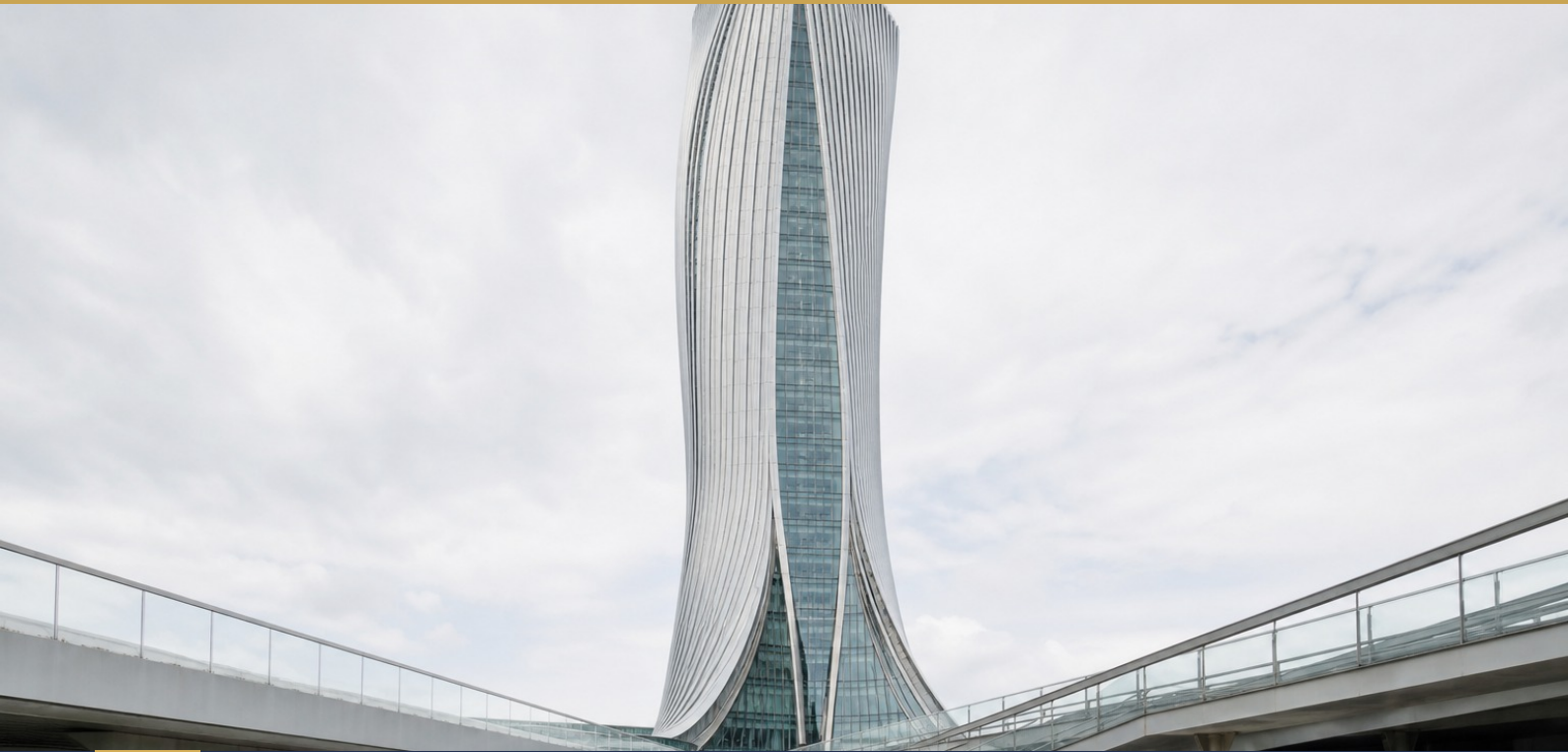




BEYOND THE APPOINTMENT

The CDO Arrives Without the Keys

A Practitioner's Perspective on the Chief Digital Officer and the Structural Limits of Role-Based Transformation

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1. The Seductive Logic of the New Title

The pattern has become familiar enough to have its own rhythm. A board recognises that its organisation is falling behind in digital. The competitive landscape is shifting. Customers expect capabilities the organisation cannot deliver. The technology estate is ageing. Something must be done.

And so the organisation creates a Chief Digital Officer.

The logic is seductive in its simplicity. Digital is important. Important things deserve C-suite attention. Therefore, appoint a C-suite digital leader who will own the digital agenda, drive digital transformation, and ensure that the organisation keeps pace with its more digitally mature competitors.

It is a logic that appeals to boards because it converts a complex, structural challenge into a recruitment problem. And recruitment problems have solutions: write a job description, engage a headhunter, make an appointment, issue a press release. Within months, the organisation has a Chief Digital Officer, a digital strategy is under development, and the board can report to stakeholders that digital transformation is under way.

In my experience, this is frequently where the transformation stalls.

2. Authority Without Power

The fundamental problem with the CDO role, as it is typically constituted, is the gap between the authority the title implies and the power the role actually carries. The CDO is appointed to drive digital transformation, but the levers required to achieve transformation — budget authority, organisational restructuring, process redesign, technology architecture decisions, channel strategy, data governance — remain distributed across the existing C-suite.

The CIO controls the technology estate. The CFO controls the investment budget. The COO controls the operating model. The business unit heads control their P&Ls, their customer relationships, and their commercial strategies. The CDO arrives into this landscape with a mandate to transform but without the authority to change any of the things that need changing.

What results is a role that is structurally dependent on influence, persuasion, and coalition-building — precisely the mechanisms that are least effective when the required changes threaten established power structures. The CDO can propose. They cannot compel. And transformation, by definition, requires the organisation to do things it would not otherwise choose to do.

Organisations that need a Chief Digital Officer to drive digital change have already revealed that their existing leadership does not consider digital change to be their job.

3. Three Patterns of Failure

The CDO appointments I have observed tend to resolve into one of three patterns, none of which achieves what the board intended.

The innovation sidecar. The CDO builds a small, capable digital team that operates alongside the core business. They launch pilots, build prototypes, and demonstrate what digital capability could look like. But the innovations never integrate into the core. The CDO's team becomes a parallel operation — admired, occasionally referenced in annual reports, but structurally disconnected from the business that needs to change. The core organisation watches the CDO's team with interest and carries on as before.

The internal consultant. The CDO produces strategies, frameworks, and roadmaps. They present to the board, facilitate workshops, and build consensus around digital priorities. But without control over budgets, technology decisions, or organisational design, their output remains advisory. The strategies are endorsed but not executed, because execution requires decisions that belong to other members of the executive team — decisions those executives may have no incentive to make.

The political casualty. The CDO attempts to drive genuine change and encounters resistance from the established power structure. The CIO perceives encroachment on their territory. The business unit heads resist interference in their operations. The CFO questions investment proposals that do not fit traditional business case models. The CDO, lacking structural authority, is gradually marginalised and typically departs within eighteen to twenty-four months. The role is either left vacant or filled with someone who has learned from their predecessor's experience to be less ambitious.

4. The Diagnosis the Appointment Avoids

The creation of the CDO role is, in most cases, a symptom-level intervention applied to a structural problem. The structural problem is that the existing leadership team does not collectively own digital transformation as a core responsibility. Creating a dedicated role to carry this responsibility absolves the rest of the executive team of the need to change how they lead.

This is the uncomfortable truth that the CDO appointment avoids confronting: if digital transformation requires changes to the operating model, the investment approach, the technology architecture, the customer strategy, and the organisational culture, then it requires the active engagement of the CEO, the CFO, the CIO, the COO, and every business unit leader. It is, by its nature, a collective leadership challenge. No single role, however senior, can substitute for collective executive ownership.

The organisations that are making genuine progress on digital transformation are, in my observation, those where digital is not anyone's special responsibility because it is everyone's core responsibility. The CEO frames digital as a business model question, not a technology question. The CFO adapts funding models to accommodate iterative, uncertain investment. The CIO positions technology as an enabling capability, not a service function. The business unit leaders own their digital customer propositions as integral to their commercial strategies.

In these organisations, there is no CDO — not because digital is unimportant, but because it is too important to delegate to a single role.

5. What Would Actually Help

If the creation of the CDO role is an inadequate response, what would a more effective one look like?

The starting point is an honest assessment of why the existing leadership team has not driven digital transformation to date. The reasons are typically structural, not personal: misaligned incentives, fragmented ownership of the customer experience, investment processes designed for certainty, and a technology function positioned as a cost centre rather than a capability engine. These are problems of organisational design, not problems that an additional executive appointment can solve.

The more effective interventions are less dramatic but more consequential:

- Restructure executive accountability so that digital outcomes — not digital projects — are embedded in the performance objectives of every relevant C-suite role.
- Redesign the investment process to accommodate the staged, evidence-based funding that digital initiatives require, rather than forcing them through capital-expenditure business case templates designed for infrastructure.
- Integrate technology leadership into business strategy by elevating the CIO role or reconstituting it as a genuine business-technology leadership position, rather than creating a parallel digital leadership role that competes with it.
- Make the CEO the transformation sponsor — not as a ceremonial endorsement, but as the active owner of the business model change that digital enables. Digital

transformation is, ultimately, business model transformation. That belongs to the chief executive.

6. The Test of Seriousness

There is a simple test for whether an organisation is serious about digital transformation or merely performing it. Ask who is accountable for the business outcomes that digital transformation is supposed to produce — not the technology delivery, but the revenue growth, the cost transformation, the customer experience improvement, the operating model change.

If the answer is "the CDO," the organisation has appointed someone to be responsible for outcomes they do not have the authority to deliver. If the answer is "the executive team, collectively," there may be genuine transformation under way.

The CDO role will, in time, join the long list of organisational innovations that solved the wrong problem. The problem was never a missing title. It was a missing commitment — from the leaders who already had the authority, the budgets, and the organisational power to drive change, but who had not yet accepted that doing so was their responsibility.