

# The Role of the Chief Data Officer (CDO) in Business Transformation



Donna Burbank Global Data Strategy, Ltd. May 23, 2024



#### **Donna Burbank**





Donna is a recognized industry expert in data management with over 25 years of experience in data strategy, data governance, data modeling, metadata management, and enterprise architecture. Her background is multi-faceted across consulting, product development, product management, brand strategy, marketing, and business leadership.

She is currently the Managing Director at Global Data Strategy, Ltd., an international data management consulting company that specializes in the alignment of business drivers with data-centric technology.

In past roles, she has served in key brand strategy and product management roles for several of the leading data management products in the market.

As an active contributor to the data management community, she is a long time DAMA International member, contributor to the DMBOK 2.0, Past President and Advisor to the DAMA Rocky Mountain chapter, and was awarded the Excellence in Data Management Award from DAMA International.

She has worked with dozens of Fortune 500 companies worldwide in the Americas, Europe, Asia, and Africa and speaks regularly at industry conferences. She has co-authored several books and is a regular contributor to industry publications. She can be reached at <a href="mailto:donna.burbank@globaldatastrategy.com">donna.burbank@globaldatastrategy.com</a>
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## **DATAVERSITY Data Architecture Strategies**

# DATA ARCHITECTURE STRATEGIES

## This Year's Lineup

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## What We'll Cover Today



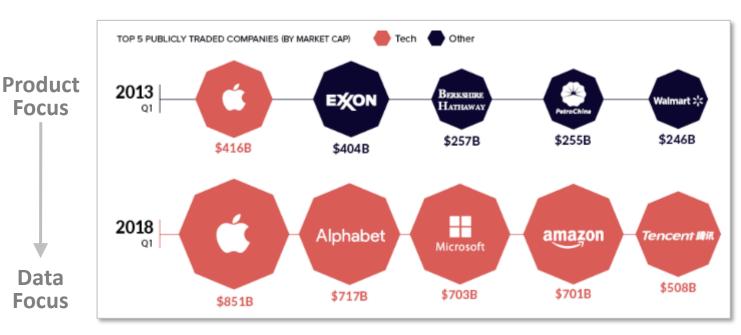
- Business optimization, and entirely new business models, are emerging as data-driven technology provides unprecedented opportunity for innovation and change.
- But how does the role of the CDO now change in the data-driven enterprise?
- Is the CDO
  - a leader of business transformation?
  - a supporting role that defines the technical infrastructure?
  - a combination of both?



## Data is Driving the Future of the Global Economy



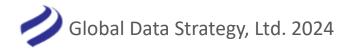
- "For most of the history of business, the world's leading companies have been industrially-focused...
- ...But today's business reality is very different. We live in a world of bytes – and for the first time technology and commerce have collided in a way that makes data far more valuable than physical, tangible objects.
- The best place to see this is in how the market values businesses." 1



<sup>&</sup>lt;sup>1</sup> Oct 15, 2018, World Economic Forum, "These are the 8 major forces shaping the future of the global economy"



The World Economic Forum sees today's economy as driven by **Data**, not Goods & Services



## **Business Optimization vs. Business Transformation**



## **Digital Transformation is transforming business**

## **Business Optimization**

Becoming a Data-Driven Company

- Improving Efficiency
  - Reduce Redundancy
  - Eliminate Manual Effort
- Growing Revenue
  - Improved Marketing Campaigns
  - Data-driven Product Development
- Etc.

How do we do what we do better?



#### **Business Transformation**

Becoming a Data Company

- New Business Models
  - Data is the product
  - Monetization of information
- Digital Transformation
  - New Business Models
  - Data is the Business
- Etc.

How do we do something different?

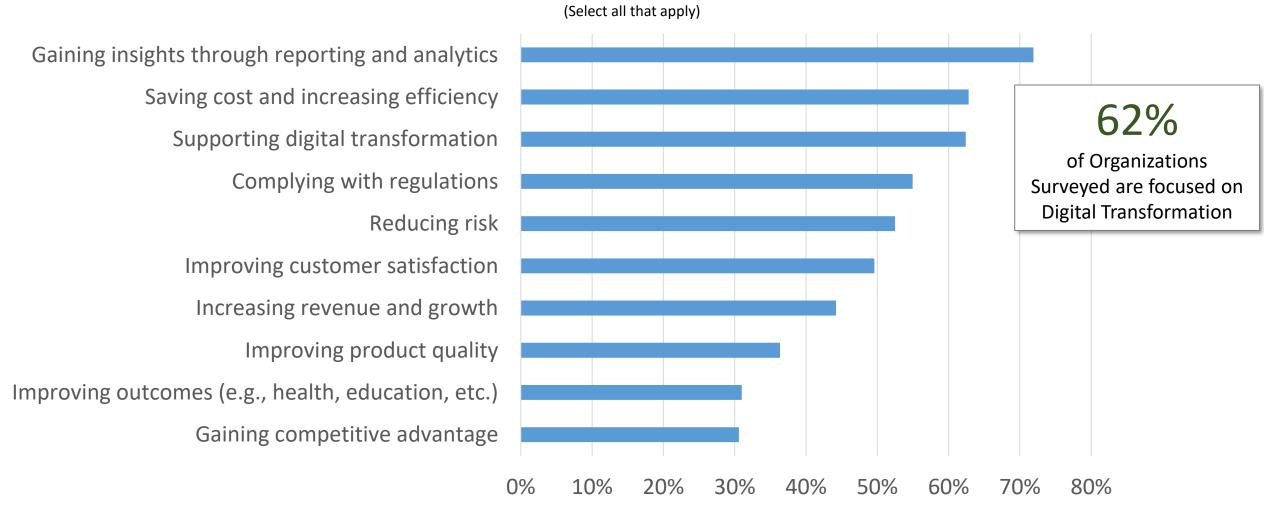




## **Business Goals for Data Management**



#### What are Your Main Business Goals & Drivers for Implementing Data Management in Your Organization?





# What is Digital Transformation?

- Digital transformation can refer to anything from IT modernization (for example, cloud computing), to digital optimization, to the invention of new digital business models.
- The term is widely used in **public-sector organizations to refer to modest** (sic) **initiatives such as putting services online or legacy modernization**. Thus, the term is more like "digitization" than "digital business transformation."
  - Gartner Information Technology Glossary

## **Business Optimization**



#### **Business Optimization Drives Value the Following Areas:**



#### **Decreasing Costs**

- Wasted Labor costs due to manual efforts (Data cleansing, manual integration, etc.)
- Inefficient business processes for data management (Product Master Data process)
- Data quality cost avoidance (Wasted mailings sent to wrong address)



#### **Increasing Revenue**

- Price Optimization through Analytics
- Improved Marketing Campaigns through Quality Customer Data
- Data-Driven Recommendation Engines to enhance the sales cycle.
- Better Grant writing through data-driven needs analysis



#### **Reducing Risk**

- Industry regulations (GDPR, HIPAA, BCBS 239, Spice, etc.)
- Product Traceability
   (Food lineage from farm/catch)
- Litigation due to Data Breach
- Health and Safety Audit



#### **Protecting Reputation**

- Customer Satisfaction
- Brand Trust
- Social Media Voice of Consumer
- Loyalty & 'Stickiness'



#### **New Business Models – Business Transformation**



## **Peer to Peer Ride Sharing – Disrupting the Transportation Industry**

Ridesharing companies like Uber and Lyft were able to disrupt the traditional taxi industry through creative integration and usage of data.

**User Rating System** – Crowdsourced feedback loop.



**Algorithms** – Setting pricing, matching drivers, etc.





**Etc...** – and more... Data is their business...



**Airline arrival data**— to predict user volume & set pricing.

**GPS Data** – tracking drivers and riders



## **Data Management & Data Driven Business is an Evolution**



Business Value

S Tactical
Data Management

Project-Level Data Management

**Enterprise Data Management** 

We manage and govern

our data consistently &

efficiently with an

enterprise-wide view.

Business operations are

streamlined with data &

reporting is consistent

across the organization.

Strategic Data Management Transformational Data Management

Data is our core business.

The value proposition for

the organization is based

on data.

I'd like to use data for pricing optimization,

We've had pilot project

customer segmentation,

grant writing etc. -- but it's a mess.

We're spending more time managing the data than leveraging it for

**Tactical Approach** 

strategic advantage

We've had success with pilot project for specific use cases.

We're starting to build capabilities via one-off projects.

**Project-level** 

We have a data-driven culture of decision-making which is embedded in core operations.

We use data for competitive advantage.

**Strategic** 

Transformational

**Enterprise** 

Maturity

**Level 1:** Data is not seen as a strategic asset. Created for tactical documentation needs only.

**Level 2:** Data is seen as a requirement for the implementation of individual projects.

**Level 3:** Data is seen as an enterprise asset that can be reused across the organization

**Level 4:** Data is seen as critical to business performance and as an asset that helps create and grow business value.

**Level 5:** Data is seen as mission-critical for business performance, and a source for competitive advantage in a dynamic and competitive marketplace



## **Data Management & Data Driven Business is an Evolution**



**Business** Value

#### **Tactical Data Management**

- · Little or no Formal Data Management
- Reactionary approach to data issues

#### **Project-Level Data Management**

- Project-level Data Management Leads
- Architecture developed for specific projects & tools

#### **Enterprise Data Management**

- Data Governance Lead
- Business-driven priorities
- · Aligned Architecture

#### **Strategic Data** Management

- Chief Data Officer
- · Dedicated data organization

#### **Transformational Data Management**

- · Data tightly integrated with business operations
- Business strategy aligned with data strategy

**Transformational** 

**Tactical Approach** 

**Maturity** 

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**Project-level** 

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**Enterprise** 

**Strategic** 

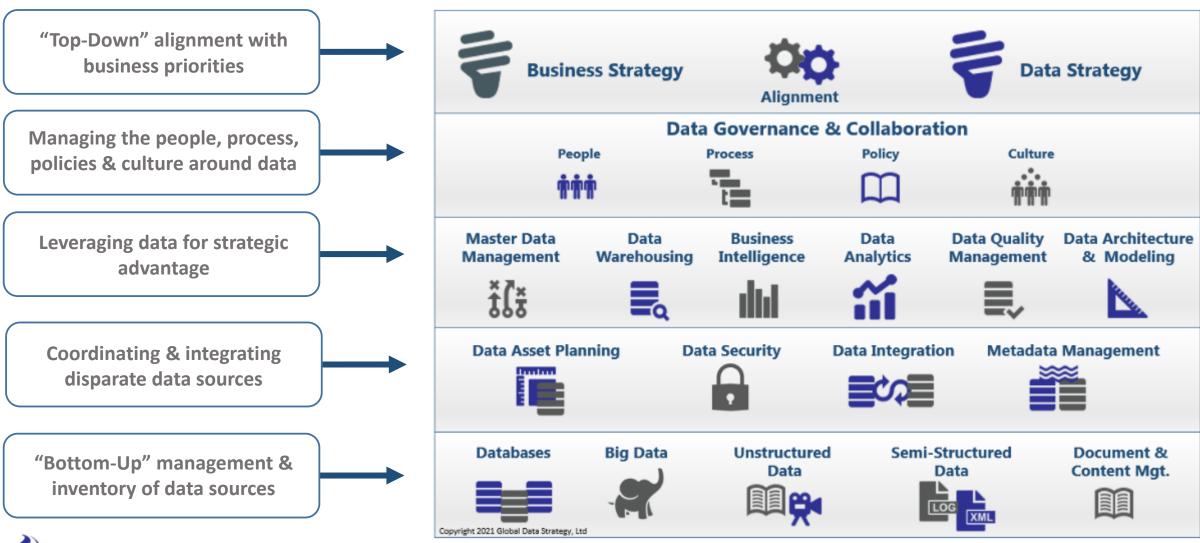
Data Strategy, Ltd. 2024

\* From Global Data Strategy's Maturity Assessment Methodology, adapted from CMMI, DMBOK, and industry experience with Global Fortune 100 Companies

## **Aligning Business Strategy with Data Strategy**



A Successful Data Strategy links Business Goals with Technology Solutions

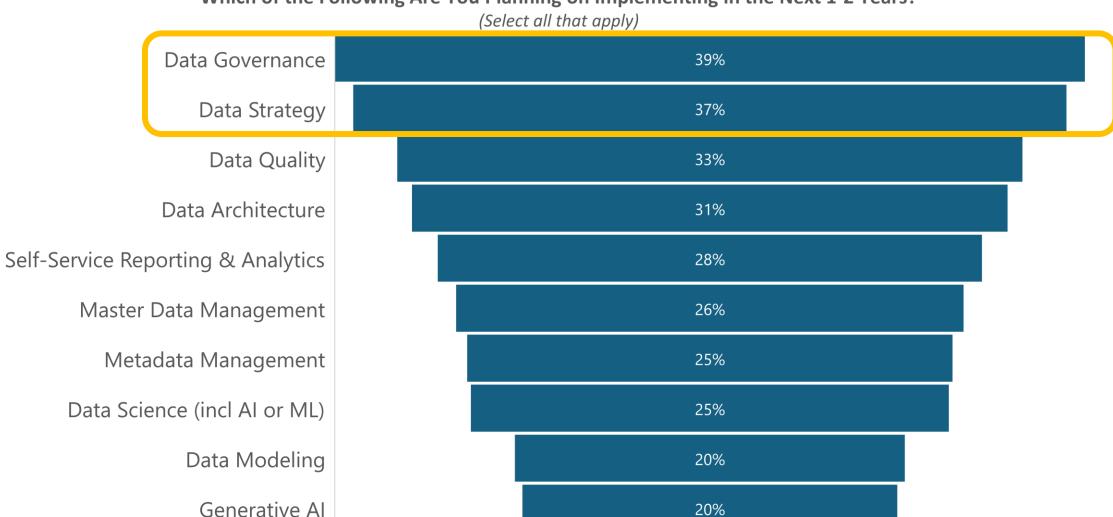




## **Data Strategy & Data Governance are Priorities for Many Organizations**



Which of the Following Are You Planning on Implementing in the Next 1-2 Years?





## **Defining the CDO Role**



Chief Data Officer (CDO): A corporate officer who is responsible for managing the enterprise's data assets.

- DAMA Dictionary of Data Management

A chief data officer (CDO) is a corporate officer responsible for enterprise-wide governance and utilization of information as an asset, via data processing, analysis, data mining, information trading and other means.

- Wikipedia

Chief Data Officers (CDOs) enable data driven decision-making in a variety of ways, from providing and leveraging centralized agency analytics capacity to creating tools and platforms that enable self-service across their agencies and for the public. CDOs serve in a central leadership position, with visibility into relevant agency operations, and are positioned highly enough to regularly engage with other agency leadership, including the head of the agency.

- US Federal CDO Council

The CDO is a senior executive who bears responsibility for the firm's enterprise wide data and information strategy, governance, control, policy development, and effective exploitation. The CDO's role will combine accountability and responsibility for information protection and privacy, information governance, data quality and data life cycle management, along with the exploitation of data assets to create business value.

- Gartner, Understanding the Chief Data Officer Role, 2015

"Chief data and *analytics* officer" (CDAO) refers to the business leadership role that has the primary enterprise **accountability for value creation by means of the organization's data and analytics assets**, as well as the data and analytics ecosystem. Equivalent titles for this role are chief data officer, chief analytics officer (if the CDAO role or equivalent is not in the enterprise), chief/head of data and analytics, and other variations.

- Gartner, Information Technology Glossary, 2024



### Where Do CDO's Come From?



A common career progression is for the CDO come from one of the following roles:

#### **Data Governance Lead**





Responsible for the **accountability** for the enterprise's data assets.

**Defense** focus.

Responsible for **driving insight** from the enterprise's data assets.

Offense focus.

Both roles require a mix of business and technical acumen.

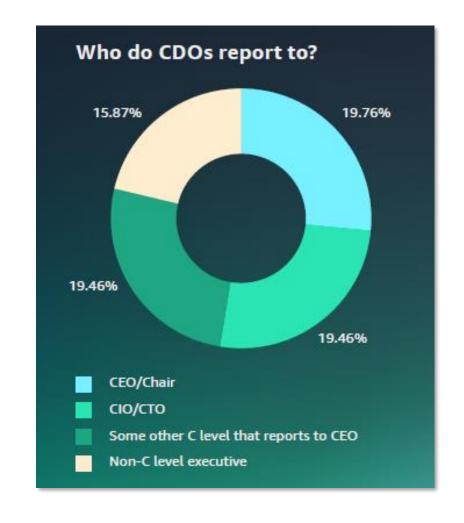


## Who Does the CDO Report To?



The reporting structure for the CDO is varied across organizations.

- As a C-Level role, approximately 20% of CDOs report to the CEO or Chair.
- A similar amount report to other C-level execs:
  - 19.5% to the CIO or CTO showing a technical focus
  - 19.5% to other C-level roles showing a business focus
- Other CDOs are not yet seen as a C-level role, and report to a non-C level executive (16%)

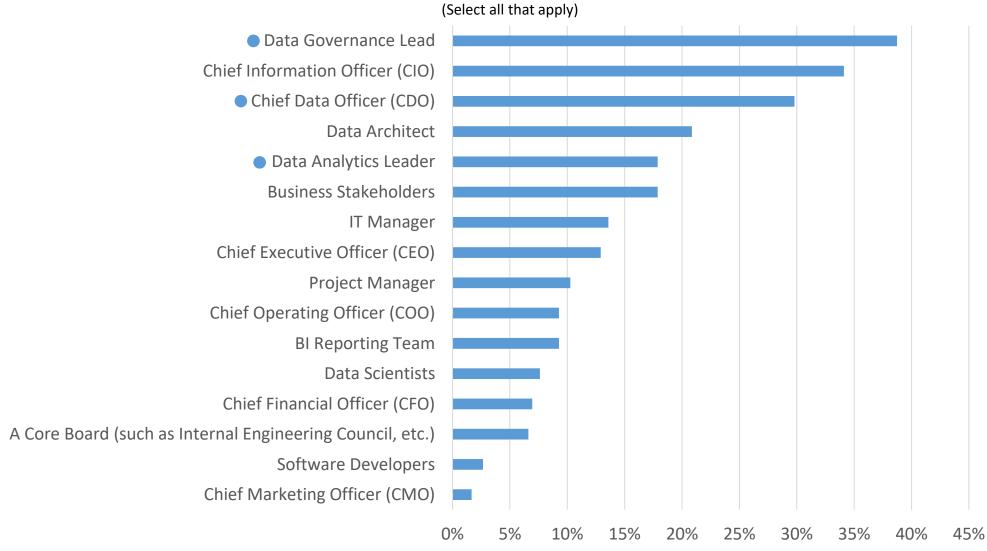




## A Variety of Stakeholders Involved in Data Management



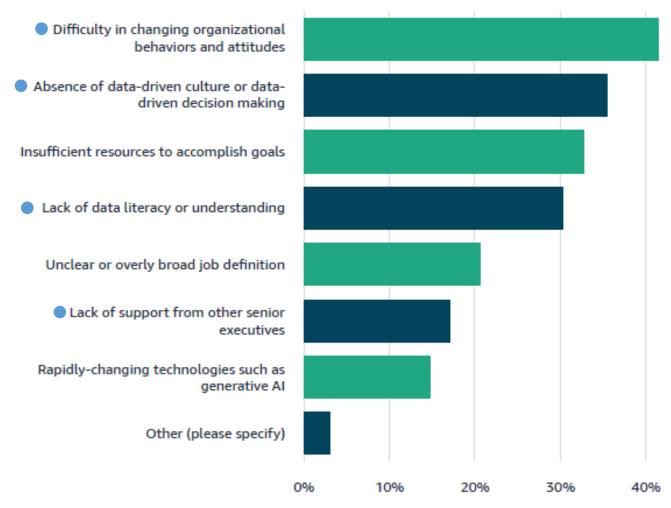
#### Who Drives Data Management in Your Organization?



## The Importance of Culture-Building – It Takes a Village ...



#### What Has Been Your Biggest Challenge in the CD(A)O Role?





## **Organizational Change Happens at Many Levels**



An organizational move to a future state requires individuals to reach their own future state

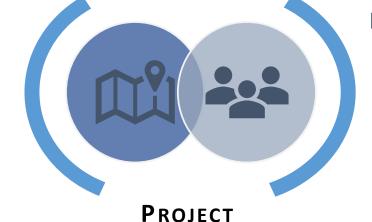
The CDO role directly impacts the culture of an organization

"IN WHAT WAYS ARE MY CURRENT RESPONSIBILITIES AFFECTED"?



Enable people's success by supporting them through the dimensions of change

"WHO ARE THE IMPACTED GROUPS AND HOW DO WE SUPPORT THEM"?



Increase outcomes and ROI by integrating activities into the project plan that help prepare, manage, and reinforce change and results in adoption and usage

"HOW DO WE SUCCESSFULLY
ACHIEVE LARGE SCALE
TRANSFORMATION"?

Industry?

#### **O**RGANIZATION

Affect culture changes in the enterprise by embedding Change Management into every Data initiative

"The achievements of an organization are the results of the combined effort of each individual".

Vince Lombardi



## **Summary**



- More than ever, data is driving the global economy.
- Successful organizations are seeing the value in dedicated roles to support business transformation through data.
- The role of the CDO is an evolution, involving a balance of business value (offense) and data governance (defense).
- The CDO role requires a balance of business acumen and technical data foundations, along with people management skills for culture-building.



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December



## Who We Are: Business-Focused Data Strategy



#### **Maximize the Organizational Value of Your Data Investment**



Global Data Strategy's shares experience from some of the largest international organizations scaled to the pace of your unique team.

In today's business environment, showing **rapid time to value** for any technical investment is critical.

But technology and data can be complex. At Global Data Strategy, we help demystify technical complexity to help you:

- Demonstrate the ROI and business value of data to your management
- Build a data strategy at your pace to match your unique culture and organizational style.
- Create an actionable roadmap for "quick wins", which building towards a long-term scalable architecture.

Global Data Strategy has worked with organizations globally in the following industries:

Finance · Retail · Social Services · Health Care · Education · Manufacturing · Government · Public Utilities · Construction · Media & Entertainment · Insurance .... and more



Thoughts? Ideas?

Questions?