

Data in Difficult Times

Even before the pandemic struck, the value of Chief Data and Analytics Officers was clearly on the rise. Improvements in machine learning and artificial intelligence had made clear just how much customer understanding—and potential profit—their work could bring. Then, as the business world became largely virtual in a matter of weeks, those in charge of organizations' data were called on to use that information differently and more comprehensively than ever before. On May 26, 2020, Egon Zehnder virtually convened an intimate group of Chief Data and Analytics Officers across Financial Services, Hospitality, Healthcare, Sports and Entertainment, and Consumer Products, to better understand how their roles and responsibilities have changed. Key learnings follow.

Faster Adoption and Experimentation

Many of the executives on the call have long been trying to get their companies on board with large scale adoption of a digital-first approach. By necessity, the crisis forced companies to adopt new technologies virtually overnight. Said one, remarking on how quickly long-held corporate resistance to change had folded: “When things are tough, and time is in short supply, and the stakes are very high,

people are willing to experiment.” Said another, from a Mexico-based financial company: “This has accelerated the digitization processes we were already involved in.”

Models are being recalibrated, new data sets are being added, and, internally at least, there’s much less resistance to change. The CDAO of a hotel chain said his focus on customer behaviors has increased and shifted away from travel patterns to how customers will respond to post-COVID related precautions like apps to open doors or control temperature and TV sets. “We will use that data to understand customer behaviour and new operational nuances,” he said.

Democratization of Data

Not long ago, troves of data were not accessible to most people within a company, let alone the general public. But improvements in technology mean that anyone can create, share, and contribute or interact with a model. Said one Chief Data and Analytics Officer: “The current pandemic accelerated the democratization of data globally. For previous epidemics, such as H1n1, the availability of testing, cases, and mortality data was nonexistent. Today we’ve got corona data trackers that are crowdsourced, accurate, and timely for data scientist and medical scientists to be able to use.” This also helps to break down siloes internally, since what Chief Data and Analytics Officers do can be better understood.

Yet they also acknowledge that implementing the technology is not enough: For true change, it must be explained and contextualized. Says the Chief Analytics Officer of a major consumer products company: “A story telling skill set is more important now than ever before. {You must} be able to take data and translate it in a simple and compelling way that spurs action, to distill it in a way that is inspiring to the business so that [people] want to action it.”

Doubling Down on Analytics

Despite cost cuts, and financial pressures, our call participants said that demand has only increased for their services. “There’s been no lack of demand,” said the analytics head of one health care and consumer company. “If anything, we have been doubling down.” The CDAO of a large hotel chain agreed while noting that current analytics did not take into account a simultaneous global shock like this one. “We

have some really interesting algorithms and machine learning around how to forecast occupancy which will help with pricing. Those are totally blown out of the water now because this data can't predict what will happen in the future."

Instead, he says, "We are focusing in on green shoots that we can see in the markets." Everything he is analyzing is digital—because there is little else to look at while travel has come to a halt. "That's the only thing we can start to see - demand coming through digital, rather than other channels - so we have refocused here."

Many companies are using data in new ways to try to figure out how the consumer will behave during these unprecedented times. Said the Chief Data Officer of a financial services company: "We are focused on keeping [current] customers afloat. We are starting to use nonconventional data [to answer the question] 'If the customer is under stress, what will be their priorities?' We are introducing info like psychological questionnaires, and also using aggregated mobile data - while keeping confidentiality - to try to understand the customer. We want to return stronger than when we left."

One advantage for top data analytics executives in these difficult economic times is that many of the investments made over the preceding years are now starting to pay off—not just in efficiency, but in profit. Said one: "Last year my team made \$1 billion for the company, so people understand the importance." More than ever, they are looked to as strategic partners for the CEO.

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Covid-19 Micro-Website

We have launched a micro-website where this and other informative pieces are posted. This site will be regularly updated: [click here](#) for further details.

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