Survey reveals CDOs prioritise the right things, but higher focus still required

Chief data officers (CDOs) and their data and analytics (DA) teams are focusing on the right priorities, but they are not yet achieving the best balance of their various responsibilities to deliver superior organisational performance, reveals a recent Gartner survey.

Debra Logan, distinguished research vice president at Gartner

"CDOs are generally focused upon the right things, but they do not have the right mix of activities," said Debra Logan, distinguished research vice president at Gartner. The survey found that while the creation of a data-driven culture was ranked the No.1 critical factor to the DA team, there were conflicting rankings for technical and nontechnical activities (data integration and data skills training), and strategic and tactical activities (enterprise information management [EIM] programme and architecting a DA platform).

Gartner's fourth annual CDO survey was conducted online from September through December 2018, among 257 CDOs, chief analytics officers and other high-level data and analytics leaders from across the world.

While the implementation of a DA strategy was ranked the third most-critical success factor by 28% of CDOs, another strategic activity – creating a data literacy programme – was ranked only twelfth. This was despite the fact that, in the same survey, 'poor data literacy' was rated the number one roadblock to creating a data-driven culture and realising its business benefits.

"The low ranking of strategic activities can be explained because the majority of organisations are at maturity level 3 or higher for EIM and business intelligence and analytics," said Logan. "While the survey shows that information governance is important, especially master data management (MDM), CDOs should never lose sight of the business outcomes they are

trying to achieve. Focusing exclusively on governance, even MDM, is not enough to succeed as a CDO."

Emerging technologies are important to DA strategy success

A majority of CDO respondents rated machine learning (ML) and artificial intelligence (AI) as critical at 76% and 67%, respectively. Sixty-five per cent of respondents were using or piloting ML, while 53% were using or piloting AI. Less than 20% of CDOs surveyed were using or piloting smart contracts (18%) or blockchain (16%).

"CDOs are embracing emerging technologies to enable and drive data programme success," said Logan. "The survey respondents reporting superior overall organisational performance compared to competitors or peers were more likely to use ML to drive revenue growth, attract and retain top talent and translate customer or business needs into high-value products or services."

Only 8% of CDOs are directly measuring financial value of DA

In terms of measuring the value of their organisation's information and data assets, only 8% of CDOs were measuring the financial value of DA. Forty-five percent of CDOs reported they produce some data quality metrics – such as accuracy, completeness, scale and usage – while 29% said they measure the impact of key information and data assets on business processes, such as KPIs.

"The measurement of information value clearly leans toward data quality. There is room for improvement as nearly a fifth of CDOs surveyed have no objective measurement of information assets," said Logan. "Organisations need to realise that those who measure either the financial value of key information and data assets or measure the impact of these on business processes are nearly twice as likely to report superior performance in DA team effectiveness."

The survey also found that the majority of CDOs generated value from information assets to improve internal processes (60%) and increase the value of products and services (57%), with a focus on efficiency. Fifty percent of CDOs reported a focus on enhancing new offerings by innovating with information. Other means to realise value from information assets also lagged. Nineteen percent of CDO respondents were selling or licensing information via data brokers or online marketplaces and only 17% were selling or licensing to others for cash.

Overall, respondents using information and data assets to generate indirect economic benefits were more likely to report superior organisational performance when engaged in improving or developing new offerings, in increasing the value of their products/services, and in exchanging information with business partners for goods, services or favorable contract terms.

Logan added that successful CDOs need to emphasise the importance of:

- Providing measurable business outcomes – for example, how DA can reduce customer churn as well as deliver specific outcomes such as data quality.

- Balancing tactical and strategic initiatives especially when it comes to technology implementation (the emphasis is not on implementation, which CDOs should leave to the CIO).
- Experimenting with digital emerging technologies and looking for the best use cases to develop past the pilot stage.

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