

Clean Data, Better Credit: Credit's Role in Enterprise Data Quality

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Abstract

Credit professionals are operating in an environment where poor data quality poses a direct threat to financial performance, compliance, and risk visibility. Duplicate records, outdated payment terms, and fragmented customer files disrupt core credit functions, leading to slower decisions, higher DSO, and increased exposure. As the volume and complexity of customer data grow, traditional approaches to data maintenance are no longer sufficient.

This article explores how credit teams are stepping into new roles as data stewards, working across IT, finance, and operations to build and adopt processes that promote consistency, accuracy, and accountability. It examines the operational and financial impact of unreliable data, the frameworks credit leaders are using to drive change, and the measurable gains that come from creating a cleaner, more strategic foundation for credit decisions.

Introduction: Framing Data Quality Challenges in Commercial Credit

In the current financial environment, data quality is no longer a back-office concern. It is a frontline determinant of credit risk, regulatory compliance, and operational efficiency. Credit teams rely on timely, accurate, and complete customer data to evaluate risk, set exposure limits, and ensure compliance with evolving regulatory frameworks. Yet, the complexity of modern financial operations, coupled with the increasing abundance of data sources and legacy systems, means that inconsistent, outdated, or siloed data is a common reality.

This article argues that credit leaders must take an active, ongoing role in enterprise data governance to ensure data quality and reduce hidden risks. By establishing clear standards for customer records, payment terms, and exposure tracking, and by collaborating across IT, finance, and compliance, credit teams can transform fragmented information into a reliable foundation for decision-making.

The following analysis explores the consequences of poor data quality in credit, examines leading frameworks for data governance, traces the evolving role of credit professionals, and offers actionable strategies for implementing robust data quality initiatives. The goal is to provide guidance for credit professionals seeking to drive lasting improvements in both risk management and business performance.

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