

Balancing the Potential and Challenges of the Chief Data Officer



In 2002, Capital One appointed Cathryne Clay Doss to the role of Chief Data Officer (CDO). The first to hold that title, Doss covered a wide range of duties relating to the strategic oversight of data. Nearly two decades later, the role of CDO continues to evolve.

The corporate world took some time to catch the CDO vision. But the explosion of data in recent years has highlighted the critical need for data leadership at executive levels. At the same time, business leaders struggle to agree on what the CDO role entails, what skills it requires and how the reporting structure should look.

Lack of Role Clarity Presents Challenges

While companies recognize the critical need for data management, the typical CDO lasts less than three years on the job. Unfortunately, organizations lack consensus regarding expectations for the role and struggle to hire the right skills. This lack of clarity can doom a new CDO to failure from the start.

Initially, organizations hired data executives to handle defense-oriented tasks revolving around security and privacy. Those roles remain crucial. However, in recent years companies have begun to focus on the power of data to drive decision making, revenue and innovation. Consequently, these offense-related tasks now take increasing prominence on the CDO task list.



Primary duties of the CDO may involve a mixture of defense-related and offense-related activities, including responsibility for the following areas:

- **Data security, privacy and compliance** – These defense-oriented activities involve proactive cyber security, as well as ensuring compliance with [privacy regulations](#).
- **Data quality** – Old or inaccurate data delivers no value. On the other hand, data that is accessible, organized and annotated can guide business decisions and even drive revenue.
- **Data innovation and science** – A visionary CDO can lead data-driven innovation that delivers a competitive edge.
- **Data monetization** – Through [data valuation](#), businesses quantify the worth of their data. In some instances, they can use the data to directly create company growth.
- **Data analytics and business intelligence** – The process of analyzing data sets to uncover trends delivers valuable insights that inform business decisions.
- **Data ethics** – Data ethics refers to guarding against inappropriate generation, processing, use and sharing of data.

With such a wide range of potential responsibilities, the CDO role can quickly prove daunting. On the other hand, when organizations clearly define their needs regarding data, they can structure the CDO role around those needs and hire accordingly.

Balancing Business Focus with Technological Expertise

In the early days, the CDO role emphasized business strategy, with a secondary focus on technology. Business strategy and the ability to manage relationships across departments remain critical. However, as machine learning and artificial intelligence (AI) gain more prominence, chief data officers now require a much greater degree of technological expertise.

An ideal CDO brings expertise in multiple areas, including both a strong emphasis in business strategy and a clear understanding of data technology. Technology expertise should involve AI and machine learning, in addition to databases, data lakes, analytical tools and so forth.

Because of the skills required, some companies find balance by dividing responsibilities between multiple positions. For instance, a CDO often works closely with the CIO or with a chief analytics officer. Additionally, an organization might combine the strategy and analytics components into a role titled Chief Data and Analytics Officer (CDAO).



Placing the Chief Data Officer on the Organizational Chart

In addition to a confusion regarding the CDO job description, companies have also struggled to determine the optimal reporting structure. In some companies, the CDO reports directly to the CEO. In other companies, the CDO may report to the CIO/CTO, CMO (chief marketing officer) or even the COO.

The optimal reporting structure depends somewhat on the duties expected of the CDO. However, many experts maintain that if the CDO is to have the ability to direct data strategy company-wide, they need to report directly to the CEO. For example, if a CDO is to work closely with the CIO, the two roles should occupy the same level in the organizational chart.

Resources for Data Leaders

Messaging Architects provides key resources for CDOs as they work to both secure data and build data strategy. Build a solid [information governance](#) strategy with our data management tools and data compliance monitoring. Additionally, work with our security professionals to customize a [data security plan](#) tailored to your business needs.