



StiboSystems

A VIEW OF DATA FROM 88 CHIEF DATA OFFICERS

Research Report

THE SEXIEST ROLE IN IT

In 2012, the Harvard Business Review declared “Data Scientist” the sexiest career of the 21st century. Perhaps a little surprising given the following competition.

Indeed.com’s job search trend data suggests Data Scientist beats some of the more obviously desirable career contenders such as firefighter, football coach and even lifeguard.

Maybe it’s something to do with the mystique behind the role and what it involves.

And what the role encompasses is the use of data to gain a better understanding of your customers, which in turn leads to innovations in the creation and delivery of customer-led products, services and processes.

Why this is important can be summed up in the findings of a study by e-Consultancy and Adobe, which discovered that just 19% of responders had the technology and processes required to predict the needs and behaviours of their customers and prospects.

The role and responsibility of the Chief Data Officer (CDO) is to take a business-first approach to master data management and to influence the way it’s managed and used throughout a company. The goal is to turn data into an asset that can laser guide the buying experience and your business direction.

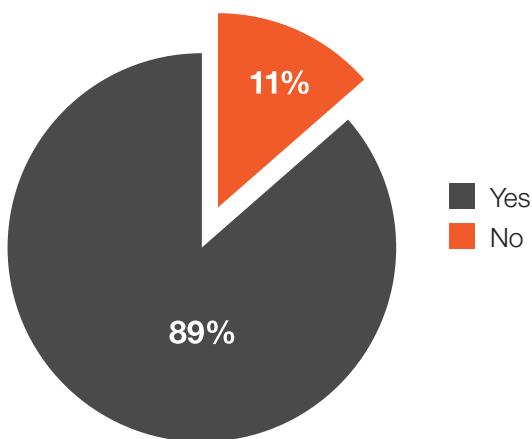
Because when you know your customers intimately, you have more value to offer them. As a result, they’ll return more frequently to you and spend more when they do.

In fact, the #1 priority cited by 46% of CDOs is value creation/revenue generation.

HOW MUCH ARE YOU SPENDING ON DATA MANAGEMENT?

You know data management is a challenge when 89% of Chief Data Officers (CDOs) from some of the largest companies in the world state they have active data-led projects coming up in the next 6-24 months.

ACTIVE REQUIREMENT 6-24 MONTHS?



And the budgets they have to allocate to these projects are significant.

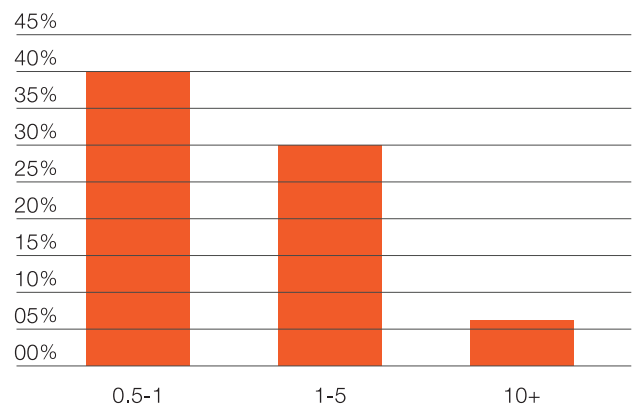
Of the 88 attendees from a recent CDO exchange event, 42% stated they had set aside budgets of between \$1-5 million.

Three of the organisations had budgets in excess of \$10 million!

Perhaps the bigger surprise is there were not more attendees with budgets in this region.

And the reason for this, to use a cliché, is that data is the new oil – and the management of it is key to unlocking business opportunities and routes to revenue.

BUDGET ALLOCATED FOR DATA PROJECTS \$M

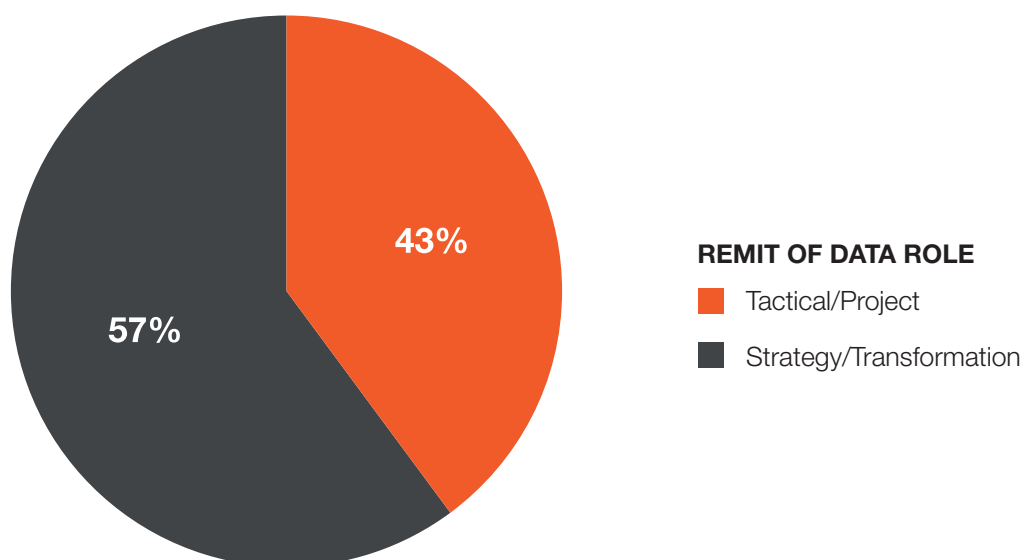


This is true for one simple reason:

The more control you have over your data, the better you can predict customer behaviour, and the more control you'll have over your product information, supply chain, partners, employees, etc. ... Essentially, the more insight you have, the more likely it is your decisions will lead to success because they'll be based on facts.

However, control, to some extent, is an illusion. Improving data management is an ongoing process, and at some point things will change – different data sources, platforms, technologies, demands, and so on. Which means you'll have to adapt your processes and approach to continue to reap the benefits of your data.

DATA RESPONSIBILITY AND FOCUS



In our conversations with many of the CDOs, we found their areas of responsibility varied. But there did seem to be a split between those given a remit to define and implement a business-wide data strategy versus those tasked with a more tactical/project outlook.

However, we learnt that there was a consistent theme behind each role, and that was how to extract the greatest financial value from data.

In our experience, any data strategy should be approached with a business-first mindset with your customer as a central focal point. But what was disturbing, – of the 88 CDOs, only three directly alluded to the customer within their area of responsibility statement:

“I have complete oversight of group customer insight and data strategy.”

“I am responsible for ensuring our data is accurate, appropriate, and accessible whilst also being understood. I am also responsible for ensuring we have the correct data to enable the business to make the best decisions.”

“I am responsible for creating the data strategy for the organisation ensuring that it aligns with the business objectives set.”

9 CDOs identified the GDPR as a specific part of their role and focus, alongside a drive towards creating a data environment that will evolve to meet future regulatory requirements.

“I am responsible for the business systems function, data governance and development at the enterprise level. However, I am also in charge of the information and data journey, which includes GDPR.”

Organisations will have used and depended on data for a long time, but the arrival of a CDO indicates an intent to be data-driven. And Gartner, a leading research and advisory company, predicts that by 2019 90% of large organisations will have a CDO in place.

However, it also predicts that 50% of these CDOs will fail.

TOP CHALLENGES

We asked some of our customers what their biggest challenges were before bringing a Master Data Management solution in to solve them.

The responses were revealing:

- ◆ We needed a single source of the truth.
- ◆ We wanted a single system to have master data information available.
- ◆ We wished to migrate from multiple PIM systems to just one.
- ◆ We were looking to do more with the same amount of people.

Another client, a multi-national vehicle leasing organisation, had challenges because they were unable to manage their data with any level of consistency and predictability. Their complaints were:

- ◆ Un-architected growth in business systems.
- ◆ Data replication fragmentation with no master sources.
- ◆ It wasn't easy to change and amend data.
- ◆ There was a lack of data quality.
- ◆ Little documentation or modelling.

They went on to comment:

“Continuous data problems and pain points were slowing everyone down”.

This correlated with feedback from CDOs at the exchange event where the top challenge cited by attendees was 'Data Management' – which made up 22% of the responses.

“Matching supply and demand across the business. How can we use data to gain wider insight into shortages of stock and the demands of our products? How can we track how much product to make in order to be sold in the most effective and cost-efficient way?”

TOP 15 AREAS OF INVESTMENT

In 2017, the GDPR stood out as the number one area of investment of CDOs in Financial Services. But for companies across a range of other industries, the GDPR is only the 5th most critical area of investment.

When discussing the topic of the GDPR with delegates from the CDO exchange event, it became clear that many were already well on their way to putting measures in place to prepare their businesses for the changes necessary to ensure compliance.

One organisation we spoke with had a team of 100 working on their GDPR project.

Another, large and globally recognised retailer, was using the GDPR as a conduit to encourage investments in other data projects, including the joining of their product and customer data from two of their businesses.

Consider, for a moment, the top three areas of investment priority – there's a consistency that would suggest more organisations are realising and appreciating the value of data.

And this would correspond with the direction of project investments over the next 6-24 months.

Data Management, Master Data Management and Meta Data Management were top 15 investment priorities for an average of 81% of CDOs.

Area 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 visualisation	75
Business Intelligence	74
Cloud Analytics	71
Data lineage	71

"We store a large amount of customer data; we want to ensure that the data we store is accurate, and in the same format throughout the organisation. We want our data to be stored in one centralised system making it easier for our data team and other departments throughout the organisation to access."

SUMMARY

The role of the CDO is a varied one with exciting potential to shape the direction of an organisation for years to come. And yet, it's one of the most challenging and complex roles in business today, as defined by one of our customers:

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

Each of these challenges can be tied directly back to improving customer experience; adding greater value and extracting more revenue from opportunities identified.

We've found a commonality between those who have a data remit within the customers we work with and with many of the CDOs we met at the exchange. And that commonality is that they can connect the technical with the commercial, and vice versa, and have a greater understanding of how to connect a technical solution to a business problem.

For the CDOs we spoke to at the exchange, there were common threads that ran through what formed the primary focus of their roles. These were as follows, to:

- ◆ Simplify data management.
- ◆ Improve data insight.
- ◆ Ensure compliance.
- ◆ Use data to enhance customer experience.

ABOUT STIBO SYSTEMS

Stibo Systems is the global leader in multidomain Master Data Management (MDM) solutions. Industry leaders rely on Stibo Systems to provide crosschannel consistency by linking product, customer, supplier data and other organisational data. This enables businesses to make more effective decisions, improve sales and build value. During the last 30 years, Stibo Systems has helped leading companies to develop a trusted source of strategic information. A privately held subsidiary of the Stibo A/S group, which was originally founded in 1794, Stibo Systems' corporate headquarters is located in Aarhus, Denmark.

For more information visit www.stibosystems.com or email info@stibosystems.com

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