

The advent of the Chief Data Officer

There is space for him in the C-Suite

JAMES AGRAWAL

Information technology and data are ingrained in nearly every aspect of today's businesses. As a result, the idiom of customer engagement has a whole new connotation. Those at the helm of IT operations, which include Chief Technical Officers (CTOs) and Chief Information Officers (CIOs), now face the challenge of bridging the gap between customers' expectations and their experience.

To meet this challenge, they are stretching beyond traditional models of operation, which includes a model of performance measurement that cuts across digital channels. For these methods to yield optimal results, a language gap has to be first bridged. IT professionals speak the language of bytes, bits and user interfaces, and business heads, the language of conversions, sales and profits.

According to industry pundits, the role of "vice-president – director of analytics" will soon evolve into a C-Suite role in order to bridge this gap. The power of data and analytics is profoundly altering the business landscape, and companies may need more top-management muscle to decode it. Capturing data-related opportunities to improve revenue, boost productivity, and, sometimes, to create an entirely new business places new demands on companies, requiring not only new talent and investments in information infrastructure but also significant changes in mindsets and frontline training.

The far-reaching collection of data in the enterprise has led to the need for an executive leader who sits within the C-Suite to establish and preserve the infrastructure around the ever-growing volume of data, and also leverage it as a tool for business development and

customer engagement.

A new category

Having a Chief Data Officer (CDO) is often C-Suite's way of navigating today's data-intensive world.

The CDO is a critical role that is increasingly being tailored to the needs of an organisation.

Forrester reported a 45% increase in the adoption of CDOs in 2015, and a 16% increase in 2016. Gartner, on the other hand, predicts that the CDO's role will become more common in companies as they look to improve competitiveness.

For years, even the most forward-thinking companies were primarily focused on managing the volume and storage of data, due to which they did not bother to dive into how that information could be used to increase revenue and reduce costs. CDOs now ensure that the strategic importance of data is properly maintained and managed across the

organisation.

What are their functions?

Utilising data

Data has to be utilised as a competitive advantage. With access to detailed market information, customer data and predictive analytics, an organisation's CDO is in the best position to identify ways in which critical data can be leveraged. For example, it is not surprising that often airline companies analyse their data to predict a buyer's price threshold on a particular day of the week.

Driving change

With improvements in the area of data management technologies, CDOs can effectively offer insights into how such innovations can transform a business. Being a part of the C-Suite hierarchy, CDOs are now better placed to drive implementation of new technology investments.

CDOs are well-equipped to ensure that right re-

sources are in place to identify potential business opportunities. For example, a retailer brand could leverage sales information to target a certain age group or income level with relevant product availability to drive increased purchasing and revenue growth.

As the use of data and analytics continues to rise, data and analytics-related crises will continue to plague businesses that fail to implement the CDO's role. The rise of CDOs is a transformational change that is elevating the criticality of data to the top of an organisation. Organisations are slowly beginning to value the role that data can play in various parts of their businesses. The journey towards digital business is at its core, a drive to better collect, manage and exploit data assets and apply analytics for richer insights.

(James Agrawal is Managing Director at BTI Consultants.)

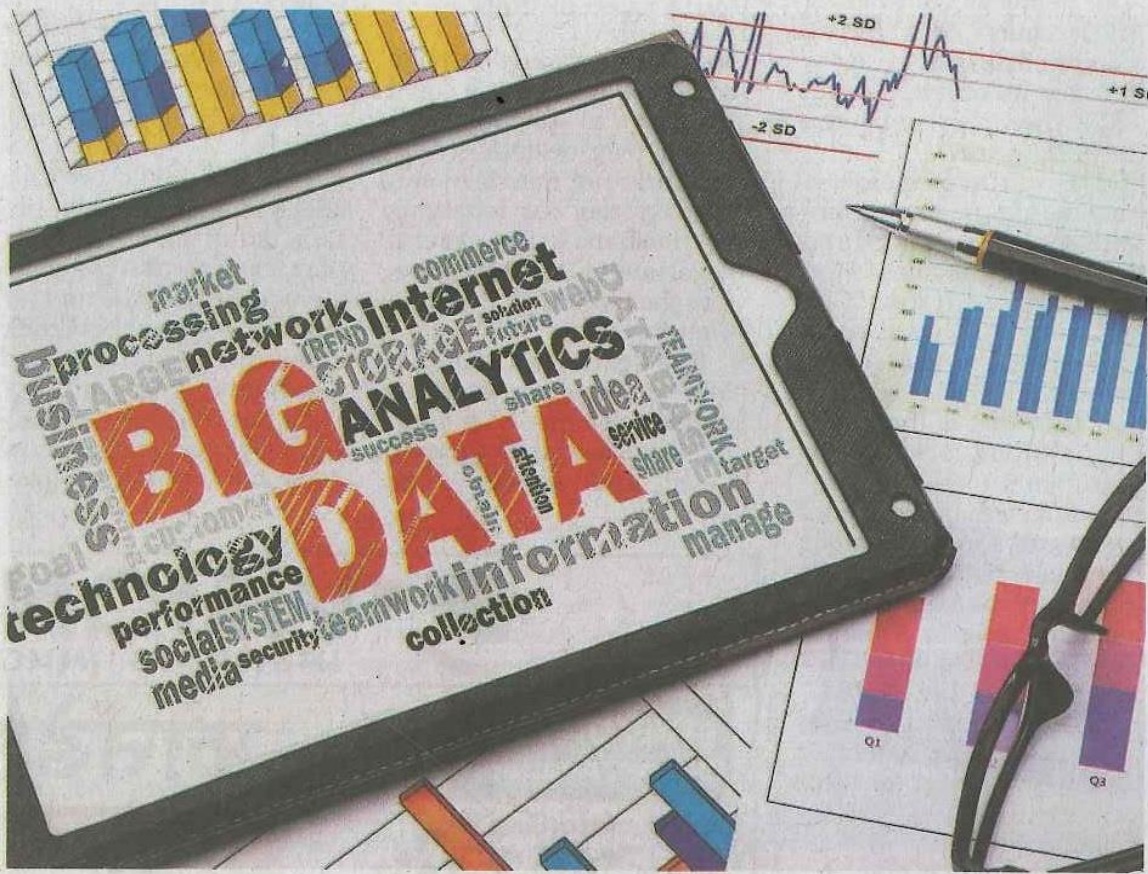


Photo used for representational purpose only