



**\*IQ 301-2**

**MEASURING THE COSTS OF POOR QUALITY INFORMATION:  
*Business Case for and Measurement of IQ Initiative Return-on-Investment  
(TIQM P3)\****

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**Course Description:**

**Level: Advanced**

The business case for information quality management is found in the measurement of waste and losses caused by defective information. To establish the value of an Information Quality Function, you must measure these costs and risks, then improve processes, and measure the savings and risk avoidance you will have accomplished.

In this course, you learn how to measure the wasted costs of information production (Costs of Information). You also learn how to measure the direct costs, the opportunity costs and losses, and the risks (of enterprise failure) caused by defective, missing or ambiguously presented information.

You also learn how to measure the Return-on-Investment (ROI) of process improvements.

**Learning Objectives:**

- Describe the economics and business case for Information Quality Management
- Measure the costs of information production in terms of information infrastructure, value delivery, and cost-adding categories
- Measure the direct costs of poor quality information
- Measure the opportunity costs of poor quality information
- Measure the return-on-investment of process improvement initiatives

**Duration:** 2 Days

**Format:** Lecture plus workshop exercises

**Pre-Requisites:** 1. Completion of TIQM 101 training or equivalent AND having read Chapters 1, 2, 3 and 7 in *Improving Data Warehouse and Business Information Quality*, AND  
2. At least 6 months experience applying IQ or Quality principles

\*This course is part of the TIQM Certification program provided by Information Impact International.

## **Course Outline:**

1. Information Quality Costs and Losses as a Result of Defective Information
  - Costs of variation in the information production and consumption processes
  - Why cost of poor quality measurement is the key metric for IQ management
2. Measuring the Costs of Information
  - Understanding the Resource Management Lifecycle
  - Infrastructure versus value delivery versus cost adding activities
  - Calculating the costs of cost-adding activities in the value chain
3. Measuring the Costs of Poor Quality Information
  - Categories of costs
  - Cost measurement steps
  - Documenting your calculations
4. Calculating the ROI of your Process Improvements
  - Do's and Don'ts of IQ cost measurement