



FIMA 2011 – Getting Tactical and Practical About Data Quality

Mobius Knowledge Services recently sponsored and participated in the Financial Information Management summit (FIMA) 2011 in New York, (March 21 - 23, <http://www.wbresearch.com/fimausa/>). This is arguably the premier event focused on data management issues within the financial services industry. The event brought together executives from financial services firms of all sizes and various vendors of data management technology, information and professional services. Within the somewhat catch-all conference theme of focusing on the operational, risk and business issues surrounding reference data management, Mobius noted the following core themes in presentations and conversations:

- **Data governance** –this year’s focus on this topic was much more on operationalizing governance rather than justifying its existence
- **Data integration** – lots of discussion on balancing immediate needs for fixes/integration with an achievable long-term vision for enterprise data management
- **Legal entity data** – there is widespread agreement that the financial services industry (still) needs a universal global identifier for legal entities. What to do while we wait for a standard to emerge is being addressed in varying ways
- **Data quality** – despite the huge spend on data, many firms admit they have limited or ineffective processes in place to validate and verify the accuracy of their data

Of these major themes, Mobius would like to offer some tactical and practical thoughts on improving **data quality**.

Data Quality

Most data management operations within financial services firms are brilliant at achieving data completeness – populating fields required for straight through processing or other functions. Too often, though, data goes directly from vendor feed to live database with limited verification of data accuracy. The verification that does take place tends to be automated data accuracy checks on the front-end and a reactive vendor feedback process on the back-end. The challenges with the front-end checks are that there are too few of them or there are doubts about the current relevancy of defined logic and control reports, many of which were written 5+ years ago. The back-end process is impractical as it’s reactive. These issues all come to a head when trades are delayed or downstream users lose confidence in reference data.

With an eye towards getting tangible results in the near term, Mobius recommends the following practical and tactical steps towards addressing and improving your firm’s reference data quality:



1. **Bi-annual review of control reports and automated validation logic** – everyone has defined these at some point. But have you updated them? Mobius recommends a bi-annual review of all data quality logic to ensure it is still relevant and meeting your firm’s needs. Data changes rapidly. This can help ensure your processes are keeping up.
2. **Database cleansing** – Mobius estimates that most reference data databases have at least 10% inaccurate data. This is due to years of compounded unvalidated data inputs, limited maintenance of static fields and human error from manual intervention. Mobius recommends conducting a one-time database cleanse to get back to a near-golden copy baseline. This is especially critical if you are about to undergo a major technology implementation. Once you have renewed, auditable confidence in your baseline, it is much more clear cut to implement ongoing quality management improvements and initiatives.
3. **Don’t just fix exceptions, analyze them** – Data quality often suffers because there are not enough resources dedicated to the very manual tasks of managing and remedying data exceptions. Or, if there is sufficient staff, the emphasis is on quick correction rather than systemic analysis of the root causes of errors. Ensure you have enough resources to manage your exceptions process and leverage their knowledge of errors to drive improvements.

These three steps will logically lead to other complementary initiatives such as vendor rankings, data comparison by attributes across vendors, improved control reports, and gradual fixes of systemic quality issues. While these steps can all be completed internally, Mobius is well equipped to offer our data quality expertise to assist financial services firms with achieving auditable levels of data quality.

About Mobius Knowledge Services

Mobius Knowledge Services is a leading provider of Content and Data Services. Since 2002, we have built a reputation of excellence delivering technology-enabled outsourcing solutions supported by deep domain expertise to clients around the globe.

Our Financial Services Practice delivers custom, cost-effective solutions for data problems of all sizes. We specialize in helping Financial Services firms improve and manage the quality of their reference data with expertise in areas such as Security Master, Legal Entity Data, Company Information and Corporate Actions. Our technology-enabled services approach makes the tactical possible while supporting your big picture strategy.

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