# GAVROSHE USA, INC.

**Case Study** - Data Quality Services

*DW 3.0 Seven Streams Approach*

## THE ORGANIZATION

A large organization that provides Pension Administration services to clients.

## THE PROBLEM

A senior manager in the Finance department at this company noticed that a substantial portion of client deductions of the pension payments (over $250 million) were being held in suspense accounts due to an "invalid or unknown state code" error.

While the funds had been subsequently allocated manually, the error caught attention of the Controls Department due to a risk of states requesting an audit of the funds due to them from the source deductions.
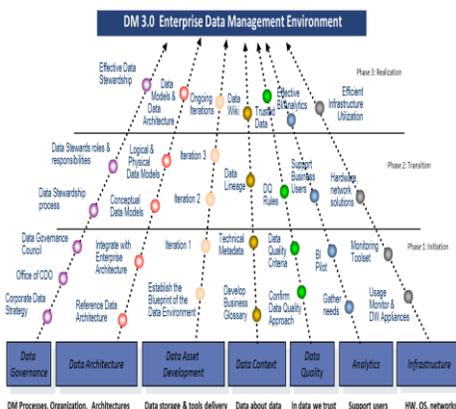
*According to the TDWI research bad data quality problems cost US companies more than $600 billion each year.*

## WHAT WE DID

Following our 7 Streams Approach to Data Quality, Gavroshe worked with the organization to undertake root cause analysis of the data in all the systems processing state deductions. The relevant data was then profiled and analyzed in depth.

The analysis identified an undocumented routine that appended a state code to the financial transactions using an in-memory decoding table. Furthermore, it was discovered that the originating transaction system applied a state code of the "State of the Employer" of the pension plan at the time of enrollment and not the current "State of Residence" of the pensioner, as required by business rules. Additionally, the "Source Deduction State Code" in the originating transaction system was used by multiple routines for a variety of purposes, not only to withhold source deductions in process, creating unforeseen data problems.

Gavroshe applied an in-depth analysis of cross-table and cross-system correlations and identified that about 80-85% of the records with invalid state codes belonged to pension plans administered on behalf of a single employer. Moreover, analysis revealed that all the pension records of that employer had been converted to a new system at the same time and that the conversion program had an error that resulted in an "unknown" state code which was undetected.

## THE END BENEFITS

The Financial Institution was able to:

1. Develop remeditation plans to correct both the data and underlying issues.
2. Correct impacted pension plans (including historical data) to properly reflect pension contributions by state.

Providing the following financial and business benefits:

- Minimizing the amount of funds held in suspension, allowing for greater flexibility in investment options and investment returns.
- Greatly reduced likelihood of costly State audit and compliance efforts issues.

## DATA QUALITY FROM THE DATA MANAGEMENT LEADER

Gavroshe's proven 7 Streams Methodology helps organizations not only address their Data Quality issues, but also implement best in class data management practices and approaches.