The Relationship Data Imperative

USING DATA & ANALYTICS TO DISCOVER THE VALUE
OF INTERCONNECTED BUSINESS RELATIONSHIPS:
A ROADMAP FOR DATA STEWARDS

dun & bradstreet

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Introduction

Growth is the lifeblood of every organization. While everyone is pointing to data as a conduit of growth, it's important to ask the right questions in order to extract meaningful insights to truly propel your business. Not all data is going to put you on the path to success.

Creating growth is dependent on how you use insights and information to deepen and recognize the opportunities hidden in your relationships with customers, prospects, suppliers and partners.

By identifying the most valuable relationships within your data, you'll be able to understand the cause and effect in your very own ecosystem – allowing you to model behaviors and predict smarter outcomes that lead to better results. These decisions will ultimately impact the success – or failure – of your business.

To accomplish this, you'll need to employ a 5-step process that involves identifying, collecting, organizing, enriching, and discovery. Whether you've tackled some of these steps or not, this document will provide you with the roadmap needed to gain a more informed understanding of who you're doing business with.

3 Questions to Ask Before Getting Serious with Relationship Data

Are we asking the right questions and generating the insights that deliver growth?

Can we find opportunities by discovering the untapped value of interconnected business relationships across the enterprise?

Do we have the relevant data to provide the organization with an accurate view of our relationships?

What's Your Relationship Data Status?

Among the entities you do business with lies potentially crucial insights and information that can be critical in assessing total risk and opportunity. While not obvious at first glance, these insights become visible when you dive down to explore the information that links these entitles to you, as well as their connections to other businesses. By doing so, you'll be able to understand the full potential of your relationships with customers, prospects, suppliers and partners. This is relationship data – when information about two or more entities are brought together along with their business activities to inform an implied business impact or outcome.

Through a combination of interpreting the right signal data and implementing advanced analytics uncovered in this data, unmet needs arise, hidden dangers surface and new opportunities can be identified.

The more you expose entities across your silos, the greater your visibility into the cross-company interactions with customers and suppliers. Your ability to uncover previously hidden associations inside the data provides a catalyst for business transformation and insights. Exposing relationships across product lines, branches and countries creates opportunities to evaluate sales coverage, modify compensation plans, renegotiate terms and conditions, adjust compliance policies, improve customer experiences, build advanced segmentation categories and uncover hidden supply chain risk.

The deeper you go in connecting the associated entities and the information that aligns to their business practices, the richer the insights you'll uncover. That's the power of Relationship Data.

Key Benefits

- 360-degree view of every internal and external business touch point

- Breaks down reliance on data silos

- Delivers new insight into an entity's family tree

- Deeper visibility into your supply chain

- Identifies the potential for malfeasance, fraud and risk

- Enables you to develop more accurate business models

What You Know About The Entities You Do Business With Is Just The Beginning Of The Road

Covert Agreements

Legal Filings

Secondary & Tertiary Suppliers

Minority Ownership

Potential Prospects
(entities that maybe ideal partners)

Activity That Suggests Fraud or Malfeasance

Data Governance Issues
(sovereignty, permissible, etc.)

Global Family Trees & Subsidiaries

Private Companies Financials

First Tier Suppliers

Parent Companies

Public Company Financials

The Power Of Relationship Data

Partners

In some cases, a surface level understanding of a company may be sufficient to address your business objectives, but in other instances, you need deeper insight. Driving down to explore the layers that inform the relationships between entities, you'll discover connections and associations that can help inform more prudent and informed decisions that can impact your approach toward pricing, terms, risk and more. The data (trade data, shipping data, public legal documents, etc.) enables you to interpret signals that create meaningful insights on the inter-company business dealings that can help drive your business strategies and keep you the road to success.

Customers

The More You Know, The Faster You Grow

In some cases, a top-level understanding of a company may be sufficient to address your business objectives, but in other instances, you need deeper insight.

Peeling back the layers that inform the relationships within an entity's family tree can help provide more prudent and informed decisions that can impact your approach to sales coverage, pricing, product offerings, credit risk and more. But the inherent relationships uncovered are not just a result of corporate linkage and understanding from legal ownership; it's about being able to interpret the signals from additional data (such as trade enquiries, shipping data, public legal documents, etc.) that create meaningful insights on the inter-company business dealings. Understanding the implications of these signals can help drive your business strategies.

It is important to remember that relationships can be one-to-one, one-to-many or many-to-many. They can be un-directional or bi-directional in nature. Understanding the differences can be key to the types of questions you ask and what insights you draw from the data.

The deeper you go in connecting the associated entities and the information that aligns to their business practices, the richer the insights you'll uncover. Ultimately, these richer data points enable you to move beyond simple modeling based on internal historical data and produce sophisticated business models grounded in multifaceted business connections.

Relationship Data In Action

Auto Manufacturer

Car Number 1

Car Number 2

Car Number 1 discontinued

Car Number 2

Auto Manufacturer

Two auto manufacturers may share lower tier suppliers without even knowing it. If one of the auto makers decides to discontinue a model, it can set-up a chain reaction that impacts everyone from other suppliers to other manufacturers. This may cause significant cash flow problems for a Tier 2 supplier, and therefore effects the ability to service other manufactures, impacting all faucets of the manufacturer and its business relationships.

Tier I Supplier

Door Supplier 1

Door Supplier 2

Door Supplier 1

Door Supplier 2

Tier I Supplier

Tier 2 Supplier

Handle Supplier

This is an example of the power of relationship data – the ability to infer contagious risks based upon integrating, synthesizing and discovering insights across multiple sources of data to build a deeper understanding of the business entities engaged in trade.

Handle Supplier

Tier 2 Supplier
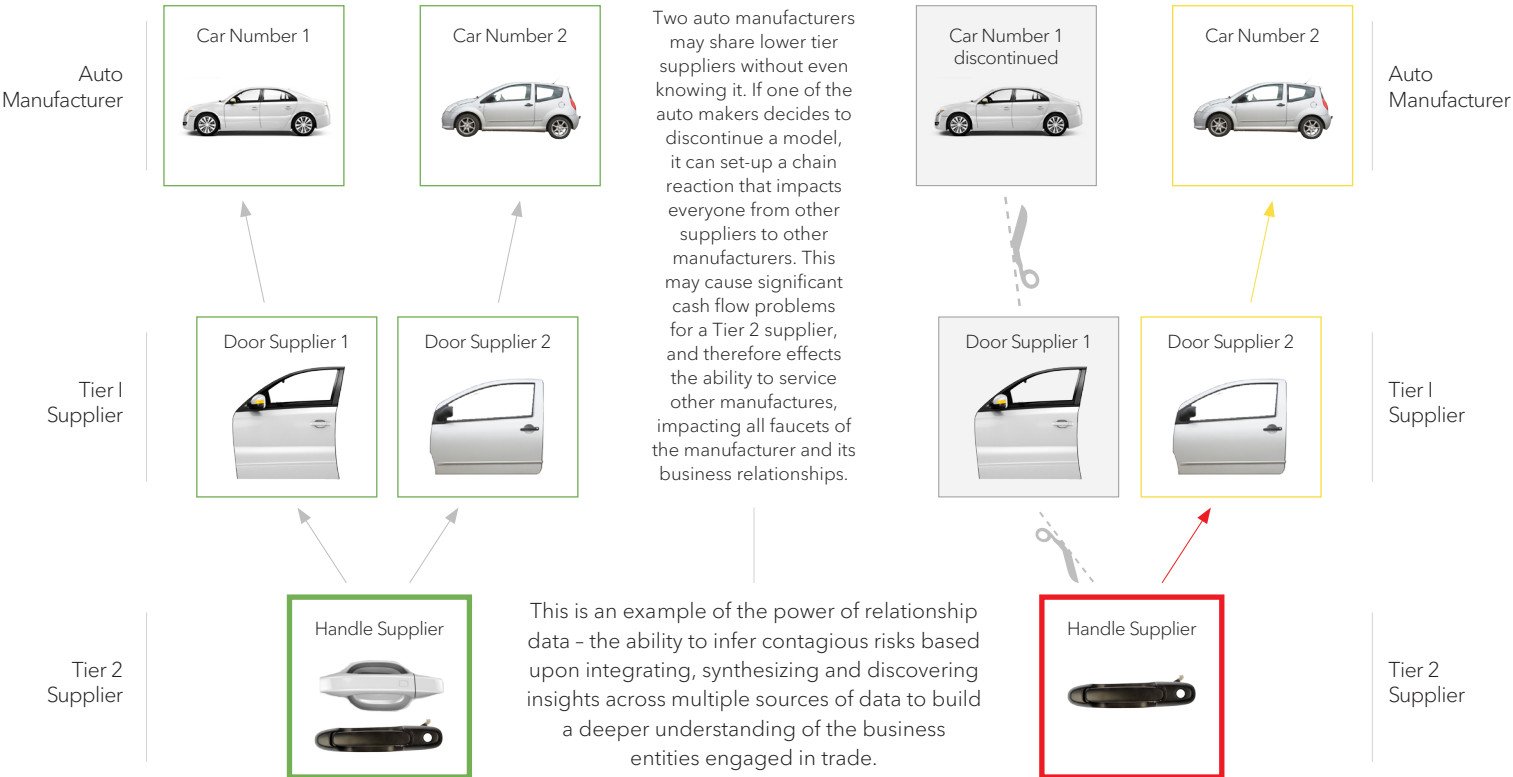
Relationship Data Creates Value Across the Company

Unifying single vision of all vital relationships across company	Building new relationships with prospects and stronger relationships with customers	Driving profitable relationships with customers	Understanding sustainable relationships with suppliers	Unifying single vision of all vital relationships across company
IMPROVE PRODUCTIVITY TIME IN YEAR ONE BY	IMPROVE TARGETING BY	DECREASE DAYS SALES OUTSTANDING BY UP TO	REDUCE SUPPLY CHAIN RISK BY	REDUCE DUE DILIGENCE TIME BY
15%	20-30%	5 Days	30%	50%

A Data Scientist on Relationship Data

Why Dr. Anthony Scriffignano Believes Relationship Data is the Most Valuable Data

Dr. Anthony Scriffignano,
Chief Data Scientist, Dun & Bradstreet

1 First and foremost, understanding the entities you are doing business with and how those entities are influencing and interacting with each other is critical to assessing total risk and total opportunity.

2 Relationships are important because they are always evolving. From mergers and acquisitions to divestitures, companies are continually growing or downsizing, and that can spark a chain-reaction that can impact all the companies' business dealings, ultimately effecting your bottom-line. Observing changes in relationships is often overlooked, but critical to your success.

3 Lastly, by carefully looking at relationships, you can spot the 'bad actors' that you don't want engaging with your business. By understanding how certain kinds of relationships are different from all the others it gives you a place to go look for things like malfeasance, cyber terrorism, cyber security, fraud and all other kinds of threats. Keeping a tabs on business relationships keeps you one step ahead.

Break Down the Walls

It's no surprise we're drowning in data. The object is no longer how to get more of it, but how to make sense of what we have. Unfortunately, data silos have made it hard to manage and analyze enterprise-wide data, making it difficult to identify the type of valuable relationships that spark growth.

Data silos tend to arise naturally in organizations because each department has different goals, priorities and responsibilities. Data silos can also occur when departments compete with each other instead of working together towards common business goals. Despite being viewed as a hindrance to effective business operations, they remain a common barrier to growth.

Therefore, the first step you need to take on the path to being able to identify relationship data is to break down these data walls. You can start by connecting your existing databases as a quick fix. There are several ways to do this that may be appropriate for you business. But it is imperative your data is centralized.

Eliminating silos enables accurate insights to be leveraged across the entire enterprise. This is extremely valuable when trying to understand the business relationships that exist across the ecosystem.

Silos Reduce Data Utility for Organizations
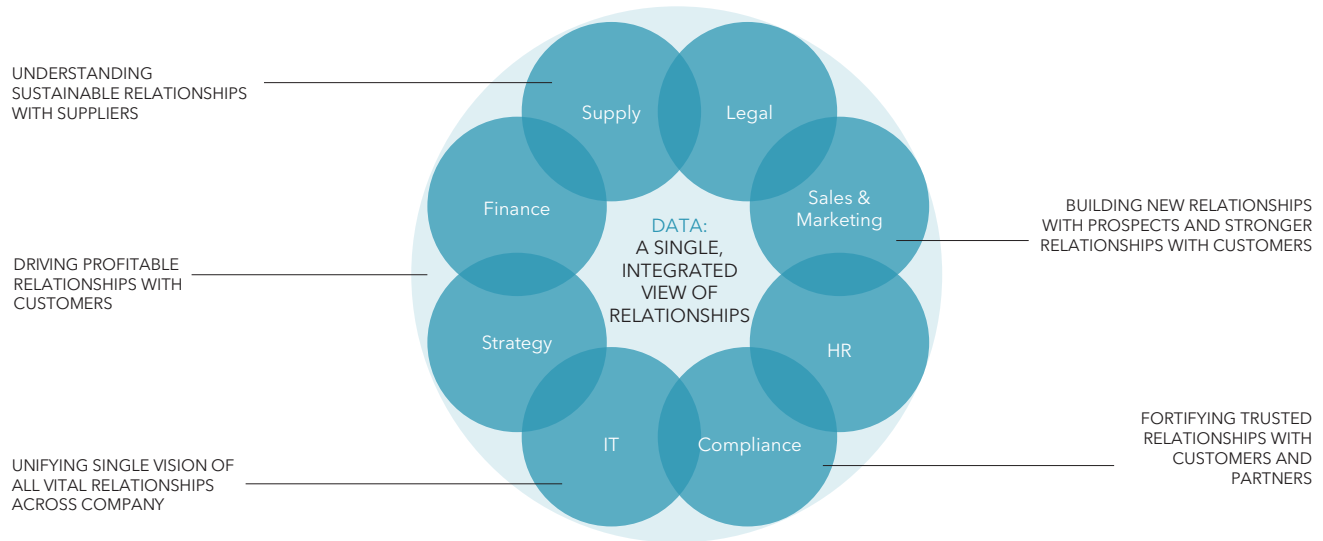
80% report high or moderate degrees of data silos

69% are unable to provide a comprehensive, single customer view

2/3 experience some degree of shadow (or rogue) data depositories

*Big Data Insights and Opportunities, CompTIA, 9/14

Data Relationships Span the Organization

UNDERSTANDING
SUSTAINABLE RELATIONSHIPS
WITH SUPPLIERS

BUILDING NEW RELATIONSHIPS
WITH PROSPECTS AND STRONGER
RELATIONSHIPS WITH CUSTOMERS

DRIVING PROFITABLE
RELATIONSHIPS WITH
CUSTOMERS

FORTIFYING TRUSTED
RELATIONSHIPS WITH
CUSTOMERS AND
PARTNERS

UNIFYING SINGLE VISION OF
ALL VITAL RELATIONSHIPS
ACROSS COMPANY

Supply

Legal

Finance

Sales &
Marketing

DATA:
A SINGLE,
INTEGRATED
VIEW OF
RELATIONSHIPS

Strategy

HR

IT

Compliance

As your organization's data steward, you are responsible for leading a cultural change that breaks down silos between departments and aligns data assets across the enterprise to identify previously unrecognized relationships with customers, prospects, partners and suppliers.

You have the opportunity to foster a data-inspired approach to uncovering valuable relationships that spans the organization.

The Road to Relationship Data

Your journey to maximizing the potential of your data to identify key relationships starts with the following 5 steps…

DUNSRight®

Identify   **Collect**   **Organize**   **Enrich**   **Discover**

Maintain
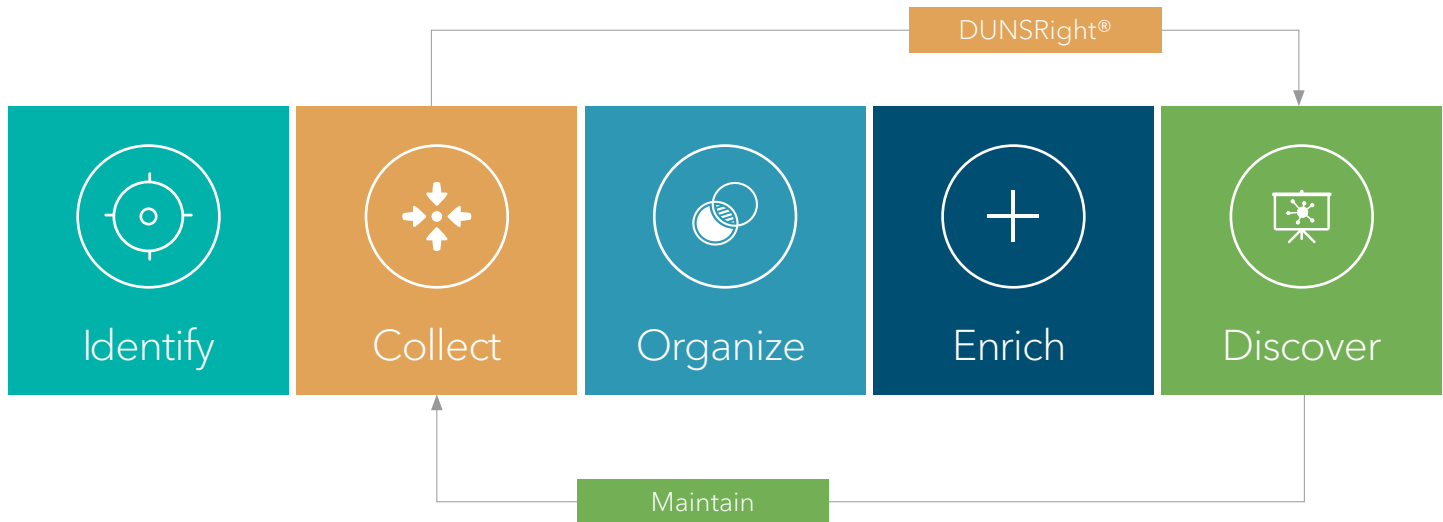
Identify

Identify, evaluate and understand all the sources of information

you would want to have at your disposal in order to make informed decisions about the entities you conduct business with on a daily basis. As you proceed in this step, be sure to evaluate the quality of sources and be cognizant of regulations.

Collect

Gather every insight and piece of knowledge you have to build your internal intelligence.

While you want to rely on collecting information from every structured and unstructured source, it's important to be cognizant of what's relevant to your business needs. This means having processes in place to assess the character, quality, permissible use and opportunity cost of collection.

Organize

Organizing data has several steps that are at the core enabling an understanding of your business relationships.

The ability to identify the appropriate business entities, associate them across their extended legal relationships provides a rich view that can inform your sales coverage, pricing and negotiated terms, product offerings and more.

This step in the process involves identity resolution and leveraging a third-party to help ensure the data is accurate. For example, Dun & Bradstreet employs its patented DUNSRight™, enabling us to accurately identify the right business entity and continually understand even the slightest changes to the enterprise that may impact your bottom-line.

Why DUNSRight™?

The insights your glean are only as good as the data you have. Dun & Bradstreet ensures it has the highest quality data available through it's a process called DUNSRight™, in which it collects, aggregates, edits and verifies data from thousands of sources daily.

The foundation of DUNSRight™ is Quality Assurance which includes over 2,000 separate automated checks, plus many manual ones, to ensure the data meets high quality standards. In addition, five quality drivers work sequentially to collect and enhance the data. The process works like this:

• Global Data Collection brings together data from a variety of sources worldwide.

• The data is integrated into the database through a patented Entity Matching process, which produces a single, more accurate picture of each business.

• The D-U-N-S® Number - a unique means of identifying and tracking a business globally through every step in the life and activity of the business – is applied to the data.

• Next, Corporate Linkage provides a view of total risk or opportunity across related businesses.

• Finally, Predictive Indicators use statistical analysis to rate a business' past performance and to indicate how likely the business is to perform that same way in the future.

Enrich

Enriching your data with third-party content provides additional insights that enhance the view of potential business relationships across multiple entities across the globe. The added insight will empower you to make smarter business decisions with more accuracy and proficiency to grow at scale.

Discover

The insights are what transforms data into dollars.

Working with a third-party can help you better understand the opportunities and risks associated with connected business entities. Dun & Bradstreet employs data scientists to identify real-time effects to long-term consequences seen in the data, and what otherwise would not be visible through simple sources. These include propensity models, material change analytics and Tier N supplier risk assessments.

We continue to advance our capability with billions of signals set by unstructured content to understand the impact that non-transactional data – including unstructured and social data – can have on a company's product plans, product sales and potential risks or crisis.

Operationalizing Relationship Data

A true relationship data platform is created when third-party proprietary data is combined with your data and integrated into your native workflow systems to optimize the platform for insight discovery. Then and only then, does relationship data come to life to be used across your organization.

Data specific to business entities detailing how they are influencing and interacting with other operators in their ecosystems empowers your company to gain an understanding of the ultimate potential of relationships with customers, partners and suppliers

For example, Dun & Bradstreet leverages data about relationships from 30,000 sources and was specifically architected to seamlessly integrate into any native workflow, business process or application.

Summary

Nobody would argue with the fact that the modern, digital economy requires vastly more connections, and that these connections – driven by everything from social media to the internet of things (IoT) – create a torrent of data. This dynamic also creates complexity. As many talk about the explosion of big data, they even seem to revel in the numbers.

But relationships aren't a series of isolated interactions defined by numbers. They are an interconnected web of engagement that evolves over time. Relationship data creates a singular, integrated view of the data and insights required to manage what is often a complex web.

We believe that by finding truth and meaning in data, businesses can create the relationships that lead to a sustainable competitive advantage.

Following these steps, you'll be on the road to success.

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Ready to Begin?

We can help you on the path to growth. Leveraging our unparalleled breadth and depth of business data, we transform information into insights you can use to make informed decisions by identifying the value of your business relationships.

Understanding what issues exist with your data is the first step to getting ahead of them. CLICK HERE to receive a complimentary data heal assessment.

@DNBUS

info@dnb.com

www.dnb.com

About Dun & Bradstreet

Dun & Bradstreet (NYSE:DNB) grows the most valuable relationships in business. By uncovering truth and meaning from data, we connect customers with the prospects, suppliers, clients and partners that matter most, and have since 1841. Nearly ninety percent of the Fortune 500, and companies of every size around the world, rely on our data, insights and analytics.