

Evolving Mandate of Chief Data Officer

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Agenda

01

CDO's Dual Mandate



02

Considerations



03

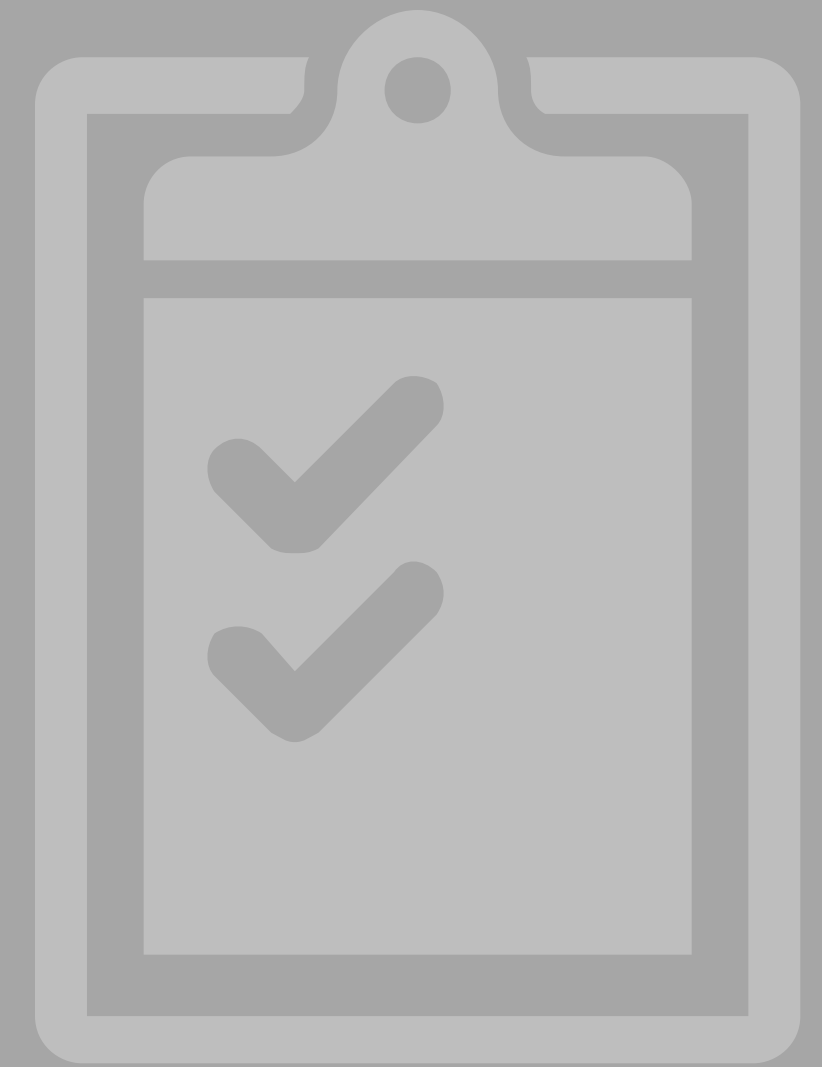
Execution



01

CDO's

Dual Mandate



01

CDO Dual Mandate

Two concurrent agendas – growth and control – healthy tension?

Drive growth

1. Champion the cause -- a **data-centric** company
2. Drive evolution and **scaling** for data-driven growth
3. Facilitate **operating model** change

Facilitate control

1. Lead **governance** setup and execution
2. Drive X-functional and X-BU **alignment** – finance, risk, customer
3. Coordinate enterprise **reference data** programs

Evolving mandate & the tension

01

CDO Dual Mandate

Early successes now coming in – but hard lessons over past 3-5 years

Lessons learned

- Many definitions and understanding of CDO function
- Job descriptions that just “added” to existing roles and responsibilities
- Reporting structure defined as the first step, before clarity of mandate
- Data “warrantor” and “supplier” mandates – but limited power to change anything
- Growth imperative not explicit in CDO mandate
- But now, many early successes

02

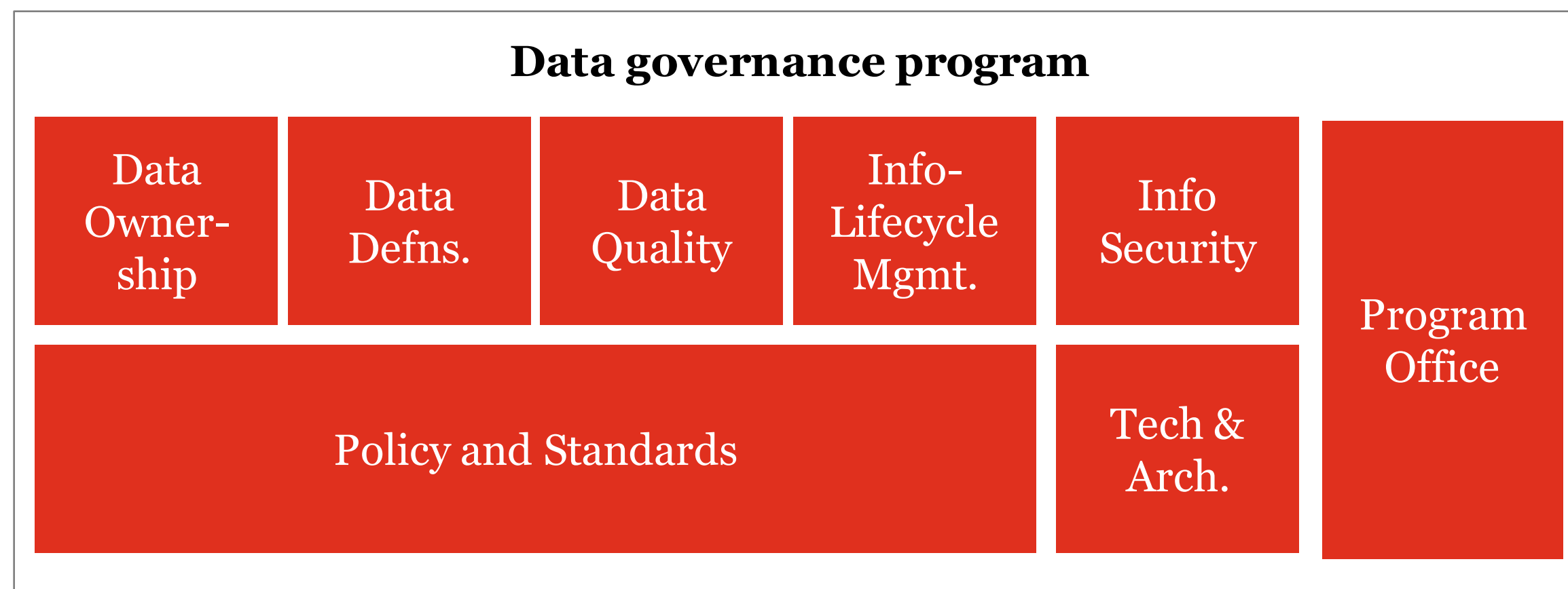
Considerations



02

Considerations

Control mandate will continue and grow – even more regulations coming



Challenges

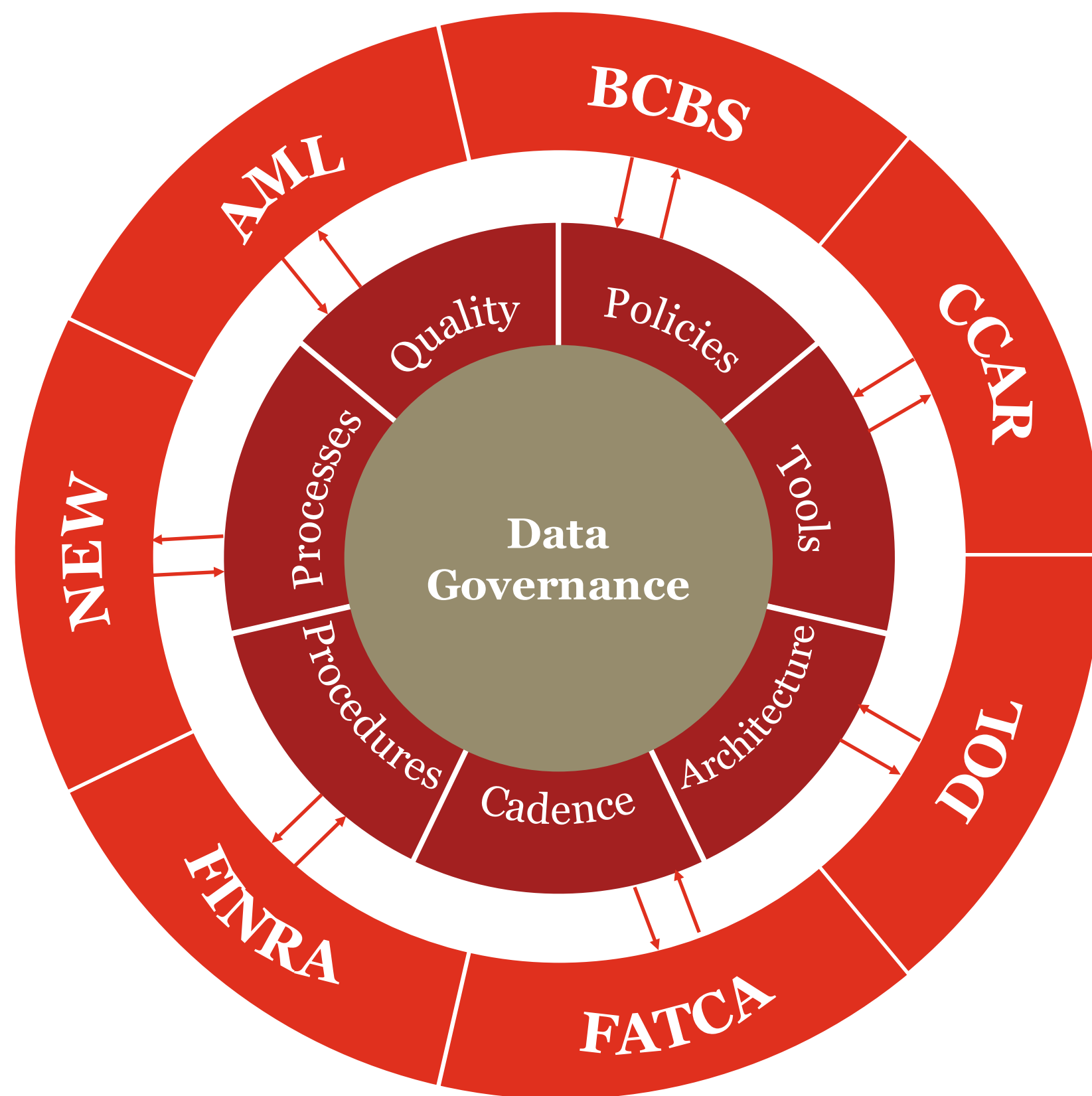
- Regulations will continue unabated
- Regulators provide “principles” – not “to-do’s”
- How to monetize for growth – beyond regs
- Risk & finance integration – the next hurdle
- Risk/finance and Customer – the next focus

- **Customer Onboarding:** Client due diligence and screening against sanctions and PEP - KYC, FATCA, Common Reporting
- **Transparency:** Swap market accountability - Dodd-Frank, IHC and Reg AB2, EMIR, UCITS, AIFMD, COREP, FINREP, ACORD
- **Systemic Risk Oversight:** Threats to financial stability - BCBS, SBSG Report on Risk Appetite Frameworks and FRY-14Q, 9C
- **Capital Requirements:** Standards for capital adequacy, stress testing and liquidity risk - Basel III, CCAR, LCR and Solvency II
- **Surveillance:** Anti-money laundering (AML), sanctions, fraud, trade execution, consumer protection
- **Risk Management:** Managing enterprise risk across all areas - Credit, Operational and Market

02

Considerations

Governance challenge – consistently sustain over evolving drivers



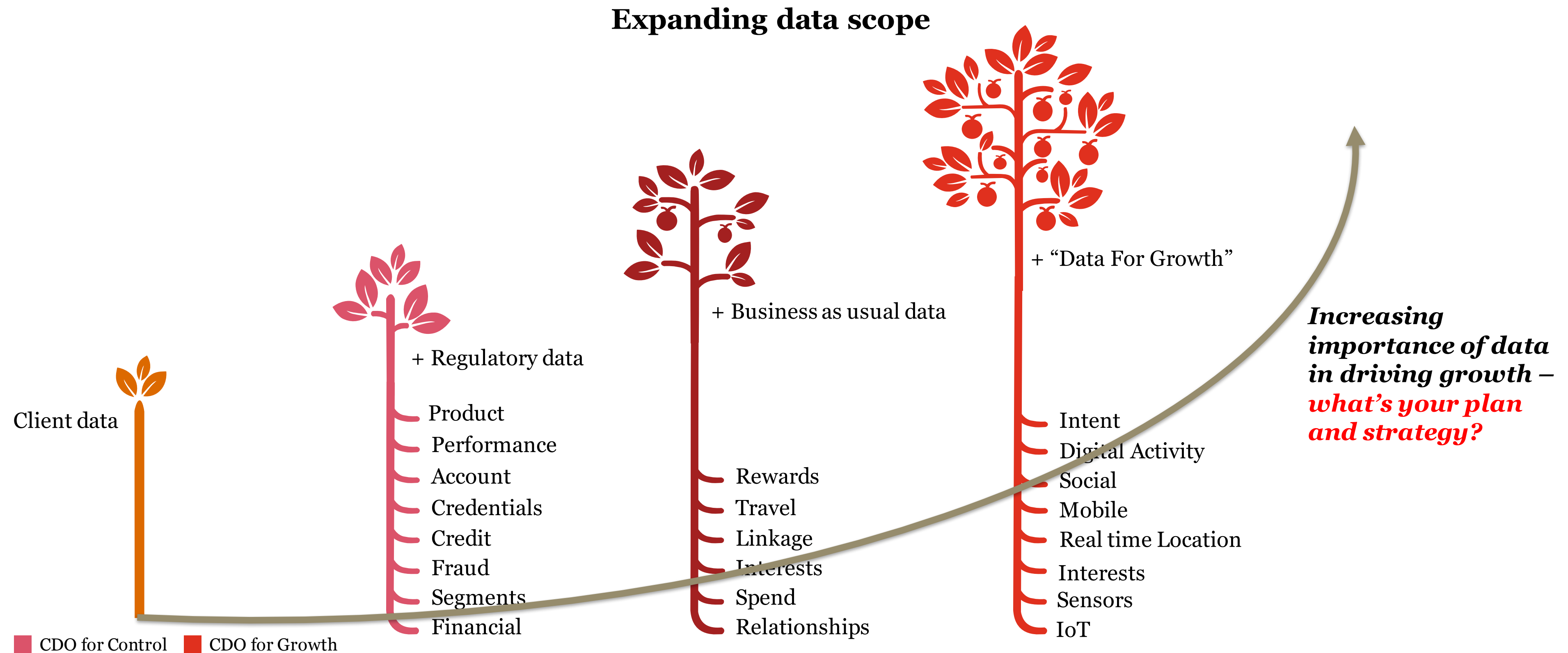
Control Program

- Data Governance – “consistent sustainability”
- Disciplines:
 - Policies and standards
 - Tools
 - Architecture, etc.
- Mandates and initiatives that use disciplines

02

Considerations

The dual mandate comes with exponentially expanding data scope



02

Considerations

Dual mandate – new interactions – new SLAs and metrics?

Growth Mandate Example

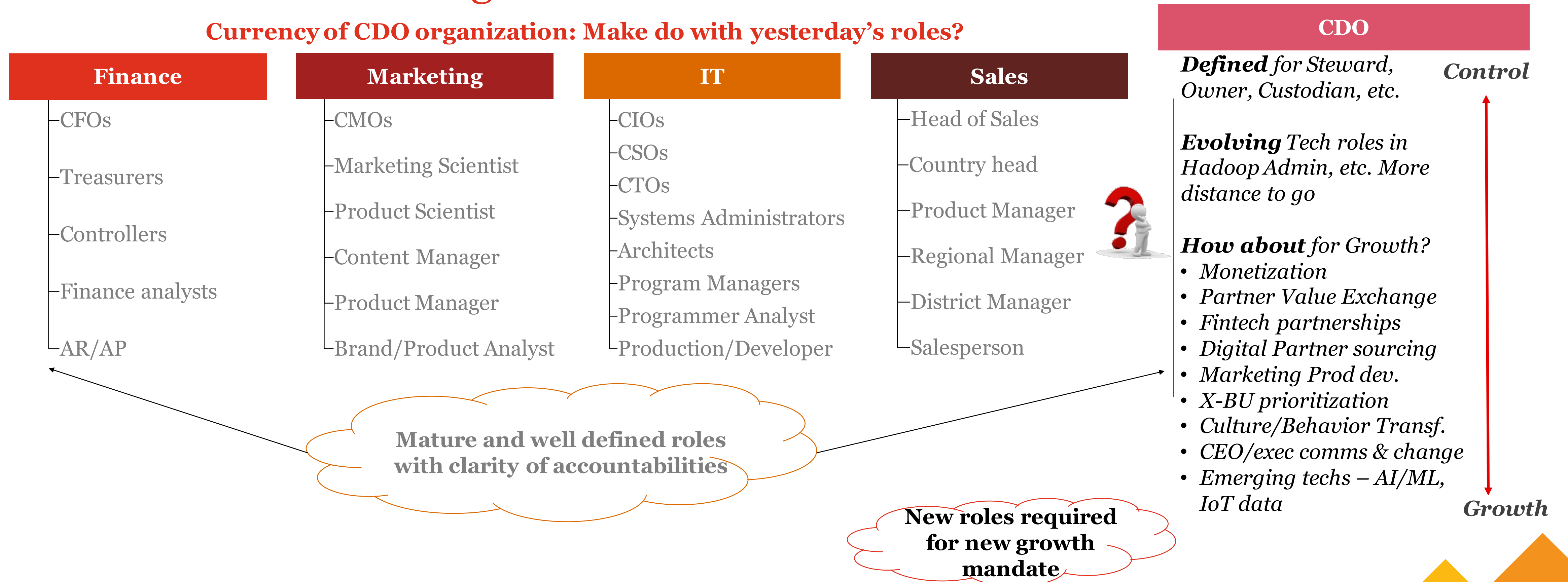


02

Considerations

Others have mature org models and roles – how about CDOs?

Currency of CDO organization: Make do with yesterday's roles?



02

Considerations

New roles and skills in org – what’s the equivalent CDO’s talent strategy?

Example skill requirements

Business roles	Marketer	Social Media Co. <i>Quantitative background with strong statistical modeling</i>		Online Marketer <i>Business background with data analysis skills</i>
	Product manager	Search Co. <i>Computer Science degree with product management experience</i>	Traditional Financial Co. <i>Business education with 5-7 years relevant experience</i>	Leading Financial Co. <i>Quantitative degree with Analysis experience</i>
	Servicing	Leading Financial Co. <i>Highly analytical skills with a quantitative educational background</i>	Online Retail / Market <i>Quantitative, technical background with advanced data analysis skills</i>	Leading Financial Co. <i>Masters degree with strong analytical skills</i>
Technical roles	Data scientist	Social Media Co. <i>Advanced technical degrees with expert knowledge of analysis tools</i>	Traditional Financial Co. <i>Bachelor’s degree with relevant technical experience</i>	Search Co. <i>Advanced technical degrees with experience in data analysis field</i>
	Data engineer	Social Media Co. <i>Technical degree with experience in ETL development</i>	Social Media Co. <i>Technical background with knowledge of analytical tools and scripting languages</i>	Online Retail / Market <i>Bachelor’s degree with expertise in analysis technologies and scripting languages</i>
	Data architect	Social Media Co. <i>Experience with diverse data platforms, and big data technologies</i>		Leading Financial Co. <i>Data modeling experience, including data flows and delivery architecture</i>

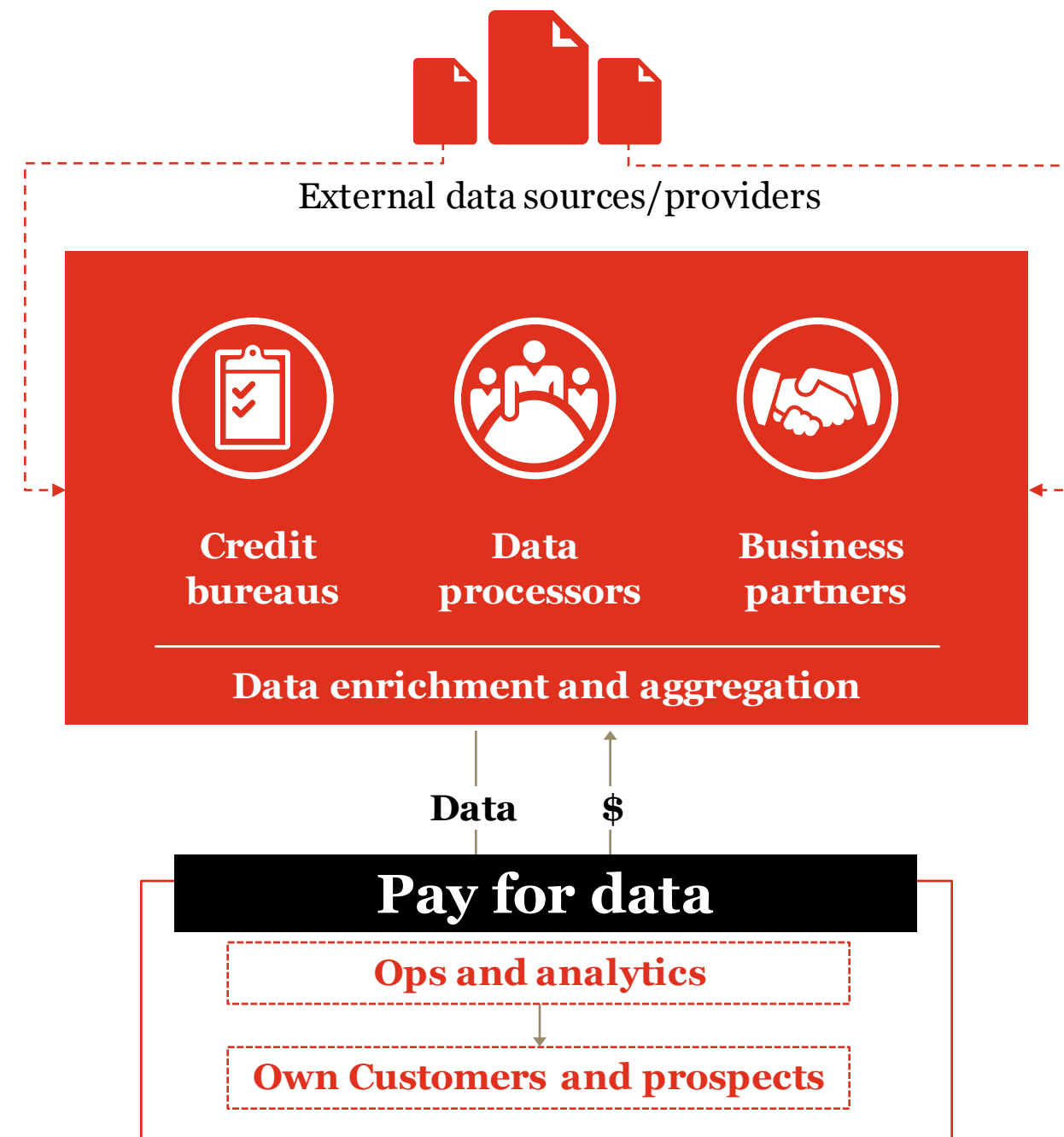
Source: Literature review, industry interviews, PwC analysis

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Considerations

New data and client access models – CDOs drive value exchange

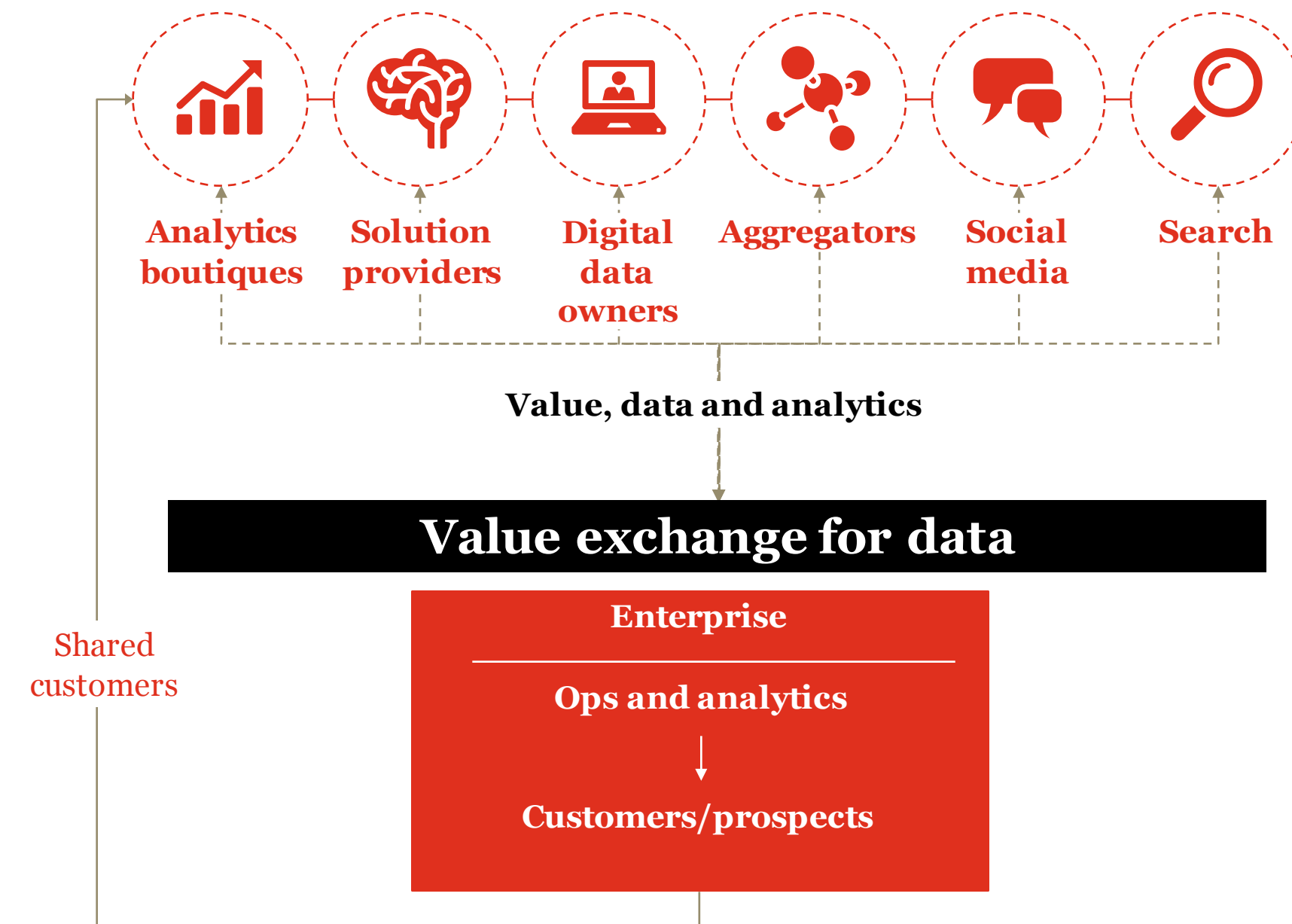
Traditional pay-for-data model



Acquire *data* to predict segment-level behavior

From a handful to '00s of partners

Next-era pay-for-value model

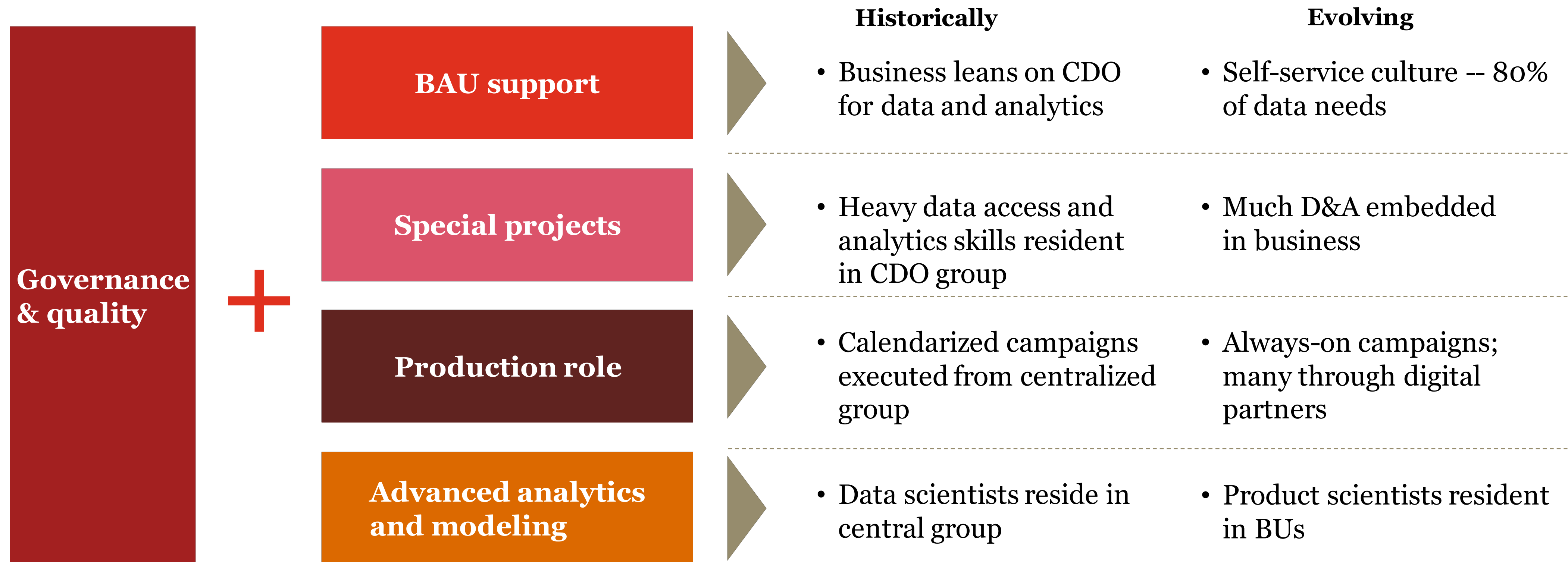


Acquire *customer-access* to deliver targeted actions

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Considerations

The dual mandate drives multiple new support requirements

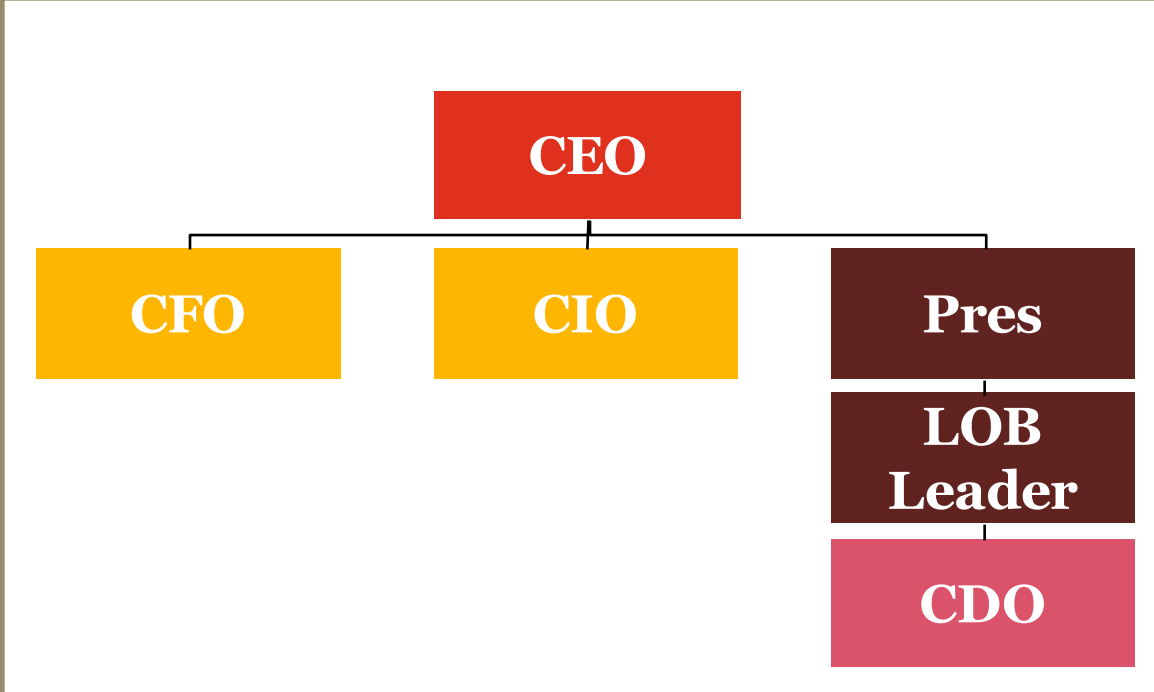
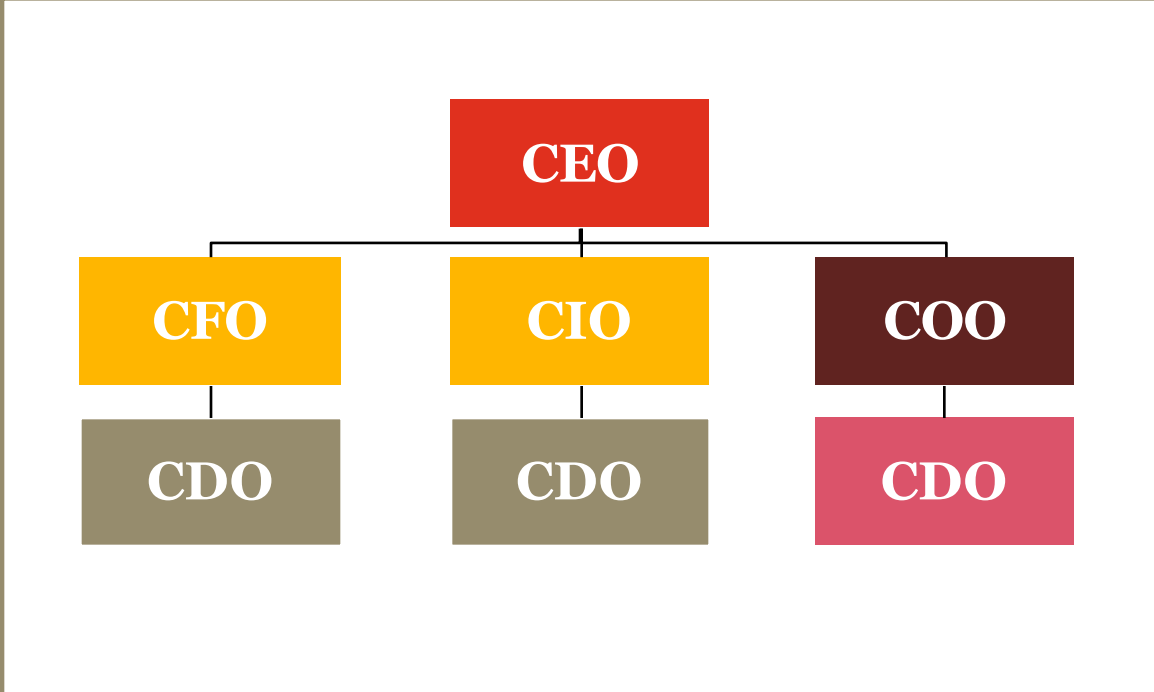
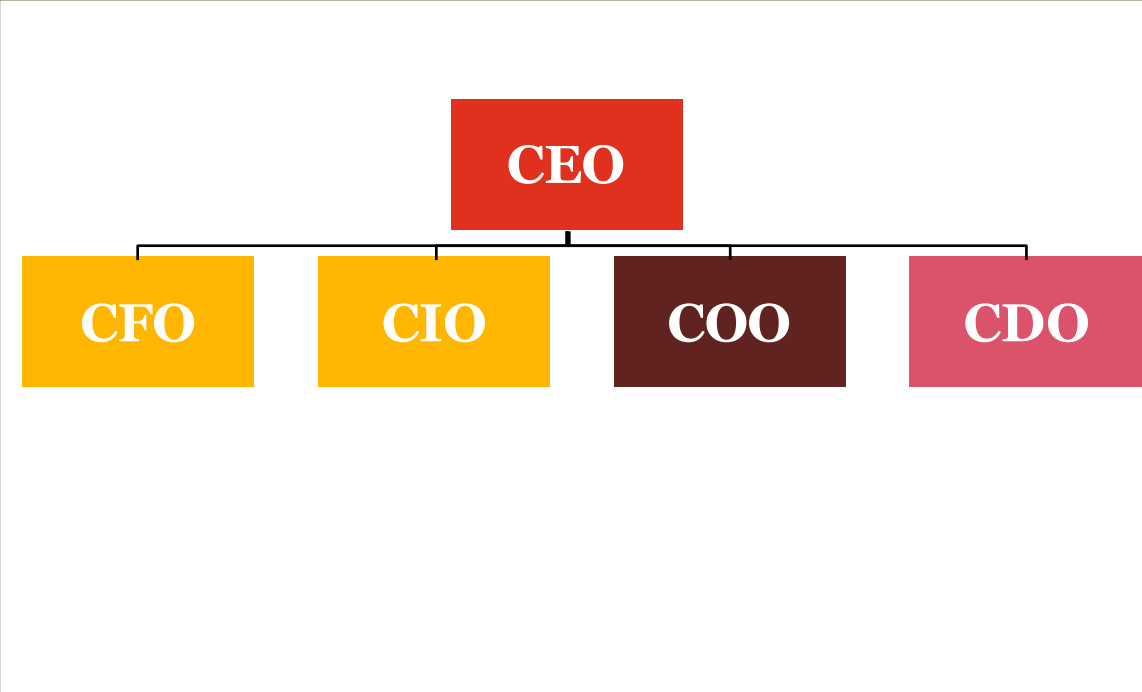


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Considerations

Many org models...role, profile, skill, decision rights influenced by this

Multiple models

			
<i>Pros</i>	Responsibility within the Business line closest to generating and using data	An integrated enterprise data office with a senior reporting relationship	Elevates the importance of data responsibilities and capabilities – similar to technology, financial and other business assets
<i>Cons</i>	Could lead to siloed data efforts across lines of business	Focus of CIO, CFO, COO, etc., could have implications for CDO role	Requires strong commitment and executive buy-in to data at C-suite

02

Considerations

It's not just you – others have to step up too

If reporting into...

Will these accountabilities be accepted?

Chief Information Officer

- Data quality and business data definitions; holding business accountable
- Write-backs to “production” environment by end-users

Chief Technology Officer

- Less-than-production quality standards for data/analytical environment
- Rapid-release, forever-beta paradigms required in the new model

Chief Analytics Officer

- Enterprise data quality – going well beyond requirements of analytics function
- General end-user support and data demands

Chief Digital or Strategy Officer

- Own the data problem – quality, sourcing, throughput
- Own analytics capability & data scientists; data sourcing from evolving sources

Chief Marketing Officer

- Own the data problem – quality, ownership, governance
- Accountability for technical aspects and analytical function

03

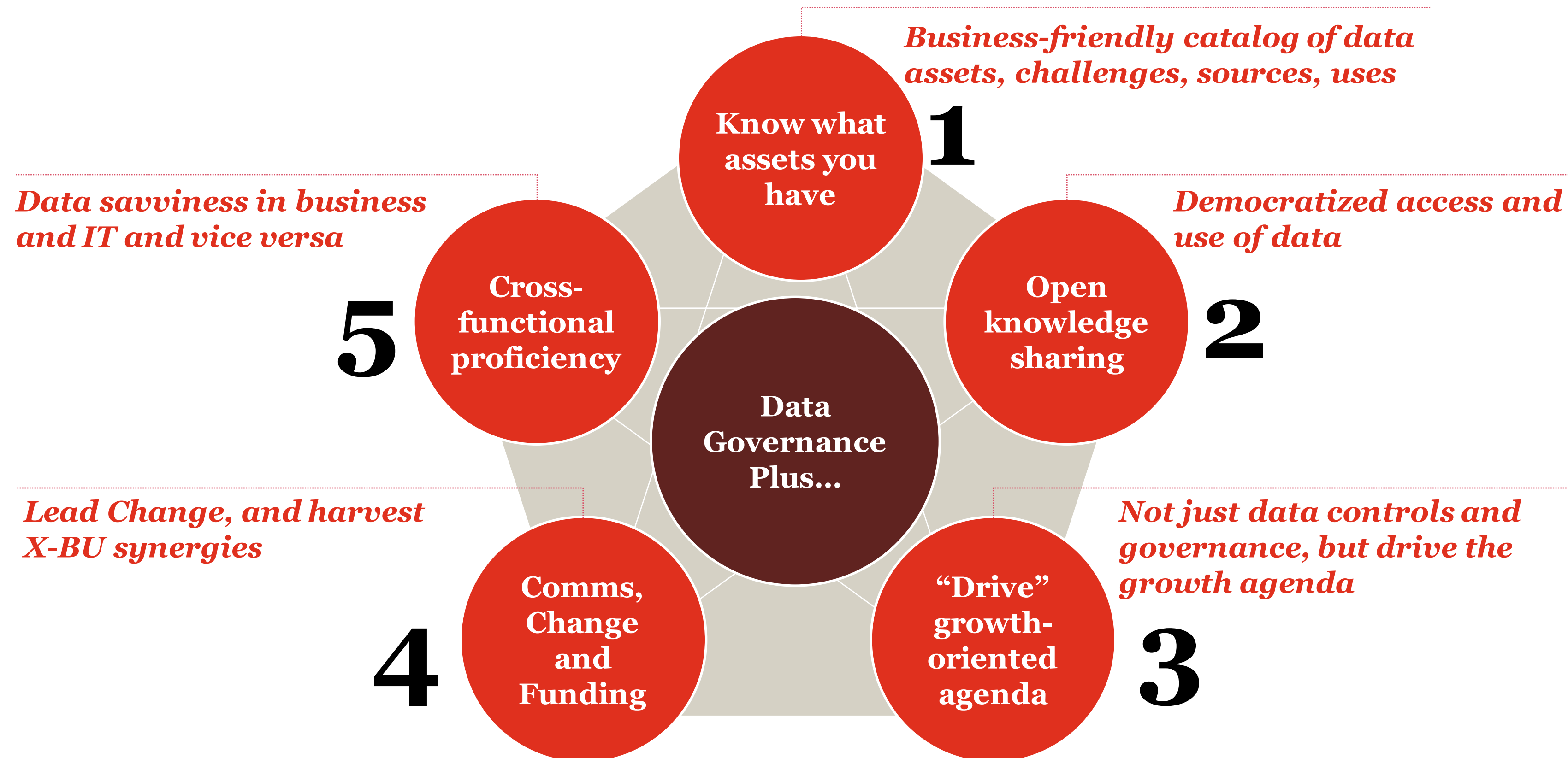
Execution



03

Execution

Structuring your roadmap – pivot Control achievements to drive Growth



5 additional disciplines a CDO can champion

04

Thank you

For more information



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