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# The role of the CIO in data management

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## Introduction

Data management continues to be one of the fastest growing areas of technology. The appetite for data is only getting stronger as organizations have a desire to collect data from consumers and use it to drive more meaningful interactions and business intelligence.

There are a multitude of people, processes and technology that need to be put in place in order to appropriately leverage data and ensure its quality. In some organizations, a Chief Data Officer (CDO) has been hired to centralize data management strategies and bridge the gap between data and decision making.

While the growth of the CDO role is unprecedented, not every organization has the ability or the immediate need to hire a CDO. In cases like this, the Chief Information Officer (CIO) is handling any needed centralization of the data strategy.

We recently commissioned a research study to look at data management practices among organizations in the U.S. More than 250 CIOs took part in the research, produced by Loudhouse Research for Experian. All participants were from companies with over 500 employees from a variety of industries, including manufacturing, professional services, financial services, retail, utilities, healthcare and more

In this report, we will discuss our findings about CIOs attitudes toward data management, investigate the challenges that CIOs are facing while overseeing the strategies for both data and IT, and define three key focus areas that will help your organization have a more centralized approach to data management.
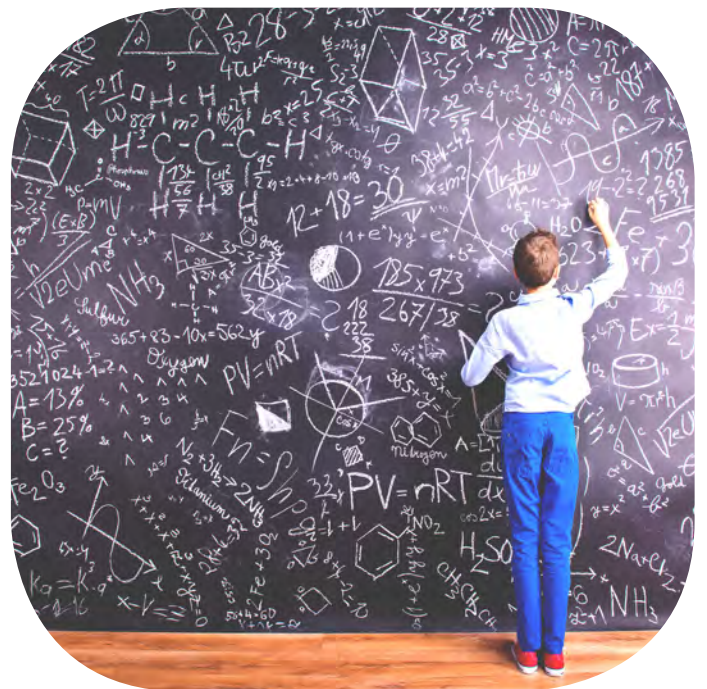
## The CIO's attitude toward data

There is little argument against the impact of data on an organization. Everyone understands the importance of having high quality, actionable data available to make critical business decisions.

However, gathering insight from data is a complicated task. Data is likely coming into your organization from many different sources at a high volume. Because of this, data quality continues to be a key concern.
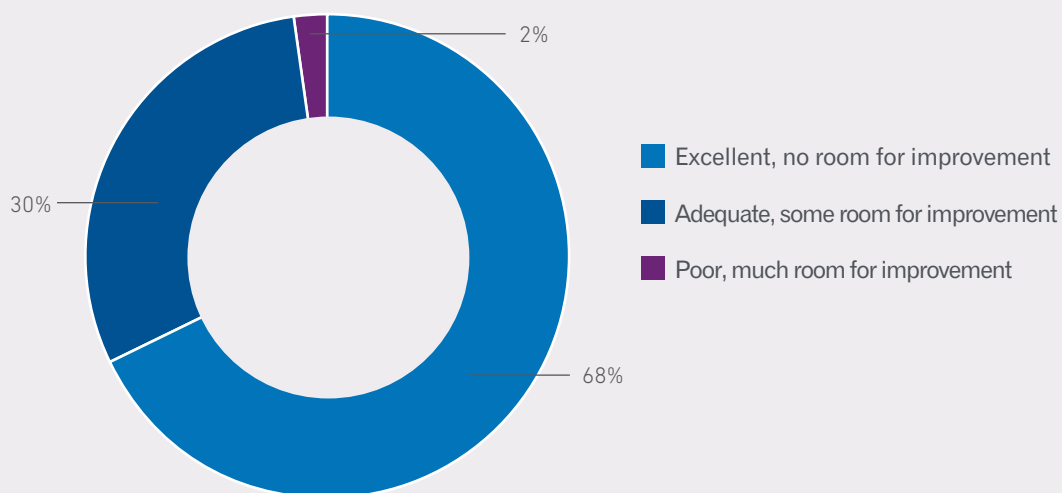
We asked CIOs to describe the quality of data in their organization, and we received some interesting feedback. Over the last 12 months, 92 percent of CIOs have experienced problems as a result of poor data quality. This prompted them to spend nearly a half a million dollars improving inaccurate data over the last year—$491,279 on average, to be exact. Because of this investment, many CIOs trust the quality of data in their organization. Sixty-eight percent describe their data as excellent with no room for

improvement. One third say their data is adequate but could use some improvement, and two percent say their data needs significant improvement.

It's important to remember that improving data quality at your organization is not a "one and done" exercise. It is something that needs to be done on an ongoing basis. New data is constantly coming into your organization from a variety of channels, so validating data on a regular cadence is critical to ensure that your data is accurate and trustworthy for making critical business decisions.

In the last 12 months, **92%** of CIOs have experienced problems as a result of poor data quality.

Chart 1
Quality of data in the organization



2%

30%

68%

- Excellent, no room for improvement
- Adequate, some room for improvement
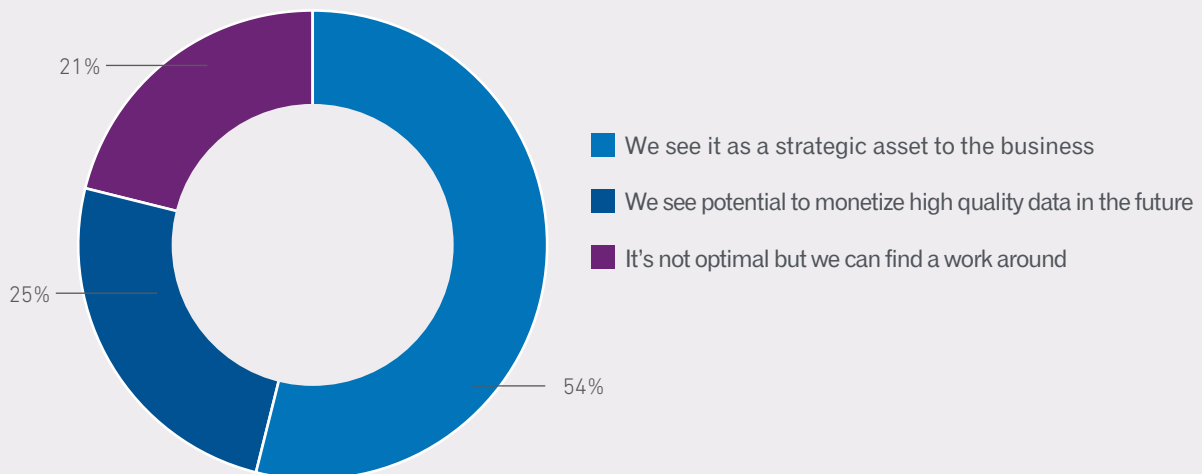- Poor, much room for improvement

With more than two-thirds of CIOs describing their data as excellent with no room for improvement, we were interested to learn more about their attitudes toward data quality. Unsurprisingly, more than half (54%) of our respondents stated that they see quality data as a strategic asset to the business. Organizations are starting to understand that just like their buildings, their employees and the money they have in the bank, data is also an important asset that should be taken care of.

Twenty-five percent of our CIO respondents say that they see the potential to monetize high quality data in the future. This is interesting for two reasons: first, these CIOs understand that data is important, but they also know in order to truly derive value it has to be high quality data. Second, respondents have a very sophisticated view of their organization's data because they not only want to leverage it

for business insights, they feel they will be able to associate revenue dollars to their data in the future.

Perhaps the most concerning data point that we see in the chart below is that one-fifth (21%) of CIOs see that their data quality is not optimal, but rather than find a solution they are finding work-arounds. If you want to make your data work for you, whether that be to gain actionable insights that will drive business decisions or to drive revenue, there needs to be a major shift in the culture and attitude at your organization. If your office building was in disrepair, the chief operating officer would not just turn a blind eye. If there were questions about where money was going, surely the chief financial officer would investigate. In the same way, when data quality is poor, someone in the organization needs to help solve that problem, and that person is oftentimes the CIO.

Chart 2
Organization's overriding attitude towards data quality



21%

25%

54%

- We see it as a strategic asset to the business
- We see potential to monetize high quality data in the future
- It's not optimal but we can find a work around
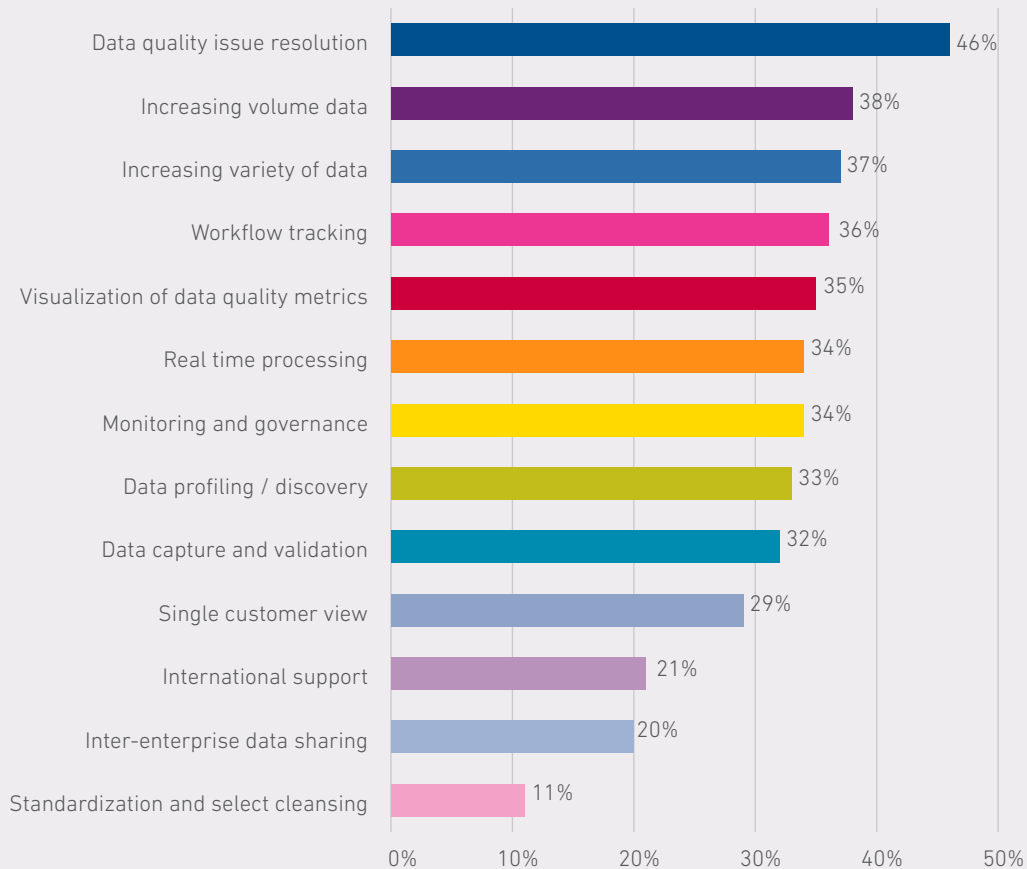
# Responsibility for data management

CIOs have felt increasingly responsible for data management but believe it is hard to make key decisions, as no one in the business is willing to own data. Because of this, 52 percent of CIOs have become increasingly responsible for data management in the last 12 months.

- The main responsibilities of the CIOs around data management are:
- Improving the bottom line through lowering the cost of compliance
- Providing platforms and technologies to support analytics
- Measure and manage data value and risk

CIOs are working to solve for these responsibilities around data management, but they are facing a number of challenges. The bulk of these are a result of a lack of centralization regarding the people, processes and technology surrounding data.

Forty-six percent name resolving data quality issues once they are identified as their greatest data management challenge. Ever-increasing data volumes and varieties are a challenge for 38 and 37 percent of CIOs respectively.

Chart 3
Biggest challenges managing data

| Challenge | Percent |
|-----------|---------|
| Data quality issue resolution | 46% |
| Increasing volume data | 38% |
| Increasing variety of data | 37% |
| Workflow tracking | 36% |
| Visualization of data quality metrics | 35% |
| Real time processing | 34% |
| Monitoring and governance | 34% |
| Data profiling / discovery | 33% |
| Data capture and validation | 32% |
| Single customer view | 29% |
| International support | 21% |
| Inter-enterprise data sharing | 20% |
| Standardization and select cleansing | 11% |

## Increasing pressure on the CIO

CIOs are facing more demands from the business than ever before. Overall IT budgets have significantly increased over the last 12 months. However, with this, so has the responsibility for data management and the value CIOs feel they contribute to their organizations.
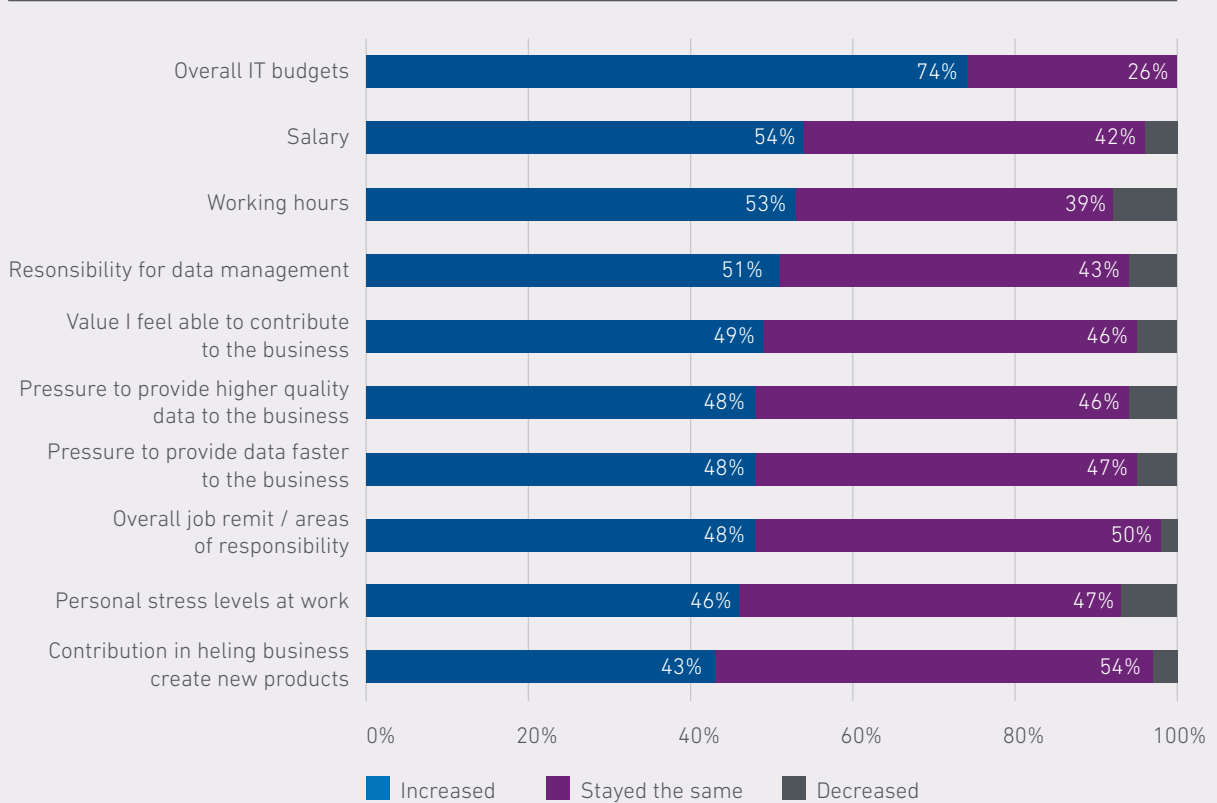
Nearly half of CIOs surveyed stated they have felt increased pressure to provide higher quality data to the business. They also report greater working hours (53%) and increased personal stress levels (46%). Luckily, it appears that more than half (54%) of the CIOs that we surveyed have enjoyed an increased salary to coincide with the increased pressure they are facing.

There is no doubt that it's challenging for the CIO to balance their increasing workload and responsibilities. Because of this, many organizations are considering appointing a Chief Data Officer (CDO).

Interested in implementing a CDO role at your organization? Check out our report, The Chief Data Officer: Bridging the gap between data and decision-making.

**Download**

Chart 4
Responsibility changes over the last 12 months

| | Increased | Stayed the same | Decreased |
|---|---|---|---|
| Overall IT budgets | 74% | 26% | |
| Salary | 54% | 42% | |
| Working hours | 53% | 39% | |
| Resonsibility for data management | 51% | 43% | |
| Value I feel able to contribute to the business | 49% | 46% | |
| Pressure to provide higher quality data to the business | 48% | 46% | |
| Pressure to provide data faster to the business | 48% | 47% | |
| Overall job remit / areas of responsibility | 48% | 50% | |
| Personal stress levels at work | 46% | 47% | |
| Contribution in heling business create new products | 43% | 54% | |

Increased    Stayed the same    Decreased

## Improving your data management strategy

One of the keys to any data management strategy is having focus on the task at hand and appointing a central owner. Most often, this is falling to the CIO today. Our research found that organizations with a centralized approach to data management will see fewer data errors, waste less revenue on data inaccuracies and rework, and are more profitable overall than their decentralized competitors.

When you are tasked with improving your data management strategy, there are three key areas to focus on: people, process, and technology.

**People -** Centralizing ownership of your data under a single director who is supported by a team of people will ensure that the accuracy, security, standards and coordination of data across the organization is managed efficiently and effectively.
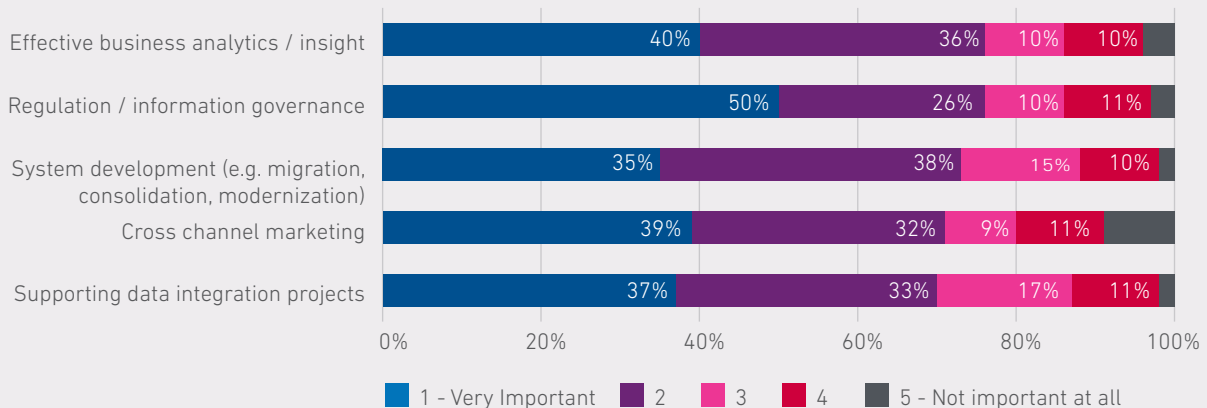
**Process -** Processes need to be put in place to ensure that data is managed properly and is held to standards that are set by the business. Processes should cover things like data quality, data security, and the data life cycle just to name a few.

**Technology -** Software and solutions that will help you manage your data fall into the technology category.

Choosing the tools that are going to help your organization with your data management initiatives is no small task. When we asked CIOs what factors were the most important in determining which data quality solutions they were going to choose, they named data governance, effective business insight, and cross-channel marketing as the most important. Although still an important factor, supporting data integration projects is less of a priority compared to other measurements, such as effective business analytics and regulation.

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Organizations with a centralized approach to data management will see fewer data errors, waste less revenue on data inaccuracies and rework, and are more profitable.

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Chart 5
Critical factors determining the implementation of data quality software

| | 1 - Very Important | 2 | 3 | 4 | 5 - Not important at all |
|---|---|---|---|---|---|
| Effective business analytics / insight | 40% | 36% | 10% | 10% | |
| Regulation / information governance | 50% | 26% | 10% | 11% | |
| System development (e.g. migration, consolidation, modernization) | 35% | 38% | 15% | 10% | |
| Cross channel marketing | 39% | 32% | 9% | 11% | |
| Supporting data integration projects | 37% | 33% | 17% | 11% | |

1 - Very Important　2　3　4　5 - Not important at all

## Conclusion

Data is of such critical importance to organizations that they can no longer manage it in siloed, one-off approaches that are based on individual departmental needs. Data needs to be managed by a central owner within the business. Many times today, that owner is the CIO.

The research shows that the disparate structures organizations have today by department simply are not equipped to deal with the high demands of data management and usage. To meet the increasing demands of consumers, businesses have to improve the people, processes and technology around data management across their organization. They need to eliminate silos and accurately assess data challenges.

Moving over the next several years, a large number of organizations, especially in regulated industries, will appoint a CDO. However, this won't be the case for every organization. What is most critically important is that an owner is assigned to data to take responsibility for its quality and usability across the business.

It is important to remember that data isn't just a one-off engagement. To really use data well, it requires ongoing management, discussion and advocacy. In fact, the amount of data you're going to have to manage is just going to keep growing exponentially. Make sure a c-suite executive is willing and able to take responsibility for data.

Your data is a strategic asset, and a competitive differentiator. Experian can help you unlock the power of your data with our industry-leading data quality and data management solutions. Ready to update your data management strategy?

**Let's get started**

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