

Community Roundtable:
September 2024

A conversation:

The Future of the CDO

Data
Leadership
Collaborative



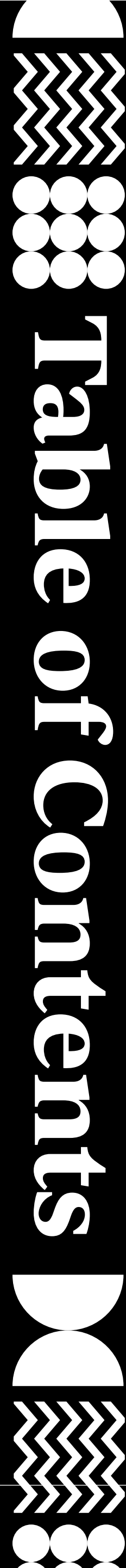


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Introduction

The Future of the CDO

Historically, the Chief Data Officer role has not attained the level of seniority or status of other C-level executives. Is this shifting now because of AI and the role it plays in business strategy, or is the CDO role just coming into its own?

A recent Salesforce survey of 250 CDOs suggests that data leaders have their work cut out for them. Only 43% of CDOs say the technology behind generative AI is ready to use in a business or professional setting, and only a third feel that their organization uses data to its fullest extent.

The Data Leadership Collaborative gathered four CDAOs to discuss these issues in depth, including how the CDO's roles and responsibilities have changed with the rise of machine learning and generative AI, differing paths of the CDO into an organization, the right level of partnership with the CIO, which organizations have cracked the code of empowering the CDO as a true business strategist, and whether the CDO will go the way of the Chief Digital Officer or become a permanent fixture like the CFO.

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Panelists



LA Linda Avery
Former Chief Data & Analytics Officer & Senior Vice President, Verizon; former Chief Data Officer, SVP & Head of Data and Statistics, Federal Reserve Bank of New York; Co-Founder LiveFire AI



CC Caroline Carruthers
Chief Executive, Carruthers and Jackson



HL Heidi Lanford
Former Chief Data Officer, Fitch Group; former Vice President of Enterprise Data and Analytics, Red Hat; Co-Founder, LiveFire AI



SW Susan White
Chief Analytics Officer, OSU – Wexner Medical Center

01 A Changing Scope



DLC: The role of the CDO goes back to Catherine Clay Doss at Capital One 21 years ago. How do you think the role has been elevated since those early days, both in terms of proactiveness as well as organizational impact?

- SW** I don't know if I'd use the term elevated. I'm on equal footing with our CIO and we both report to the CFO, so I get plenty of face time with the inner circle C-suite. With board committees, I don't know if it has more to do with AI or if it just has to do with healthcare becoming more data driven. I think the biggest challenge with AI is trying to get the rest of the C-suite literate on what it even means: what it is, what it isn't, and what things to ask a vendor, because the vendors are coming to us with shiny things and it can become a little frantic.
- CC** I'd agree with Susan. I actually think AI is muddying the waters not helping elevate the CDO role because I'm seeing some organizations trying to put in a Chief AI officer, and I think if you've got the CIO or the CDO role working well together, that should be covered.
- SW** We just had our AI governance council meeting this morning and the CIO and I co-lead that, and we did have that discussion. Do we need a Chief AI officer? And where we came down was that he and I work really well together, even as a CDAO working with a CIO without a need for a third person to focus on AI.
- HL** These days I talk about the interactions that the CDO needs to have with other executives. As data monetization becomes more of a conversation, that would include the Chief Product Officer. The CIO/CTO has always been an important partnership for the data leader, but AI's infiltration is starting to change that conversation a bit. For example, who owns AI/ML technology? I've seen it in the CTO org and I've seen it in the CDO org and we're seeing some more of these CDAIOs pop up as well.

01. A changing Scope

LA I agree that responsibility for AI is getting integrated with some great frequency now within the CDO role because the data strategy and the AI strategy need to be incredibly interlinked. So to have a common overarching strategy over both is a trend. I think one of the things that has been very interesting about the CDO role is that it hasn't really gotten the level of seniority that other C levels have been accorded. And so, until recently, we haven't seen the CDO having with any real frequency in presenting to boards or the C-suite. They were not a regular at those tables. But I think that is shifting as AI is seen as increasingly central to business strategy.

Although there has been much more of a linkage to the offense, the monetization of data, by the same token I also see an increase in focus on the defense around responsible AI. There's a huge focus right now on the protection of IP. There's also a lot of confusion around data economics: Who owns the data? Do we as individuals even own the data? There's got to be a shift to how do we as individuals, as consumers actually, be seen as producers of data and get compensated accordingly.

HL So who is that top person the AI officer and others report into: the CDO or CDAO?

LA Yes, absolutely. There needs to be somebody at the top, hopefully at the table with the rest of the C-suite who has this overarching strategy. Now, I think where there continues to be challenge is where you have a CIO who has their own strategy and their own agenda. So how do you create that partnership? Now, I know we previously spoke about where the CDO should sit organizationally into and there wasn't necessarily agreement, but somehow or another there has to be alignment because without the alignment with the technology organization, it becomes incredibly difficult for CDOs to have impact. That's because ultimately the value of your models, the value of your data, has to be delivered through technology. And so that's a really key element to a CDO's strategy as well.

I think the biggest challenge with AI is trying to get the rest of the C-suite literate on what it even means: what it is, what it isn't.

– Susan White
Chief Analytics Officer, OSU
Werner Medical Center

02 A Challenging Path



DLC: Here's another issue that influences the CDO's success. CIOs tend to come up through organizations and know the players, whereas CDAOs or CDOs tend to be brought into a company or even an entire industry that they don't know. Somehow or another, they're supposed to come up with a strategy. Would you agree?

LA That is so true. It's tough to come in without that industry background. I can say that having spent my career in financial services up until Verizon. All of a sudden I found myself in a telco where I know nobody and I had no team except for a couple of consultants they gave me to help create deckware and tell me who was who. And from there I had to get going.

So you want to prove that you can accomplish something, but you also need to bring an understanding of what's possible in your industry. When I arrived I wasn't thinking about concepts like customer engagement pricing. Even though there is often overlap between industries, it takes some time to understand the bigger picture. You're trying to scramble, you're trying to look credible, you're trying to prove that you do produce value, and it takes a while to be able to pull together that fuller strategy.

SW My case might be a little different because I'm actually the first CDAO at the medical center and wrote my own job description, which you don't get to do very often. On the other hand, some of my CDO peers I see at meetings have less depth of knowledge when it comes to healthcare or even business. I think that makes it tough to switch industries as well.

02. A Challenging Path

- CC** I think it's possible and actually can work really well if you move up in your organization to a CDO level or you move from being a chief data officer in one industry to a chief data officer in another industry. That can work because you have that breadth of knowing what works in data. What's likely to fail is if you move up to CDO at the same time as you go across to another industry. So it can work really well if you do a horizontal or a vertical move, but not a diagonal one, if that makes sense.
- SW** Yeah, that's a great visual for it, too. I kind of went vertical and that was okay. I mean, it wasn't without pain and it wasn't without pressure to provide ROI, but I think it would've been far more difficult to go diagonal for sure.
- CC** Right. You've got nothing to fall back on.
- LA** It's so funny. I've actually advised people along those lines as they've been looking at their next step, whether it's chief data officer or whatever. I really do agree with you, Caroline.

I really think that if the CDAO role and position had been embraced as part of the enterprise companies would be a lot further along on their AI roadmap than they are today.

– Heidi Lanford
Former Chief Data Officer, Fitch Group

03 CDO Versus CIO



DLC: As the CDO evolves, are they at a bit of a disadvantage based on their literal title? The CDAO is dealing with data, but the CIO is dealing with information, which has associations of higher-order value. Any thoughts about how having data in the title might actually call for something of a redefinition?

- HL** That's a great observation. It's funny because I think even with the word information in the CIO's title, the CIO also has the responsibility to keep email working, protect against data breaches, and ensure we have whatever cloud computing we need. Having the CDO viewed in the same way has never really settled well with me. That's been one of the hardest things I've struggled with in some roles where it's been viewed as a back-office enablement versus a partnership and a seat at the table role, to help solve critical business issues that the organization has.
- LA** It is a great question, and I think that the chief information officer title is really outdated. I don't think it conveys nearly enough in terms of what is involved here. This is not just about serving up Excel spreadsheets or email. This is for both the CIO and the CDO. It's about so much more. There's tremendous engineering that goes into it.

03. D Versus I

DLC: And is there anything different in your mind when you're comparing CTO, CEO, CFO, Chief People Officer, and then Chief Data Officer to each other? Is it like the first four are apples and the CDO is an orange?

- LA** But we're not even treated as fruit.
- HL** Maybe the Brussels sprouts?
- SW** I think having Analytics in the title may offset the confusion a little bit. Every industry is different, but in healthcare we're so reliant on our electronic health records, and that's the CIO's purview. He has to keep it up, keep it running, and then I come in and make sure it's all well governed. I feel very collaborative with our current CIO, and we're making big progress together moving the agenda along. Though you can have situations where the CIO's response, especially around AI, is who the heck are you to come in and take part of my cheese?
- LA** That's a valid point. In many cases what's happening is that the new kid on the block, the CDAO, arrives, often doesn't know the industry, and now is taking big chunks of really tasty, delicious, much sought-after cheese like AI away from the CIO and the technology organization.
- CC** I find it fascinating. I've been a CIO and a CDO, and I have to say the ego thing comes in a little bit as well. One thing I would've killed for when I was a CIO was for someone to come to me and say, "I need to get to this outcome. How do we get there?" What you used to get was a finance person saying, "Oh, I've spoken to somebody and I need this software." I know that when I flipped over into the CDO role, the attitude always was, if we figure out the outcome, then we can work together to find the path. And Susan, that sounds like the kind of relationship you have with your CIO, but I 100 percent get that in a lot of organizations, the CIO is established but the CDO is not.

I feel very collaborative with our current CIO... though you can have situations where the CIO's response, especially around AI, is who the heck are you to come in and take part of my cheese?

– Susan White

Chief Analytics Officer, OSU – Wexner Medical Center

4 CDOs Doing It Right

DLC: Some leaders are naturally visionaries and blaze a path for others. In this vein, are there any shining stars you can think of who've had the good luck to land in companies that have really empowered them the way the CDO should be?

- HL** I see very few. And I'm making generalizations, but I see CDOs come in two flavors. There's the super technical IT flavor that lacks the business analytics and data science expertise where they should be very business savvy and really understand the business, the market, the go-to-market strategy, the product strategy, all of the sales and marketing and customer care and support things. Then there's the CDO who is taking a very public stance on things like ethical AI and legal risk but is not very technical. I still think that there is a shortage of that hybrid person who can really straddle the technical as well as the business.
- CC** I've got one example from the UAE and one from America. I know Katia Walsh was the CDAO for Levi Strauss and she's amazing. I think she made some incredible strides there. But she was a board member and had a proper C-suite role, and she was really embedded into the full business strategy. And then there's Ryan den Rooijen who was at Chalhoub Group, a massive retail organization across the UAE. He became incredibly embedded into the business. I would have to say I think they're more exceptions than the rule, but those are the two that I can think of.
- LA** I feel the same way, and my exception that proves the rule is Jeff McMillan from Morgan Stanley, who is now the Head of Firmwide AI there. He built out a team that was able to do true data quality work on unstructured data being fed into their large language models, so when generative AI came around they were sitting pretty. Jason Loveland at Nike is also interesting. He has an ongoing, regular dialogue with the CEO, so he's really looped in to where the business is seeing risks, and he's probably helping the CEO understand where the business has opportunities as well. So that relationship to the board, to the CEO, again, is super important both in terms of being able to influence and then also to be able to align.

Forever or Just for Now?



DLC: Do you think it's just a matter of time for more CDOs to ascend to this level where they're in an ongoing conversation with the C-suite? And related to that question, how permanent is the CDO role? Is it going to go the way of the Chief Digital Officer or the way of the CFO?

- CC** I can't see the role ending. I think it's becoming a permanent member of the C-suite, and that's because data doesn't stand still. And we've got a tremendous amount of catch-up to do because managing data is like landscaping a garden. As soon as you're done, the weeds start cropping up. So you still need somebody to be looking after the garden.
- LA** I would see a CDAO as a landscape designer, not necessarily as the gardener. I'm not questioning the fact that there's a need for gardeners on an ongoing basis, but I'm also wondering whether you're always going to need an executive at this level focused on this, or do you think we're going to get to a tipping point where it kind of naturally moves into a more federated state or does become the CIO's role? I don't know if this role is going to be around for ten years.
- SW** I can see a CIO and then the intelligence analytics piece becomes more federated. I mean that as the infrastructure becomes more mature, that federated approach, the analytics becomes a little less risky, right? So I don't disagree. I don't know if it's ten years or what, but I do think it's probably time-limited, a lot like the chief digital officer, when you were worried about digital front doors and those kinds of things. Now that's our CMO's domain. I think you might be onto something.
- CC** I think the CDO is fundamental. It should be. We need to recognize that the Chief Data Officer is a

05. Forever or Just for Now?

strategic organizational role. It is not an IT or data role. It is a strategy role. If we don't want to get our heads around this being a business role and start to talk about it in a business language, I think organizations will still struggle with it.

- HL So that's a critical point. What's your guess on what percentage of organizations really see it that way?
- CC I think it's small, but this is where I struggle a little bit. I am a data nerd, but I'd say that the amount of data people that I speak to that will suddenly dive down into a level of detail that is not relevant to a board level is too high. Sometimes we don't do ourselves enough favors. So I think there's a little bit of education to be done by some of the people taking those roles. I think the percentage of the organizations that are taking it seriously as a strategic role are relatively small. I think we've got some work to do ourselves as chief data officers to make sure that we act like it's a strategic role.
- HL Since the Chat GPT onslaught I think about how much chaos a lot of organizations still find themselves in. And I really think that if the CDAO role and position had been embraced as part of the enterprise, companies would be a lot further along on their AI roadmap than they are today. And there are willing, able and very strategic people out there who can do these roles. They need to be invited in and given the room to lead this at the executive table with the backing of the rest of the C-suite members.
- LA I agree, because what we're looking at here is to become data-driven and to make the leap into generative AI as a core part of the business. That's a cultural transformation. And cultural transformations do not happen without intensive engagement and support of the C-suite. And so everybody has to be enlisted here to make this happen. Again, going back to that theme of accountability, the CDO is now integral to the success of business strategy. That's a big, big change. And companies that don't get this are going to fail if they don't start moving quickly. The ones that do move quickly are going to basically take the territory.
- HL Remember that data hasn't been on board agendas either. Really the only thing that's been somewhat related is cybersecurity and data breaches. But not questions around quality of data. Are we using our data? Are people doing things with our data? When we glean insights from it, how are we changing how we go to market? How are we changing the way we compensate salespeople? How are we changing how we serve patients? Boards don't ask those kinds of questions.
- LA I think part of the reason is because it's very difficult to measure the value of those types of investments.

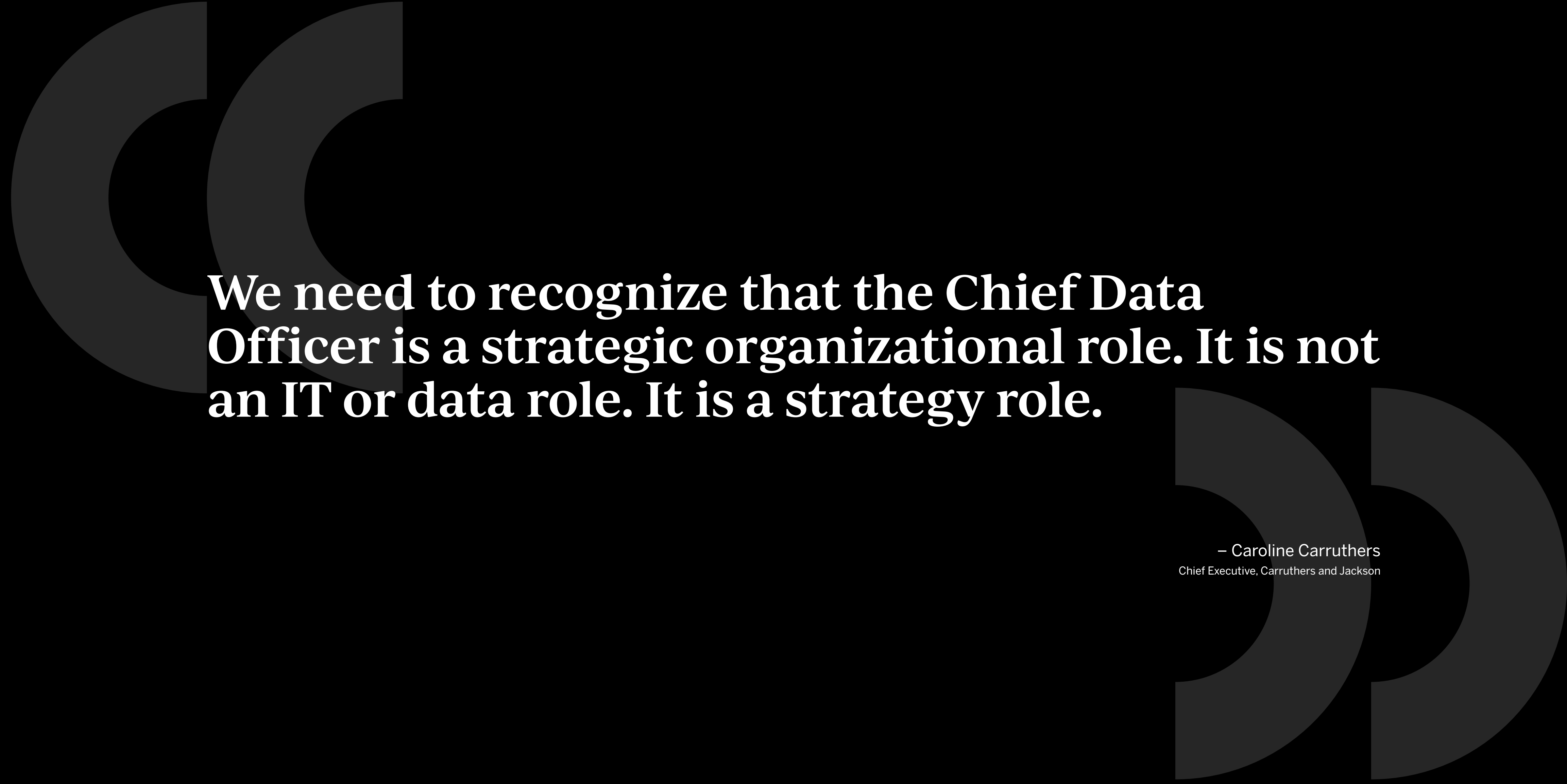
And so when you're looking at investing in data, you want to be investing in data in a way that's commensurate with the value that can be gotten from it, and also the risk that it presents. And yet to be able to describe that in a tangible way is very difficult. We haven't really figured that out yet.

- CC I'm not convinced that there's value in the data, but there is absolute value in the problems it solves. And I think we need a slight change in the language around that because that's how we convince boards to give us the appropriate level of funding to do what we need to do with it. Boards don't talk about data quality and things like that, but they care about legislation and regulation when it impacts them. AI has driven the same kind of thing because we know there's legislation coming that hasn't been properly figured out yet. So that insecurity about what we know is causing boards to think about it, as well as a slight case of everybody else is doing this, am I going to turn into the next big thing or am I going to miss the opportunity?

DLC: What do you think Heidi? Landscape architect or gardener?

- HL Or baker, to use another analogy. I see the CDO as the head chef of the organization's data. They're managing that kitchen and there are a bunch of sous chefs that can be folks in the different departments or product lines. You're training them and hoping that they're going to be good stewards. But that overarching vision, that overarching strategy, that cohesion that you want to see, those aspirations and that tying it together, I think needs to be orchestrated by that one person. So whether it's a gardener analogy or a chef analogy, they're always going to be needed.
- CC And I get it that sometimes you need a landscaper and sometimes you need a gardener, but what you want the garden to do changes. So the landscaper has to keep coming back.
- LA Won't that be generative AI pretty soon? Would we be replaced by an agent?
- CC Yeah, we can all live the life of Wally and that'd be good.

DLC: Certainly based on the issues you've raised, it seems that the CDO role has at least another ten years ahead of it. Thank you all.



We need to recognize that the Chief Data Officer is a strategic organizational role. It is not an IT or data role. It is a strategy role.

– Caroline Carruthers
Chief Executive, Carruthers and Jackson

Data Leadership Collaborative

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