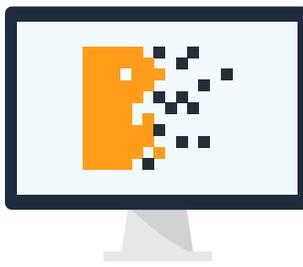# APPROACHING DATA FROM ALL ANGLES TAKES A CDO

BY:
ORACLE ANZ'S ERP GENERAL MANAGER
THOMAS FIKENTSCHER

Most organisations now take it as a matter of course that they need a CFO and CIO, but the number with a Chief Data Officer (CDO) is still relatively small. We are now living in the 'age of data', one in which both traditional quantifiable data and more unstructured information is gathered in huge amounts. A specific set of skills is required to gain useful business insight out of this data, skills that are the domain of the CDO.

$8,000,000,000,000

A study by MIT reveals that the value of intangible assets, including data, is now at US $8 trillion in the United States, and that 84 percent of the market value of S&P 500 companies comes from these intangible assets that include data and software.

The CFO has been extracting value from data relating to the organisation's financial performance for years, and in doing so they've made a central contribution to business development. Finance leaders also have vast expertise in audit trailing, ensuring compliance and maintaining data security. However, chief executives now expect finance to dive deeper into data from across the company and apply their findings in more innovative but less familiar ways.

In many organisations the task of getting business insight from data is therefore part of the CIO's job description. However, while CIOs certainly have value to add from an IT strategy standpoint their competencies are largely about maximising technology's impact on the business rather than understanding data.

CDOs, on the other hand, often have a background in engineering or mathematics rather than technology. They are most inclined to take a strategic approach to their analysis, and importantly to know which questions the business must ask of its data to get the most from it.

Much of the most valuable data companies collect today starts life as unstructured, and I might even say chaotic. It ranges from concrete demographic data on their customers to news events to weather patterns, and the task of combining all these streams of information might be seen as a burden.

This is where the CDO comes in. Each pocket of information is invaluable because it is unique. It can only be captured once. Bringing structure to thousands, if not millions, of uniquely important data points is the Chief Data Officer's primary objective. One of the first people to take on a CDO role was Usama Fayyad, whose work at Yahoo between 2004-2009 led to the company creating $US 500 million in new sales streams. More companies are catching on today, and not just in the corporate sector. In 2015 the UK Government recruited its first ever CDO. For its part, the Financial Times recently recruited a CDO (bumping a senior data analyst into the role) with the intent of democratising access to data so that every department in its organisation can work more efficiently.

90% **2019**

Gartner estimates 90 percent of large organisations will have a CDO by 2019. As this position grows in popularity, the role of the CDO will extend to educating other executives – particularly the CFO and CIO – about how they can get more out of their data being and working more closely with them to help them achieve this.

The fact that the CFO, CIO, and CDO all have so much to add in terms of how the company uses its data and technology is an indication of how businesses are evolving. Real transformation demands greater collaboration in the boardroom and significant blurring of the lines that have long divided different lines of business.

To achieve in the so-called information age, leaders in the organisation need to be able to move nimbly together. This will help them unravel new opportunities for the business, and at a time where young companies are already benefitting from less rigid corporate structured established players must act quickly to stay ahead of the competition.