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## Don't Let CRM Data Make MIS Into Misinformation

– David Taber, CIO

March 20, 2014

CRM systems are fundamentally different from the rest of enterprise software. This isn't an issue of technology but, rather, of people, process and policy:

- [CRM systems are political](#), far more so than any other part of MIS. The main drivers are the personalities and decision habits of sales executives — particularly their lack of longevity in specific positions on the org chart.
- CRM systems have much deeper and more pervasive data quality problems than any other part of MIS. This is true both in [individual records](#) (plain old bad entries) and at the metadata level (blurred semantics, uncoordinated changes across different tables and so on).
- [CRM systems \(and customer relationships\) evolve for their entire lifespan](#); the no-change-at-all interval for any particular function point is typically measured in months. Legitimate business need (the competitive and channel worlds change quickly) and arbitrary politics ("I'm in charge now; do it my way") drive this.
- [CRM systems need to be integrated](#) with more other business processes and IT assets than just about anything else. This ranges from phone systems and automatic call distributors to accounting to distribution to reverse-logistics. This issue, particularly for sales and customer service, exaggerates the issues of the first three bullets.

These four issues are facts of life, but none, in and of itself, is particularly dangerous to IT and MIS credibility. So what's the problem here?

### CRM Data, Good or Bad, Ends Up Everywhere

Reports. Dashboards. Extracts. These are all distillations of the data in your CRM system. In this case, the distillations exaggerate the impurities, rather than removing them.

The slightest semantic or data-quality issue in the underlying records gets magnified into its own group-by category, roll-up cell or pivot table column. Instead of having 687 customers in the United States, you have 325 in the US, 282 in the USA, 77 in the United States of America and three in a country called "60609."

[ **Commentary:** [Why Location Is a Growing Issue for CRM Systems](#) ]  
[ **More:** The Two [Most Meaningful](#) and [Most Dangerous](#) CRM Reports ]

Let's play this forward into the context of the enterprise. By default, most CRM systems give users the permission to create their own reports; some make it really easy with nice drag-and-drop editors. Those pesky users will run off and make reports without first understanding the object model, semantic distinctions or required filtering. Users have a very low chance of properly applying Boolean logic, either. So most of the reports are junk when written — and, thanks to the [constant semantic drift characteristic](#)

[of CRM systems](#), results degrade over time.

Our firm informally surveyed more than 100 CRM installations and found that, on average, users create about one new report per quarter for the life of the system. If you've had 100 users on your system for five years, expect something like 2,000 reports.

We then analyzed how often those reports were run. Typically, only 20 percent were run over a six-month period; those won't have suffered much from semantic drift and related system-change issues.

The other 80 percent, though, are still out there, offering a tantalizing list of stuff that sounds like it might be appropriate for driving a decision but, in fact, is a minefield of meaningless, misleading "results."

Let's take this up a level. Many companies have lots of instances of CRM. One Fortune 100 company has more than 500 Salesforce.com instances, plus a smattering of other CRM systems. As these instances are each customized with their own object model, there's little chance of reports from different systems actually being comparable.

[ **Tips:** [How to Avoid 10 Common CRM Mistakes](#) ]

[ **Also:** [Who Owns CRM Data at Your Company?](#) ]

This all adds up — OK, multiplies out — to some fairly spectacular misunderstandings when a report's output is boiled down into a pie chart in a PowerPoint used in a management meeting or external presentation. One of my favorite types of gallows' humor is watching competing vice presidents of sales or marketing duke it out over conclusions when both parties base their positions on rubbish data. These kinds of blow-ups are always detrimental to the credibility of the CRM system and IT in general.

## **The Get-Well Plan: Build CRM Reports For Users**

Like data corruption, report pollution requires some fairly serious fixes. They won't be popular:

- Turn off most users' capability to create their own reports.
- In exchange, set up a report-building service that creates and validates reports that are then approved for use. This service should include people who deeply understand the object model of the CRM system and the business-process semantics of the data.
- Take all the existing reports and hide them from most users. Don't delete them; you'll need to keep them for compliance and data-provenance reasons. They can also provide some guidance for the creation of the new approved reports.
- To avoid report pollution, require any presentation or internal memo using CRM data — particularly when the document is going to drive decisions — to include the name of the source report used.

Unfortunately, the too-easy-to-use report writers have become an invitation to chaos. It's time to do some serious report house-cleaning to reduce the risk of nasty credibility problems ahead.

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