# Dawn of the CDO

Advisory Note

Why do organisations need to move to a **CDO** role to exploit their data more effectively and how can they do this?

> Does your data need a leader and how can you achieve this?

> Why do organisations need a CDO role and how you can spearhead the data strategy for your organisation?

> Why is the CDO role becoming so prevalent and how to implement the role in your organisation?

> What are the benefits of having a CDO and how can you drive the implementation of this role within your organisation?

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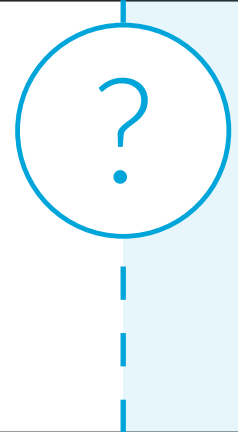
90% of **CIO**s believe data is changing the way their organisation does business.

UK organisations are starting to recognise the true strategic value of data as a competitive differentiator and customer experience enhancer; which in turn is increasing the potential value of data as a source of revenue. However despite 77% of businesses viewing data as a valuable asset they don't believe it is being fully exploited.

Until recently the responsibility for data has been largely shouldered by CIOs, who aside from their day-to-day job are now faced a greater expectation from across the business to provide data. 60% CIOs say they are under increased pressure to provide higher quality data, and 59% say they are under increased pressure to provide data faster to the business. CIOs in UK organisations cited that if this data was managed effectively, and data was of the highest quality, they could increase their profits by an average of 15%.

Although CIOs have taken on this responsibility 63% believe their role fails to cover the majority of responsibilities of a CDO. As the value businesses place on data increases there is a clear requirement for a senior data owner to relieve this pressure and extract the full potential of data effectively. This is further supported by 92% CIOs who are calling out for a CDO role, with 61% wanting to see an appointment in the next 12 months.

What are the key benefits of implementing a single point of ownership for your data?

Ownership that supports strategy

By implementing a dedicated senior data owner, organisations can focus on producing a detailed strategy. Defining their strategy will require organisations to get to the bottom of why data is important to them, what data they require and therefore define what resources they need to support this. Businesses often say that they find quantifying the problems they face with data to be a challenge. By conducting a process assessment, organisations can move from a more reactive approach to proactively understanding their requirements; that will support investment and buy in from the board.

A dedicated senior data owner, will have a focused view of the corporate wide data strategy and can regularly review its process in the long term to ensure the best people and technology are in place to fully exploit its value.

Technology that powers potential

Refining your data strategy and who is responsible for data with in your organisation will help define your technology requirements. Technology can then be utilised to support the implementation and deliver of this and particularly a corporate wide approach to data management. Technology marries both people and processes by providing: easy to use systems, that delivers accurate data, accessible across the business. Better data will improve operations that impact the service customers get and ultimately drive revenue growth. Rather than trying to solve problems as they arise a strategic focus will help your business to build technology around their strategy and be more proactive in their approach, looking for issues and solving them before they become a problem.

A good example of where an organisation would have benefit from a refined strategy, ownership and technology was a charity I meet with recently.

This charity had recently benefited from a media surge from a marketing campaign and was generating a lot of data. However, they didn't know how to use it, they were literally paralysed by the sheer volume of it and as a result there was also a large data quality issue. They had invested resources in the campaign, but now they were seeing results they couldn't action these into much needed donations. They employed a lot of volunteers, and staff turnover was high, which meant that the knowledge need to drive investment to effectively utilise the data they generate was being lost.

When we meet with them we got them to rate the data and by conducting a process assessment. This meant they were able to understand why data was important for them and therefore what the gaps where they needed support with. This drove the investment in technology.

If this charity had had a senior data owner looking at the bigger picture they would have been able to define this sooner and not missed out on vital revenue. This senior data owner interpreted the challenges volunteers were facing to coordinate a strategy that's supported by technology.

Customer engagement that drives revenue and ROI

Customer expectations are ever increasing and when it comes to sensitive information such as customer data it is even more important. People are more active about voicing their opinion when they are disappointed with the service your organisation has provided and with the advent of social media; it is now easier than ever for them to do this. The cost of winning back lost business could potentially be far greater than the cost of proactively managing the accuracy of your organisations data. Whilst it's important to understand the negative implication of inaccurate data, by having measures in place that ensure data is accurate business can drive long term relationships. One CDO commented that "Data enables better relationships with customers, which should in turn increase sales and create capital" and another said that "ROI is likely to come from increased insight that will drive better relationships with customers". When asked how much CIOs and CDOs could save from investing in data quality tools CIO cited savings of less than £1m where as CDO with a dedicated focus stated they could save in excess of £5m.

How can you implement a senior data owner role or CDO in your organisation?

1. Conduct a process assessment Define exactly why data is important to your organisation. This will help to determine whether you are capturing the correct information, at the right place and if you are using the right tools, if any, to do this.

If you are finding it hard to understand what data is important for your organisation, start by looking at the data you currently collect, recruiting a couple of people from different teams within your business to rank this data so you can understand what data is important and where the gaps are.

2. Get buy in from the board
Should a business decide to appoint a CDO or similar role it must be made obvious the strategic value to the business in order to get board buy in. This can be defined by having a clear data strategy and the benefit this will bring to the business in terms of revenue generation. One CDO cited that having high quality data would have a positive impact on their organisations bottom line because "Data that improves a customer experience and develops long term relationships will have a positive impact on sales, ultimately improving the financial position of the business." It's imperative that the CDO has a clear understanding of the businesses objectives in order to effectively deliver on them and therefore should have an appreciation of technology, but must derive from a business background. Vincent Benita, CDO, BNP Paribas concludes that "The CDO role must sit within the business and not IT. The CDO role is about data governance, data monitoring, data processes, data lifecycle and data sourcing rather than systems implementation and this reflects how it should be structured."

3. Having a clear remit
Businesses must treat any new role with a degree of caution and clarity is key. The board need to define the CDO responsibilities before they implement the role. The processes assessment will help here. One CDO said "I would advise that before investing in the CDO role the organisation clearly defines the roles and responsibilities. Organisations need to define the benefit a CDO can bring to the business and

articulate this so that the Board need to be absolute and resolute." This is particularly vital to avoid any data ownership frictions. Matthew Keylock, CDO from Dunnhumby said; "Clarity of individuals responsibilities should be defined before the role is implemented. Without this clarity individuals could feel uncomfortable giving up areas of responsibility that will lead to a slow implementation of the CDO role and therefore slow results and also worst case a power struggle."

4. Manage the cultural change – Whilst cultural changes across the organisation will be required, increased understanding and bold leadership that is supported from the board will help to make this transition easier. "A cultural change within organisations that is stimulated from the board needs to occur to help change the way data is viewed and portray its significant importance" one CDO concludes.

5. Input technology that empowers – A clear definition of your requirement this will determine the necessary software solution your business needs. CIOs cited the 3 biggest failing point on data quality projecst are: a lack of knowledge of the importance of data quality, lack of investment in appropriate technology and lack of relevant skills/staff. The CDO role can address these by implementing

easy to use, accessible technology that drives knowledge and empowers staff. One CDO agreed that, "I would advise that your tools are fit for purpose – by fit for purpose I mean that the tools used for data management have enterprise class capabilities." Therefore looking at the business objectives and what is important for your organisation is vital but making sure these are easy to use so can be access across the business is also essential and senior data role can help to drive this.

It's evident that there are a number of benefits a senior data role can bring to an organisation that it is no longer a convenience, but a necessary business requisite that drives strategic value. Some business with a CDO are already seeing this "We are already monetising the value of data by creating increased revenue from increased operational efficiency." and "Data is now one of six major bank wide initiatives." It's now time for business to act, and with support from CIOs often shouldering this – the dawn of the CDO is very much on the horizon.

For all the possibilities that vast volumes of data can create, much of its benefit will be lost if the data used is inaccurate. Ensuring the data is of optimal quality should be an ongoing priority for all data-driven businesses. Over three-quarters (76%) of CIOs admit the quality of data within their organisation could be improved to some extent.

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