DatumNexus®

Best Practices

Identifying Data Integrity Issues In Your Asset-Related Documents

When it comes to knowledge transfer it is critical for the financial well-being of a company to implement a process that can identify, verify, and validate every necessary data field within their asset-related documents.

"Whether your portfolio is organically grown or grown through acquisition, the variety of documents that make up the leasing process are complex - often leading to costly data verification and validation issues. And when it comes to post-acquisition knowledge transfer, it is critical for a company to implement a process that can identify, verify, and validate every vital data field within the leasing ecosystem."

–James Young, COO of DatumNexus

James has over 20+ years of experience in the wireless industry.

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Verify. Validate. Identify Risk.

EXECUTIVE SUMMARY

Making business decisions based on inaccurate or incomplete data can be costly.

Data reconciliation provides many compelling benefits, such as saving money due to penalties from delayed response to expiring leases, maintaining infrastructure, retaining employees, and keeping shareholders happy.

However, policies and processes that enable a company to easily identify key data upon the integration of inherited data is difficult and unwieldy. The variety of sources, labels, and formats the inherited data resides in are many. Sorting through the information to locate specific data points relevant to the operations of the company requires a significant degree of human labor and is costly. Current processes consist of a time consuming, heavy labor, manual audit.

The risks associated with non-standardized data fields cannot be avoided; however, they must be managed. Effective management of data starts with understanding the risks a company undertakes when not managing the data. The company must then analyze the situation, develop and agree upon an evaluation strategy, then select an appropriate solution.

CHALLENGES OF THE WIRELESS INDUSTRY

"The expansion or development of our business, including through acquisitions...may cause disruptions in our business which may have an adverse effect on our business, operations, or financial results." –Crown Castle International Corp (10K)

Acquisition Issues within the Wireless Industry

The explosive growth in the wireless industry has made a considerable impact on the number of acquisitions within the leasing industry. According to Cell Tower Lease News, the total number of cell tower sites in the United States is 3.2M representing 2.5M leases for Tower Companies and Carriers.

When acquiring a company, the focus is always on making the deal; getting the highest value for the lowest dollar spent with the value and parameters of the deal often set before the acquiring company realizes its true value. As a result, a company will not have confirmation as to the integrity of the data it is inheriting, nor does it have the time to verify and validate the data. By the time the company understands the quality of the data they have, the value of the deal has already been set through a legally binding agreement.

To realize the true value of the investment a company has made with a new acquisition is dependent upon the speed and efficiency with the integration of operations, assets, and personnel. There are several reasons why integration is difficult, including incompatible technology systems and the lack of time to ensure the integrity of data, assets with incomplete leasing details, cultural issues due to new policies with personnel. In addition, the lack of time or ability to fully inspect elements such as the infrastructure of a tower site to ensure they meet required company specifications adds risk and limits the ability to fully realize the value of the investment.

This leads to one of the many challenges facing participants in the wireless industry at the time of acquisition - the integration of data. With the complexity of each company's systems, the transfer of knowledge affects a wide range of business issues: productivity, operations, financial strength, and valuation of assets. The data may take a variety of forms, from paper to electronic and it may be housed in a variety of locations. The complexity of integrating a variety of formats can cause a loss of critical information related to leases, thereby adversely affecting your business.
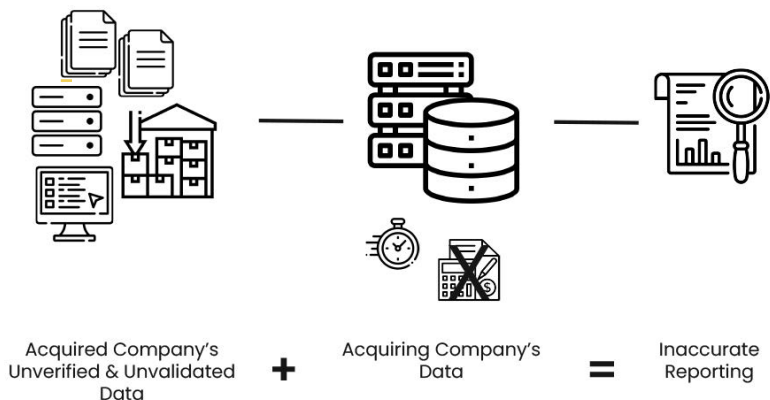
Risk Factors with Knowledge Transfer

The risk factors associated with knowledge transfer of information include:

- Integrating the lease rent payment, tenant billing, and collection processes information
- Accessing the data related to tenants and landlords associated with infrastructure and sites
- Maintaining company policies and standards upon conclusion of a knowledge transfer phase
- Meeting return on investment criteria which translates into shareholder value utilizing the data because of the knowledge transfer phase
- Meeting federal, state, and local environmental, occupational safety, health and zoning laws associated with an acquisition and the result of managing the integrated, inherited data.

Implications and Consequences with Lack of Verification

With differing information technology systems, and the complexities associated with integration, successful integration of data in a timely and efficient manner is challenging. Oftentimes, one system is selected over the other, with the uncertainty of knowing the integrity of the data. The financial consequences of not verifying and validating data at the time of knowledge transfer include a loss of revenue, thereby not realizing the true value of the acquisition, resulting in a reduction of shareholder value. The physical consequences may put your infrastructure assets at risk due to expired lease agreements or other company buyouts.

Integration of Inherited Data

Acquired Company's Unverified & Unvalidated Data **+** Acquiring Company's Data **=** Inaccurate Reporting

MAXIMIZING VALUE WITH TRANSFER OF KNOWLEDGE

When it comes to knowledge transfer it is critical for the financial well-being of a company to implement a process that can identify, verify, and validate every necessary data field within a leasing contract. Knowledge transfer focuses on transferring technological platform, market experience, managerial expertise, corporate culture, and other intellectual capital that can improve the companies' competence.[1] Best practices for verification and validation need to focus on conducting an initial audit at the time of the knowledge transfer of inherited data. Ongoing monitoring for amendments, and other updates are necessary to create a stable and reliable source of critical information for operations and strategic business planning.

An effective data integration and monitoring solution includes the following:
- Data capture strategy
- Organization of data

Data Capture Strategy

A comprehensive policy defining the process for data analysis and organization of data for integration at the time of acquisition enables a company to maximize their resources in personnel, operations, and finances. The goal of establishing a policy is to understand the structure or system that is necessary to clean the data effectively and efficiently prior to the knowledge transfer phase, then place that data into a centralized repository for business operations and strategic business planning purposes.

Organization of Data

Unorganized data is expensive. It causes delays, and delays cost money. The purpose of auditing data is to enable a company to organize the inherited data in a way they need. It allows the acquiring company to analyze data to certain specifications. Organized data increases accuracy. This helps your company comply with its contractual obligations and limits your legal exposure.

[1] Knowledge transfer

CONCLUSION

A more effective solution consists of a service that works with technology and manual power to conduct an audit in a more efficient and timely manner. Get the information you need for critical negotiations and ongoing management of your business with DatumNexus®.

DatumNexus provides the service you need to meet your reporting requirements while giving you information to make better business decisions using expert knowledge, technology, and project management.

With years of wireless industry expertise, DatumNexus is leveraging AI to delivers an innovative service that allows infrastructure owners to make better decisions across their portfolio. We identify the data integrity issues inside the asset-related documents within your portfolios. Data that is critical to realizing the added value of your investments. We provide organized site lease data insights that enable you to fully realize your infrastructure assets.

DatumNexus® Solution

We **verify** the source of the data

We **validate** the accuracy and consistency of the system of record

We **identify** risk

DatumNexus will:

• Verify the source documents that populate the system of record

• Validate the information

• Identify critical risk factors

Benefits include:

• Identify risk exposure through verification and validation of your inherited data and secure your strategic investment (e.g., tower portfolio)

• Gain insights to broaden the scope of strategic business opportunities.

Keeping your vital acquired data clean and accessible requires commitment.

To take advantage of this solution, please visit

https://www.datumnexus.co

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