

A man in a dark suit stands with his back to the camera, looking out over a city skyline at night. Overlaid on the city lights are various data visualizations, including line graphs with blue and purple lines, bar charts, and a map-like interface. The overall theme is digital transformation and data-driven decision-making.

PRIORITY 3

Anticipate Change and Do More with Less

Leverage Predictive Analytics

In turbulent times, CDOs are being challenged to deliver measurable business value with limited resources and leaner budgets. CDOs need to leverage predictive analytics in order to anticipate change and react to it quickly rather than waiting for new data before making a decision.

Predictive analytics enable companies to anticipate and react to change through scenario planning, testing and learning. A McKinsey Global Survey found that success is more likely when CDOs "encourage all encourage employees to experiment with new ideas—for example, through rapid prototyping and allowing employees to learn from their failures."

BY THE NUMBERS

2.5 years

The **average tenure** of a CDO is currently only about two and a half years.

Source: World Economic Forum <https://www.weforum.org/agenda/2020/02/chief-digital-officer-cdo-skills-tenure-fail/#:~:text=The%20average%20tenure%20of%20a,up%20the%20CDO%20to%20fail.>

Enterprises that fail to leverage AI now to manage change risk being left behind.

Manage Change

With businesses everywhere grappling with unprecedented uncertainty, the stakes have never been higher for companies and their employees. Any department that can't clearly show how it's helping the business optimally navigate uncertain times automatically becomes a natural target for cost cutting. For the foreseeable future, business functions will fall into one of two categories – value centers to be retained or cost centers to be eliminated.

Enterprises that fail to leverage AI to manage change now risk being left behind. According to a global survey by Deloitte of nearly 3,000 IT and line-of-business executives, 71% of AI adopters expect to increase their investment in the next fiscal year, by an average of 26%.

Make Smart Cuts

CDOs that plan to do little more than a data lake project for 2021 are going to have a rude awakening – they'll quickly turn their team into a cost center that provides little or no value to the business. In many cases, that means CDOs will have to help their companies make smart cuts – or risk being cut themselves. As it is, the average tenure of a CDO is currently only about two and a half years.

CDOs that help their company make more money, save more money, or operate more efficiently will add value to the organization and become vital members of the crisis team.

2021 Recommendations

Leverage AI and advanced analytics to conduct continuous scenario analysis and assumption testing. Be ready to answer a question that will be asked over and over in 2021: What-if?