



Informatica™



# A CDO's Guide to Customer Intelligence

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# The Value of the Chief Data Officer

**4X increase since 2012.<sup>1</sup>**

**Industry experts estimate 90 percent of large organizations will have a CDO by the end of 2019.<sup>2</sup>**

To say that the role of the Chief Data Officer (CDO) has evolved quickly is an understatement. Created less than a decade ago to realize risk management and compliance objectives, it's not unusual for today's CDO to shoulder the bulk of the responsibility for executing the organization's strategy for data-driven digital transformation.

And just as the scope of the position has grown, so has the sheer number of CDOs. In fact, the number of companies hiring a CDO has grown more than fourfold since 2012,<sup>1</sup> and industry experts estimate 90 percent of large organizations will have a CDO by the end of 2019.<sup>2</sup>

The primary mission of most CDOs is to translate business requirements into the best approach to deliver high quality, governed data

to the business. In today's organization, that can encompass everything from data management to data science and business analytics. Their efforts accelerate innovation, drive competitive differentiation, improve operations and deliver on customer expectations.

To enable success for business users and data scientists, CDOs face challenges, and the most critical of these is getting buy-in from key stakeholders about how to maximize the value of the organization's most strategic asset—its data.

It is with this understanding that CDOs can share how today's data management solutions can increase brand value and impact by not only delivering a positive user and customer experience but immediate tangible financial impact and ROI as well.

# Customer Intelligence

For most organizations, whether B2C or B2B, customer data and related business domains are the focus of digital transformation. These domains include core master data about prospects, customers, accounts, locations, transactions, preferences, as well as associated reference data.

Customer intelligence requires visibility into core master data, new data types, and inferred or derived indicators such as engagement, sentiment, value, journey and other predictive elements. And since just about every system contains customer data, organizations often lack

a complete view or a total picture of the customer. As a result, incomplete, inaccurate, and disconnected data often restricts the ability of key stakeholders to execute strategies to deliver the right offer at the right time for the right customer impact.

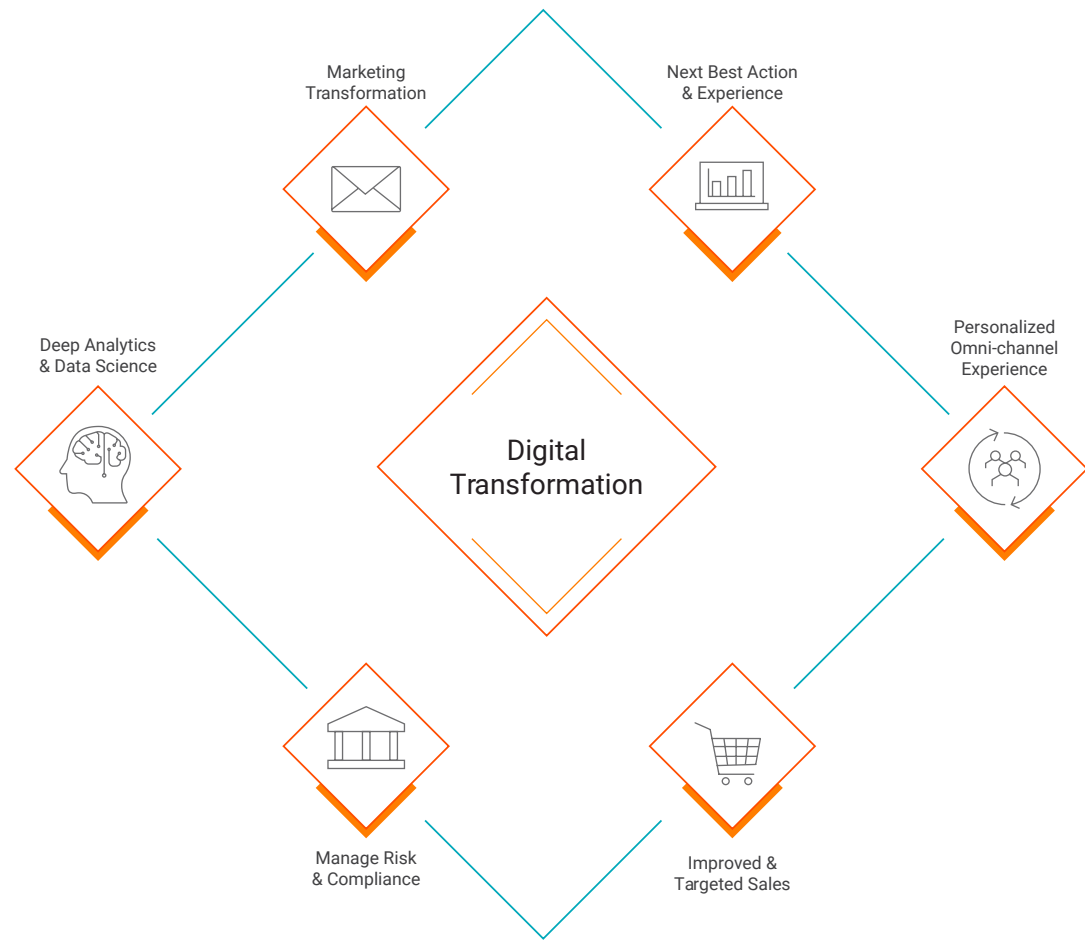
To address high-priority strategic initiatives, the expectations of the organization, and new data types, many organizations have begun to expand their data horizons to encompass both core master data and unstructured data to uncover hidden customer insights.

# Customer Intelligence

This shift in focus—from the complexities of managing customer data to making the data usable to fuel customer intelligence—has resulted in CDOs prioritizing initiatives they feel will deliver the highest impact and greatest value to the business.

This shift is driven by a variety of reasons: competitive pressures, industry disruptors, customer expectations, as well as regulatory compliance initiatives such as the General Data Protection Regulation (GDPR) in Europe and the California Consumer Privacy Act (CCPA) in the US.

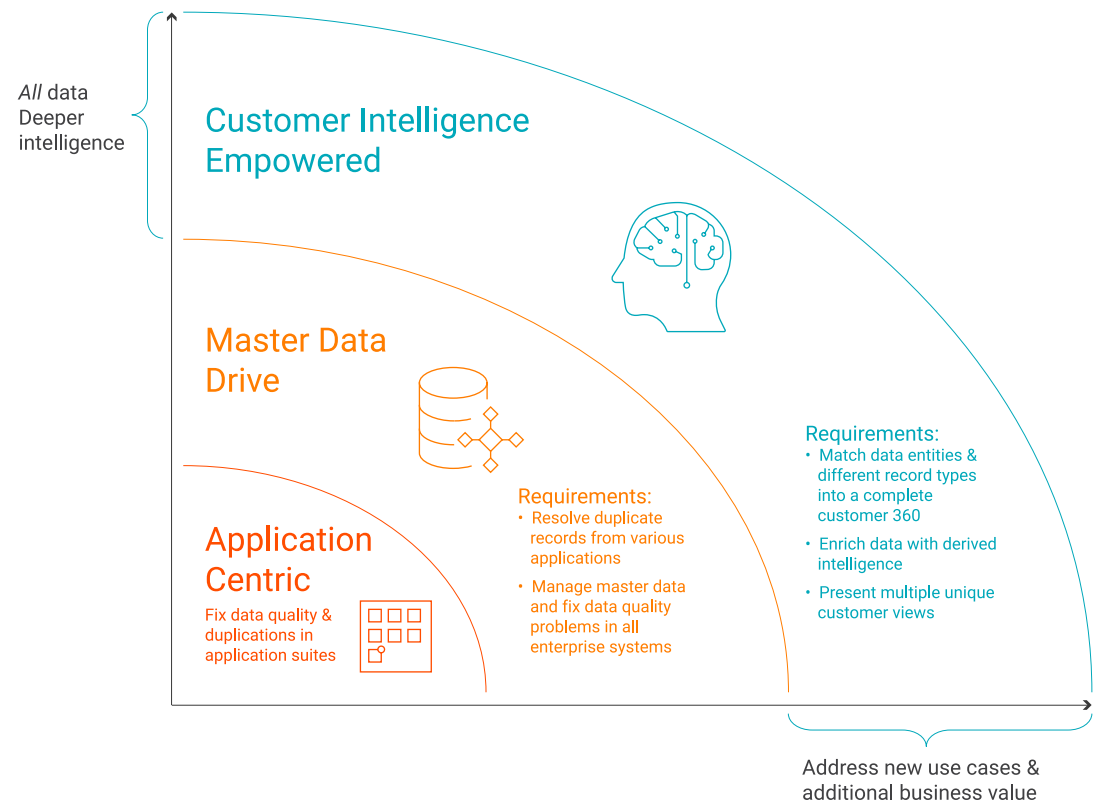
Ultimately, it's often the CDO who leads the modernization efforts that prioritize data management investments and introduce new capabilities to fuel digital transformation, such as marketing transformation, improved targeting for sales, and personalization across channels.



# Evolving Demands on Customer Data

As business needs evolve and customer programs mature, the demands on existing solutions will continue to increase and executive sponsorship becomes even more essential in the drive to modernize. But modernization does not always mean replacing existing technology.

For many organizations, the wisest approach is to build on what is available today and move toward flexible architectures that support tomorrow's workloads. This approach allows CDOs to augment or offload capabilities to solutions that are aimed at both managing data and adding intelligence.



Data and technology continue to change to address new and different use cases, and each iteration happens a little faster. To support customer questions with more and different types of answers, there is a current and potential future need for legacy applications that focus on data storage, relational applications that can support a range of resources, and future-state architectures.

Evolving needs around customer intelligence require expanded features that support complex analysis by a wide range of users. It also requires evolving technology capabilities in order to have the horsepower and functionality to deliver on these demands.

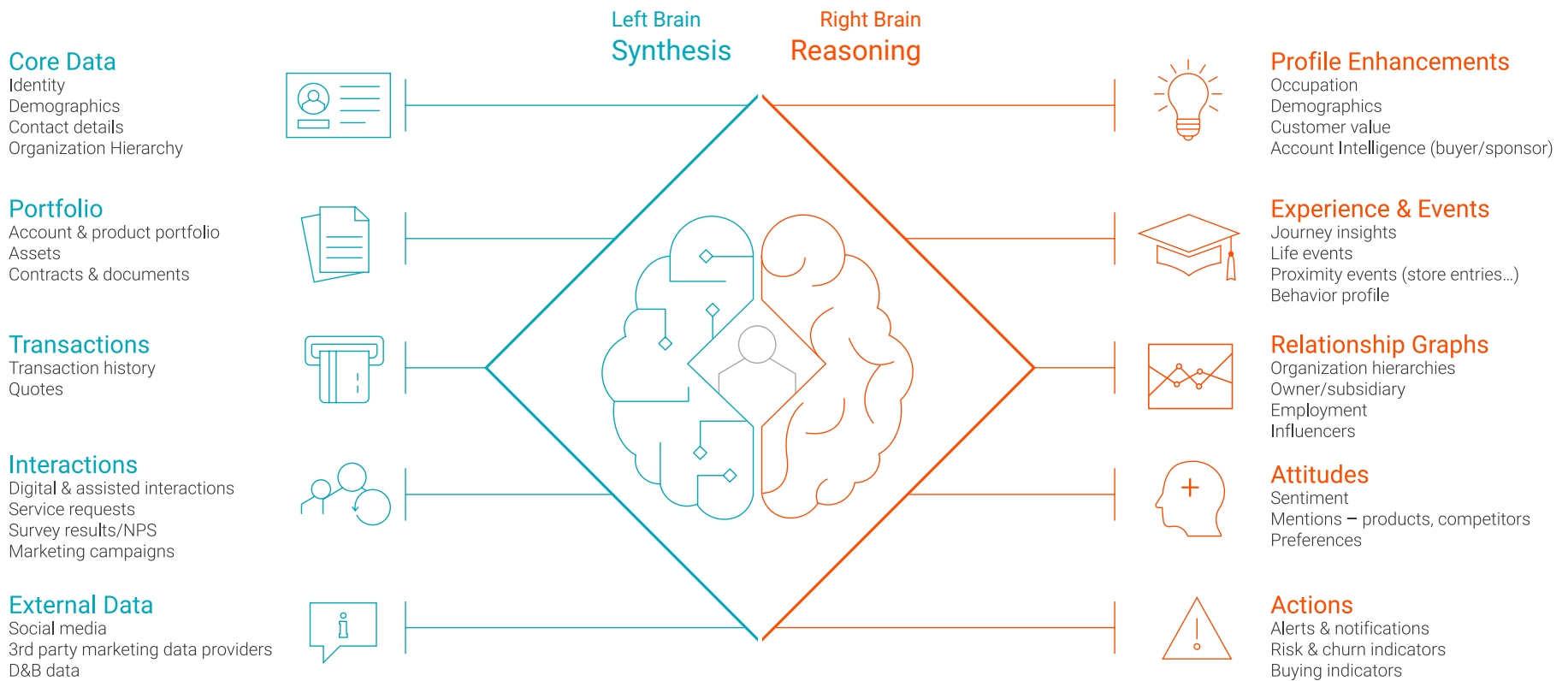
The CDO can then augment internal applications by seamlessly delivering new capabilities with enhanced, intelligent data back to existing systems, including:

**Master Data Management (MDM)** – designed to master core (structured data) attributes and domains for operational and analytical use. To address new data types and business requirements, customer insight solutions can augment and enhance data from existing MDM solutions, rounding out the customer profile.

**Enterprise Data Warehouses (EDW)** – designed to support operational reporting and business intelligence. Data warehouses are often offloaded in support of advanced customer intelligence use cases.

**Customer Relationship Management (CRM)** – designed around automation of customer-facing processes for known customer and prospect information. CRM is typically augmented with additional data filtered from customer insights to focus teams on the most productive activities.

Today MDM, EDWs and CRM may exclude critical information such as social, email, click stream, chat, analytics, and survey data. The graphic below shows how customer intelligence technology can add and infer additional data elements to the customer profile—such as relationships, sentiment, and leading indicators—rounding out the view for addressing new use cases around personalization, customer experience, next best experience, next best interaction, and customer journey.





# New business-driven use cases

**1-to-1 Marketing/Personalization** – Innovations that allow companies to treat their customers as individuals through a 1:1 relationship with the ability to understand, or sometimes predict, their demands. Think of providing the right offer at the right time for your customers through the best channel possible. This not only ensures your customers have the best sentiment towards your business but will also continue to have a more engaged and personalized relationship with your brand.

**Journey Analytics** – A 'complete' journey of your customer requires that you understand not only their day-to-day interactions (timeliness) but can also provide a complete, historical view of their activities since they became a prospect or customer.

This ability allows you to respond appropriately to your customers when they engage and to

predict why they are engaging. Journey Analytics allows you to provide better experiences to your customer because you fully understand them. Not only does this use case support better sentiment but it also will streamline customer engagement processes and reduce operation costs in call centers.

**Risk and Compliance** – Although risk and compliance initiatives may not be customer-facing, they do impact your ability to execute and comply with a specific mandate. In risk cases it is important to have visibility into the full value of a customer (balances, accounts, products), but it is also important to see the full risk position of these same customers (debt-to-income, employment, liquidity). For more compliance-focused mandates (GDPR, CCPA) it is important to understand the total digital (data) footprint of each customer in order to react (consent, repair, removal) and remain compliant.

# An AI-driven customer insight solution

AI-driven customer insight solutions apply intelligence to data to allow companies to deliver the next best customer experience at scale. Most importantly, the solution creates relevance and context by applying synthesis and reasoning to disparate sources of customer information scattered across organizations.

Customer insight solutions do more than consolidate a single view of the customer: the solutions also power a dynamic customer graph to fulfill the vision of contextual experiences by adding a layer of data governance, synthesis, and identity resolution. Customer insight solutions provide context from raw data and isolate what's

important by identifying trends and preferences that help users know how to act. A customer insight solution goes beyond creating a single version of truth, and filters records to provide different perspectives inclusive of the information that is most important and relevant to each line of business, user, or function.

Remember the old adage, "garbage in, garbage out?" Thanks to oceans of data in enterprise data lakes, the old is new again. This stems mostly from a large number of advanced analytic tools available to provide insights from the data, but few ways to adequately perform connections, modeling, and intelligence on the data itself. A customer insight

solution is not an IT tool, but rather, a foundation that powers data, analytics, and action. The solution utilizes multiple advanced matching techniques and AI to automatically synthesize and link data to create a 360 view of customers.

This process provides context from raw data and enables relationship discovery through graph. As more data is ingested, the customer profile becomes more intelligent by using advanced AI technologies such as Natural Language Processing to infer insights from all data and Machine Learning to automatically link data to customer profiles.



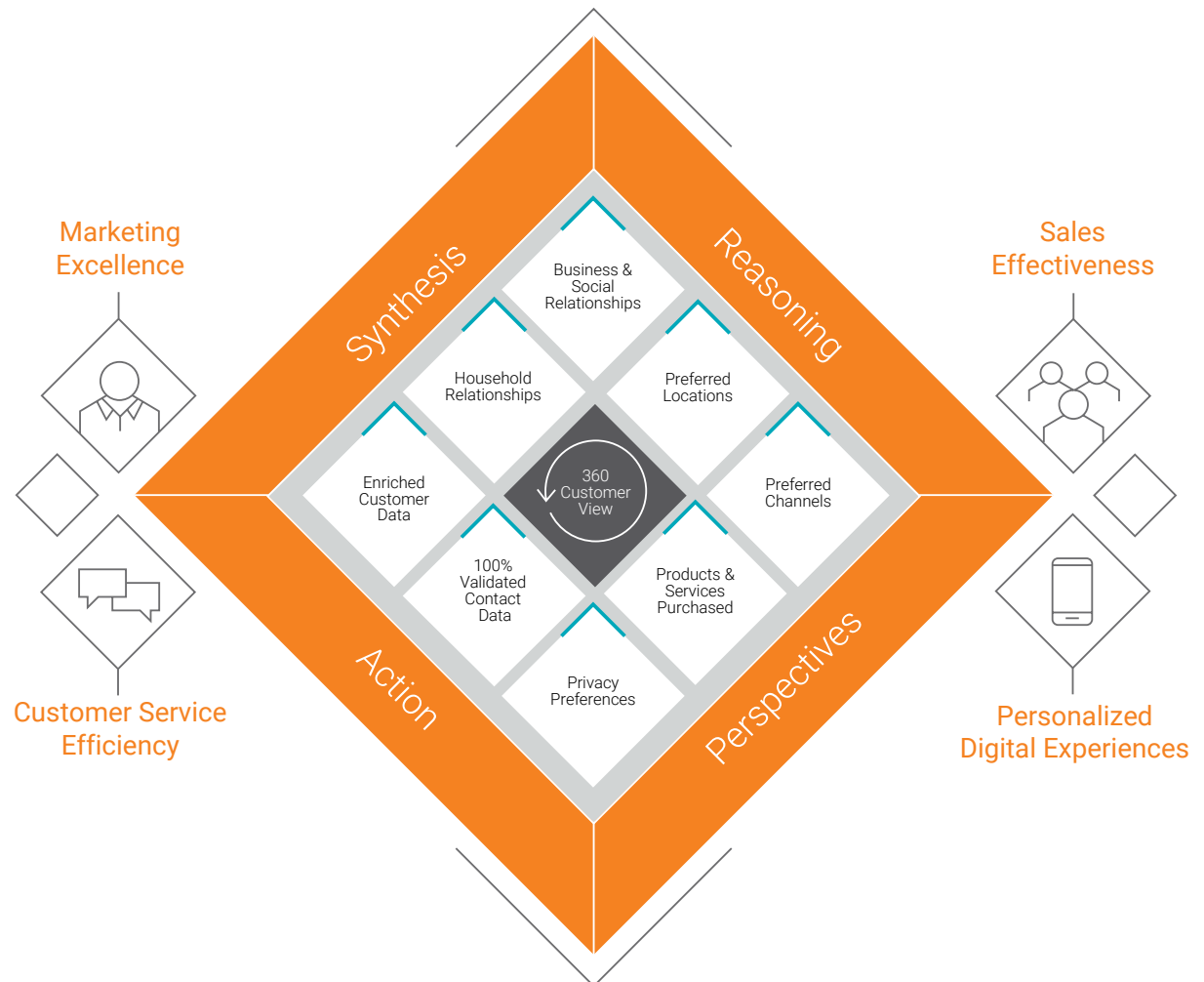
# Four components of Customer Intelligence

**Synthesis** automates linking and resolving of entities on a massive scale (beyond customer record matching)

**Reasoning** automates enhancements via interactions, enrichments and predictions that are stored on the record

**Perspectives** create unique views of a customer (individual or organization) based on confidence, lineage and data profiles for different business audiences/users

**Action** recommendations delivered through applications and APIs based on intelligent profile data available to business users in the tool of their choice.



# Getting Buy-in

**CDOs can take a few steps to get data-driven, customer intelligence initiatives recognized and supported by the C-Suite.**

**Step 1** – Identify a champion and prioritize what can be done to meet their needs. CDOs are best advised to align with members of the C-Suite that are directly focused on the customer—for example, Chief Operating Officer (COO), Chief Customer Officers (CCO), Chief Marketing Officers (CMO), and Chief Experience Officers (CXO). The first step is to understand their goals—targeted marketing, voice of the customer, sales operations—and then identify the data and analytics projects that can support these goals.

**Step 2** – Deploy infrastructure and demonstrate quick wins and successes for your champion. CDOs often get tied up in wanting to solve the biggest data challenges, but quick wins (6 weeks in duration) can be the catalyst that proves value and addresses “low-hanging fruit.” Many of these ‘quick’ projects can produce significant improvements to revenue.

**Step 3** – Find commonality and create a broad data strategy to support the organization. The ultimate objective of the CDO is to build a data strategy that meets the governance, access, and analytics needs across the organization.

Large organizations typically review technology decisions and strategy through a committee which specifically evaluates technology as a fit-for-purpose or fit-for-architecture approach to the business. These teams include technical and business resources with innovation, insight, or intelligence within their titles. CDOs who ultimately decide on technology for their company can rely on these committees or ultimately make the decision in their immediate team through review, trial, or reference customer interviews. .

# Getting Started

A primary concern for most organizations is the timing of the delivery model. Most organizations use a blend of waterfall, agile, and quick win approaches. As with most modern solutions, a customer insight solution is deployed as an agile project to promote value to an organization quickly in a phase-by-phase model.

As we discussed earlier, one of the considerations the Chief Data Officer should make is to ensure that you can gain success rapidly and show value to the business teams through successful implementations. The implementation should put augmentation or new use cases into practice in an agile fashion. A six-month window to deployment

includes three major phases for delivery including Data Foundation (scope, configuration, data, testing), Self-Service (configuration, performance, enhance, data loading, connectivity), and finally Integration (metrics, scheduling, training, APIs, documentation, handover).





# Resources

1. [Customer 360 Insights Solution Brief](#)
2. [Customer 360 Insights Data Sheet](#)



# About Informatica

Digital transformation changes expectations: better service, faster delivery, with less cost. Businesses must transform to stay relevant and data holds the answers.

As the world's leader in Enterprise Cloud Data Management, we're prepared to help you intelligently lead—in any sector, category or niche. Informatica provides you with the foresight to become more agile, realize new growth opportunities or create new inventions. With 100 percent focus on everything data, we offer the versatility needed to succeed.

We invite you to explore all that Informatica has to offer—and unleash the power of data to drive your next intelligent disruption.

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