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ISSUE 3,923

TECHNOLOGY FOCUS

Everybody needs to make data their business

Data is everywhere in business today and you could say every business is its data – especially in insurance.

Our guest columnist Gene Leganza looks at one approach to strengthening data governance, namely the appointment of a chief data officer (CDO).

But do organisations need CDOs? Appointing someone in this role might have the effect of taking the responsibility for good data habits away from everyone else. Yet while organisations have chief financial officers (CFO), that does not mean the CFO is the only person who knows or cares about money.

The discipline of data management has long been hindered by a lack of visibility. Data is intangible and geeky. We need to humanise the handling of data and reinforce its relationship with business success, and that is going to take focus and creativity.

Data is everybody's business. The C-suite needs to value information and provide leadership in its acquisition, management and exploitation. A CDO can provide the direction and accountability needed to ensure your data assets are providing all the value they can. ■

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The era of the chief data officer in insurance

As new information becomes available through social media, process and sensor data, questions arise about the need to appoint a CDO and where the role will best fit in insurance companies today

Would the CDO focus on new streams of data and also assume responsibility for existing information?
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**Gene Leganza,
vice-president and
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It seems to be popular these days among industry pundits to recommend that organisations add a new role: the chief data officer (CDO). The arguments in favour of this move are the rapidly accelerating importance of information in the enterprise and, as important, the heightened perception of the importance of information by business executives.

The attention on information comes from all the rich new data that simply did not exist before: social media data, process data, sensor data – the enormous volume of data resulting from the digitisation of everything. Add to that the new technology to handle big data in a reasonable timeframe, user-friendly mobile computing in the form of tablets, data-virtualisation software and data warehouse appliances that accelerate analysis and the promise of predictive analytics and there is plenty of evidence for an information management renaissance out there.

The future of data is not like the past

The only argument against creating this role I have come across is if chief information officers (CIOs) and chief technology officers did their jobs properly we would not need CDOs. But we are not just talking about IT's history of relative ineffectiveness in managing information outside application silos; we are adding to that a significant increase in the volume and value of information. Then there is the fact the data could be in the cloud and not managed by IT.

So it is easy to look at the historical information management immaturity of most enterprises and conclude we need a new model. Since organisational changes often highlight a change in the enterprise's priorities, it is also easy to envision a new CDO role as a focal point of all this new value. But I have yet to see anyone walk through the implications. Specifically, what would be the charter of this new role, where would it report and what roles would report to it?

The CDO's position and scope

For the charter, the CDO might choose the strategy for taking advantage of all the new opportunity out there. But would the CDO focus on new streams or also assume responsibility for all the existing information management functionality in the enterprise? Would they build data labs, hire data scientists and pursue research and development for new business value? Would they wave a big stick and insist business units appoint data stewards to work with IT information architects to define the information architecture? Would they manage information governance processes? Would they take over planning of the information management technology roadmap or co-ordinate with the existing architects?

As to where the position would report, I expect a lot of people would expect a business reporting relationship to reflect the new awareness of the importance to the business. But are we talking about moving all existing information management staff out of IT and into the business? If so, what is the mechanism for co-ordinating with all the other technical staff who work with the information management staff?

If it does not make sense to move a significant chunk of IT functionality out of IT, what is the mechanism for co-ordinating any cool new projects coming out of the CDO's labs into the mainstream architecture? Where do information architects live in this new world and what is the relationship between the enterprise architecture practice and the CDO's domain?

The right fit for the organisation

If the CDO role stays in IT and reports to the CIO, there are still plenty of questions. Does that create a sufficiently powerful role to influence business activity?

Again, do all existing information management staff move into the new CDO organisation? If so, how will that work within the general trend of more federated organisations we are seeing? If we are not talking about moving all those staff, how does the new CDO influence all the information management practices in existence, mature or otherwise? What really changes?

I firmly believe the definition of a CDO role is a good idea and collectively we will figure out one or more good models. There is plenty to be worked out to make this effective and there are no easy answers as far as I can see. We will see different models emerge and not all will succeed in all contexts. But we need to start asking these questions in our organisations – and tracing the implications of the answers. The ability to exploit data for real business benefit hangs on our getting our data organisation in the best possible shape. ■