

12 Days of CRM: Day 9 – How Much Does Bad Data Actually Cost?

Article By:

Christina R. Fritsch JD

On the ninth day of CRM Chris Kringle Fritsch explained to me, the actual costs of bad data quality!

What does bad data actually cost organizations and businesses? [Chris Fritsch, of CLIENTSFirst Consulting](#), dives into some of the statistics reporting on how much bad data costs firms.

According to various studies and statistics, bad data costs U.S. businesses a total of \$3 trillion. Not only that, but researchers predict that up to 40% of business objectives fail due to inaccurate data leading to more lost revenue.

While these numbers may seem over-inflated by research organizations to promote their reports, we've all seen firsthand the amount of time and money spent dealing with bad data.

One of the biggest complaints we hear in a law firm is "Why can't we just get a good, clean, correct and complete list?" or "Why can't I pull a list of our energy clients?" But lawyers sometimes don't understand

that the CRM doesn't automatically know what industry a new contact is in, or whether they are a client or not. Someone has to go into the system and manually tag these records, or a data subscription has to be purchased. The [big frustration point](#) comes from the time it takes to manually enter these records and then search for something specific just to not have it properly tagged, which can cause professionals to miss big opportunities to develop business.

Another recent development that has highlighted the cost of bad data is general data privacy regulations. While these laws are mainly aimed at software companies that regularly spam their contacts, law firms and other organizations are taking these very seriously.

We now have to keep up with not just who we know, but where they are. A company may be in one area, yet the employees may be all over the place. So how do we know that we are being [compliant with GDPR](#) not only in the U.S. but in Canada and Europe? It can take a lot of time and money when deciding how to collect and store consent data for these contacts and then establish processes for continually updating their consent information. And failure to do so can result in expensive fines and penalties.

Watch as Chris Fritsch explains the costs associated with bad data and new trends that also impact the amount lost due to bad data.

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