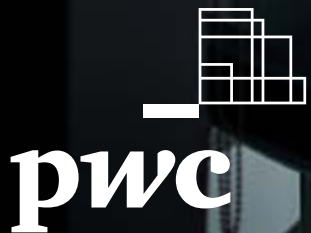


# The role of the chief data officer

A PwC perspective



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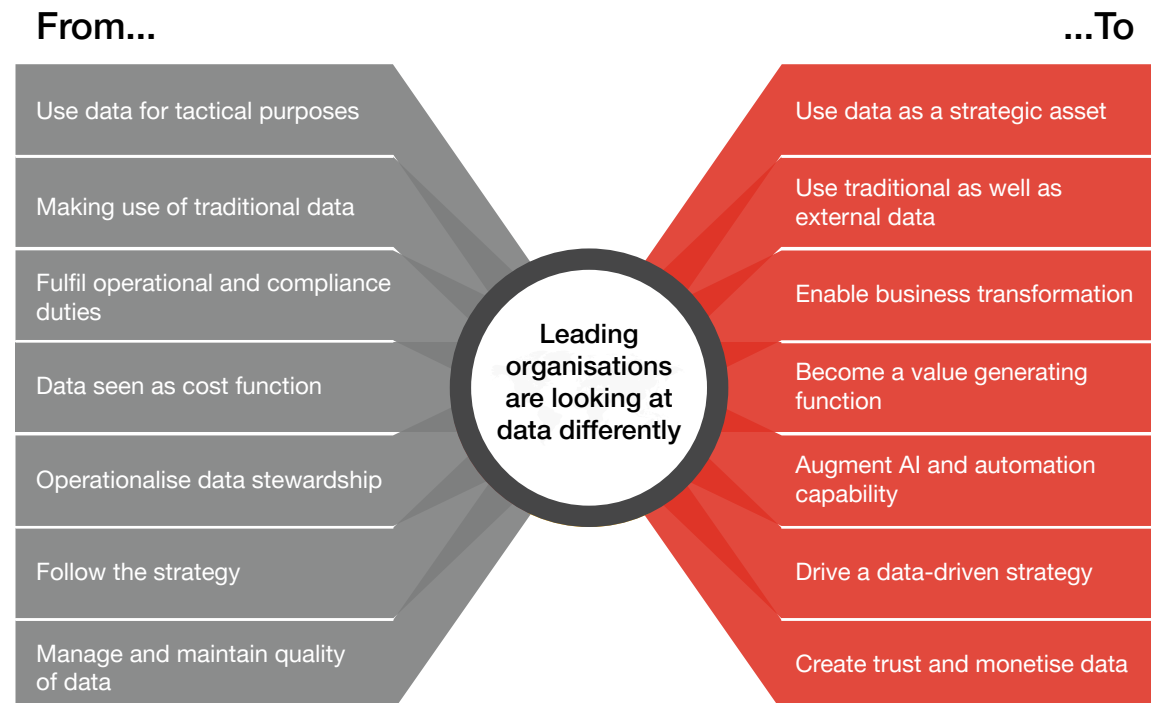


## The role of chief data officer is becoming ever more critical for technology as well as business transformation

The first ever appointment of a chief data officer was made in 2002, in the aftermath of the financial crisis that followed the dot-com bubble, to manage and govern data in line with a flurry of inbound regulatory expectations. However, the world of data has evolved at an unbelievable pace since then. According to Gartner's sixth annual Chief Data Officer (CDO) survey, 72% of data and analytics (D&A) leaders with digital initiatives are either leading or highly involved in their organisation's digital transformation activities. Organisations are learning the importance of building a data-driven organisation as part of their digital transformation.

The change is evident in enterprise performance as well. Leading organisations are expecting their CDOs to take on greater strategic initiatives and spearhead digital transformation efforts as digital business becomes business as usual (see Figure 1). Global case studies reflect that organisations that use data innovation in the right manner are producing results that are 5%–8% higher in revenue and up to 2% higher in net profit than organisations that are still lagging in data innovation. The office of the CDO is becoming a mission-critical function comparable to IT, business operations, HR and finance in such organisations.

**Figure 1: Leading organisations are looking at data differently**



With the benchmark being set by the leaders, a CDO's ability to organise and execute is more important than ever before as actionable insights gathered from data are now a boardroom agenda item. Since the COVID-19 crisis, not only has demand for data intelligence increased, but the urgency has also been amplified. Data intelligence is emerging as the top game – changing technology from the pandemic. Business transformation has become a top talent and competence expectation from CDOs, extending their involvement in not just data management and governance but also business value creation. As a combined effect of continued regulatory and competitive pressures, the role of the CDO as a key player among the executive team is no longer an option.

Data is not just playing a significant role in decision making but also acting as a catalyst in the broader transformation in organisations. We have in noted two such instances in the transformation landscape, one, where the **data-led performance improvement** enables workforce productivity upliftment of up to 15%–20%; and two, where **data-led value discovery** paves the way for digitisation levels of up to 40% to be achieved against only 5–15% achieved through traditional RPA approaches.

## How CDOs need to rethink, reimagine and reinvent themselves


The size of the stakes is so big that any organisation cannot afford to overlook the need of the hour and that is, to evolve their outlook towards the data and the role of chief data officer. This evolution has to be deep rooted into the portfolio that CDOs are managing across the end-to-end life cycle of data (see Figure 2).

Figure 2: The portfolio of CDOs across the data life cycle

| Today's CDOs   |   |  |   |   |
|--|---|--|---|---|
| CDO should focus on ensuring that we don't miss the data being generated by our systems                    | This is bread and butter for a CDO, never compromise on data governance, management, privacy security aspects               | Lets the business tell CDO what they need and CDO will plan accordingly                  | The responsibility of insights creation is with the business, CDO is only enabler                       | CDO has to put the house in order first before thinking of generating money from data |
| <b>Data generation</b><br>Generating and collecting data from all possible sources                         | <b>Data reliability</b><br>Embedding trust in the data and establish single version of truth                                | <b>Data distribution</b><br>Making right data available at right time for intended users | <b>Data value creation</b><br>Turning data into actionable insights linked to measurable value          | <b>Data generation</b><br>Generating and collecting data from all possible sources    |
| CDO drives realisation of the value being lost today by not generating data via IoT across the value chain | CDO further tightens application of data management and data governance but reduces the cost of compliance at the same time | CDO understands the depth of business and guides the functions about data it should have | CDO is accountable for actionable insights by connecting the dots across financial and operational data | CDO capitalises on data monetisation opportunity before it ceases to exist            |
| Future CDOs  |   |  |   |   |







Beyond the portfolio, CDOs will have to transform their functions and ways of working to be at the heart of an entire executive ecosystem of the organisation. This means CDOs will have to do things that they have not been doing to date, some of them being:

- **Co-creation of new products and services:** Designing and launching new products and monetisation offers to transform from being a cost centre into a revenue generator.
- **Collaborate to drive innovation:** Close collaboration with broader executives will be key to executing data innovation strategies, embedding artificial intelligence in the business process, onboarding digital labour and even commercialising data.
- **Not to remain tech / data moguls anymore:** What started as a data management strategy, now has to evolve into championing business transformation initiatives.
- **Evangelising AI and automation:** Data scientists will need to design and implement self-managing AI models, compete with robot 'managers' to impose guardrails on the models' training and development.
- **Become a value-based function:** Each and every initiative within the data function will have to focus on realising value through data, be it cost optimisation, productivity upliftment, revenue growth or data monetisation.

As organisations refresh their outlook towards data, it is prudent that they carefully rethink, reimagine and reinvent the role of chief data officer. For CDOs, it would be beneficial if they consider redefining data strategies to be aligned towards driving (not enabling) the organisational transformation plan; assessment of maturity of capability and demonstration of how data can identify value, realise value and sustain value in key business areas.

## Contact



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