Insight Brief

The Hidden Cost of Customer Data Issues: What You Can Do to Get Ahead of It

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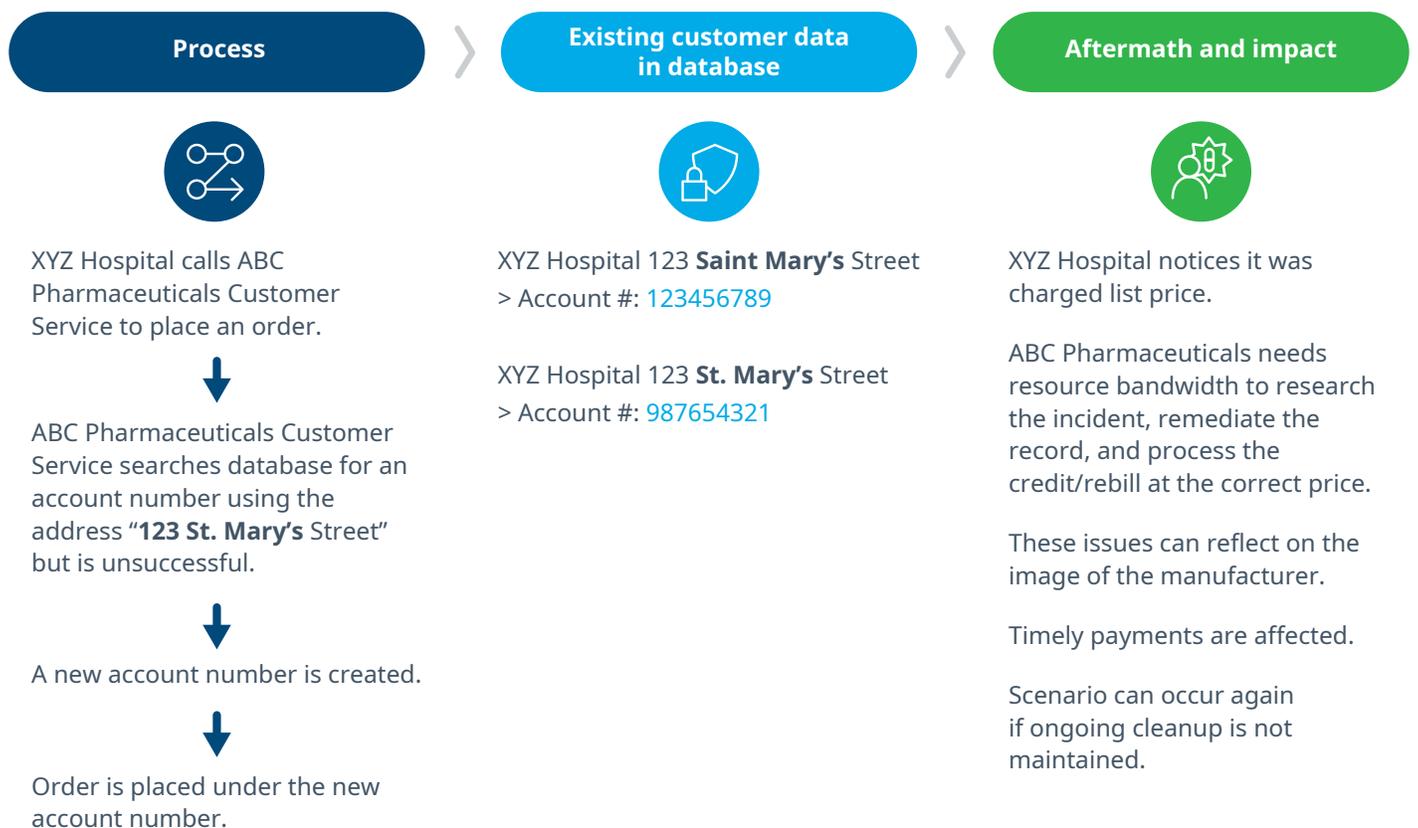
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Introduction

In the contract and revenue management space, maintaining customer data is fundamental to operational success. Customer data serves as a cornerstone of this lifecycle, and while managing data integrity might seem straightforward, achieving accuracy and consistency is often a challenge for organizations.

In this Insight Brief, IQVIA explores the importance of clean customer data and unravels the complexities associated with effective data management.

How does customer data quality deteriorate?

Data integrity encompasses the accuracy, consistency, and quality of information. When these elements falter, the risk of revenue leakage increases significantly. Issues with data collection methods and poor maintenance can lead to "dirty" customer data.

Suppose the Purchasing department at XYZ Hospital, at 123 St. Mary's Street, wishes to place an order with ABC Pharmaceuticals, but does not know the hospital's existing account number. They choose to call the pharma company and place an order through the Customer Service department.

Process	Existing customer data in database	Aftermath and impact

Process

XYZ Hospital calls ABC Pharmaceuticals Customer Service to place an order.

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ABC Pharmaceuticals Customer Service searches database for an account number using the address "**123 St. Mary's** Street" but is unsuccessful.

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A new account number is created.

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Order is placed under the new account number.

Existing customer data in database

XYZ Hospital 123 **Saint Mary's** Street > Account #: 123456789

XYZ Hospital 123 **St. Mary's** Street > Account #: 987654321

Aftermath and impact

XYZ Hospital notices it was charged list price.

ABC Pharmaceuticals needs resource bandwidth to research the incident, remediate the record, and process the credit/rebill at the correct price.

These issues can reflect on the image of the manufacturer.

Timely payments are affected.

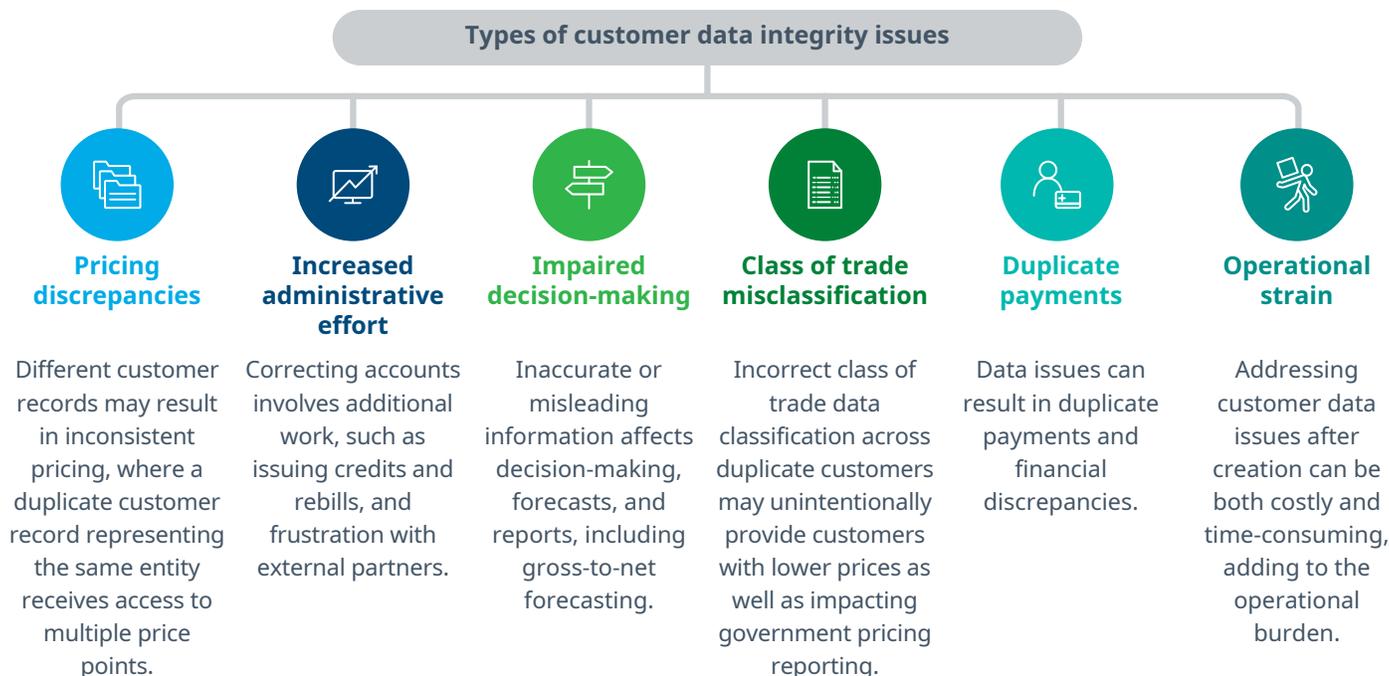Scenario can occur again if ongoing cleanup is not maintained.

In this hypothetical scenario, although XYZ Hospital managed to place its order, it is highly probable that the order was placed at List Price due to the creation of a brand new account number. Furthermore, even if the database already contained an existing account for XYZ Hospital at 123 Saint Mary's Street, with all contract pricing linked to it, a duplicate account number has now been created, leading to a data integrity issue.

The graphic below presents additional hypothetical scenarios of actions that may elicit data integrity issues:

User error
When users enter customer information through forms, there is always a chance of human error.

Inadequate data governance strategies
Without a solid strategy for managing data acceptance into systems, there is a risk of internal data duplication and inconsistencies.

Mergers/Acquisitions
M&A events can create situations where duplicate customer records exist due to integrations of different systems. Additionally, upgrades to newer systems, such as SAP, can also lead to customer data integration challenges.

Poor ongoing maintenance and auditing habits
If there is no ongoing strategy for updating and maintaining data, it can become outdated and less reliable over time.

Causes of customer data integrity issues

Adverse effects of inaccurate customer data

The issues highlighted above make it difficult to ensure data accuracy, and neglecting data cleanliness can lead to significant, often avoidable challenges. These circumstances can quickly escalate into issues that require time-consuming remediation efforts including the following:

Types of customer data integrity issues					
Pricing discrepancies	**Increased administrative effort**	**Impaired decision-making**	**Class of trade misclassification**	**Duplicate payments**	**Operational strain**
Different customer records may result in inconsistent pricing, where a duplicate customer record representing the same entity receives access to multiple price points.	Correcting accounts involves additional work, such as issuing credits and rebills, and frustration with external partners.	Inaccurate or misleading information affects decision-making, forecasts, and reports, including gross-to-net forecasting.	Incorrect class of trade data classification across duplicate customers may unintentionally provide customers with lower prices as well as impacting government pricing reporting.	Data issues can result in duplicate payments and financial discrepancies.	Addressing customer data issues after creation can be both costly and time-consuming, adding to the operational burden.

Steps to achieve cleaner customer data

As previously noted, ensuring the accuracy and reliability of customer data is vital for effective business operations and decision making. By following these steps, you can establish a solid foundation for cleaner data:

1. **Develop a data governance framework**
   - *Establish clear guidelines:* Create comprehensive policies for data collection, management, and quality control, as well as data owners, with a clear understanding of how customer data will be utilized across teams.
   - *Integrate quality checks:* Include data integrity measures in your governance framework to standardize and monitor data practices.

2. **Standardize data collection processes**
   - *Establish uniform procedures:* Implement consistent methods for capturing and recording customer information.
   - *Document guidelines:* Use Standard Operating Procedures (SOPs) and work instructions to ensure uniformity in data entry across the organization.

3. **Implement data quality training**
   - *Educate staff:* Train employees on best practices for data management, focusing on accuracy and consistency.
   - *Perform audits:* Conduct routine audits to identify and address data quality issues proactively.

4. Utilize data enrichment techniques

- *Apply standard identifiers:* Use industry standard customer identifiers such as IQVIA OneKey data, DEA, and Health Industry Numbers (HIN) to verify and enhance customer data.

- *Note Class of Trade (COT):* Apply COT utilizing data sources for verification to track market segments and pricing strategies, ensuring accurate customer profiles.
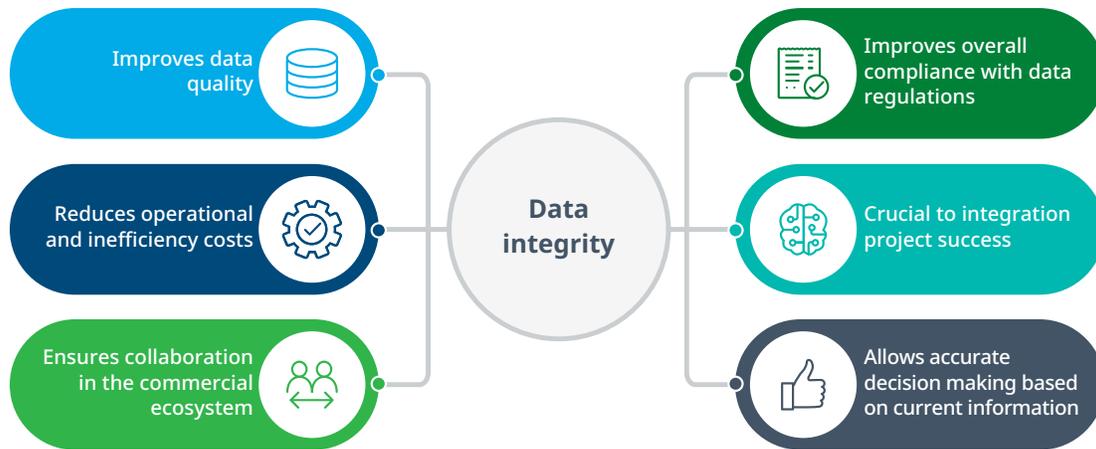
5. Address missing or incomplete data

- *Fill in blanks:* Regularly review and update data sets to manage null or blank values.

- *Correct inaccuracies:* Implement processes to identify and correct errors or inconsistencies in the data.

6. Create a unified source of truth

- *Centralize data:* Develop a single, reliable source for customer information to ensure consistency across all systems.

- *Create a process for managing data that is no longer needed:* Implement processes for effective end-dating or handling data that is no longer required.

- *Integrate systems:* Ensure that data from various sources is harmonized and accurately reflects the customer profile.

By implementing these strategies, you can significantly improve the accuracy and reliability of your organization's customer data. Cleaner data leads to more precise insights and informed decision making, driving better business outcomes and enhancing overall operational efficiency.

Improves data quality

Reduces operational and inefficiency costs

Ensures collaboration in the commercial ecosystem

Data integrity

Improves overall compliance with data regulations

Crucial to integration project success

Allows accurate decision making based on current information

Conclusion

As life sciences organizations face the challenges inherent in the industry's ever-expanding minefield of data, they may contemplate the clarity and organization of their customer data. For instance, following a corporate acquisition, management will need to determine the best way to harmonize the companies' customer data systems. The Quality and Compliance team may question when the last audit was performed on the customer master data records.

Effectively managing and maintaining the integrity of customer data can save necessary bandwidth, time, money, and headaches, especially when these strategies are implemented proactively rather than reactively addressing issues as they arise.
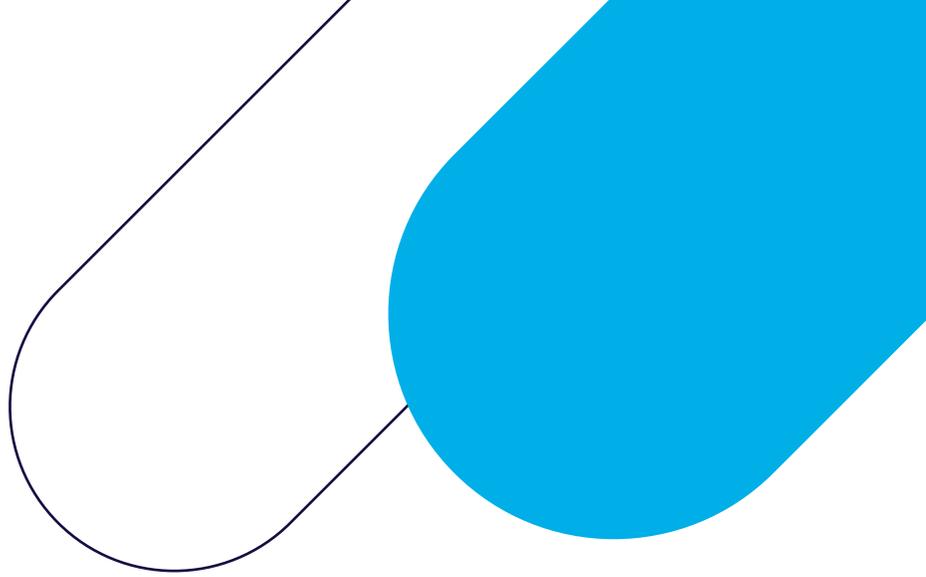
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Mike Qua is a Senior Consultant for Global Pricing and Contracting within IQVIA's Market Access Center of Excellence. His expertise spans the Commercial domain. Throughout his years in the healthcare industry, Mike has specialized in contract operations and customer data management. Currently, at IQVIA, he concentrates on technology Implementations and data cleansing across all project phases.

If your organization needs assistance with analyzing or improving your customer data, IQVIA's Global Pricing & Contracting team is ready to partner with you to achieve your strategic revenue management goals. Learn more about our services here or contact heenal.patel@iqvia.com.

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