

Some CDOs are Thriving While Others Are Departing - Here's why?

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The Chief Data Officer (CDO) role has gained lots of publicity and traction lately, especially within highly regulated industries such as Financial Services, Healthcare, Insurance and the Public Sector. The White House has hired DJ Patil as the first chief data scientist and several federal agencies and private sector corporations have done the same over the last four or five years.

I recently read an [article](#) in Nextgov which mentioned that 3 Chief Data Officers (CDO) from US Federal agencies had departed and so have several CDOs from the private sector. I also learnt that the UK Government's first Chief Data Officer Mike Bracken has [departed](#). Many industry publications have labeled it the sexiest role in the industry. If that is true, then why are CDOs leaving in large numbers? Is it by personal choice, for better opportunities or for lack of appreciation and support. I was compelled me to write this post, to shed some light on the role and the challenges CDOs face, in trying to stay relevant within the C-suite and add value to their respective organizations.

In order to understand why some CDOs are thriving, while others are barely surviving or are leaving their jobs, one must focus on four fundamental factors - ***value proposition, clarity of role, reporting structure and sponsorship from the top***. I have a feeling that the recent departures from the Federal Agencies and other organizations were due to one or more of these organizational factors:

- 1. Unclear CDO Value Proposition:** Appreciation for and clear understanding of the strategic value of data and data management at all levels of the organization, especially at the top tiers,
- 2. Sub-optimal Reporting Structure:** Does the CDO function belong in the Business or the Technology domain? and was s/he reporting into the right

organization?

3. **Lack of Clarity of the Role:** Many organizations lack a clear definition of the CDO's role and responsibilities vis-a-vis the CIO and CTO roles, and
4. **Lack of Sponsorship and Support:** Managing and governing data across organizational silos is a demanding and complex task. Was the CDO provided top level cover, sponsorship, support and adequate budget, to scale the organization and build a strong team of data management experts that could drive change across the organization? Was there an appreciation for the hard work that went in?.

I will address each of the four organizational factors and provide my assessment of the situation.

1. CDO Value Proposition

Jane Snowdon, IBM's Chief Innovation Officer for Federal says that the three big fundamental shifts happening in government today—cloud, mobility and citizen engagement—are all dependent on data. A [2015 report from IBM's Center for Applied Insights\(PDF\)](#) found that 61% of the 250 CIOs surveyed at large organizations wanted their employer to recruit a CDO in the next year.

Many organizations jump on the CDO bandwagon, before clearly articulating the value that this role brings, in terms of addressing data-related issues, gaining better insights from data, streamlining data management processes, reducing costs etc. If an organization hasn't done the due diligence and can't clearly articulate the value of the role and the opportunities it presents, it shouldn't move forward with the hiring process.

I explained why data is critical to the success of every organization and why it needs a seat at the table in "[Welcome to the Dawn of Data](#)", "[4 Reasons Why Data Deserves a Seat at the Table](#)", and "[Who's On Point For Data?](#)". You can refer to my post titled "[The 11 Data Management Knowledge Areas](#)" to familiarize yourself with the individual data management knowledge areas and to understand why data management is a specialized field, which requires very specific knowledge, skills and expertise.

2. The CDO Role and Responsibilities

Defining the CDO role and responsibilities associated with it and how it is different from the CIO and CTO roles is extremely important, if organizations want to build a data-driven culture. Much of the work that people that are pioneering CDO positions in big bureaucracies remains necessarily "remedial," as the [UK's first CDO](#) Mike Bracken states. That means "finding out where data is, what contracts govern it, how it can be used, what standards it's in, and getting it out of legacy IT systems," said Mike Bracken.

As a data practitioner, student of Strategic Data Management and someone that reported directly to the CDO of the largest Financial Services firm in the world, I experienced and witnessed these challenges in real life. In the 2004 to 2008 timeframe, executives with stellar backgrounds and impressive data management credentials were hired for the role when it wasn't called CDO, but "Head of Enterprise Data Management" or "Head of Enterprise Data Governance". Most were unsuccessful in their endeavor for various reasons - mostly having to do with the politics of data or the organization's inability to clearly articulate what this person's role and responsibilities were vis-a-vis the head of IT (e.g. CIO). The overlap in functions between the CIO and CDO role, dependence of the Data Management executive on the CIO for infrastructure and technical execution and turf wars, were critical factors that played into this.

Post-2008, new regulations such as Dodd-Frank, Solvency, and BASEL forced many organizations to focus on Data Governance, Data and Information Quality and consolidation of Master Data to better manage risk, and improve regulatory compliance and analytics. This focus on data governance and management caused organizations to introduce a new C-level executive into the C-Suite and hence the "Head of Enterprise Data Management & Governance" title was renamed "Chief Data Officer".

Some organizations were eager to impress regulators, while others felt introducing a CDO into the C-Suite would show internal and external stakeholders that data was finally getting the focus it deserved. The jury is still out on whether these moves have made a difference, with respect to gaining better insights from data, managing data in a more efficient manner, understanding business critical data or reducing complexity in obtaining data from various data silos.

In order to get to the right answer with respect to a CDOs role and responsibilities, here are some questions that must be addressed:

- Should the CDO only focus on Data Strategy and Governance or be responsible for Analytics as well?
- If the CDO is responsible for analytics and insights, then does this translate into building out a Center of Excellence, the technical capabilities, and execution team, in addition to the strategy and governance aspects?
- Is the CDO role purely an advisory and evangelist role or does it involve solution development and technical execution as well?
- Is the CDO a change agent with a transformation agenda and enforcement powers or purely a figurehead with a mandate to develop enterprise data standards and policies?

- Data and technology are intertwined, so how does the CDO role differ from that of the CIO? Should there be joint-accountability for data between the two roles, to encourage collaboration?
- What is the role and responsibilities of the CIO vis-a-vis the CTO?
- Is the CIO still relevant in the new world of Cloud Computing and outsourced shared services model or has the role diminished? Can it be merged with that of the CTO?
- Can the CIO, whose primary focus has been on infrastructure and technology execution, transform him or herself and take on the CDO function as well? Are the skills, business domain knowledge and experience required for both the roles identical or is there a difference? and
- A controversial yet important consideration - should organizations morph the CIO role into the CDO role, rather than introduce a new C-level executive into the C-suite?

Each organization is unique with respect to its culture, data and IT ecosystems, and level of IT and Data Maturity, so thorough analysis and an internal debate among the senior leadership team is necessary, to get to the best definition of the CDO's role and responsibilities.

Once the role and responsibilities of the CDO are clearly defined and agreed upon by the C-suite and the Board, the next step is to finalize the reporting structure and the budget.

3. Reporting Structure

The reporting structure defines the corporate pecking order, span of control and in some cases gives credibility to a particular role within an organization. In "[Politics of Data](#)" I address the on-the-ground political realities that I've observed and experienced at large organizations. These must be taken into consideration while defining the CDO reporting structure.

Business organizations have a vested interest in ensuring that they can trust their data and that it is properly managed. Therefore, Data Management practitioners feel data governance, data requirements and accountability belongs within the business areas, but business hasn't really embraced this notion and is yet to take accountability for business critical data. That transition needs to occur, before the CDO function gains recognition and importance. Business organizations must embrace data management, educate themselves about the field and associated best practices and become custodians of their data.

If data belongs in the business, then CDO's must report into the business organization, be the evangelist for data management and champion the cause of data on behalf of the business and work closely with their technology counterparts to execute on the strategy, governance and analytics.

4. Sponsorship and Support

Strategic Data Management programs aren't projects with a fixed start and end dates. They are multi-year initiatives that require sponsorship, funding and political backing, since they must transform organizations by forcing a data-driven culture, enforcing standards and policies, implementing robust data governance and introducing new tools and technologies.

My Recommendations

I don't like raising issues without offering solutions. Based on personal experience and having weighed the pros and cons of various models currently in use within organizations that I've advised, here are a few recommendations:

- As organizations adopt the cloud and outsource development and support via internal and external shared services groups, there's an opportunity for them to rationalize the C-Suite and potentially convert the CIO role into the CDO role, to shift the focus from infrastructure and technology to data management, data governance and analytics. The CTO role should continue to focus on technology and R&D,
- Business organizations must take ownership for corporate data, its governance and become its custodians. This is a prerequisite for the success of the CDO role,
- The CDO should report into the business organization (CFO, CRO, COO, CEO, etc.) with a dotted line to the Board (e.g. Audit Committee etc.),
- The CDO role should be a peer of the CIO/CTO roles, so that s/he can stay objective and independent from the technology function - with respect to decision making and addressing data-related issues. Each of these roles has dependencies on the other, hence very close co-ordination and co-operation is required between them, to successfully execute against corporate goals, and
- The CDO must be given a substantial budget and Board-level support, to be able to scale the organization and deliver against the key data management priorities, especially those related to data governance, analytics, risk management, and regulatory compliance.

Conclusion

The CDO role is a critical one and can transform an organization and drive tremendous value. However, the success or failure of a CDO isn't necessarily tied to just the capability of the person in the seat, but there are additional organizational factors that influence a CDOs tenure and effectiveness. These are: (1) clarity of the role and responsibilities, (2) setting realistic expectations, (3) strong support and sponsorship from the top, (4) adequate multi-year investment, (5) where and who the CDO reports into, (6) whether the business organization is willing to own and become the custodian of data, and (7) a culture that is willing to change and adapt to the new realities of Cloud Computing, Big Data, Internet of Things, Data Visualization, Data Mining, Machine Learning and Artificial Intelligence.

A CDO can transform an organization and drive tremendous value, provided s/he is given the necessary backing and support from leaders in the Business and

Jay Zaidi
Managing Director
AlyData
jayzaidi@alydata.com

