

Assessing the Quality of Your Data Provider

Q&A with Gary Weber, President and CEO of AccuPoint Solutions



Karen Fay Luedtke, Director of Distribution Services at UMB Fund Services: Many of our fund clients are evaluating the purchase of a mailing list or contact database to support their sales and marketing efforts. How can data quality impact those efforts?



Gary Weber, President of AccuPoint Solutions: It is all about ROI. A mailing list is a static document that ages the minute you get it. Contacts move and information changes. The profile of the individual, from what they are licensed to sell, to

where they work, to how long they have been in business can change. New prospects may now fit your profile and old prospects may no longer be relevant. A database of the same information should be dynamic. But if not updated regularly, a database is now as useful as that aging mailing list sitting on your desk.

So, why is data quality important? What value do you derive reaching eight out of ten people, versus three or four? Who are you not contacting when your time is spent on people that don't fit your target profile? Arming sales teams with quality data can dramatically increase their efficiency. Think of the added time it takes a sales person to reach the correct

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prospect by telephone when using outdated contact information. Add to this, the effort involved in tracking these unnecessary calls in your CRM.

How much has your firm invested in branding and content development

to support programs such as email campaigns? Your message is solid and provides a call to action, but instead of reaching 90% of your target audience you are reaching much less. How much more revenue could you realize if that same message had reached a larger portion of your target because profiles and contact information were up-to-date? Regardless of the type of outreach, not reaching the right prospects can have a real impact on efficiency and success. Outdated information can lead to email bounce backs and unsubscribes and even negatively impact your company brand. A worse case example is your emails are flagged as spam resulting in your domain being blacklisted.

Invest the time in advance to assess the data and provider. Compare the data to multiple sources like the firm's website or ADV. See if executives or individual brokers have left the firm, if the firm's address has the correct state, and if contact information is correct. Then assess if these differences are acceptable and due to recent changes, are they isolated. Isolated issues are very different from a broad set of data being incorrect for an extended period of time.

Karen: What is a common mistake made when evaluating quality of a data provider?

Gary: The vast majority of evaluators ask about the frequency of data updates and accept a simple answer. In my experience the answer to "How often is your database updated?" is usually "Monthly," with no additional information provided. Most people simply accept this response.

Karen: What level of detail should one expect for a response?

Gary: There is much more that should be asked and answered. It is the responsibility of the data provider to give additional detail. Providers should be fairly transparent when speaking about frequency of updates. For example, if there are 25 data points in the database being reviewed, you should be told if all 25 are updated on a monthly basis. If they are not, then a reasonable explanation should be provided as to why. Data points that are not updated as frequently as others should be pointed out either individually or in categories. Keep in mind that some of this information may be proprietary to the data provider, but the explanation should be logical and satisfactory to you.

Karen: What questions should be asked if detail is not provided?

Gary: Move beyond validating categories like "contact information" and probe into data points specific to your objective. If you need information on all advisors who are currently with a specific BD or RIA, ask when the last time the data on that firm was updated. Having the correct number of advisors at the firm does not necessarily mean that all other firm information has been updated. Sometimes, for good reason, it may not be. But the reasons have to make sense. For example, ask:

- Are the executives all up to date?
- Are the firm branches all accounted for and in-sync?

You will be able to tell fairly quickly if the provider is forthcoming with information, which will help give you an idea of the overall quality of the database.

Karen: What else should be considered beyond quality of specific data points?

Gary: After speaking with a data provider consider the following questions:

- *Do you get a sense they understand their own data, each data field and source?*
- *Do they come across as passionate about data quality based on the answers they have provided?*
- *Do you sense their culture promotes quality, not just product sales?*

Lastly, listen to what others are saying about the provider. Reputation of the data speaks volumes. ■

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