Why Read This Report

Today’s insights-driven organizations need strong leadership. Good news: After hovering around 50% for the past few years, chief data officer (CDO) appointments jumped to 58% in 2019 — and were even higher among top-performing companies. This Forrester infographic uses data from Forrester Analytics Global Business Technographics® Data And Analytics Survey, 2019, and Forrester’s Q2 2019 Global Data And Analytics Leadership Survey to provide a snapshot of how these data insights leaders do their jobs and the benefits they deliver to their organizations.
Top performers appoint data insights leaders

The increasing appointments of chief data officers (CDOs) and their business mandates reflect the recognition that using data delivers value and positive business outcomes.

Growth companies appoint CDOs

Organizations that report higher annual revenue growth are more likely to appoint a CDO.

CDO appointments by expected revenue growth:

- **51%**
  - Negative/low growth (<5%)
- **53%**
  - Medium growth (5% to 9%)
- **68%**
  - High growth (10% and above)
Chief data officers cross the chasm

After hovering around 50% for the past few years, CDO appointments jumped in 2019.

Chief data officer appointments:

- **58%** Currently have
- **26%** Plan to have
- **13%** Do not plan to have

59% of enterprises

55% of SMBs
Business imperatives drive appointments

Top drivers for CDO appointments:

- Strategic priority to become more innovative
- Need to strengthen insights-driven culture
- Desire to create an enterprisewide insights capability

The lack of a CDO is a roadblock to becoming insights driven.

“What do I consider an obstacle or roadblock to becoming insights driven? Our lack of a CDO is one of them.”

— CIO, IT leader, large US insurer
CDOs now report to the CEO

CDO reporting structure:

- 38% CEO
- 24% CIO
- 12% CISO
- 10% COO
- 5% CTO
- 9% Other
- 5% Other

The reporting structure has changed. In 2015, 32% of CDOs reported to the CIO and 33% to the CEO.\(^6\)
Data leaders drive insights agendas

The CDO mandate extends across the data value chain — from the data to analytics and derived insights to innovation and business outcomes.

« In Forrester’s data insights leadership survey, eight out of 17 data insights leaders hold responsibility for both data and analytics.7

Companies with CDOs prioritize differently, with more emphasis on business transformation

While all organizations pursue customer experience, revenue growth, and cost cutting, those with CDOs are twice as likely to prioritize new business models.

The top five priority differences between respondents with a CDO and those without:8

<table>
<thead>
<tr>
<th>Change our business model</th>
<th>With a CDO: 31%</th>
<th>Without a CDO: 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improve the partner experience</td>
<td>With a CDO: 41%</td>
<td>Without a CDO: 21%</td>
</tr>
<tr>
<td>Improve differentiation in the market</td>
<td>With a CDO: 41%</td>
<td>Without a CDO: 21%</td>
</tr>
<tr>
<td>Accelerate our shift to digital business</td>
<td>With a CDO: 44%</td>
<td>Without a CDO: 24%</td>
</tr>
<tr>
<td>Improve the employee experience</td>
<td>With a CDO: 41%</td>
<td>Without a CDO: 23%</td>
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</tbody>
</table>
Those with CDOs are more likely to pursue innovation . . .

Adoption of insights initiatives and technologies:

- Create a data innovation capability: 66% with CDO, 43% without CDO
- Use AI, machine learning, deep learning: 64% with CDO, 40% without CDO
Data commercialization means building new data or insights products or services that are sold or shared externally. These new offerings deepen engagements with new and existing customers and deliver new streams of revenue.

Data commercialization differs across organizations:

- 63% with a CDO
- 44% without a CDO

... and are more likely to join the data economy by commercializing their data.
How they do what they do

Data insights leaders establish centers of excellence (CoEs):\(^{12}\)

60% of those with insights leaders

31% of those without an insights leader

Teams offer *centralized, shared services* for the entire organization; they are often responsible for companywide activities and standards.
Data centers of excellence promote data literacy . . .

- Informal presentations (e.g., webinars or “lunch and learn” sessions)
- Access to data and analytics conferences
- Ongoing one-to-one mentoring
- Internal communications
- Quick-learn modules or “tips and tricks”
- Formal training or certification programs

Most effective in blue.

81% of respondents at organizations with a data insights leader say they communicate to and train the organization on data governance responsibilities and best practices, versus 62% of those without a data insights leader.13

. . . and prioritize initiatives by business outcomes

The top methods for prioritizing data and analytics initiatives are:

1. Weighing expected value against cost and risk.
2. Aligning with corporate strategy.
Challenges remain, yet differ
Organizations with a CDO and projects underway struggle with external factors, whereas organizations without a CDO struggle to find the budget to get started.

The No. 1 big data challenge:¹⁴

- **Orgs with a CDO**
  - Security tech maturity

- **Orgs without a CDO**
  - Lack of budget

Organizational inertia
Many decisions are made using quantitative information and analysis rather than experience, “gut feel,” or opinions. Yet cultural change is hard.¹⁵

- 51% of decisions are based on quantitative information or analysis in orgs with a CDO.
- 44% of decisions are based on quantitative information or analysis in orgs without a CDO.

» While still challenged to make data-driven decisions, organizations with a CDO have made more progress than those without a CDO.
CDOs oversee positive results

In organizations with a CDO, requests for data and analytics are addressed more quickly, often within days or weeks, compared with months or years.

Percentage of requests turned around in days or weeks:16

- With a CDO: 51%
- Without a CDO: 30%

Sourcing and making available new customer data sets: 47%

Supporting new business intelligence and advanced analytics technologies: 27%

Companies with CDOs achieve better business outcomes

Benefits of using analytics:17

- Increased customer lifetime value: 21% vs. 16%
- Increased revenue: 25% vs. 19%
- Improved customer experience: 27% vs. 20%
- Increased business innovation: 23% vs. 16%
- Gained competitive advantage: 23% vs. 16%
Notes and sources

Source: Forrester Analytics Global Business Technographics® Data And Analytics Survey, 2019
1 Base: 2,840 global data and analytics decision makers
2 Base: 2,939 global data and analytics decision makers; Note: We excluded responses of “Don’t know.”
3 Base: 1,167 (SMB) and 1,772 (enterprise) global data and analytics decision makers
4 Base: 17 data leaders; Source: Forrester’s Q2 2019 Global Data And Analytics Leadership Survey
5 Base: 1,696 global data and analytics decision makers whose firm currently has a chief data officer; Note: We excluded responses of “Don’t know,” so percentages do not total 100.
6 Base: 1,347 global data and analytics decision makers whose firm has or is planning to have a chief data officer; Source: Forrester Analytics Global Business Technographics Data And Analytics Survey, 2015
7 Base: 17 data leaders; Source: Forrester’s Q2 2019 Global Data And Analytics Leadership Survey
8 Base: 2,939 global data and analytics decision makers
9 Base: 2,939 global data and analytics decision makers
10 Base: 1,900 global data and analytics technology decision makers
11 Base: 2,939 global data and analytics decision makers
12 Base: 2,939 global data and analytics decision makers
13 Base: 681 data and analytics technology decision makers who use or have purchase influence over data governance and stewardship
14 Base: 2,939 global data and analytics decision makers
15 Base: 2,186 global data and analytics decision makers
16 Base: 2,939 global data and analytics decision makers
17 Base: 2,939 global data and analytics decision makers
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Supplemental Material

**Survey Methodology**

The Forrester Analytics Global Business Technographics Data And Analytics Survey, 2019, was fielded in March and April, 2019. This online survey included 3,417 respondents in Australia, Canada, China, France, Germany, India, the UK and the US from companies with 100 or more employees.

Forrester Analytics’ Business Technographics ensures that the final survey population contains only those with significant involvement in the planning, funding, and purchasing of business and technology products and services. Dynata fielded this survey on behalf of Forrester. Survey respondent incentives include points redeemable for gift certificates.

Please note that the brand questions included in this survey should not be used to measure market share. The purpose of Forrester Analytics’ Business Technographics brand questions is to show usage of a brand by a specific target audience at one point in time.
Forrester fielded its Q2 2019 Global Data And Analytics Leadership Survey to 17 data leaders. This group consists of volunteers who joined on the basis of interest and familiarity with the subject area.

For the Forrester Analytics Global Business Technographics Data And Analytics Survey, 2015, Forrester conducted an online survey fielded in January through March 2015 of 3,005 business and technology decision makers located in Australia, Brazil, Canada, China, France, Germany, India, New Zealand, the UK, and the US from companies with 100 or more employees.
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