

Avoid new database vendor problems

By David Bernard, December 2010

After selecting a new marketing database vendor, marketers can become complacent. After all, if they just spent considerable effort putting vendors under a microscope to determine which one best suits their needs, then the last thing most want to be is hands on afterward.



Caveat emptor. What you do during the negotiation, contracting and on-boarding of a database vendor can determine whether the relationship is long and successful or short and costly. Here are four red flags to watch for:

Pricing that does not scale with business growth

Pricing models for database vendors vary, but they are usually based on some measure of activity, such as number of customer records or number of campaigns. If the pricing model does not factor in growth, a renegotiation of pricing will be necessary. Such renegotiations are usually costly for the marketer.

Insufficient contractual performance obligations

Without constraints, database vendor performance typically slips mid- to long-term. Establishing contractual standards through service-level agreements, along with penalties based on underperformance and bonuses for continual good performance, provides an incentive to maintain quality.

Team is too technically focused

Marketing database creation requires an almost constant recalibration. When the “build team” is led by a technical resource, the nuances of technical and marketing calibration can be lost. Marketers should request that the vendor include a senior marketing resource on the team.

Rushed timeline

Some marketers try to accelerate the build process to meet a calendar milestone or promise to a senior manager. This is typically done by either imprudently asking the marketing database vendor to migrate the old design, rollout incomplete functionality, or shorten the requirements gathering process. Unfortunately, these efforts typically fail. In fact, every week shaved before rollout creates a month of pain and cost after rollout. It isn't worth it. Years in the future, marketers do not remember if the marketing database build took two or three months more than they wanted – but they will feel the burn of a failed solution. **DMN**