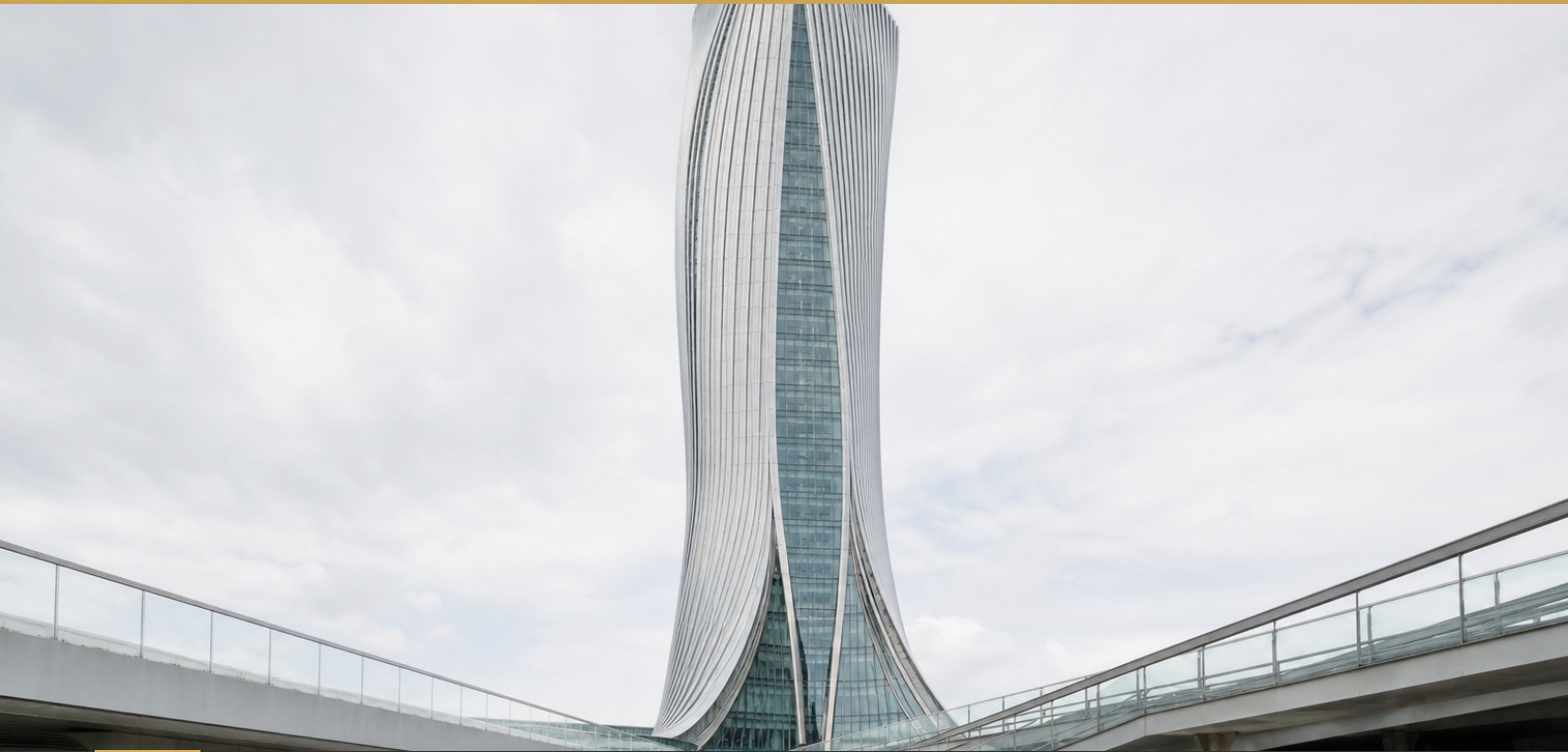




BEYOND THE APPOINTMENT

Another C-Suite Title Without Authority

A Practitioner's Essay on the Structural Contradictions of the Chief Digital Officer Role

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Another C-Suite Title Without Authority

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1. Executive Summary

Across industries, the Chief Digital Officer has become the appointment of the moment. Boards that recognise they must respond to digital disruption — but are uncertain how — are reaching for the most direct intervention available: hiring someone senior to make it happen. The CDO role has proliferated rapidly over the past two years, and the pattern is now clear enough to examine. What emerges is not encouraging.

The CDO, in most organisations, occupies a position of structural contradiction. They carry a mandate to transform the enterprise digitally, but they typically lack the budget authority, the operational control, and the organisational standing to do so. They sit alongside the CIO rather than above them, creating an ambiguity about technology ownership that consumes political energy without resolving anything. They report into structures that were designed for a pre-digital world and that resist, by their very architecture, the integration the CDO is supposed to deliver.

This essay examines why the role, as currently constituted in most organisations, is set up to fail — not because the individuals are inadequate, but because the structural conditions for their success have not been created. It argues that the CDO problem is not a hiring problem but an organisational design problem, and that until boards address the underlying architecture of authority, the appointment will continue to produce frustration rather than transformation.

2. The Proliferation

The speed at which the CDO title has spread is itself worth examining. Two years ago, the role was a novelty — confined largely to media companies and a handful of forward-looking financial services firms. Today, it is becoming standard across sectors: retail banking, insurance, telecommunications, utilities, the public sector, and increasingly manufacturing. Recruitment firms report that CDO mandates have grown faster than any comparable C-suite role in the past decade.

The drivers are not hard to identify. Consumer behaviour has shifted decisively towards digital channels. New market entrants — unencumbered by legacy infrastructure and legacy thinking — are capturing value in ways that established organisations struggle to replicate. Boards are reading the same research, attending the same conferences, and arriving at the same conclusion: we need someone to lead our digital response.

The CDO appointment is, in most cases, an honest attempt to address a real strategic challenge. The problem is not the intent. The problem is what happens after the appointment is made.

3. The Structural Contradiction

The pattern I observe across organisations that have appointed CDOs is remarkably consistent, and it centres on a gap between mandate and authority.

The mandate is enterprise-wide; the authority is not. The CDO is typically charged with driving digital transformation across the organisation — reimagining customer channels, digitising operations, building new digital capabilities, fostering innovation. This is, by definition, a cross-functional mandate. It requires changing how the entire organisation operates. But the CDO's authority — their budget, their team, their decision rights — is typically confined to a dedicated digital function. They can build things within their own domain; they cannot compel change in anyone else's.

This is not a subtle distinction. It is the difference between a mandate to advise and a mandate to act. The CDO can develop a digital strategy, but they cannot execute it without the cooperation of operational leaders who have their own priorities, their own budgets, and their own performance targets — none of which are aligned to the CDO's agenda.

The relationship with the CIO is unresolved. In nearly every organisation I have observed, the arrival of the CDO creates an immediate and often unspoken tension with the Chief Information Officer. The CIO owns the technology estate. The CDO's mandate is fundamentally about technology-enabled change. Where does one role end and the other begin?

Organisations have tried various models: the CDO reports to the CIO; the CIO reports to the CDO; both report to the CEO independently; a new umbrella role encompasses both. None of these resolves the underlying problem, because the problem is not one of reporting lines. It is that the organisation has separated "digital" from "technology" as though they were distinct domains, when in practice they are deeply entangled. Every digital initiative depends on the technology infrastructure the CIO manages. Every technology decision shapes the digital possibilities the CDO is supposed to exploit. Splitting these across two C-suite roles creates a coordination overhead that neither role has the authority to resolve.

The CDO inherits the legacy but does not control it. The most significant barrier to digital transformation in any established organisation is not the absence of new capabilities but the presence of old ones. Legacy systems, legacy processes, legacy contracts, legacy culture — these are the structural constraints that determine what is actually possible. The CDO must work within these constraints but has no authority

over them. They cannot decommission a legacy system, renegotiate a supplier contract, or restructure an operational team. They can propose; others must dispose.

The CDO is asked to transform the enterprise from a position that has been carefully designed to ensure they cannot.

4. The Organisational Physics

To understand why this pattern persists, it helps to examine the organisational physics at work — the structural forces that shape how power and accountability actually flow in large enterprises.

Established organisations are built around operational domains: product lines, geographies, functions. Each domain has a leader with clear accountability for defined outcomes, a budget to deliver them, and the authority to organise their resources. This structure exists because it works — it creates clear lines of accountability and enables operational efficiency.

Digital transformation, by its nature, cuts across these domains. A genuinely digital operating model does not respect the boundaries between product lines, or between front-office and back-office, or between the customer channel and the operations that serve it. Digital integration means dissolving the very boundaries that the organisational structure exists to maintain.

The CDO sits at the intersection of these forces. Their mandate requires cross-domain integration. The organisation's structure enforces domain separation. The CDO does not have the authority to change the structure — that is the board's prerogative. And the board, having appointed the CDO, typically believes it has addressed the problem and does not recognise that the real barrier is the architecture of authority it has left unchanged.

This is why so many CDOs end up building isolated digital units — innovation labs, digital centres of excellence, standalone digital products. These are the things they can do within their actual authority. They are not the enterprise transformation the board intended, but they are the deliverables the organisational structure permits. The board then expresses frustration that digital transformation is not penetrating the core business, without recognising that it has created a role whose structural position prevents exactly that.

5. The Talent Paradox

The recruitment of CDOs creates a secondary problem that compounds the structural one. The individuals appointed to CDO roles are typically drawn from one of two pools: digital natives from technology companies or startups, and senior leaders from within the organisation who have demonstrated digital fluency.

Both pools present difficulties.

The digital native brings genuine expertise in digital business models, agile delivery, and technology-enabled innovation. But they often lack the organisational literacy to navigate a large, complex enterprise. They underestimate the weight of institutional culture, the complexity of legacy integration, and the political economy of large organisations. Their instinct is to build fast and iterate — an approach that works brilliantly in a startup and fails comprehensively in an organisation with a thirty-year-old core banking platform and regulatory obligations that preclude rapid experimentation.

The internal appointee has the organisational literacy the digital native lacks. They understand the politics, the culture, the constraints. But they are products of the organisation they are now asked to transform. Their networks, their assumptions, and their instincts have been shaped by the existing structure. They may be digitally fluent, but digital fluency is not the same as the capacity to reimagine the enterprise. And they carry the organisational relationships that make it difficult to challenge the status quo — they will need to work with these people again after the CDO role is over.

Neither profile is wrong. Both are incomplete. And the structural problems identified above would defeat either profile equally, because the issue is not the capability of the individual but the design of the role.

6. What the Pattern Reveals

The CDO pattern reveals something important about how established organisations respond to disruption. The instinct is to appoint someone: to make it a person's problem rather than an organisational one. This is understandable — organisations act through people, and a specific appointment creates visible accountability. But it also allows the rest of the organisation to treat digital transformation as something that is being handled elsewhere, rather than something that requires them to change.

The CDO appointment, paradoxically, can slow transformation by creating the impression that it is under way. The board has its digital leader. The strategy decks are being produced. The innovation lab is generating prototypes. The organisation is visibly doing digital things. The fact that none of this is penetrating the core operating model is obscured by the activity.

In my experience, the organisations that are making genuine progress on digital transformation are not those with the most prominent CDOs. They are those where the CEO and the board have treated digital as an enterprise strategy rather than a functional appointment — where digital thinking is embedded in every business unit's planning, every operational leader's accountability, and every investment decision. The CDO, where one exists in these organisations, is a coordinator and catalyst rather than the sole owner of the agenda.

“The most effective CDOs are the ones working to make their own role unnecessary – to distribute digital accountability so widely that a dedicated owner is no longer required.”

7. The Authority Question

If the CDO role is to be more than a well-intentioned structural trap, organisations must address the authority question directly. This means something more than adjusting reporting lines or increasing the CDO's budget.

It means granting the CDO genuine decision rights over cross-functional digital investment – the authority to direct spend across business units, not merely to recommend. It means aligning operational leaders' performance targets to digital outcomes, so that the CDO's agenda is not a competing priority but a shared one. It means resolving the CIO/CDO boundary explicitly – not through an organisational chart exercise but through a clear articulation of who owns what, with the overlaps acknowledged and governance mechanisms in place to manage them.

Most fundamentally, it means the board recognising that appointing a CDO does not constitute a digital strategy. The appointment is a means of executing a strategy that the board itself must own, articulate, and resource. A CDO without a board-owned digital strategy is a leader without a mandate – regardless of what their job description says.

8. The Road Ahead

The CDO role is still young enough that it may evolve into something more effective than its current incarnation. But that evolution will not happen by itself. It requires boards to examine honestly whether they have created a role designed to succeed or one designed to give the appearance of action. It requires a willingness to redesign organisational structures and authority frameworks, not merely to add a new title to the existing architecture.

The digital challenge facing established organisations is real and urgent. The CDO appointment is, in most cases, an acknowledgement of that reality. But acknowledgement is not the same as response. Until organisations are willing to change their own structures – not just hire someone to work around them – the CDO will remain what it too often is today: a title without the means to fulfil its promise.