



Chief digital officer? A digital strategist and evangelist in chief

A chief digital officer strategically transforms a company's technological future in a way many CIOs don't have the bandwidth to do.

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Of all the new tech-related CXO titles, chief digital officer may be the most loosely defined. At many companies, the chief digital officer is a customer-facing role that signals a commitment to a digital future. At others, the chief digital officer's main responsibility is to strategically transform the company's technological future in a way many CIOs don't have the bandwidth to do.

Sometimes, a customer-facing chief digital officer turns into an inward-facing one. Andrew White, research vice president and distinguished analyst at Gartner, recalls a recent conversation with a chief digital officer who told him: "I spent the first couple of years engaged with customer satisfaction. But if I can't change the supply chain and organize the back end of our business, I can't improve things for customers." Increasingly, that chief digital officer found himself working internally, looking at the data solutions the company was using. "I started out customer-focused and outbound," he told White. "Now I'm looking at our back end and suppliers, so the role seems to have evolved into something broader."

The one thing that unites the two poles of the chief digital officer role is a commitment to digital transformation. Ragu Gurumurthy, chief digital officer and chief innovation officer at Deloitte, which has helped many consulting clients with their digital transformations, sheds light on what it means to become a digital organization:

"We can't say, 'We've transitioned all Deloitte applications to the cloud, therefore Deloitte is digital,'" he says. "We can't say, 'We have robotics process automation in finance, therefore Deloitte is digital.' We have to do all these things and more to be a digital enterprise." Becoming digital, he says, is a matter of mindset — retraining people and retooling business process — as well as adopting new technology.



Digital officers are able to envision a company's digital future and also bring other executives and users on board with that vision. "Evangelism comes more and more under the digital role," says Justin Cerilli, who leads the financial services technology and data & analytics practices at consultancy Russell Reynolds Associates. "It's always about people, processes and technology and how digital enables that. The people in these roles have to focus on process, on the business strategy, and on how to tell a story to get there."

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While other tech-related chief titles have a clearer path to the role, chief digital officers can come from many different backgrounds, he says. They may have technology backgrounds, data science backgrounds, marketing backgrounds, or they may come from consulting or research firms. "Sometimes it's a good strategy person," he says. "It depends what the organization needs."

"Often, it has to do with someone's ability to influence others," adds Mike Doonan, partner at executive search firm SPMB. "They're usually coming into an old-line company that's used to doing things one way. This is the one intangible I advise my clients to look for — you want someone who's a visionary but also someone who understands people can't absorb that vision all at once. If we're at A right now and we need to get to B, they need to paint the picture of what B is, but then break it down into small incremental pieces of how to get there without skipping any steps along the way."

To test this ability, he asks job candidates: "You had a vision for launching a new service and everyone told you you couldn't do it. How did you do it?" Those who fail only focused on the vision and got frustrated when no one followed them, he says. They couldn't explain the short-term benefits.

Where the chief digital officer fits in the C-suite



Some chief digital officers report to the CIO or to the CMO. But when chief digital officers fulfill a [Sign In](#) | [Register](#) function, they should report to the CEO or perhaps the COO, experts say. In fact, argues, in those situations, other technology executives should report to the chief digital officer.

“When it comes to tech decisions for products, the chief digital officer should work with the CTO, and when it comes to internal processes, he or she should work with the CIO.” The chief digital officer should also work with the chief talent officer when it comes to hiring the skills needed for digital transformation, he says. “The chief digital officer becomes an orchestrator who sets the vision and goals.”

Or at least, the chief digital officer needs to be on a par with these other roles, he says. “You have to have a seat at the table to influence the CIO, CTO, and chief talent officer, to be a real peer. Otherwise, you won’t succeed.”

Does your organization really need a chief digital officer?

When should your organization consider hiring a chief digital officer? Although he warns that this opinion is not backed up by research, Gurmurthy thinks a company with about \$2 billion in annual revenues in an industry such as retail where the need for digital is high needs a chief digital officer, or a \$5 billion company in a less digitally-dependent industry such as traditional manufacturing.

Still, you should make sure you know exactly why you need one before you start hiring, Doonan warns — he’s seen too many companies hire a chief digital officer just because they thought they should. “During an up cycle, Wall Street analysts ask, ‘What’s your strategy for competing with X company that’s super-innovative?’ And top management says, ‘Oh we need a digital strategy.’ They put together an innovation center that’s headed by a chief digital officer. Then the market corrects, and the analysts ask, ‘Where’s your profitability?’ And then they dismantle the innovation center.”

Because of sea changes like these, Doonan asks some tough questions before starting a search. “If a company can’t explain in 20 words or less why they want a chief digital officer, I don’t get involved,” he says.



What's a good reason to hire a chief digital officer? "When there's a role for someone who thinks
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company in three to five years," he says. "Where you have an organization where the
based on engineering, and the product person is just focused on product, and the
CIO is just focused on the back end."

This is why some experts — Doonan included — believe that in a company with an effective, business-oriented CIO, a chief digital officer is unnecessary. It's also and why some CIOs are adding chief digital officer to their titles.

In time, it probably won't matter. "Chief digital officer" will likely become meaningless since, increasingly, everything is digital. "It is no different from what you saw in the late '90s when companies appointed internet czars," Gurumurthy says. "That has gone away because the internet is part of the fabric of every company now. In nine or ten years, using analytics will be a big part of the business; it will no longer be a vertical."

"What is 'digital?'" asks Curt Stevenson, chief digital officer at insurance software company Duck Creek Technologies. "It can be used as kind of a catchall — we don't do anything on paper." Or, as a friend asked upon hearing his title: "As opposed to chief analog officer?"

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Minda Zetlin is a business technology writer and frequent contributor to CIO and Computerworld, and a columnist for Inc.com.

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