



The Role of the Chief Data Officer Managing Expectations

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This article is one in a series that examines the evolving role of the *chief data officer* (CDO) and how the CDO interacts with other members of the C-suite. For this installment, I interviewed Ursula Cottone, CDO of Citizens Bank, about a journey that began not with data, but with people. We discussed how projects had to be justified not by direct ROI, but through understanding the process, transparency along the journey, and ongoing expectations management.

Why a CDO?

Cottone began at Citizens Bank in 2015, taking on the bank's new CDO role after having been the first CDO at her prior job. A long-time banking professional, she has held many roles throughout her career: she managed branches, was on the credit team, was part of the investment bank, and led a large-scale Siebel implementation for the enterprise from the business side. She acquired a deep knowledge of the banking business, and found that the technology side was more about understanding business require-

ments than it was about data or technical functionality.

Citizens Bank determined that a dedicated executive role was necessary, due to several factors. The bank was about to go public and had embarked on an enterprise data management plan a number of years earlier, but was finding it challenging to realize the expected benefits from technology investments. The business went through the pain of deploying new tools, but was not yet seeing the payoff. It became clear that the heavy technology focus of prior data programs needed to be adjusted to connect more strongly to business results. After engaging with a consultancy, the bank signed off on the recommendation to hire a CDO, whose mandate would be to get greater business value from data and technology investments.

The first step in any new environment is to get to know the enterprise's people and culture. "The initial relationship-building process is critical—understanding what people care about and how they do business," said Cottone. "It may seem that banking is the same across every bank, but it's

not. There are cultural differences and process differences. The people make a huge difference."

Starting at the CEO

Understanding the needs of stakeholders took time. Cottone began meeting with the CEO and his direct reports—the heads of business units and critical functions. Some were chief operating officers for individual business lines. Some were heads of business lines—for example, the heads of everyday consumer banking, business banking, and wealth. She also met with CFOs and finance heads.

These meetings with top executives provided a high-level understanding of pains and priorities. Meeting with executives' direct reports provided an understanding of the needs of key influencers, operational executives, centers of innovation, and the people who were building value in the enterprise by finding gaps in capabilities and actively building new ways of serving customers and improving efficiencies.

Over a period of five to six months, Cottone met with more than 50 executives, and members of her team

met with those people the executives recommended. As these discussions progressed, themes and issues emerged that were tracked along with the names and departments of stakeholders, the key takeaways, and people who were suggested for additional interviews.

While Cottone was gaining an understanding of people and issues, a parallel process was in progress to understand what the bank already had in place for managing enterprise data and the history of those tools, applications, and platforms. This technical review sought to determine what technologies had been built, what had been purchased, why they were purchased, who owned them, what functions they were supporting, and what was working or not working. The goal was to understand the landscape of the technology, the data, and the processes that existed within the institution at that time.

What Do Those Data People Do Again?

For Cottone, another critical piece in the learning process was understanding the team that she inherited and what skills they brought to the table. The enterprise information service team, as it was called, consisted of 72 dedicated and talented people. Cottone quickly found, however, that due to the way the team had evolved, much of the work was siloed, and there was little cross-team collaboration. This was because teams served different functions and, due to how those functions operated, there was not much need to collaborate. The systems that were supported were siloed. There was also little visibility into the details of how each team's work supported the business. This is not an unusual situation. Technical teams often work in esoteric areas. Data modelers in particular deal in ab-

stractions, and it is sometimes difficult to understand the downstream processes and value to the customer.

One of my own experiences highlights this issue. I was at a conference on metadata, and because I am considered an expert in the space, a team from a Fortune 500 company asked me to meet with them. The challenge, they said, was that they could not get enterprise support for their work. They were having trouble getting attention, funding, and resources. I said, "Okay, I can help with that. Tell me what you do and who you serve." They explained what they did for the next 45 minutes. I kept asking, "So who's the customer? What's the business value? What are you achieving? What are you

the staff and tasks that were productive from that viewpoint, and downsized the team significantly.

She recognized that the issue did not come from the staff but from how workers were organized and the structure of the work. The enterprise information services team was passionate about what it was doing, and really loved the work. "They cared. They were looking for a home and somebody to help—it was just that they were not aligned with the organization's business problems." Cottone's solution was to stop many of the group's activities and then await a response. In fact, no one in the organization ever objected to these changes, which was a good indication that the streamlining had not removed any critical activities.

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doing for customers?" After digging and digging and digging, I had no idea what these people did. And I'm an expert.

Focusing on Business Value

After a good deal of investigation, Cottone identified the team members and activities from which the majority of the business value was being derived. In some cases, business stakeholders' priorities had not been addressed to the extent that they had hoped. In addition, some of the work did not focus on the strategic priorities of Citizens Bank. Collaboration was difficult because of a widely dispersed staff, some of whom were not tuned into overall objectives. Rather than continue to invest in activities that were not moving the bank toward its larger goals, Cottone selected

One key lieutenant whom she retained was an individual who had worked for the bank for a very long time and had a great deal of institutional memory. "This type of person is an invaluable asset in a project like this," Cottone continued. "She has a lot of relationships in the organization, and helped me tackle issues from all different angles inside the company. I also had a key technical resource who similarly had deep knowledge of the enterprise technology landscape." These were key members of her team whose tacit knowledge of the organization was relied on heavily.

Developing the Strategy

After building a foundation consisting of an understanding of the company, stakeholders, and their pain points; building relationships

to learn about the data environment; and developing her team, Cottone was ready to develop a strategy. That strategy now needed to be socialized with the people with whom she had spent time gaining understanding. Strategy can sometimes be theoretical or too high level. It should relate back to stakeholders' pain points and be presented as clearly as possible.

"I had to be honest with the executive committee and point out that the organization faced a choice. It was at a crossroads," said Cottone. It had spent money already, and the question was whether to stop, or to make the next round of investments to deliver business value. The committee was willing to make that investment, taking a leap of faith. Getting to that stage required hon-

updated. This structure was actually in place almost from the start of Cottone's tenure, with participation growing as a wider group of stakeholders were engaged.

The challenge in setting up a group like this early in the process is keeping stakeholder interest while conducting the foundational work. It requires setting the right expectations at the outset—if the group believes there will be quick fixes, this expectation needs to be reset. Agendas need to be relevant, and though there was not a lot to report, it was important to communicate to the steering committee as well as extended stakeholder teams that it would be a "together" journey. In one-on-one meetings with these stakeholders, it was possible to spend time in more of a collabo-

named for each data source, and the advisory committee reviewed every name to make sure the right source systems were included.

The Role of Data Trustee

In mid-2016, another role was added. This role is between data stewards and the advisory committee; the individuals are referred to as *data trustees* for each business unit. Data trustees prioritize issues that their business stakeholders identify—for instance, identifying details of data sources that are planned for the data lake, including ownership, rights, downstream usage, provenance, privacy and security issues, quality measures, and other characteristics such as data standards and structures.

This group is a linchpin in the structure that connects business and technical considerations. The advisory group gives advice, but the bank needs business-directed feedback. There are about 25 in this group. The trustees are aligned with business units and lending segments including student, mortgage, auto and home lending, banking, wealth and commercial, treasury, middle market, capital market, tech, risk, compliance, and anti-money laundering.

Including these liaisons, advisors, subject matter experts, stewards, and extended group members brings the total to 150 stakeholders across the various teams. With all these stakeholders and extended team members, the challenge was getting and keeping them aligned and aware of initiatives. This does not mean that everyone needs to know about all of the program details—they need to understand what impacts them and how they can contribute to the program's success.

Getting the 360-Degree View

The bank developed a customer master so it could stop maintaining

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esty about what was going well and what was not going well and setting expectations appropriately about when the payoff would be seen from the time, money, and organizational resources spent on the effort.

The team also had to take that leap of faith.

Balancing Oversight, Communication, and Collaboration

Many large-scale initiatives have a steering committee to ensure the correct level of oversight and executive communication. In the case of Citizens Bank, the group required broad participation from marketing, analytics, lines of business, and technology. This advisory group (which grew to approximately 15 people) was also tasked with taking messages back to their businesses and keeping their stakeholders

in a collaboration mode, rather than the reporting mode that is the typical steering committee group dynamic. The extended advisory group included approximately 25 participants, including people from Cottone's team who needed to be completely fluent in the message, along with some steering committee members who brought their lieutenants.

A second group was formed last year, about 18 months into the project. These were customer data stewards who helped design and test the customer master. A third group formed was the source data stewards. Citizens has 75 data sources that had customer accounts or transaction data for the master data management (MDM) system that went live in 2016, and for the data lake that began its rollout the same year. A steward or subject matter expert (SME) was

multiple customer mastering processes and customer counts. “The customer master is to be the cornerstone of data work,” said Cottone. “All of the other applications depend on an accurate, complete, and up-to-date customer master.”

Much of the data maintained by Citizens Bank was in application silos, and would require a great deal of effort to consolidate or identify trends across businesses. Rather than build a warehouse, Cottone preferred to develop warehouse-like functionality along with more advanced data ingestion and analytic capabilities in one place. This approach became the driver for building out a data lake for the organization. The bank did not have to buy more technology, but could instead focus on getting the data into the data lake and creating a customer master to be the foundation for advanced capabilities.

Since the approval of the project at the end of 2015, the team has hit every goal that it set out to achieve.

Tracking Benefits

The challenge of a program of this scale and scope—as well as starting from a clean slate—is that it takes some time to achieve a clear payoff. People know they need good data, but it takes discipline, resolve, and a longer-term planning horizon than quarterly earnings to go down the right path to get there. Laying out an achievable set of milestones with a realistic budget provided initial objectives that could indicate the program was on track.

When laying out the business case and projecting benefits, leadership thought that the strategy would specify when the bank would start getting benefits and what those benefits would mean in terms of ROI. This traditional line of thinking is difficult to apply in this kind of initiative. The older business case models are

based on the idea that a certain level of spending provides a multiple of the investment back, for example, in the form of cross-selling that generates new revenue or reducing capital hold for regulatory purposes; these models could not be applied here. In fact, it would be impossible to tie specific benefits to the initiative, given that many other initiatives also have the goal of cross-selling. How does a foundational capability contribute to the outcome? Direct, quantifiable attribution is not possible because so many other programs are contributing to the same goal.

This less quantifiable business case, along with plans for addressing challenges, was presented in the summer of 2015. At the end of the year, Cottone was able to show leadership a view of the path that illustrated the business benefits through linkages to other business-driven projects.

The plan identified six projects with several smaller subprojects that would provide cost-avoidance benefits in areas that included risk, compliance, consumer, commercial, sales, and marketing. By October 2016, more than 20 projects were projected to directly benefit from leveraging enterprise data. Those benefits are expected to emerge with the full rollout, which is scheduled to occur throughout 2017 and into 2018.

Managing Expectations through Transparency

One key to a successful journey is to be transparent about the timing of achieving goals as well as about expected benefits. “Transparency does a lot for people to be willing to keep going on the journey with you, as long as you’re honest and tell them where the program stands, and where, when, and how they will be getting the benefit.” It’s important not to over-promise. Some organizations might not

have the resolve to stay the course without more clearly linked benefits and faster timelines. The challenge is that it takes time to change culture and processes, get alignment and buy-in, understand the organization, and make the needed adjustments in how people do their jobs and—along the journey—maintain focus and the attention and support of leadership.

Cottone provides an update every six months to the executive committee, the CEO, and the CEO’s direct reports, who have been extremely supportive of the strategy and approach for achieving benefits. She is able to show that the team is achieving what it set out to do and building long-term value through data capabilities. The businesses are also seeing that value, and the approach is beginning to generate results in terms of better serving customers and driving operational cost savings as a result of this new environment.

It’s a long journey, but a necessary one if an organization is going to optimize the abundance of data that is its lifeblood. Good data habits, processes, and governance enable adaptability while speeding information flows by removing friction caused by data challenges. While intangible, these approaches to the enterprise data ecosystem are essential to serving customers, adapting to competitive threats, and maximizing shareholder value. ■

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