2022 - A YEAR OF DATA TRANSFORMATION ACROSS KEY INDUSTRIES

Sagacity

Data is reportedly now more valuable than oil and its transformative nature is certainly undeniable. From the Bank of England overhauling its data collection, to the NHS requiring Integrated Care Systems to have smart digital and data platforms in place by April 2022, I believe that next year will see data transformation go mainstream.

However, while organisations are keenly focused on how to get the most out of their data, challenges remain. For example, 41% of businesses are frustrated that they have not yet been able to use data to drive decisions, while Gartner states that each year, poor data quality costs organisations an average of £9.6 million.

While 2022 will be the year that data transformation takes centre stage across all industries, organisations must take steps to address barriers like lack of actionable insights, data migration difficulties and data best practices to reap the full reward.

Here are three examples of how organisations can achieve successful data transformation in 2022:

Water providers must use the power of data to climb up Ofwat's performance tables

Most providers were fairly evenly matched across Ofwat's latest performance report, but they can use data to propel themselves higher up the rankings in 2022. The water regulator's recommendation to improve customer satisfaction through a better billing process is a case in point – data holds the key to making billing as smooth as possible. By cleansing data to ensure names and addresses are correct, providers can be confident bills are reaching customers. This will protect them from the shock of a huge bill arriving, or the stress of getting in arrears and collections agencies pursuing them for money they were not aware they owed.

Ofwat's report also urges suppliers to do more to find the 'hardest to reach' customers who should be on their priority services register, it requires specialist know how to identify these customers and engage in a way that resonates with them. This year most providers kept provisions to account for bad debt at the same level, or increased them, as COVID-19 continues to have an impact.

However, by using data to identify vulnerable customers, they can make a real difference to both those in financial distress and head off the debt problem at source. Third party data, such as information about disposable income, spending patterns and benefits payments, can help identify who qualifies for reduced tariffs and other support, so the provider can proactively contact people and ensure they get the help they need.

Energy companies must overcome data migration issues to ensure customers don't fall through the cracks

Many energy companies have a tough year ahead. While gas prices have fallen with Russia increasing supplies, the recent disruption which forced 24 suppliers to close in 2021 is far from over. Those who survived will be emerging with new customers, after accounts from the collapsed companies were reassigned to new suppliers by the industry regulator, Ofgem. This means many of them will be starting the new year welcoming these customers, setting up their accounts and onboarding their data into the wider ecosystem.

If they do not get the data migration spot-on, customers could experience a range of problems. Issues may range from being transferred to the wrong tariff or having debt repayment plans disrupted, to their bill being sent to the wrong address, leading to bill shock later in the year.

There could be even more damaging consequences for customers experiencing financial vulnerability. With the pandemic plunging thousands in the UK into poverty, it's more important than ever that these individuals are proactively identified using data and offered additional support.

Therefore, it's crucial that suppliers clearly define who their financially vulnerable customers are and understand how best to service them as part of their onboarding process. They must get data migrations right in 2022, ensuring data is cleansed, formatting is standardised, and good processes are put in place to guarantee they have accurate and complete customer data from the beginning.

This way, customers will have positive experiences, which can benefit suppliers when consumers decide whether to stick with their new provider over the longer-term.

Telecoms companies must prioritise data integration to get the most out of M&A activity

Telecommunications M&A deal value has risen by 17% in 2021, with the number likely to rise further in 2022. As we've seen with Virgin Media and O2 launching Volt just 150 days after announcing their merger, these M&As can deliver appealing new services to customers of both companies in a very short space of time. As such, we can expect the big telco M&As of 2022 to follow suit, with aggressive targets on how quickly the benefits will be delivered.

However, to identify these new pockets of profitability through data insights, the merging organisations must first overcome data integration challenges. Some of these – such as licensing or system duplication – are typical with any M&A, but issues like network infrastructure complexity, legacy systems, and a siloed data culture are also more specific to the telco industry. This can make it extremely difficult to tie systems and data sets together, let alone drive meaningful insights into which packages and services customers want. This risks a worst-case scenario in which the two organisations' existing IT systems are left running side-by-side, with half of the company siloed from the other.

To reap the rewards of an M&A in a timely manner, they must cleanse data, fill in any crucial gaps, improve data collection processes and use analytics, creating a single view of the customer. This can then be used to find areas of profitability, trial new models, identify key sales channels and processes – ultimately delivering attractive new offerings to customers.

Shooting for Success in 2022

There's plenty to look forward to in 2022. Hopefully the COVID-19 vaccine booster success story will continue, controlling the impact of the new variant, we will also see how leaders turn their COP26 pledges into decisive action that fights climate change, and could even have a return to business-as-usual in the summer holiday season. However, as many businesses across core industries undergo data transformations, it is critical that they focus on setting objectives for how information will be used, focus on nailing data migration, and the integration of different datasets. Organisations must look at their data practices, consider where changes need to be made, and identify ways to better support their customers to ensure the next 12 months are truly a success.

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We are dedicated to delivering the highest quality business solutions for our clients and partners alike and are proud to work with some of the best-known and challenger brands.

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