



Autus
Data Services

Validata

CASE STUDY:

Making CRM data work for you



INTRODUCTION

Organisations that sell their products and services either to or through the regulated UK Financial Services market are potentially dealing with **up to 90,000 Firms**. Furthermore, there are more than **160,000 Registered Individuals at those firms**.

Most firms have a **Customer Relationship Management (CRM) system** for sales, marketing, administration and compliance purposes. We are told by larger clients that these CRMs often cost in excess of £100,000 to implement. Then there are significant annual fees on top and further costs for additional plug in features. It is a big investment in time as well as money.

Any CRM is only **as good as the data in it**. Historically firms have relied on their salespeople and sales support teams to keep this data up to date. The unfortunate reality is, that for most salespeople, data admin is pretty much near the **bottom of their 'to do' list**. This means that their organisation does not get the transformational **benefits from having a CRM that they had originally expected**.



In this case study we look at the **alternative to manual updates by salespeople**. In other words, using automated data updates to ensure sales, marketing, administration and compliance departments can all do their jobs **more effectively, efficiently and cost effectively**.

This case study uses data from an Asset Manager who subsequently became a client in the summer of 2019. The quality of data that they initially provided for us to audit was representative of the issues typically faced by all our prospective clients.



STATE OF THE EXISTING DATA

To begin with, the prospective client **exported the relevant data** from their CRM system, which was Salesforce.com, to an Excel file.

The file had **136,962 records of individuals** working at Financial Advisory Firms. Many of the rows of data had **gaps, with important information missing**.

The Asset Manager's sales and marketing team had done their own segmentation of the contact data.

Accounts on their CRM had been **split into three Tiers**:

- **Tier 1** being their **key accounts** where we were told the data would be highly accurate.
- **Tier 2** was other active accounts that were serviced by the **Telephone Account Managers**. It was perceived that this data would be of a reasonable quality but well short of the Tier 1 in terms of accuracy.
- **Tier 3** was the **unmanaged** prospect accounts. This data had not been maintained so they were expecting it to be the least accurate of the three market segments.



We ran the data received through the Autus **Validata product**, which is our data cleansing product. It **confirms, corrects, gap fills and enhances** the CRM contact data sent to us. This is achieved by applying unique matching algorithms and comparing the data file received to our augmented FCA Register database. Validata has **more information than just the FCA Register data**. For example, it provides Companies House information to help identify business owners, and Corporate Telephone Preference Services data so that you can easily see which firms have opted out of receiving unsolicited marketing calls.

Results of the initial Validata audit were very surprising to the prospective client.

KEY FINDINGS

1. Existing Data Improvement

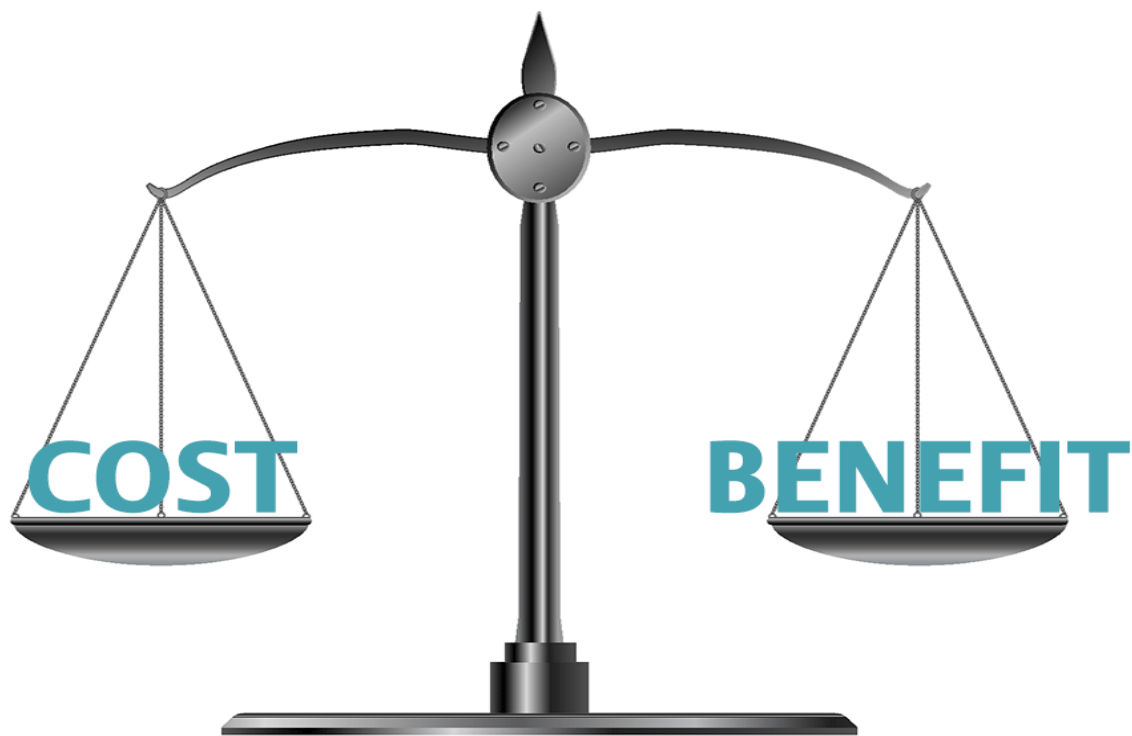
We found that there was a lot of room for improvement in the accuracy of data in the CRM.

- **19,401 Registered Individuals were no longer authorised.** Put another way that was over 14% of the records received. Clearly it was no longer appropriate for these people to be listed in the CRM for sales and marketing purposes. In order to address this manually, the Account Manager would have to **find out that person is no longer authorised**. Even if they were told by their previous employer when they try to contact them that this was the case, they would still have to **check the FCA register** to make sure they haven't moved to another firm. Let us assume they actually did that task. They would then have to update the record on the CRM. It takes around 30 seconds to check the FCA Register and a further 30 seconds to update the status of these individuals on the CRM. That would be **over 320 hours of work** to complete this task alone.
- **5,369 individuals had moved firm** without the CRM being updated. Each of these individuals was still shown at a previous firm and had not been added to the account where they were now working. In order to address this manually, the account manager would need to have found out

that person had left the firm. A difficult task for Tier 2 and probably impossible for Tier 3 accounts. They would then have to look them up on the FCA Register website to see where they had moved to. **Once identified, they will need to find the correct account record, create the new contact record within it and retire the contact linked to the old account.** This is likely to take a minimum of 5 minutes per person, meaning a total time of at least **447 hours of work**.



- **17,467 individuals were duplicated** in the data received. These would need to be merged/purged within the CRM system. Even if this only takes 30 seconds per record manually, it will take **over 145 hours of work** to solve this issue.
- **Over 100 people's first name had been incorrectly spelt.** Imagine if you received a marketing communication and your name is not spelt correctly. It seems very unlikely that you would have positive feelings towards the brand of the company sending it. This results in value detracted rather than added by the marketing activity. Of course, it would not take a long time to correct these manually. However, **finding them within the 136,000+ records would take an awful lot of time.**
- These three tasks alone would take at least 912 hours (or **6 months** for one person) **to complete.**
- **7,608 firms were no longer authorised.** Firstly, it is a waste of sales and marketing effort contacting firms that no longer exist. Secondly, there is **a business risk** involved in not knowing when a client **firm has been de-authorised.** If it takes 40 seconds to look up and change the status for the account this would be **over 84 hours of work.**
- **2,321 email addresses could be added to existing contacts.** Many records on the CRM data had an email address but others did not. **Expanding marketing reach and enabling quicker email communication** within the CRM are clear benefits. We have subsequently added thousands more email addresses for this client.
- By importing the **Controlled Functions (CF) and/or Senior Management Functions (SMF) for each Registered Individual,** the prospective client would be able to target their marketing more effectively. For example, industry leadership communications are sent to Chief Executives (SMF1) and Directors (SMF3). Compliance related messages go to the Heads of Compliance (SMF16) and product launches/improvements are sent to both business leaders and CF30 Customer Advisers. **Better targeting improves the open rate and increases engagement of the recipient.**



All these improvements can only be made once the issues have been identified within the CRM. That is a massive job, if done manually. There were **18,350 accounts** in the CRM. It takes about **3 minutes per firm** to check the all of the relevant contacts are in the system. That includes making sure their address is correct, there is a phone number etc. Doing this using LinkedIn, the company website address, the FCA Register website or Companies House information would take **917 hours**. Put another way that's **6 months' work!**

2. Enhancing Distribution

There were lots of opportunities being missed because the prospective client **did not know certain firms in their target market existed**. Furthermore, firms already on the CRM **were missing Registered Individuals** that already work for those firms. For example it is common for a firm with, say, seven RI's to only have three on the CRM. We add the other four to **improve sales and marketing reach**.

- It is **hard to know about brand new advisory firms setting up**. Especially if a business relies on their account managers to know new firms have been established. The CRM data accuracy then needs to rely on the account managers adding the records correctly and in a timely manner. Experience shows that this is not done well and an **automated process is far more effective**.
- Equally, it is extremely easy to be swamped with data by simply taking an import from the FCA Register. There are **over 90,000 active firms on it** ranging from investment banks to financial

advisors and second-hand car salespeople to debt collectors. It is therefore very difficult to find the **right firms within this large group**.

- Autus uses a unique market **segmentation model** to identify the relevant target market organisations for each client. This is based on FCA Regulatory Permissions i.e. what a firm can do and who it can do it with. As per the table below, we added thousands of new Firms and Registered Individuals **to improve the client's distribution reach**.

Market segment defined by Autus	Number of Firms	Number of Individuals
AR of Collective Investment Provider	627	1,261
AR of DFM/Stockbroker	21	21
AR of Holistic Financial Planner	1,693	2,037
AR of Investment/Capital Management	643	1,231
AR of Life/Pension/Annuity Provider	50	143
AR of Wealth Manager	194	301
AR of Wealth/Investment Advisor	437	655
Collective Investment Provider	1,647	20,298
DFM/Stockbroker	99	2,216
Holistic Financial Planner	813	2,595
Investment/Capital Management	3,093	27,264
Life/Pension/Annuity Provider	346	2,185
Wealth Manager	319	3,445
Wealth/Investment Advisor	881	4,228
Grand Total	10,863	67,880

- We provided over **36,000 email addresses**, enabling a step-change in direct marketing
- 24,074** of these Registered Individuals were additional contacts at firms already on their CRM. For example, where there are **three people on the CRM at a firm that has eight registered individuals, we added the other five**.
- 43,806** were people at firms **not currently on the CRM** but within the range of firms that the client wanted to do business with. The additional contacts **increased their distribution reach by 49.6%**, providing both sales and marketing with a great deal of new opportunities.

3. Differences between the Tier 1, Tier 2 and Tier 3 accounts

The existing contact data had been segmented internally into Tier 1, Tier 2 and Tier 3 with the **quality of records expected to deteriorate through the Tiers**.

- Tier 1 **key accounts** had regular contact from an account manager who updated the CRM.
- Tier 2 **other managed accounts** with less interaction and less potential for CRM to be updated.

- Tier 3 are accounts were **smaller prospects**. There is almost no interaction with these accounts, so little opportunity to update information about them on the CRM.

However, the results of the Validata audit showed that there was **extraordinarily little difference in the data quality between the three segments**. This provided further evidence that while the account managers may have been notionally responsible for keeping the CRM up to date, it was not high on their list of priorities.

For example, 7.3% of individuals in Tier 1 **positively identified as 'Active'** by the account manager were in fact **no longer authorised**. Corresponding figures were 4.3% for Tier 2 and 6.55% for Tier 3.

Perhaps more worryingly 34.1% of individuals that had been **marked as 'Inactive'** by the users of the CRM were **in fact Active** in Tier 1 accounts, 31.9% in Tier 2 and 34% in Tier 3. That alone would have resulted in thousands of **missed potential opportunities**. Autus was able to help because many of these people had moved firm. We provided contact details at their new firm so the client could resume contact.



CONCLUSION

This client could have **employed someone full time** to go through the cleanse the exiting data. That person could then spend time enhancing the contact data with additional information from other sources. Having done all that, then they would need to try and regularly maintain it. The key questions to ask yourself are:

- How good, bad or indifferent is the current contact data? How do you really know?
- How much would it cost to employ someone to cleanse, enhance and maintain the data?
- Could this employee be making use of the data, instead of just maintaining it?
- How much would the outsourcing cost be in comparison?

Alternatively, the client in this case study could have **made the account managers to do the work. As we have seen, they would need to spend many hundreds of hours** to clean up the existing data. Then they would need to add new firms and contacts, look up email and website addresses, etc. Plus, many more hours of someone else's time to **make sure they had done the work properly.**

As well as cleansing data and adding new contacts, Autus can supply a wide range of additional information at Firm and Registered Individual level. Some examples are listed below.

- Firm's FCA regulatory permissions, limitations and restrictions
- Company website addresses – we have over 50,000
- Companies House number and legal status e.g. Limited, Sole Trader, etc.
- Appointed Representative firms and who the Principal is
- Total number of Registered Individuals and/or Advisers
- Senior Management Function(s) e.g. SMF3 Executive Director, SMF16 Compliance Officer
- Persons of Significant Control and their shareholding plus d.o.b. MM/YY
- Years' industry experience, time at current firm, previous firms worked for and when
- Corporate Telephone Preference Service (CTPS) indicator

Fortunately, **this company chose to work with Autus instead.** They now have a robust process for making sure the CRM data is accurate and complete. Furthermore, an ongoing process to ensure it stays that way. Autus has enabled their account managers to focus on growing sales. In other words, to do their job. Autus has significantly enhanced their marketing effectiveness through the addition of thousands of new individuals with email addresses. This has helped develop relationships with new advisors that they did not know existed. In turn that has paid for the comparatively modest Autus fees many times over.

Business efficiency is one of the key differentiators between the winners and losers in any market. Those firms that are improving their sales and marketing by systematically keeping the data on their CRM systems accurate and up to date are the most likely not just to survive but thrive.

ABOUT AUTUS

Autus Data Services provides augmented Financial Conduct Authority (FCA) Register data to companies that sell products and services to firms in the regulated UK Financial Services Market.

We have helped **many organisations** from a multi-billion-dollar international media business, FTSE-100 companies, global asset management businesses, compliance support organisations and large distribution networks, to recruitment consultants and lead generators to improve their **distribution effectiveness**.

Currently there are over 90,000 active Firms on the FCA Register, with more than 160,000 Registered Individuals. An awful lot of work is needed to find the **right people in your target market**. This is where we will be able **help your business** by cleansing and enhancing your contact data.

Whether you need CRM **contact data improvement and maintenance**, targeted sales and marketing campaigns, data insight for sales team restructures, risk management, or have a host of other business challenges or opportunities, Autus will help you to **optimise your distribution capability**.

Abraham Lincoln, former U.S. President wisely said, “Give me six hours to chop down a tree and I will spend the first four sharpening the axe.” To maximise your chances of success, we believe it is hugely important to **invest time now** “sharpening the axe” to **have an accurate contact database**.



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