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Cognizant CMT Chief Data Officer Forum

Ten data leaders met virtually to share leading practices and discuss topics of mutual interest based on an agenda created through advance interviews. The discussion centered on data strategy and organizational structure, data governance in the context of AI adoption, AI impact on data architecture, and ROI of AI implementation.

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Data strategy and organizational structure

Key takeaways

> "The whole organization is much more mature from a data perspective because we've invested in it over a period of time, and with a particular view to enterprise. So, the question now that the different analytics teams as folks have matured is: what does the central organization need to do?"

- The group discussed data strategies and structure. Organizations are thinking about ways to leverage unified data platforms to be able to harmonize different data strategies, an approach that is particularly crucial for bigger corporations making multiple acquisitions of other companies. In such a context, it becomes imperative for the parent company to unify the data strategies of the individual companies being acquired considering that they may already have their individual data strategies in place.

- In today's business landscape, comprehensive data strategies that encompass diverse data types are increasingly necessary. Historically, data strategies predominantly centered on tabular data, resulting in limitations. Presently, organizations interact with various data formats, necessitating data strategies to acknowledge and incorporate all types of data, including unstructured data.

- Substantial investments in data teams can have positive impacts on overall organizational structure and design, prompting enterprises to prioritize the restructuring of their data strategies and integrate them into core operations. An executive shared positive experiences within their firm, where investments in the data team led to the maturation and heightened expertise of the analytics team, consequently initiating changes in the operational framework of their central organization.

- Members noted the key role the CEO often plays in driving the organizational data structure. In the case of one organization, the CEO gave an imperative early on that the company needed to move fast on generative AI. With that urgency, teams had no choice but to move outside of their silos and work horizontally across functions to establish governance and start piloting use cases.

AI and data governance

Key takeaways

> "You have to prioritize where governance sits in a CIO's organization. I always say don't look at top down, look at bottom up because it's probably the last item on the list. But now, you do not have to scan through the entire project portfolio to see where the governance is. It's interesting to see that it's now kind of become the top two or top three in many of the organizations."

- As organizations continue to pursue AI, many are working to establish governance as part of the adoption process. Standing up governance teams to supervise AI implementation has proven to be an effective strategy for organizations, particularly when there's a need to expedite the implementation process. To optimize the team's performance, one participant recommended having a cross-functional composition, thereby equipping the team with a comprehensive knowledge base to operate efficiently.

- The group discussed the need for data privacy and security when adopting generative AI. The effectiveness of AI models is largely dependent on the data they are trained on and, as such, firms need to be conscious of the security of the data they feed into these models. To ensure the privacy, transparency, security, and legality of the data utilized on their AI platforms, one member mentioned that their AI models were produced on licensed and publicly available content.

Imapct of AI on data architecture

Key takeaways

> "Prior to generative AI, we landed on one cloud and we built that as a complete platform. But the LLMs, the foundation models coming from the clouds are so competitive, I think they are releasing new versions every month. And now we have to keep both clouds open, depending on the use cases."

- Multi-cloud data platforms are becoming increasingly popular with the advent of generative AI. One of the participants noted that the foundational large language models (LLMs) of generative AI come from multiple cloud platforms which are highly competitive. As a result, organizations are also moving to utilize multi-cloud platforms to be able to catch up with the AI models.

- Proofs of concept and sandbox environments are useful ways for organizations to test their data architecture and AI. One attendee shared that their firm is building out an internal environment that would give people access to different AI models to experiment with. In a controlled, internal environment, users can experiment with internal data without the security concerns of public models.

- Firms are consistently reassessing their data architecture to empower their business functions. This is driven by the recognition that business units are increasingly reliant on data—it is no longer solely the purview of IT. This is prompting companies to expedite efforts to leverage unified data resources and increase accessibility and data knowledge across the enterprise.

Measuring ROI for AI implementation

Key takeaways

> "There's this large question about investments in AI, specifically data-using AI and what is a reasonable amount of ROI that we're willing to accept? The expectation is that magically it's going to make our lives better."

- A common focus among companies in on the acceptable threshold for return on investment (ROI) when implementing AI tools. The advent of AI has prompted substantial expenditures by many firms into the technology, and high expectations have leaders eager to realize the financial gains from such investments. A participant noted that their firm currently achieves a 10% ROI, which is considered very good in the current economic environment.

- Businesses are currently navigating the complexities of quantifying ROI for their AI initiatives. While measuring employee productivity may be feasible in certain scenarios, many AI use cases are intricate, posing challenges in accurately assessing economic benefits. Consequently, organizations find themselves at a crossroads, weighing the decision to either adopt AI use cases prior to ROI evaluation or to measure ROI before implementing AI initiatives.

- Despite the potential time-saving benefits and positive ROI that come with leveraging AI to automate workflow processes, firms should exercise caution to avoid overemphasis on automation at the expense of innovation. A group member highlighted that many firms primarily utilize AI tools to automate redundant processes, often unnecessarily—if the processes were rationalized first, there would not be as great a need for automation. As a result, they advised others to prioritize innovation over automation when deploying AI tools.

Forum Host: Badhrinath (Badhri) Krishnamoorthy is Head of Cognizant's Digital Services & Solutions—Communications, Media, Technology & Education at Cognizant. Badhri is a Customer Success Leader in helping clients in their transformation agenda embracing the power of Customer Experience, AI & Data, and Digital Engineering. He hosts several industry forums and enjoys connecting leaders and sharing insights with members. He can be reached at Badhrinath.Krishnamoorthy@cognizant.com.

The Cognizant CMT Chief Data Officer Forum: Cognizant's CMT Chief Data Officer Forum was established in Q4 2000 to bring Data & Analytics executives across leading Communications, Media, and Technology companies to share best practices, exchange insights, learn from one another, and navigate these unprecedented times. The group gets together on a quarterly basis for an hour to discuss various topics of mutual interest. Members decide the exchange agendas; interactions focus on the questions and interests of the members.

Profitable ideas exchange (PIE): PIE brings together communities of Fortune 500 executives from across the globe to connect, collaborate and learn from one another. PIE stands out for its ability to bring diverse voices to the table and facilitate ongoing high-value conversations. Two key components of PIE's practice are pre-interviewing participants to build relevant agendas, and a time-efficient format (virtual as well as in-person) to allow for executives to convene despite time and geographic constraints.

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