## CDO Perspectives 2022

A look at the Chief Digital Officer Role in the words of CDOs, and why the role is just as important today as it ever was.



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## CDO Perspectives 2022

A compendium of direct Chief Digital Officer reflections via interviews, quotes, and quantitively benchmarked research on the perhaps most critical role to navigate for the times.



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ver the last decade, the Chief Digital Officer's (CDO) role has matured and even become more critical than ever. This is, only in small part, due to the global pandemic, which forced companies to find innovative ways to navigate a new and different normal. The digital age is now fully integrated into most businesses.

Building on a <u>2018 Role of CDO report</u> led by the MMA Global CDO Board has supported a research endeavor to understand four key areas better:

- 1. Evolution of the CDO role and skill set
- 2. Impact of Covid-19 on CDO's digital agenda
- 3. CDO's role in enterprise transformation
- 4. Future of the CDO role

MMA CDO Perspective 2022 was compiled from 50 in-depth global interviews conducted by professors from Oxford University & Kings College<sup>1</sup>, plus discussions by MMA's Chief Digital Officer Board, and a quantitative market research survey of more than 100 CDOs across more than 20 industries.

This report provides CDOs insights into the capabilities and tools required to lead a successful digital transformation, the impact of the ongoing global pandemic on the CDO and digital transformation agenda, and, more importantly, how CDOs are shaping their organization's culture and vision.

As digital disruption accelerates and the need for digital maturity continues to increase in importance to core business strategy and customer experience – it is clear the role of the CDO is firmly here to stay. That said, as it has to date, the role must remain fluid and ever evolving. New management challenges and new technology opportunities will always emerge, and never-ending changes in consumer expectations will likely accelerate the pace of change. With this comes both risks and business opportunities. The unique skills and perspective that CDOs bring to an enterprise are crucial. They will not only be needed to best anticipant what's coming next in the ever-changing landscape but also serve as the antagonist for that change within the enterprise.

Companies are no longer just competing against their direct competition but increasingly just against who they were yesterday.

<sup>1</sup> Many thanks to Andrew Stephen, Associate Dean of Research & L'Oréal Professor of Marketing, University of Oxford; Dr. Felipe Thomaz, Associate Professor of Marketing, University of Oxford; Dr. Gillian Brooks, Ph.D., Assistant Professor of Marketing, King's Business School, King's College London for intensive leadership and contribution to this work.

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We thank again Oxford University, Kings College, and the MMA Chief Digital Officer Board for their leadership and guidance.



## Introduction

e want to thank the MMA Global Chief Digital Officer Board, including the Global Chair Marc Speichert, for their guidance, support, and input to this research. We simply could not have done this without their collective 75 years of CDO experience.

When it comes to the role of Chief Digital Officer, it's readily apparent that the CDO role has move from 'side show' to 'center stage,' as Oxford pointed out was clear from their four-dozen interviews. Digital transformation, accelerated in part by the pandemic, has seen to it that the role of the CDO is now a necessity – an even vital necessity, for long-term growth and customer experience. The scope and responsibility and quite frankly, the impact a CDO can have on a company is irrefutable.

This research leaves no doubt as to the sheer breadth, scope, and importance of the role of the Chief Digital Officer. Today the CDO either owns or directly influences everything from experience design and management to IT to CRM to business strategy development. While the pandemic may have expedited the need for a CDO – as many companies rushed to adjust to the new normal – the fact is the savviest of companies realized that since the dawn of the digital age, there is no more digital – there is just business, because everything is digital.

On behalf of the MMA CDO Board, we hope you find this body of work beneficial and encourage you to offer feedback for future explorations.



Marc Speichert, EVP, Chief Commercial Officer, Four Seasons Hotels and Resorts



**Greg Stuart**, CEO, MMA Global

# The role and style of today's Chief Digital Officer (CDO)

oday, **61%** of CDOs, nearly two-thirds, report directly to their company's CEO (as seen in figure 1). A similar percentage (**68%**) see their main priority as improved business performance by leveraging the power of digital and data (as seen in figure 2).

### FIGURE 1 The majority of CDOs report to the CEO

Q: WHO DOES YOUR ROLE REPORT INTO?

CEO 61% CDO 10% CIO 5% CTO 3% CMO OR CFO 1%

OTHER\* 20%

\*Other: Chief experience officer, CITO, chief commercial officer, Chief innovation officer, other GM/President.



"Historically, CDOs were seen as a siloed type of function. Today, as we think about companies accelerating their digital transformation, CDOs need to be enterprise leaders who not only are building the strategy but working collaboratively with all the enterprise leaders to ensure that the strategy connects all the different business functions." – Ratnakar Lavu, CDO, Nike

## **FIGURE 2**

### CDOs vision is tied to business performance

Q: THE FOLLOWING VISION STATEMENTS COME FROM OTHER CDOS THAT WE'VE INTERVIEWED. WHICH OF THE FOLLOWING, IF ANY, CAPTURES THE ESSENCE OF YOUR VISION FOR YOUR OWN ROLE? MY VISION AND NUMBER ONE PRIORITY IS TO...

IMPROVE THE BUSINESS PERFORMANCE OF MY COMPANY, BY LEVERAGING THE POWER OF DIGITAL & DATA 68%

BE A DISRUPTOR AND A CATALYST FOR INNOVATION AND CHANGE 21%

Help my company mitigate risk and navigate the impact of digital disruption 1%



Further, CDOs surveyed indicate that driving top line business growth and improved business Efficiency and margins were their two most measurable goals, well ahead of other areas including improved data access, talent, and increased speed to market. This can be seen below in figure 3.

## FIGURE 3

### Driving top line growth and improving margins are CDOs' top measurable goals

Q: IN WHICH OF THESE AREAS DO YOU HAVE MEASURABLE GOALS? 56% DRIVE TOP LINE BUSINESS GROWTH 48% IMPROVE OPERATIONAL EFFICIENCY AND BUSINESS MARGINS 25% IMPROVE DATA ACCESS, INTEGRATION AND ACTIVATION INVEST IN THE RIGHT TALENT TO SUPPORT OUR DIGITAL TRANSFORMATION 24% 21% INCREASE AGILITY AND SPEED TO MARKET IMPROVE COLLABORATION, REMOVE BARRIERS AND BREAKDOWN FUNCTIONAL SILOS 21% INCREASE MARKETING PRODUCTIVITY AND MEASURABILITY 20% REDUCE RISK (DATA SECURITY, COMPLIANCE, ETC) 17% Build closer/direct access to the end customer - DTC 16% RATIONALIZE THE TECH STACK TO ENSURE SMOOTH FLOW OF DATA ACROSS SYSTEMS 15% REORIENT ORG STRUCTURE & OPERATIONS TO ENSURE CUSTOMER CENTRICITY 15% BUILD AND SCALE FIRST PARTY DATA 12% ESTABLISH AND SCALE A DATA-FIRST CULTURE 9% PREPARE THE ORGANIZATION FOR AI 8% RESOLVE IDENTITY TO MAINTAIN ADDRESSABILITY AND MEASURABILITY OF MEDIA 7%

Throughout the interviews, CDOs discussed how their role has blended the scope of the more typical and pervasive Chief Information Officer, Chief Technology Officer, and the emerging titles of Chief Customer Officer or Chief Experience Officer. Simultaneously, it is required to be a standalone change catalyst holding cross-functional responsibilities that require both skills and capabilities to drive and integrate indepth change. From the perspective of traits, it was collectively believed that successful, thriving CDOs are often *naturally curious personalities*. They do not need explicit instructions or recipes about how to do things but rather discover and educate themselves about the best practices and processes to drive an outcome. CDOs asserted that one needs to score high on innovation to be successful in the role.

Interestingly and perhaps not surprisingly, there is no standard path to the CDO role. The survey data revealed that only 14% of CDOs previously held that role or an equivalent one, and only 30% came into the CDO from another C-suite position (e.g., CIO, CTO, CMO, etc.), (as seen in figure 4).



"The role of the CDO is to be able to plot a path from today to tomorrow, get the right resources and funding for that, and then galvanize the organization to move on that path across all functions."

– Nitin Chaturvedi, Chief Digital and Technology Officer, KFC

> Many CDOs said their scope of work expanded to entire functions within their enterprise. This included everything from Customer Experience Design and Management, Data Governance and Compliance, and New Product/Service Development. This can be seen below in figure 5.



## FIGURE 5 CDOs lead or influence an expansive array of capabilities that are needed to drive change

Experience design and management				46%		32%		13%	10%
						52%	_	1378	
Data governance and compliance			40%	~~			46%		13%
New product/service development			39%				47%		11% 3%
IT management			33%		4	0%	14%		14%
Measurement and attribution			32%				53%		<b>11%</b> 4%
CRM and Loyalty			27%		41%		18%		14%
Business Strategy development		2	25%					67%	7%
Product / service delivery & quality management		2	5%		41%				30% 4%
Knowledge management		19%			51%			22%	8%
Media management and allocation		17%		33%		28%			22%
Sales	12%			37%	21%				30%
Risk Management	10%			44%			36	5%	11%
Brand management, incl. creative and content	10%			44%		29	%		18%
Human resources management	8%		27%			38%			27%
Distribution management	6%		28%		28%				39%
Procurement and logistics management	5%		32%		32%				32%
Finance and controlling	3%		26%		4	4%			27%

Q: WHAT IS YOUR ROLE AND LEVEL OF ENGAGEMENT IN EACH OF THE FOLLOWING CAPABILITIES?

Outside the scope of my role



Analyzing this chart further, it can be seen how broad a set of capabilities 70%+ of CDOs either own or influence. These include external, customer-facing capabilities such as Business Strategy Development, Experience Design, and New Product/Service development as well as internal capabilities including data governance, measurement and attribution, and IT management.

To become the connective tissue between ideas and how those ideas are executed to drive top-line and operating efficiency across all these capabilities, CDOs said they need to be resilient, extroverted, and diplomatic. A CDO must be able to conduct digital advocacy around the organization and tackle behavioral barriers by getting people out of their comfort of doing business as usual. This quality is believed to not often be a primary criterion in technical roles, thereby making it a differentiator for CDOs.

One CDO stated "The role requires somebody who has been a high-performing generalist and understands all aspects of an organization. So, if you spent your entire career in IT, I don't think you have a perfect sense of what business development [by CDOs] looks like."



Interestingly, MMA Global's Marketing Org Strategy Think Tank (MOSTT), in partnership with MarCaps Inc., via their database that links marketing strategy to financial performance, has identified Customer Experience as one of the more impactful marketing strategies yielding differentiated



"Digitization is now a key driver of business and personal growth. Which is why we must invest heavily in digital capabilities to transform our culture and ourselves. Building digital capabilities are about having a lifelong learning mindset to raise the floor for all and the ceiling for many. Afterall, learning never stops."

Aslı Kölükfakı, Global Head of
 Digital 4 Growth & DMC
 (Digital Marketing, Media and
 dCommerce), Unilever

financial returns. This represents a significant opportunity for CDOs, as this is a capability, they are most likely to own within the enterprise.



There is good reason to believe that digital transformation will persist as businesses embrace new technologies to change how they operate across their value chain. And, if technology is not changing the organization, then customer expectations will.

"The role of the CDO really depends on the digital maturity index of the company and the categories. It's important to ground yourself very quickly in the state of the business, its digital acumen, skill level, and the digital propensity of the categories you are in, to be able to form and impact the role successfully"

– Brigitte King, CDO, Colgate-Palmolive One fast-food CDO said their company previously only managed four customer experience personas<sup>2</sup>, now they have 28. As another executive pointed out, **"Uber has changed customers' expectations for every company, forever. Customers now want to know in how many minutes the taxi, or whatever, will be there, and to track that progress in real-time."** 

Supporting the third most owned capability in the chart above (i.e., new product/service development), several CDOs described how their companies are tapping into new opportunities to do business differently, transitioning away from their legacy models to enter new markets and innovate new products and services that were out of reach before but now made possible by digital.

 $^{\rm 2}$  For that QSR business, it was before Counter-cash, Counter-Credit, Drive-thru-cash, and Drive-thru-credit.

In the last decade, as digital transformation became the new normal, CDOs share that they are more often tasked with "the digital transformation of the company." They are being asked to disrupt the whole organization, untangle, and rewire the business operations and, in turn, create value for the customers. Likely in part because of this end-to-end business transformation evolution, two schools of thought have emerged about the future of the CDO role.

## **FIGURE 6**

## Two schools of thought exist about the future of the CDO

Q: TO WHICH OF THE FOLLOWING DO YOU AGREE MORE, WHEN IT COMES TO THE FUTURE OF YOUR ROLE IN THE COMPANY?

## 33%

of CDOs see their goals to "build towards a day when there is no need for their role"

\* Comprised of 35% respondents that tend to work for smaller companies, which are less likely to have grown consistently in the past five years

## **57%**

of CDOs feel that "disruption is ongoing and a CDO role will always be needed"

\* Comprised of 49% respondents that tend to work for larger companies, which are more likely to have grown consistently in the past five years

That said, most CDOs believe the need for someone to sit in the middle and be accountable for stitching it all together will continue to essential for some time to come.



"If companies get rid of the CDO, that is the next form of maturity because it becomes the normal way of dealing with things. So, the highest point of maturity is when the CDO is gone, right." – Bertram Schulte, Industry Cloud Commercial Model Innovation, SAP

# The impact of COVID-19 on the CDO role

Imost unanimously, CDOs pointed to the global pandemic as a catalyst for digital transformation. It highlighted the importance and benefits of becoming more digital. Specifically, CDOs pointed out several factors that helped them navigate the pandemic period, as follows:

## FIGURE 7

## CDOs highlight multiple factors that helped them to navigate the pandemic period with ease

1. Ability to quickly pivot their business and operating models to respond to the crisis through their digital capabilities.

2. Proof of the value of the company's digital strategy and investments enabled a pivot to flexible work, remote operations, and a resilient supply chain.

3. Accelerate the digital shift and made the digital business case credible, the funding process more efficient and initiatives more cost-effective.

- > They took the opportunity to executive initiatives to future-proof the company for the post-pandemic period
- > The resiliency of the entire business was tested during the pandemic, and digital capabilities became a big part of the strategy but in some cases, where more work is still needed.

> Companies converted crisis actions into long-term initiatives and opportunities.



"The oft-repeated adage of 'the pandemic did more for digital transformation than any c-suite executive' may ring true in certain respects, however it would be overly simplistic to paint the role of all CDOs with the same brush. CDOs, like any c-suite executive, must drive clear business outcomes. Understanding the common drivers of digital-driven business outcomes can help CDOs in a multitude of industries further accelerate the positive impact of those outcomes."

– Chris Chesebro, CDO, Wella, Vice Chair, MMA CDO Board



When asked what his key learning was from the COVID-19 pandemic, one CDO in the healthcare industry said, **"I learned the value of all my people. I learned opportunities for us to optimize our processes to deliver more with less and to do things like robotic process automation or process optimization to take manual steps away."** – Ben Davis, EVP Information Technology, Cambria USA

## The role of the CDO in enterprise transformation

DOs consistently discussed four areas where their role contributes to the success of the overall enterprise:

- a. Business transformation
- b. Technology revolution
- c. Change management
- d. Social responsibility

## **Business Transformation**

"You just become a catalyst when you're trying to change the way the company's been doing business, historically, which is why they brought you in. But this is also where the position kind of fails. If they don't give you the runway to do what you need to do, you're always in a constant state of negotiation." - Former fashion retail CDO.

Many CDOs discussed being brought in to execute within complex business and digital ecosystems. CDOs must combine technology know-how and awareness with a strong business and innovation mindset. Communicating thought-leadership within the organization is critical to gaining the

28%

## FIGURE 8

#### **Revenue, margins and** innovations are all priorities of CDOs

**RISK MITIGATION** 

16%

buy-in needed to disrupt the status quo. CDOs cited the importance of strong communication of their vision and the ability to hold a holistic conversation within the organization from the top of the governing body to the execution teams.

> Former fashion retail CDO, "[It] all comes down to their articulation abilities and selling the vision because it's a challenging vision to execute without the business buying in."

> > CDOs are the enterprise's change agents, underscoring this point in the MMA State of the CDO survey, where CDOs cited high-level capabilities and leadership skills as the two most important categories of skills to have.

In the end, digital transformation, or more broadly, business transformation, is about balancing a number of different agendas. CDOs are tasked with demonstrating sustainable revenue

Q. APPROXIMATELY HOW MUCH OF YOUR ROLE GOES TOWARDS EACH OF THE FOLLOWING GOALS?

COST SAVINGS / EFFICIENCIES 24%

> **REVENUE GENERATION** 32%

"Transformation isn't about digitizing a channel or simply doing

more things digitally. It's a much broader scope than that. We're really looking to improve and simplify customer 'moments of truth'— and all the supporting processes that build a true omnichannel, worldclass experience."

- Rob Roy, SVP, T-Mobile



growth, and they need to do that by achieving meaningful product, service and product innovation, while at the same time rethinking processes in order to achieve cost

"A CDO cannot just be digital

to truly optimize digital and

– Brigitte King, CDO,

Colgate-Palmolive

without some experience regarding

P&Ls, corporate business structures,

organizational design, etc., because

technology you have to lead with

strategy and the business needs."

same time rethinking processes in order to achieve cost efficiencies and improve margins. The MMA State of the CDO survey highlights this key point.

CDOs talked about digital transformation, not just about shifts in technology, business models, or culture and mindset. They described the importance of developing

a transparent and collaborative strategy, bridging the old and the new operating models across the business functions, and leading change by being respectful of where people are and bringing them along.

## **Technology Revolution**

"The CDO is a transformation, communication, integration,

navigational role that every

the CIO role, whether it is a

business cognizance."

it has to have a high degree of

- Andrew Wilson, CDO, Microsoft

enterprise needs in one form or

political, change management, and

another. Whether it's blending into

standalone change enablement role,

CDOs often spoke about how they must scan the market to bring in

the most relevant and practical technological solutions nuanced to

the second secon

the needs of their companies. At the same time, they must navigate the analytics to drive meaningful and trusted data to enable decision-making.

"You have to have technical competence, but also know when to pull it out, never with the business, always with IT. You are that Venn diagram that sort of sits in the middle."

– Sol Rashidi, Chief Analytics Officer, Estee Lauder Data has become a material asset that both brings increased strategic opportunity and enterprise risk. In the MMA State of the CDO survey, CDOs cited "Improved data access, integration, and activation" as the third most important priority on their agenda.

"Because data is owned by everyone and no one, and because it's often fragmented, federated, or takes a very project-based or tool-centric approach, I think the role of the CDO is to be the first attempt to start conforming, unifying, bringing a holistic picture of how to manage information moving forward, whether that means data architecture, data dependencies, posturing on data sharing externally or internally, how to approach GDPR, how to enable Martech."

- Sol Rashidi, Chief Analytics Officer, Estee Lauder

At its most fundamental, data enables business measurement, but at its most strategic, data enables the customer experience, creating enhanced value for customers. CDOs discussed how they are

bringing technologies in-house to create a digital footprint for their customers and internal clients, developing an environment to operationalize data, and putting in place the proper data governance schemes and strategies to maximize customer lifetime value.



"People have realized that fundamentally, digital is going to disrupt all industries and business models at one time or the other, and they had better get good at it." – Nitin Chaturvedi, Chief Digital and

Technology Officer, KFC

## **Change management**

CDOs often define themselves as transformational evangelists spreading the benefits of change. Successful CDOs spoke of seizing the opportunity to uplift the organization's agility and adaptability by integrating new

digital capabilities. However, the cultural responsibility is enormous. CDOs realize that the transformation is not driven by technology but by people.

This point was underscored by a former Bank CDO: "Part of

successful digital transformation is being empathetic and almost teaching people things they need to know and understand that oftentimes aren't in their experience set. And so, if nothing else, having the ability to empathize and relate with leaders who are going to be critical to digital transformation, have expertise in their respective lines of business or functional areas that have no experience, that's probably one of the biggest challenges of the whole thing is, how do you bring them along."

Amit Phadnis, former CDO, GE Healthcare, highlighted, "You must take people along and understand what is being done well and not try to disrupt something already working well. Then, put them on a transformative journey so that they see the benefit of an awesome addition, rather than trying to change course in a very different direction. That aspect of it is essential."



"You've got to be a good evangelizer. For me, it started at the top. So, I needed to be able to stay connected to the board, the executive team, and their managers. They needed to understand the value that a digital strategy would have for them."

– Marc Fontaine, CDO, (formerly Airbus)

CDOs are leading change in their organizations by building capabilities, hiring, and upskilling talent, and building the muscle in the organization to successfully apply data, insights, and technologies in every area of the business. CDOs also recognized that "sequencing transformation" is critical. Starting with a more agile and receptive part of the organization leads to quick wins, such as a mar-tech stack or upskilling the younger teams.

"The upskilling is critical [...] as it is an end-to-end adventure or journey. Thinking about upskilling the CDO marketing function is as critical as the rest of the organization. It is a broad scope that requires the right level of investment. You cannot copy and paste what you do in marketing to other functions because the digital upskilling of the legal function or the R&D function or supply chain will look quite different than upskilling of the marketing function. So, it is significant in terms of what it requires and in terms of resources and investment."

- Marc Speichert, EVP and Chief Commerical Officer, Four Seasons Hotels & Resorts

Many of the CDOs talked about changing the enterprise's culture and mindset. They recognized that their success and the success of the transformation was dependent on the enterprise's ability to internalize the change and begin operating in a new way.

Eric Chaniot, Former CDO of Michelin, now Global Practice Lead Automotive, Mobility, Transportation at Microsoft put it this way, "After nine months in my role, I was telling everybody, the digital transformation is 95% of the people's mindset and culture shift and 5% technology."

The MMA State of the CDO survey reinforces this point. When CDOs were asked approximately how much of their effort goes to different thematic areas, 42% of their effort is going toward people and culture, which is just slightly more than is going toward data and systems.

## FIGURE 9



"People thought this was a technical role, but it isn't. Because you must convince people to change, which doesn't come from a technologist, the technology should be invisible. And the vision comes from leadership. So, leadership qualities are more important."

- Preeti Sharma, CDO, Vanguard

## **Social Responsibility**

For most CDOs, supporting companies' social responsibility is paying attention to many issues, including consumer privacy expectations and regulation and how data is used, consumed, shared, and protected.

They also said another indicator of social responsibility is around employee engagement, creating a self-curating, highly personalized digital workplace that improves talent acquisition, employee inclusion, employee retention, and business engagement.



"Providing digital equipment and education will make a massive difference where people don't have access to digital tools, by giving them a livelihood, that is an example of having social responsibility."
– Sathish Muthukrishnan, Chief Information, Data & Digital Officer, Ally

As Mike Giresi, CDO, Molex, states, "Customer experience cannot be successful without a clearly defined employee experience across the key interactions that support that value chain. Data is so unbelievably critical to enabling a digital program, particularly at the employee experience level. And if you can't apply modernized technology concepts and bring the team forward to that, you're never going to be successful."

CDOs believe they may also be able to drive social equity, empowerment, minority enablement, supply chain resilience, employment, and close wealth gaps. As the digital transformation enhances automation, reducing human intervention, CDOs can be leaders in transitioning human resources into new roles where human capital is leveraged better and contributes more to value creation through new skills and capabilities.

## The future of the CDO role

n the 2022 'The Evolving Role of the Chief Digital Officer' Report led by Oxford University, they stated, "The role [of the CDO] has evolved and, naturally, will continue to evolve. The most interesting aspect about the continual evolution of the CDO role is that it is not the role evolving on its own, but rather a seemingly always-shifting focus and scope within companies concerning what is needed from the 'digital' leadership function."

The CDOs elaborated further by identifying three areas where they are impacting the enterprise today:

- 1. Driving business impact
- 2. Transforming customer experience
- 3. Elevating the enterprise's digital IQ and mindset.



As established earlier, many CDOs are expected to drive top-line growth and improved margins.

"CDOs today are more and more co-creators of new businesses rather than just deliverers of value. As a result the largest change in the CDO skillset we are seeing now is the balance between an outside-in emerging-technology experience with an inside-out business understanding and stake holder credibility"

– Sanjay Srivastava, CDO, Genpact

One CDO articulated it this way, "For me, success is very simple. There's only one measure that matters – how much of our digital revenue is from digital solutions – as that is a clear indicator of how truly digital driven our engagements are." – Sundara Sukavanam, CDO, Firstsource Solutions.

CDOs play a crucial role in customer experience leading initiatives designed to deliver customer capabilities, including experience design, data governance, and CRM. Yet, the MMA quantitative study suggests that CDOs have the opportunity to put a lot more emphasis on reorienting the org structure and operation to ensure true customer centricity and establishing measurable goals in that area (Graph 3).







"Every department in your organization has its own goals and objectives that should ladder up to your ultimate enterprise dashboard. But the path we take to get there can be very different, creating much tension. So, being able to deal with those kinds of internal challenges is very critical. It's not about consensus-seeking all the time but having the disposition so you can influence. You can build trust."

– Sami Hassanyeh, CDO, AARP

Sheila J Soucy, Ecosystem Platform & Experiences – Go-to-Market Leader, from IBM stated, "At the end of the day, this is all about ensuring that everything that you do is from the customer perspective. It's all about the customer experience. It doesn't matter what industry you're in, what geography you're in. It is about transforming their experience."

CDOs spoke of being tasked with introducing new ideas and disrupting business-as-usual. To achieve this, they must assess the old belief systems, assumptions, and biases engraved in their enterprise, and shift the way of thinking to embrace change.

Elevating the digital IQ is not an easy task, but CDOs are approaching it in multiple ways. They focus on upskilling the talent and introducing the right internal technologies to support staff and company productivity. One of their quantified KPIs has been adopting tools like Teams, file sharing, or Slack, and tracking the collaboration aspects of digital transformation in the organization.

Creating transparency to monitor behavioral change helps ensure the organization stays inclusive and deploys tools and processes to create solutions and value.

CDOs are also facing many internal challenges, including siloed success metrics that may even conflict with the objective of

changing the culture and mindset of the organization. These conflicts can become a barrier to increasing agility, speed to market, and improved collaboration.

In those situations, CDOs have had to lead not through consensus building but through action—removing barriers and building trust.

For his part, Karan Arora, former CDO of AstraZeneca, believes that while there will always be uncertainty in the role of the CDO, any leader in this spot needs to lead with vision and a strong passion for bringing people together around that vision with a clear and measurable goal towards tangible value creation. Currently, the SVP Marketing, Strategy, & Product at Beckman Coulter Diagnostics (A Danaher Company), Arora says "anything short of that is shiny mirrors. The best metric to evaluate your impact as a leader in this role is when you are not needed and the new vision is business as usual at that point, kick back and enjoy the moment".

## Conclusion

Disruption is here to stay. It will come from the new and evolving external technology landscape, internal organizational transformation, and continually changing consumer expectations (set by not just a company's own sector competition). Future disruptions will likely increasingly blur (or merge) the digital and physical world for customers and employees.

CDOs often spoke of the dynamic where they aligned with CEOs to drive transformation across many dimensions of people, processes, data, and technology.

The task of transforming legacy companies into agile businesses is often being placed on the shoulders of the CDOs, adding to their existing challenge to transform the customer experience and build a digital footprint for the customer. Additionally, they are being asked to accomplish this while also innovating new business models and upskilling their organization to embrace change and respecting changing privacy regulatory environment.

These are tall orders, indeed. However, these challenges come with great opportunity. CDOs sit in a unique position and are responsible for seeing and leading the enterprise into the future. They are well-positioned to steer enterprises through turbulent times and build a more resilient organization.

The <u>Role of the CDO report</u> from Oxford summarizes it this way, "Today, CDOs are much more likely to be influencing the fundamental aspects of their companies' business. Now they appear to have a key role in where revenues come from, how customers are acquired and managed, and how their companies operate efficiently and move quickly to capture market opportunities."

Or as Edward Kummer, Chief Digital Officer, General Motors put it: "Customers live in a digital direct world and expect to be digitally connected in meaningful ways to the brands they engage with. To build a deeper relationship with customers, today's CDOs must have insatiable curiosity, a disruptive mindset, and the ability to collaborate across the organization to meet enterprise-wide goals. This is especially true for CDOs at large consumer brand companies where digital transformation is complex and manifests across various channels. Keeping a relentless focus on building a deeper and ongoing relationship with the customer at every touch point is not only mission critical, but the foundation for growth."

CDOs indicate they are gaining valuable experience across all the critical business functions, building credibility with the Board of Directors and C-suite, and leading a strategic shift in the organizational mindset. As Oxford mentioned in their report, it is enough to suggest that CDOs are destined for greater leadership and are even potential future CEOs.

> As one CDO (who asked that his quote not be attributed) said with a sly grin when asked if he is likely to be CEO someday, "If the Board wants someone that can see the future, look around corners and understand how to lead and create change, then maybe yes."



## APPENDIX

The following is the current MMA Chief Digital Officer Board of Directors, who support this work and other programs of the board.

#### MMA Global Chief Digital Officer Board of Directors:

#### Global CDO Executive Committee:

Chair: Marc Speichert, EVP, Chief Commercial Officer, Four Seasons Hotels and Resorts Vice Chair: Ratnakar Lavu, Global Chief Digital Information Officer, Nike Nitin Chaturvedi, Chief Digital and Technology Officer, KFC Chris Chesebro, Chief Digital Officer, Wella Sol Rashidi, Chief Analytics Officer, Estee Lauder

### Global CDO Board Members:

Claire Bennett, Global Chief Customer Officer, InterContinental Hotels Rich Carter, Chief Digital Officer, Eli Lilly & Co. Chris Crayner, CDO, Universal Parks & Resorts Ronny Hashmonay, Global Head of Business Transformation, Novartis Susan Jones, CDO, Diageo Brigitte King, Chief Digital Officer, Colgate-Palmolive Edward Kummer, Chief Digital Officer, GM Alycia Mason, Chief US Customer Experience Officer, McDonald's Sathish Muthukrishnan, Chief Information, Data and Digital Officer, Ally Rob Roy, SVP, Head of New Business Innovation, T-Mobile Chris Rupp, EVP/ Chief Customer and Digital Officer, Albertsons Sanjay Srivastava, Chief Digital Officer, Genpact Hernan Tabah, SVP, Chief Digital Officer, Altria Karan Arora, CCDO, formerly AstraZeneca Marc Fontaine, Digital Transformation Officer, formerly Airbus Doug Straton, CDO, formerly The Hershey Company

#### Interview Guide used by Oxford

- 1. What is the role of the CDO? Is there are an ideal profile/characteristics?
- 2. What are the hiring requirements today compared to 2017-2018? > this question is most of the time tied to the set of KPIs however the measurement aspect is lacking
- 3. How much should a company invest in order to upskill the organization?
- 4. There is often a mismatch between (a) who a company needs (b) who they get and how can this be reconciled?
- 5. How do you become a transformation catalyst?
- 6. What are the role expectations of the CDO in relation to the maturity curve of the company?
- 7. Do CDOs have a social responsibility in terms of digital transformation?
- 8. How did your company approach the pandemic? Were there existing practices in place? Did you hit the ground running, or were you more flat footed?
- 9. Was your company's digital agenda accelerated by the pandemic? How much of the acceleration was already on the plan and how much was new?
- 10. What tools were invaluable during the pandemic (Zoom, Skype, Microsoft Teams)?
- 11. How do you define success in your role? > this question is most of the time tied to the set of KPIs however the measurement aspect is lacking