Impacts of wrong business partner data and how you can avoid them

Data is truly the lifeblood of business today, isn't it?

It runs through every system, empowers core processes and decisions, and fuels the employee and customer experience. Thus, data needs to be accurate, complete, well-maintained, and trustworthy.

But without automated data creation and maintenance, data errors are more than common – especially in business partner data. Insolvencies, address changes, mergers & acquisitions are some reasons for outdated data.

Your customer and supplier master data lay the foundation for all business processes and relationships. Failing to keep them up-to-date can lead to many undesirable scenarios.

Here are **5 major business functions** that will be negatively impacted by incorrect master data:

3 Sales & Marketing

Correct and ready-to-use master data is crucial for sending out timely offers and targeted campaigns.
If faulty master data is used, it can result in:

- Incorrect delivery, which undermines customer experience in critical phases of the buyer journey and can lower company's brand value
- Inaccurate sales forecasting, causing problems with supply chain management and production planning
- Inefficient audience targeting, leading to poor results, missed opportunities and ineffective use of resources
- Inaccurate reporting, making it difficult to measure the effectiveness of marketing and sales efforts
- Inability to identify customer groups, which prevents proactive key account planning

Shorter sales cycle

By leveraging data quality rules and automating data entry, a leading food producer is now creating 80% of their customers first-time-right and reduced creation time from 7 days to less than 24 hours.

PROCESS VALUE BOOSTER

1 Finance

With incorrect master data you run the risk of:

- Sending invoices to the wrong party or with the wrong amount, leading to disputes and potential loss of revenue
- Effectuating payments to the wrong account or having them rejected, which leads to payment delays and additional administrative work to correct the situation
- Causing poor customer experience due to wrong invoices or communications damaging your relationship with the client and your organization's reputation

Lower transaction costs

With CDQ DQaaS (Data Quality as a Service), a top global food producer could lower transaction costs by 14% through speeding up the business partner onboarding process from 7 to 1 day.

PROCESS VALUE BOOSTER

4 Controlling

If the business partner master data in is incorrect, several business problems can occur:

- Incorrect sales reporting will lead to potential legal consequences
- Inability to make adequate business decisions due to wrong assumptions
- Inaccurate budgeting can cause inefficient allocation of resources
- Incorrect financial reporting will lower or gamble stakeholders' trust thus resulting in reputational damage

Master data hierarchies

With the help of CDQ, a leading chemical company automated its D&B hierarchies' linkages and could increase the number of linked accounts by 25 times (going from 2,000 to 50,000 linked accounts).

PROCESS VALUE BOOSTER

2 Procurement

With up-to-date master data you can avoid:

- Procurement from the wrong party or with erroneous information, leading to disputes and potential loss of revenue
- Incorrect payment to the wrong party or with the wrong amount, which in turn leads to payment delay or rejection causing lots of additional administrative work
- Damaging your supplier relationship due to cases such as described above
- Wrong SLA management: If the business partner master data is not accurate, an entity could be created multiple times with various SLAs attributed to them or it could not be recognized as part of a larger corporation
- Incorrect spend analysis, which prevents proactive management of supplier groups

Financial risk mitigated

Supported by CDQ software solutions, one of the world leaders in specialty chemicals reduced efforts by 50% for global bank account validations and fastened onboarding process of new suppliers.

PROCESS VALUE BOOSTER

5 Risk & Compliance

Last, but not least incorrect master data is a serious threat to compliance as you may not be able to:

- Accurately assess the risk associated with a business partner, potentially leading to non-compliance with regulations and legal consequences
- Prevent deals with sanctioned parties, due to unidentified affiliated accounts
- Identify and mitigate risks effectively, potentially leading to financial losses
- Promptly seize opportunities for solid and advantageous business partnerships
- Granting wrong credit limits since business partner duplicates can lead to multiple credit limits per customer

Compliant operations

By leveraging CDQ capabilities, a leading manufacturer of vertical windows and doors checked 700,000 business partners against 1,700 sanction and watchlists within 20 hours.

PROCESS VALUE BOOSTER

Why manual correction won't do the trick

Consequently, many companies turn to lots of manual work put into the validation, correction and updating of business partner data. **Goal:** to mitigate the risks of the scenarios above.

But manual work is not sufficient. Why?

Business partner changes too fast and manual work will always be error-prone, not to mention the frustration of data teams and all stakeholders.
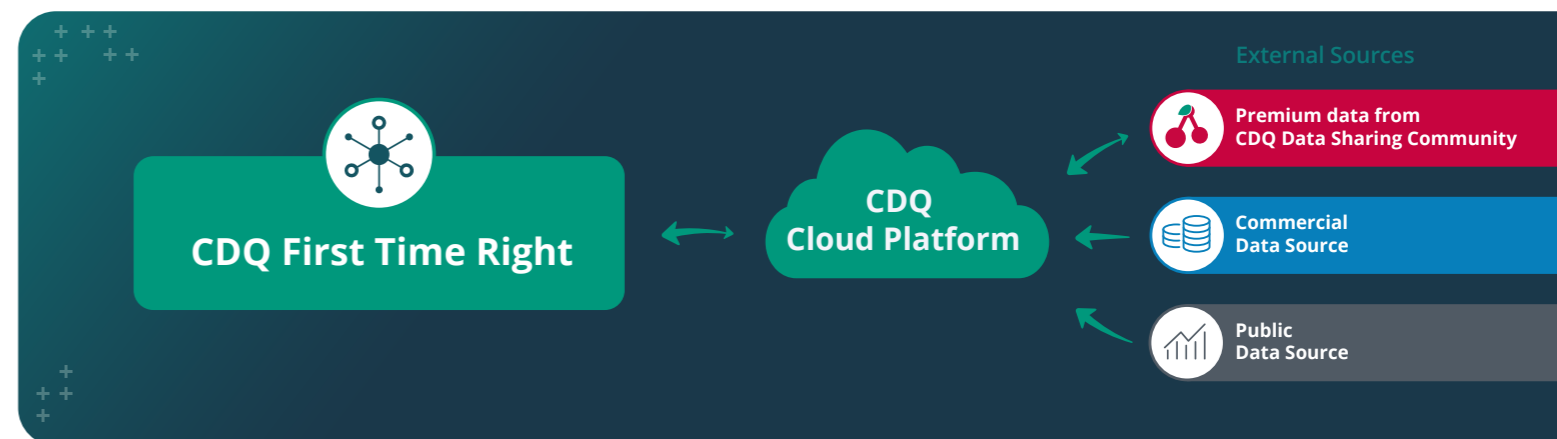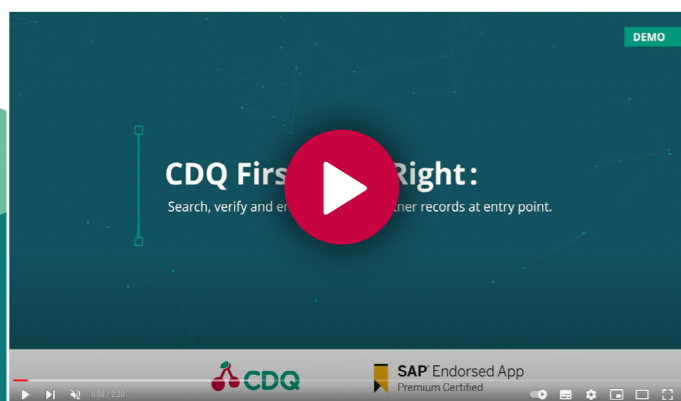
FACTBOX

21% of business partner records outdate within 1 year

Typical amount of business partner data in our clients' organizations is between 10k and 4m records. Is it even possible to handle this amount of data updates manually without any impact on data quality?

While your employees may take a second look at partner records and try to fix errors through Internet search and phone calls, these manual efforts often lead to further data errors. This, in turn, can lead to incorrect billing, lost shipments, and unrecoverable payments to fake accounts. Events like these can have a negative impact on your company's annual results, as well as your personal target achievements.

Tackle the problem head-on with an automated, cloud-based data quality control solution!

DEMO

CDQ First Time Right:
Search, verify and enrich partner records at entry point.

CDQ | **SAP** Endorsed App
Premium Certified

External Sources

CDQ First Time Right

CDQ Cloud Platform

Premium data from CDQ Data Sharing Community

Commercial Data Source

Public Data Source

CDQ First Time Right

Pull in business partner information directly from more than 80 external sources – data from CDQ's Data Sharing Community, commercial data and public data.

The solution normalizes this information using CDQ's harmonized data model, merges it into a data set, and quality-assures it using AI and the application of more than 2,600 quality rules.

You can access this data through a single user interface. Legal names, addresses for billing, shipping, and legal entity; country; tax ID number; and latitude/longitude of warehouse and production facilities – all available at your fingertip.

You can also efficiently augment a "golden business partner record": without cumbersome research and time-consuming data entry, you can then automatically insert the record into your preferred system for error-proof usage in downstream processes.

Realize the benefits

With CDQ First Time Right, you can rely on more complete, accurate, and up-to-date business partner data. The touchless, "first-time-right" partner data lifecycle process automatically creates, enriches, and validates data, so you can eliminate manual, cumbersome work. User-friendly solution with a modern application delivers exceptional efficiencies and increased data accuracy.

High-quality business partner data pays off

Client Success Story: Evonik Industries

SPEED
↓ 6 to 2 hours
Processing time for business partner creation

TRUST
99%
of continuously validated European customers

EFFICIENCY
25,000 h
of time saving within the first 12 months
and a reduction by 2/3 for creation

We were able to save more than 20,000 hours of manual effort for data quality management within the first twelve months after implementation while ensuring fast availability of high-quality, first-time-right data.

Markus Mützel
Head of Process & Master Data Management

Click here for the full story

EVONIK
Leading Beyond Chemistry

Benefits of CDQ Suite at a glance!

We strive to get more value out of premium sources & cut your data maintenance costs by 40%.

Lowest maintenance costs
Automated processing of 5+ Mio. supplier and customer master data records each week for our clients lower costs by up to 40% by reducing maintenance efforts and ensuring operational excellence.

Trusted data quality
With over 2,600 data quality rules, we're able to identify duplicates, inaccurate tax numbers, dubious bank accounts and many other inaccuracies to ensure trusted supplier and customer data.

Reduced operational risks
Alerts about data changes (when data is not correct anymore), credit risks, vendor blacklists, payment fraud attempts ans insolvencies reduce operational risks.

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About CDQ

CDQ is a global leader in collaborative data management.

Headquartered in St. Gallen, Switzerland, CDQ provides a Cloud Suite for Business Partners to manage, validate and enrich business partner data – powered by Data Sharing, enabled by solutions, supported by research.

API-first approach lets you integrate trusted business partners into your native systems or platforms seamlessly.

The goal is to infuse more trust into the master data foundation by ensuring 100% data quality with zero maintenance for customers.

CDQ connects leading companies across industries, fostering collaborative innovation for shared business insights, proactive alerts, data-driven growth, and AI-readiness.

Free and targeted to your needs

Seize the opportunity to see what our solution can do for you

Book a Demo

Unsure if you're ready for a software solution?

Need help along your data quality journey?

Talk to us and benefit from more than 18 years of domain expertise in corporate data quality!