A View of Data from Chief Data Officers
CDOs share insight into the strategic value of data quality, governance and management

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Executive summary

A View of Data from Chief Data Officers focuses on insights into the strategic value of data quality, governance and management. Using feedback gleaned from interviews with +100 Chief Data Officers at a CDO Exchange Event, it looks at the evolving challenges and responsibilities faced by CDOs, investments they are making to address them and ideas for successfully navigating the future.

The findings highlight the importance of CDOs to the organization because of the rise of data as a strategic asset. It also suggests a clear path to digital empowerment using MDM to improve data management.

The rise of data as a strategic asset

Data scientists, analysts and CDOs are a hotter commodity than ever before. A few years back, The Harvard Business Review declared "data scientist" the sexiest career of the 21st century. Indeed.com's job search trends suggest that data scientist beats traditionally popular career titles from as recent as six months back.

Companies are looking to data science to unlock the power of data to obtain a better understanding of customers, which leads to innovation in the creation and delivery of products and services and improvements in customer and digital experience.

Why this is important can be summed up in the findings of a study by Econsultancy and Adobe, revealing only 19% of businesses felt they had the technology and processes required to predict the needs and behaviors of their customers.

The role and responsibility of the CDO, the most senior level of data roles, is to take a strategic approach to how data is managed and used throughout an organization. The goal is to treat that data as the most prized business asset that can be used to direct growth and gain a competitive edge.

When companies use data to understand prospects, offer personalized experiences and supply greater value to them, they are more likely to convert prospects into customers and ultimately turn customers into brand loyalists. Perhaps this is why the #1 priority cited by 46% of CDOs surveyed is value creation/revenue generation.

The growth in active data projects

89% of CDOs surveyed, from some of the world's largest companies, stated they have active data projects over the next 6-24 months. Allocated budgets are sizeable, with 42% indicating budgets between $1-5 million. Three had budgets over $10 million.

The reasons for the substantial increase and investment in long-term data projects is, when used properly, data empowers business leaders to achieve their highest-level objectives and needs.
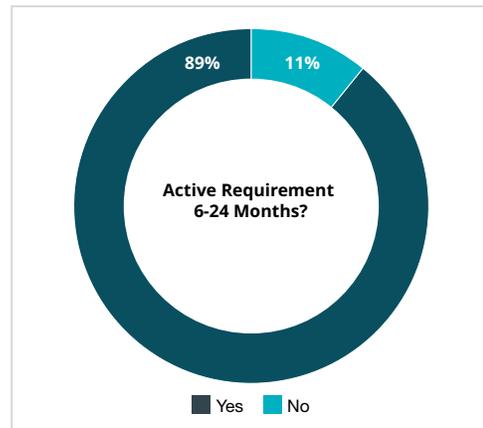
Data management projects are top-of-mind for CDOs
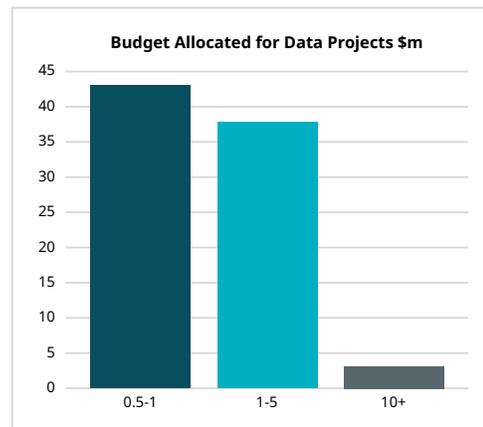
Data budgets are increasing to accommodate growing interest

"A trend arises suggesting a rapid realization of the importance of data quality, governance and management in achieving strategic objectives and advantage."

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Data management takes center stage

In addition to growing investments leveraging data to drive innovation and growth, the research also showed an evolution in the challenges and types of projects business and technology leaders face. As well as how they are going to apply their increasing budgets to address them.

While the use and application of data have been a priority for leaders for many years, the study revealed a slight but important shift in the overall nature of their agenda. Just a few years ago, interest in BI, data visualization, real-time analytics, and AI and machine learning may have topped the list of most essential areas of investment. This study showed something different.

When you consider the top areas of priority to CDOs, a trend arises suggesting a rapid realization of the importance of data quality (#1 at 93%), governance (#2 at 89%) and management (#3 at 86%) in achieving strategic objectives and advantage. While predictive analytics are also high on the list (83%), specific interest in MDM which facilitates delivery of all three previously mentioned top issues/needs, follows closely behind (80%).

This trend isn't surprising given the increased volume and of complexity of data and systems and platforms used to manage it.

"We store a large amount of customer data; we want to ensure it's accurate and in the same format throughout the organization, making it easier for teams across the organization to access."

GDPR stood out as the number one area of investment for CDOs in financial services. For companies across other industries, it was less critical; in fact, many reported being well on their way with a number of compliance measures. One organization reported having a team of 100 working on GDPR alone.

Another globally recognized retailer was using GDPR as a conduit to encourage investment in other data projects, including the integration of product and customer data from two separate lines of business.

Areas of Investment	% of responses
Data Quality	93
Data Governance	89
Data Management	86
Predictive Analytics	83
GDPR	81
Master Data Management	80
Machine Learning	79
Real-time Analytics	79
Meta Data Management	78
Artificial Intelligence	76
Data Integration	76
Data Visualization	75
Business Intelligence	74
Cloud Analytics	71
Data Lineage	71

Functionality facilitated by **MDM** takes five of the top six spots

Data quality, governance and management top the list for areas CDOs will invest

Evolving data responsibilities

In addition to the GDPR, CDOs also identified the importance of creating a data environment that will evolve to meet future regulatory requirements.

Despite the variety of other responsibilities reported, two common tasks arose: defining and implementing a business-wide data strategy and organizing and executing tactical objectives and projects.

A consistent theme emerged, as well, across both strategic and tactical responsibilities; the importance of extracting the greatest business value from data.

Implementing a strategy to deliver on this should be approached with your company's business objectives, and your customer, as your central points of focus. Yet, of the CDOs surveyed, only three directly mentioned the customer being within their area of responsibility.

While many organizations have used data to drive incremental value for decades, the emergence of data scientists, analysts and CDOs indicates an intent to be increasingly data-driven at an enterprise level.

Biggest data challenges

To illustrate the shift in the importance of data analysis to the growing value of data management, CDOs surveyed revealed that prior to implementing MDM, their most significant challenges focused on the inconsistency, inaccuracy and poor quality of their data. One respondent summed up the results of this well, noting, "continuous data problems and pain points were slowing everyone down."

"How can we use data to gain better insight into demand for our products and to execute in the most cost-effective way?"

The takeaway is that, while companies are building their business, and their futures, around the strategic use of data, they don't necessarily manage it well. While CDOs are responsible for maximizing the value of their data assets, simply ensuring its reliability still presents challenges.

Rising to the challenge with MDM

MDM meets the many challenges of data management by creating a common foundation for building new business models and processes that exploit data to its fullest.

The more control CDOs have over data, the more they can eliminate the problems caused by data silos, accelerate time-to-market, provide actionable insight into consumer behavior, create relevant and meaningful experiences and much more.

With the increasing importance of data, CDOs should look to the value of master data management to the overall efforts of achieving business objectives and driving transformation using data as a strategic asset.

To meet the challenges and opportunities of digitization, we have to understand our master data as assets. There is a lot we can't influence, but it is in our hands to tidy up and structure our master data."

Benchmark your master data governance capabilities with a quick stress test or learn how to deliver **superior business insights with our MDM solution**.

Source: 2019 Stibo Systems survey of more than 100 CDOs

About Stibo Systems

Stibo Systems, the master data management company, is the trusted enabler of data transparency. Our solutions are the driving force behind forward-thinking companies around the world that have unlocked the strategic value of their master data. We empower them to improve the customer experience, drive innovation and growth and create an essential foundation for digital transformation. This gives them the transparency they require and desire – a single, accurate view of their master data – so they can make informed decisions and achieve goals of scale, scope and ambition. Stibo Systems is a privately held subsidiary of the Stibo A/S group, founded in 1794, and is headquartered in Aarhus, Denmark. More at **stibosystems.com**.