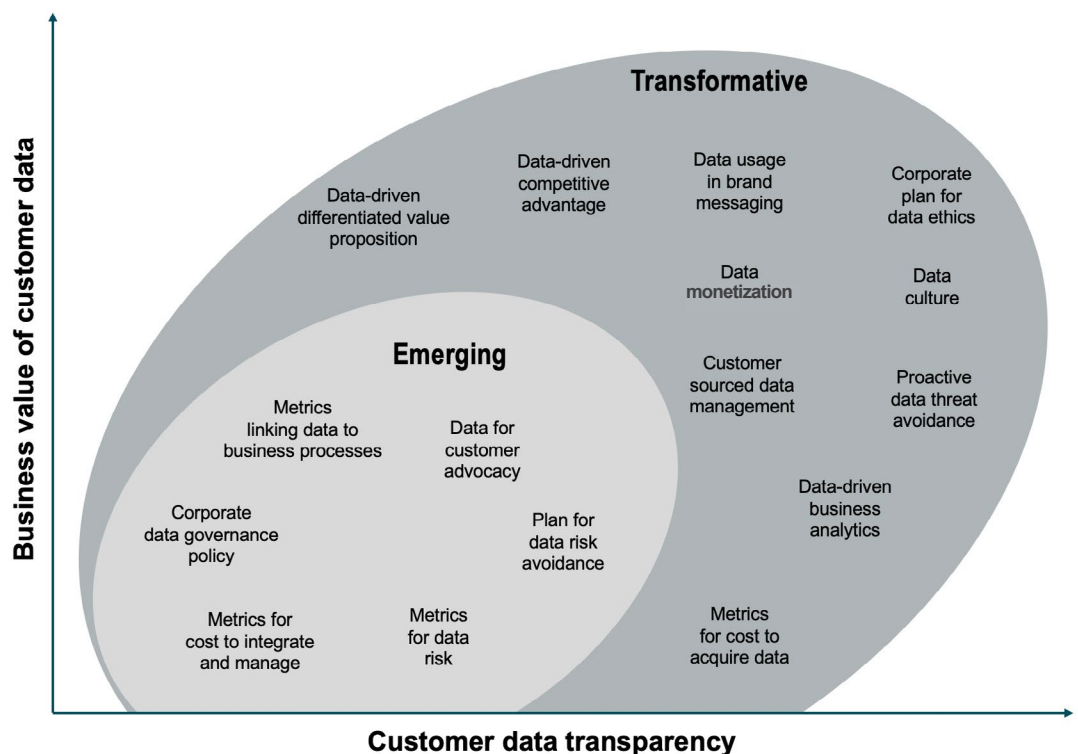
Question	Explanation
<b>14</b> What products and services can be enhanced with a value proposition that is built from customer information?	<p>Value propositions might be able to be differentiated and individualized based on a customer-centric approach. The 360° customer view may support this capability. Factors such as eligibility, context and preferences might allow the customer to benefit from new types of commercial terms or offer packaging.</p> <p>There is growing interest in value propositions that are based on customers' willingness to share their own data in order to obtain benefits. Brand messaging for data ethics and, in particular, data privacy helps to gain consumer trust in such an approach.</p>
<b>15</b> Are you able to use customer information to identify crossselling opportunities at the point of interaction?	<p>Arguably, one of the most significant business cases for the convergence of customer information is to identify new types of business opportunity. As with any data convergence, data is only immediately actionable when safeguarded by governance processes that support transparency.</p> <p><b>Defining the business case</b></p> <p>Look for difficulties in sales and service representations having sufficient and timely information allowing them to make informed decisions and recommendations. Metrics are generally available from customer service centres from which you can elaborate KPI objectives.</p>
<b>16</b> Which processes within the customer journey can be improved, optimized or automated?	<p>Automation in claims assessment, payment, underwriting, origination, beneficiary payment, subscription, fraud analysis and many others are critically dependent on the customer data that they employ.</p> <p><b>Defining the business case</b></p> <p>Look for business benefits where the addition of actionable analytically derived customer information can move existing semiautomated processes to fully automated ones.</p> <p>Look also at historical sources of data that can be mined for trends and provide sources for machine learning (ML) initiatives, such as closed book and prospect data sources.</p>
<b>17</b> Is data helping to identify new types of business opportunities?	<p>Interest and investment in deeper analytics and data science related activities continues to grow with the hope of revealing new insights to the business.</p> <p>Big data analytics and data science projects are building on this very notion: looking for clues to unlock potential from the data that is already found within the organization. Objectives of transparency must be met to turn a "soup" of data into insights that are actionable. Becoming more data-driven in decision making is only successful when accompanied by data transparency.</p> <p><b>Defining the business case</b></p> <p>The potential to discover new business opportunities should be added to the business case although they might be difficult to quantify.</p>

# The chief marketing officer (CMO) — Capturing new customers with more personal and relevant messages, products and services

Question	Explanation
<b>18</b> How is marketing effectiveness measured?	<p>An abundance of business metrics is available that link directly to customer data, such as costs of leads, conversion rates, customer lifetime values, etc.</p> <p><b>Defining the business case</b></p> <p>It would be useful to examine, as part of a business case, where the data at the origin of marketing performance analytics is under some form of governance and how effective that governance might be. Skewed analytics or, at worse, erroneous analysis can impact decision making or outbound customer communications.</p>
<b>19</b> Is personalization important for enhancing your value proposition?	<p>Aligning more closely to a customer's requirements or at least providing more configuration options are common goals of a customer-centric organization. Packaging existing products and services together, in ways that enhance their overall value proposition to the customer, is one way to do this. Customers may be willing to share more of their own (even personal) data for advantages in personalization.</p> <p><b>Defining the business case</b></p> <p>Look for business efforts to drive additional value from existing products and services where additional customer insight is required to enable this.</p> <p>New levels of individual consent management may be needed to create highly personalized offerings.</p>

## The business value of transparent customer data

The more data transparency, the more capabilities will be unlocked, carrying the potential of higher business value and business transformation.



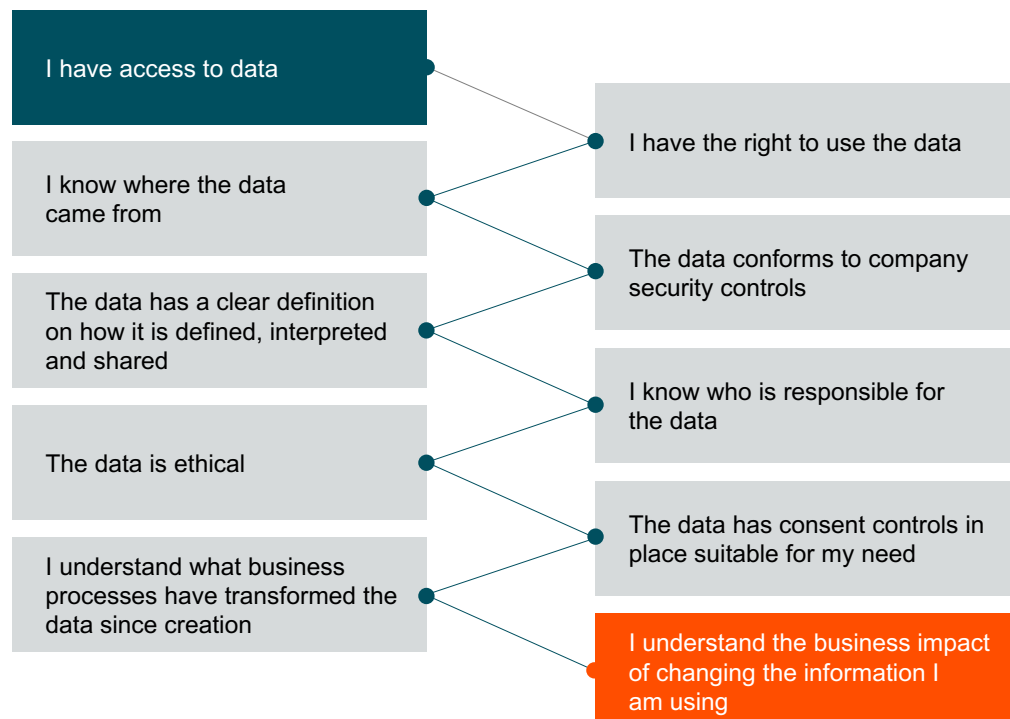


# The chief executive officer (CEO) — Capturing new customers with more personal and relevant messages, products and services

Question	Explanation
<b>20</b> How is your brand perceived when it comes to the management of your customers' data?	<p>As part of an effort to strengthen their brand, a growing number of companies are overtly communicating their commitment to the ethical and consensual management of customer data. The focus is on customer experience as a key differentiator, linking both data and experience together.</p> <p><b>Defining the business case</b></p> <ul style="list-style-type: none"> <li>Does the organization have an accountable and measurable enterprise wide policy for the management of customer data?</li> <li>Does this plan include controls to ensure data is collected, managed and used ethically?</li> <li>How do you communicate your customer data transparency to your customers?</li> <li>What brand impact is anticipated from such a communication?</li> </ul>
<b>21</b> In what ways do your customers discriminate your products and services?	<p>Brand perception, and in particular trust, can play a major role in how your customers discriminate. The customer experience can be peppered with both corporate managed and external, non-managed (e.g., social media) points of interaction that use customer data. Each point of interaction is an opportunity to examine how to establish some form of transparency control and consumer messaging.</p> <p><b>Defining the business case</b></p> <p>Business cases should examine customer acquisition and retention statistics in association with the levels of transparency associated with the customer data offered at points of contact.</p>
<b>22</b> Do your business plans include mergers and acquisitions?	<p>Building a business by drawing synergies across disparate organizations and companies requires considerable technology integration. Successful business process harmonization needs reliable and coherent data sources.</p> <p><b>Defining the business case</b></p> <p>Business cases should examine the ability to make available such sources compared to the cost of developing them ad hoc.</p>
<b>23</b> Are you a product-centric or customer-centric organization?	<p>Becoming customer-centric is commonly cited in corporate objectives. Such objectives need owners, definitions and tangible actions in their development. The customer journey and the customer data transparency that enables it are key to supporting customer centrality.</p> <p><b>Defining the business case</b></p> <p>When identifying the business benefit of these initiatives, you should examine the processes earmarked for change because successful execution may depend heavily on the availability of reliable sources of customer data.</p>
<b>24</b> Which customer-based business metrics are you using to make decisions?	<p>What are the most profitable products and distribution channels? How much does it cost to acquire a new customer?</p> <p>Do executives know where the customer-oriented data comes from in reports they analyze to find answers to these questions? The consequence of becoming a data-driven decision-making organization is that data should be interpreted in conjunction with indicators for its transparency.</p>

Question	Explanation
<b>25</b> Do you view data as a corporate/strategic asset?	<p>Typically, the answer is yes, however, it is also unclear how this asset is cultivated, exploited and monetized. Indeed, it does not appear on the balance sheet ... yet.</p> <p>Information such as cost to acquire, manage and lose a customer can form part of the customer's data profile and help to determine the economic value of their data.</p> <p>The process of establishing financial valuations of strategic data assets requires data transparency to ensure an auditable outcome.</p>
<b>26</b> Have you identified ways to generate revenue directly from the sale or exchange of your data?	<p>Monetization of data has the potential to create new streams of revenue or, indeed, develop new types of business partnerships. Customer data, in particular, could be a very valuable commodity to share. Customers may even be willing to share more personal information, with the appropriate consent controls in place, for better terms and conditions on the products and services that they buy.</p>

## The maturity roadmap to a data-driven enterprise



Learn more about data transparency and how to manage customer data at [stibosystems.com](https://stibosystems.com)

### About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at [stibosystems.com](https://stibosystems.com).