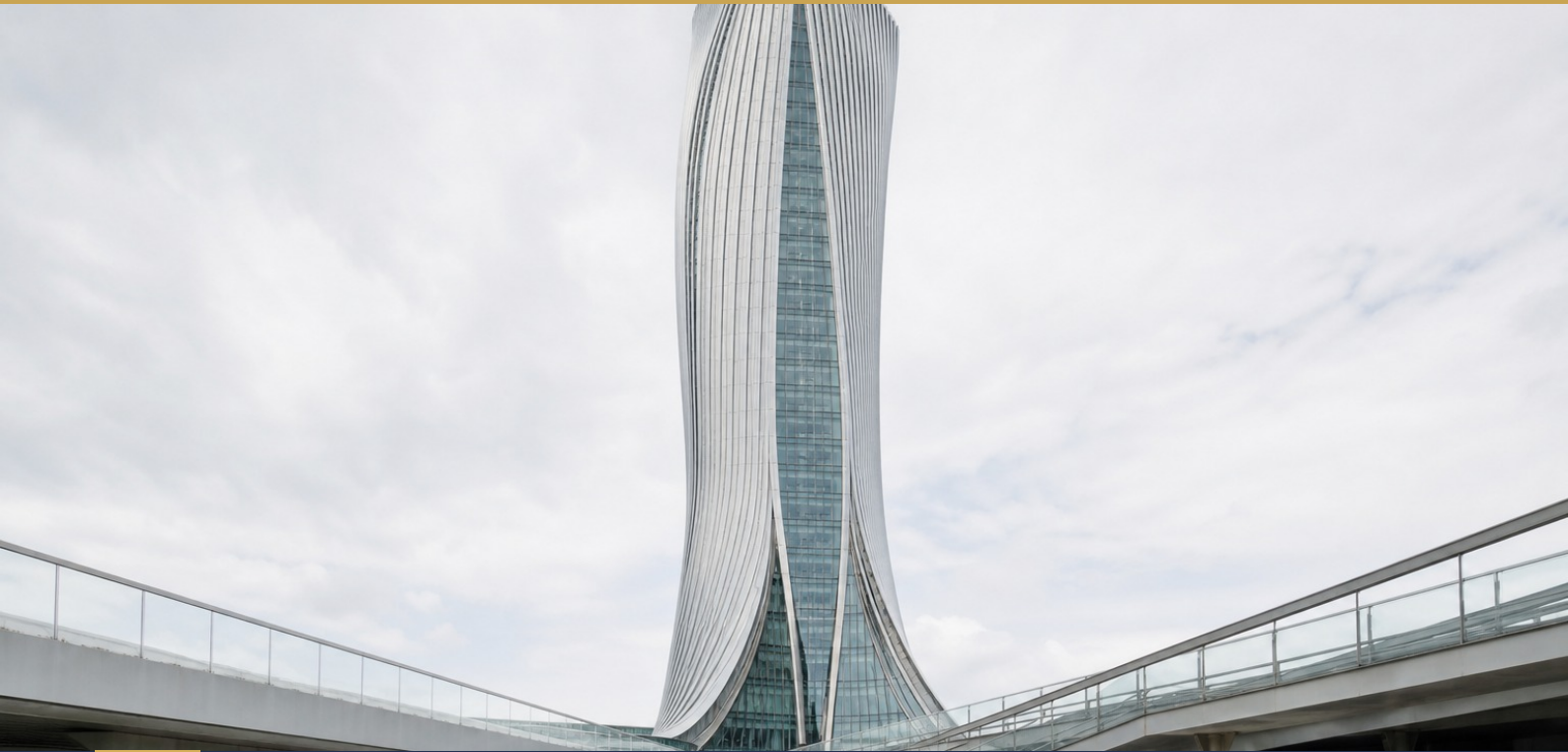




BEYOND THE TITLE

The CDO Without Authority Is Corporate Theatre

Why the digital chief matters in 2015 only when budget, priorities and decisions move with the title

The CDO Without Authority Is Corporate Theatre

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“Accountability without the right to redirect money and work is not leadership; it is sponsorship with a better title.”

The Appointment Is the Easy Part

A board announces a Chief Digital Officer. The press release speaks of mobile growth, new customer experiences and a faster response to online competitors. The appointment is presented as evidence that the organisation has understood the moment.

Then Monday arrives.

The new executive has a small strategy team and a place at the top table. Marketing still controls customer communications. The technology director still controls systems investment. Operating divisions still own their profit-and-loss accounts. Store, branch or service leaders still decide which local processes may change. Every important proposal therefore begins a tour of persuasion through committees whose members can withhold people or money without inheriting the digital target.

This is becoming a familiar feature of the 2015 executive landscape: the CDO is given responsibility for digital change while the instruments of change remain elsewhere. The title is new. The organisation beneath it is not.

That mismatch matters because digital competition is not confined to a website or a mobile application. Customers now move between online research, social channels, call centres and physical outlets without respecting the boundaries on the organisation chart. A faster front end merely exposes a slower back office. A clever mobile service cannot compensate for a fulfilment process that still requires three hand-offs and an overnight batch update.

The CDO is therefore being asked to alter a system, not decorate a channel. A system cannot be changed by invitation alone.

The Authority Gap Has a Mechanism

Consider a representative twelve-month mandate. The CDO is told to raise online sales from 8 per cent to 15 per cent, cut abandonment during account opening and establish a single view of customer activity. The numbers sound admirably concrete.

Yet the budget reveals the real constitution of the organisation:

- £6 million of technology change remains committed to a core-system programme agreed the previous year.
- Marketing can fund campaigns but not the redesign of fulfilment or service processes.
- Operations will release subject-matter experts for two days a month, because current service levels remain its formal priority.
- The CDO controls £750,000, enough for research, prototypes and a handful of visible improvements, but not enough to remove the constraints those prototypes uncover.

A small team redesigns the online application. Testing shows that removing two unnecessary checks could reduce completion time from eighteen minutes to eleven. Compliance accepts the principle. Operations agrees that the checks duplicate work. But changing the procedure requires training, revised controls and alterations to two legacy systems. No single executive below the chief executive owns the whole decision.

The proposal spends nine weeks moving between committees. The digital team delivers a cleaner screen; the duplicated checks remain. Abandonment improves by one percentage point rather than the projected five. The quarterly report says the digital workstream is on track because the screen was delivered.

This is how the authority gap destroys value. It does not usually produce open refusal. It produces partial delivery, delayed decisions and success measures that migrate from business outcomes to visible outputs.

Accountability without the right to redirect money and work is not leadership; it is sponsorship with a better title.

Influence Is Necessary, but It Is Not a Constitution

The strongest defence of the lightly empowered CDO is reasonable. Digital change crosses functions, so no new executive should seize every relevant budget or build a parallel empire. The CDO must persuade colleagues, earn credibility and prevent digital from becoming another silo. Formal authority, on this view, would encourage centralisation when collaboration is what the work requires.

Much of that is right. A CDO who treats established functions as obstacles will fail quickly. Technology judgement, operational knowledge, risk control and commercial ownership cannot simply be annexed. Influence is indispensable.

But influence works only when the organisation has already decided how disagreements will end. Collaboration describes how people should work together; governance determines what happens when their incentives diverge. Without a decision rule, the executive who owns this quarter's revenue or service level will usually defeat the executive who owns a future capability. Both may be acting rationally.

The answer is not unlimited CDO power. It is bounded authority matched to an explicit mandate. Three arrangements distinguish a serious appointment from a ceremonial one:

1. A protected change budget. The CDO needs enough discretionary investment to take a priority from discovery through operational implementation, not merely to prototype its visible edge.
2. Named business outcomes with shared ownership. If online conversion, digital service cost or customer retention is the goal, the relevant operating and functional executives must carry the same measure. A target assigned only to the CDO invites everyone else to optimise around it.
3. A rapid escalation route. Cross-functional decisions should have a named forum, complete information and a deadline. When agreement is absent, one executive—normally the chief executive or a clearly delegated sponsor—must decide. Endless consensus is simply veto by delay.

These provisions do not abolish influence. They make influence productive by placing it inside a constitution.

What the Appointment Signals Now

The arrival of the CDO is an important signal. It acknowledges that online commerce, mobile use, social interaction and data-led service are no longer peripheral concerns. Many organisations do need an executive whose field of view crosses the boundaries inherited from an earlier operating model.

Yet the present enthusiasm for the title risks confusing recognition with response. Adding “digital” to the executive committee may satisfy the demand for visible action while postponing the harder choices: which investments lose priority, which processes must be redesigned, which managers share the outcome and who decides when functions disagree.

Boards should therefore ask a blunt question before approving the appointment: what can this person cause to happen that could not happen yesterday?

If the answer is “coordinate”, “challenge” or “advise”, the organisation may be recruiting a valuable strategist. It is not appointing a transformation leader. If the answer identifies money that can be redirected, work that can be reprioritised, measures that will be shared and decisions that can be forced to closure, then the title may carry real weight.

The CDO does not need to own the whole enterprise. But the enterprise must decide which part of itself it is genuinely prepared to let the CDO change. Until that boundary

is explicit, the newest seat at the top table will remain the seat with the clearest accountability and the weakest hand.