

2020 State of Data & Analytics MEA

*An Exclusive Snapshot of the Opportunities
and Challenges Facing Data and
Analytics Leaders Today*

Contents

Click to navigate

Executive Summary

To determine the current state of data analytics in the Middle East and Africa, we conducted a representative survey of 87 senior data analytics leaders from across the region.

This report combines our findings with commentary from three industry experts to create an exclusive snapshot of the health of the industry.

Inside, Hartnell Ndungi, CDO at Absa Bank of Kenya, discusses how the role of the CDAO is changing and why businesses in the region are becoming increasingly data-centric.

Louise de Beer, Head of BI and Data Science at Leadhome, argues that having a data or analytics function is now a corporate “hygiene factor”.

Mark Nasila, Chief Analytics Officer, Chief Risk Office at FNB South Africa, discusses how his team is using AI against a backdrop of increased focus on advanced data and analytics initiatives.

What’s more, we reveal the key objectives the region’s data leaders are striving towards and the top challenges that stand in their way. ■

Contributors



Hartnell Ndungi,
CDO, Absa Bank
of Kenya



Louise de Beer,
Head of BI and Data
Science, Leadhome



Mark Nasila,
Chief Analytics
Officer, Chief Risk
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Foreword

The era of the data-driven enterprise has begun. MEA-based organisations have moved from seeing data as a by-product of business to one of the most valuable assets a company has over the past five years.

The idea that “data is the new oil” may be an overused and simplistic way of thinking about this lucrative corporate asset. But the analogy does get one thing right – just like crude oil, raw data requires a sophisticated refining process to unlock its full benefit.

Most organisations in the Middle East and Africa are still in the exploration phase of this process, as the results of this benchmarking survey show.

In some areas, our findings are unsurprising. But there are others that don’t fit with most people’s perceptions of the market today.

Just 42% of respondents say their organisation has a formal data strategy. This is probably the most telling statistic in terms of the maturity of data analytics across the region. Encouragingly

though, 32% say they are in the process of developing one.

As with other global markets, there are pockets of excellence from outliers who either started with data analytics at their core or have leaders who understand data and are driving the transformation. But the road is fraught with challenges that require strong leadership to overcome.

Our research shows that data, analytics and actionable insights are moving up the corporate list of strategic imperatives. Adoption is accelerating, and we believe the momentum we are seeing will overcome the resistance data leaders are encountering in some circles before long.

I hope you find the insights into the market detailed in this exclusive report as encouraging as we have. ■

Craig Steward

Managing Director, MEA
Corinium Global Intelligence

The Changing Role of the CDAO

As companies in the Middle East and Africa progress through their data journeys, data and analytics leaders are turning their attention to AI, data science and advanced analytics

The proper powers and responsibilities for a CDAO to wield have been a topic of debate in the business world for some years now.

However, it has become clear that having someone who is responsible for maximising the value of a company's data asset is essential for businesses operating in the digital age.

More than 70 C-Suite data leaders have been hired in the Middle East and Africa since 2012.

"Going back five years ago, data, being data-driven and especially analytics were kind of a 'nice to have' for companies," says Louise de Beer, Head of BI and Data Science at analytics-driven estate agent Leadhome. "Then, if you look at reports from two years ago, innovators started playing with data as a differentiator.

"I think where we are now is that data is becoming a hygiene factor. If you don't have it, what are you doing with your business?"

The number of executives working in senior roles is a simple litmus test for assessing a region's data maturity. South Africa is a regional trailblazer in this respect, with the UAE in a distant second place.



What's more, our research suggests that a consensus is starting to form about where the CDO sits in relation to the wider organisation.

Gone are the days of the CDO reporting into the CIO. Instead, 60% of the CDAOs who responded to our survey answer to their company's COO, 20% report to the CRO and 20% answer directly to the CEO.

As Mark Nasila, Chief Analytics Officer, Chief Risk Office at FNB South Africa explains, data leaders need a mandate that spans the whole business in order to effectively drive organisational change.

"The business needs or uses cases are very unique to each business unit," he says. "What I've done is to follow what is called a 'shared services' operating model. The strategy is centrally led, but it's executed in a decentralised way, at a business unit level."

"I think where we are now is that data is becoming a hygiene factor. If you don't have it, what are you doing with your business?"

Louise de Beer,
Head of BI and Data Science,
Leadhome

How Data Leaders Support Business Objectives

The role of a CDAO will naturally evolve with their company's data maturity. A company's first CDAO will initially be concerned with developing a data strategy and laying the foundations for data success. But with this groundwork complete, their focus will shift towards enhancing the ways their organisation can extract value from its data asset.

Our research shows that this evolution is well underway in organisations across the Middle East and Africa. A full 46% of data leaders say their companies are in this transitional phase, with 42.5% reporting that their data teams are focused primarily on offensive initiatives.

Hartnell Ndungi, CDO at Absa Bank of Kenya, explains: "As people start visualising their data better, they start asking questions like, 'What will happen in the future?'"

"In South Africa and East Africa, what I'm seeing is that 90% of CDOs are 'level one'," he continues. "[They] are focusing mostly on data management, data protection and data privacy."

He adds: "I'm also seeing a few CDO 2.0s, who are also able to talk about solutioning and coming up with dashboards and analysis to ensure that you're able to visualise and present data better, and very few CDO 3.0s."

The vast majority of our survey respondents say the purpose of their role is to drive business performance through advanced analytics. Building a data science capability was the second most frequently cited 'purpose', tied with identifying opportunities for AI adoption.

Just 26% of respondents say the purpose of their role is to implement sustainable data management and governance practices.

Data leaders are clearly looking to the future when it comes to articulating the purpose of their roles. But some may be ignoring or downplaying the traditional data challenges that are still present in many organisations.

They will need to balance their advanced initiatives with more foundational investments to give their data strategies the best chances of success. ■

"My key responsibility is helping the risk space use data as a capability or an enabler to help the bank be more efficient, proactive, self-assess risks and in general outthink criminals"

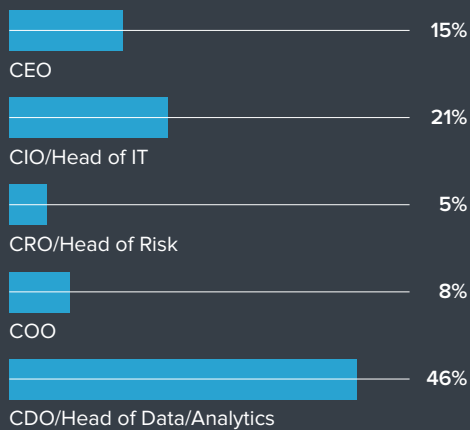
Mark Nasila,
Chief Analytics Officer, Chief Risk Office,
FNB



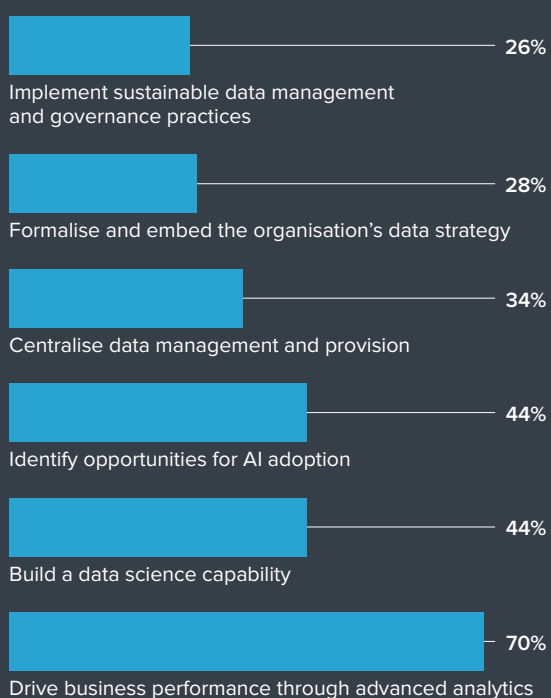
Data Leaders Focused on Driving Business Performance

The role data and analytics plays in business is changing, with companies increasingly setting their sights on offensive initiatives that drive business performance

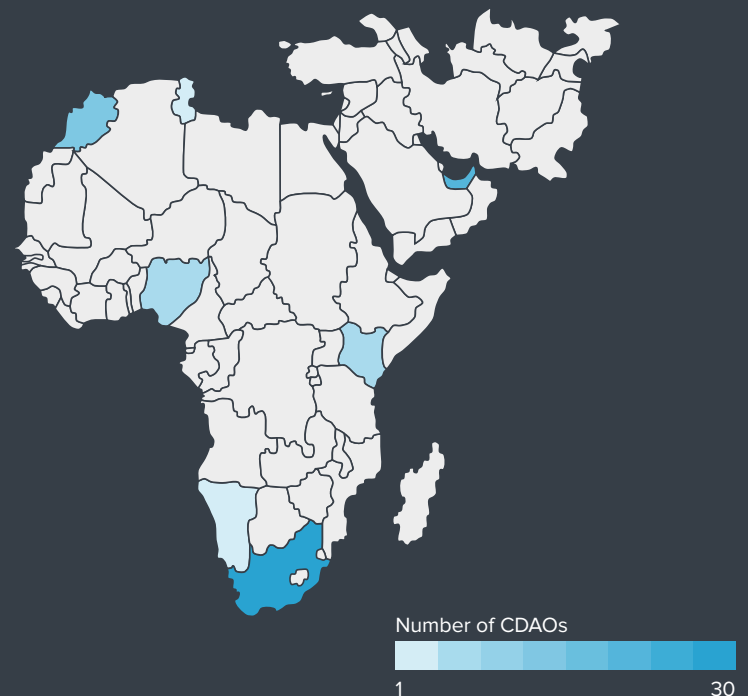
As a data leader, who do you report into?



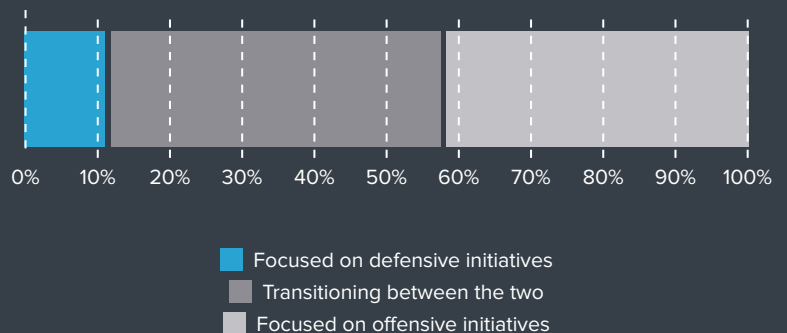
What is the purpose of your role within your organisation?



Distribution of CDAOs in the Middle East and Africa



How would you describe the phase your data or analytics programme is in?



Executives Are Embracing Data Strategy

Businesses are embracing data centricity in the Middle East and Africa. Our research shows that 43% of the region's data leaders have now formalised their data strategies, and a further 32% are developing one

Some executives may initially have resisted the idea that their instincts might not be the best tool for guiding their companies to prosperity. But the Middle East and Africa's data leaders are successfully proving their worth and combating these old-fashioned ways of thinking.

Our research shows that the region's data leaders are now laying the groundwork for data-driven business processes. Four in 10 now have a formal data strategy, and a further 32% are developing one.

"The days are gone when someone could say 'I'm a very good leader' in finance or in business development just from experience," says Hartnell Ndungi, CDO at Absa Bank of Kenya. "We are past the phase whereby we could only use our 'gut feel' and our experience to make decisions."

"I'm not so sure if a lot of organisations have clearly defined data strategies which articulate where and how you're going to use data," adds Mark Nasila, Chief Analytics Officer, Chief Risk Office at FNB South Africa. "They have to have a clear, defined data strategy."

Developing a formal data strategy is a key step on the road to data maturity. It's essential for aligning data initiatives with wider business objectives and agreeing a framework for change.

The data leaders who responded to our survey are responsible for delivering on a range of different goals. These include increasing revenue and market share, generating operational efficiencies, uncovering customer insights, improving the customer experience and reducing operating costs.

But in order to do any of this efficiently, data and analytics leaders must first take the time to define their strategies and use them to secure the leadership buy-in they will need to execute their plans.

"I'm seeing the use of dashboards, insights and trend analysis being embraced by senior leadership to make better decisions"

Hartnell Ndungi,
CDO,
Absa Bank of Kenya





Five Challenges Data Leaders Must Overcome

While some organisations are starting to make data-driven decisions, there's still a long way to go. Our research has identified five core challenges that data and analytics leaders must overcome in order to become truly data-driven.

More than half of data and analytics leaders are grappling with poor organisational understanding of the value of data, making this the most frequently cited challenge in the region.

"The hype has made things worse," Ndungi explains. "When you hear a competitor is hiring a data person you run to the market and start recruiting without exactly knowing why you need one."

Breaking down data silos and centralising data storage is the second most frequently cited data challenge, suggesting that many data leaders are still working to give their programmes the right foundations.

The fact that 35.6% of our survey respondents say they struggle to access enough high-quality data supports this conclusion. Meanwhile, 21.8% cite a lack of leadership buy-in or support as a key challenge.

Of course, regional pressures such as currency fluctuations create additional challenges when it comes to securing the budget for data and analytics initiatives and acquiring the necessary technologies.

"Being a start-up and being so new, we just can't afford to spend upwards of R50,000 per month," explains Louise de Beer, Head of BI and Data Science at Leadhome.

"It's one thing to sign up for \$1,000 today. But in a few months' time, \$1,000 might be exponentially more in rand," she continues. "So, hedging against that foreign exchange rate is an issue."

Finally, 29.9% of survey respondents say that not having a comprehensive strategy is holding them back – underlining just how difficult it is to deliver on business objectives without one.

"I think a lot of [CDOs] are spending time focusing on the defensive side of the data strategy," says Nasila. "The other aspect is to align what you want to do with the data to your holistic business strategy. If they aren't aligned, then you're not able to drive measurable value." ■

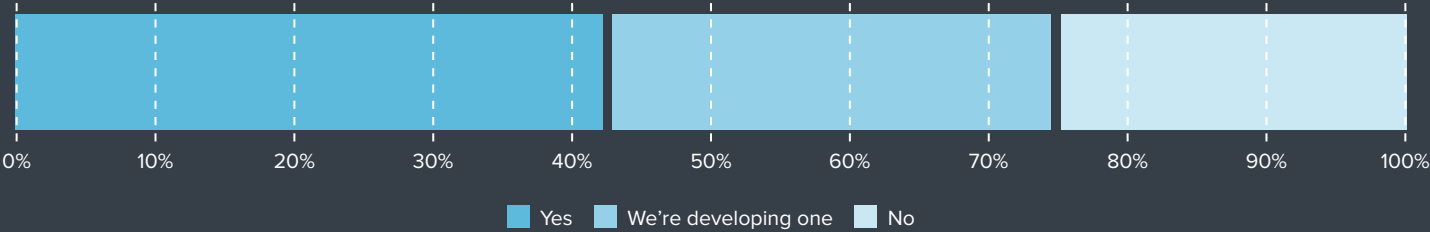
"I've heard of cases where people train 20 or 30 data scientists and they sit in the office drinking tea, doing nothing"

Hartnell Ndungi,
CDO,
Absa Bank of Kenya

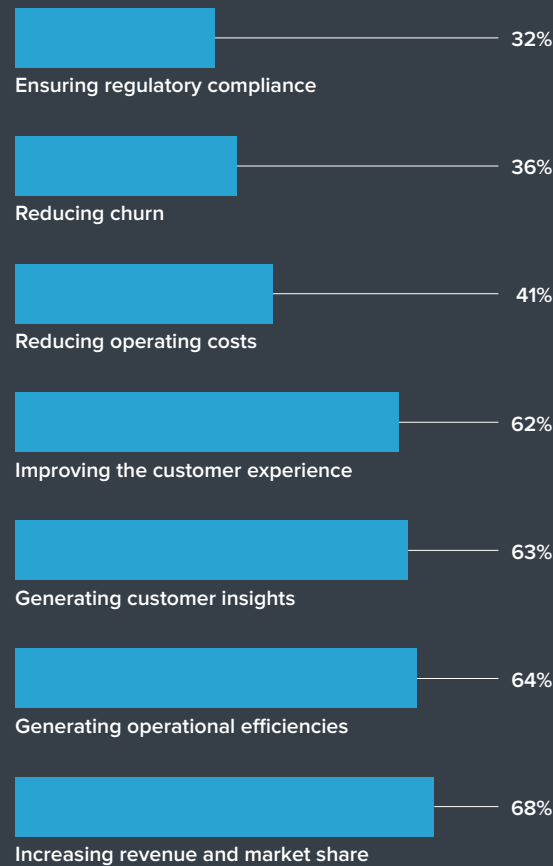
Cultural Change Will Drive Data Centricity

Most data leaders now grasp the need for a formalised data strategy, but few businesses have truly embraced data culture. Companies must break down organisational silos and improve data literacy to achieve lasting change

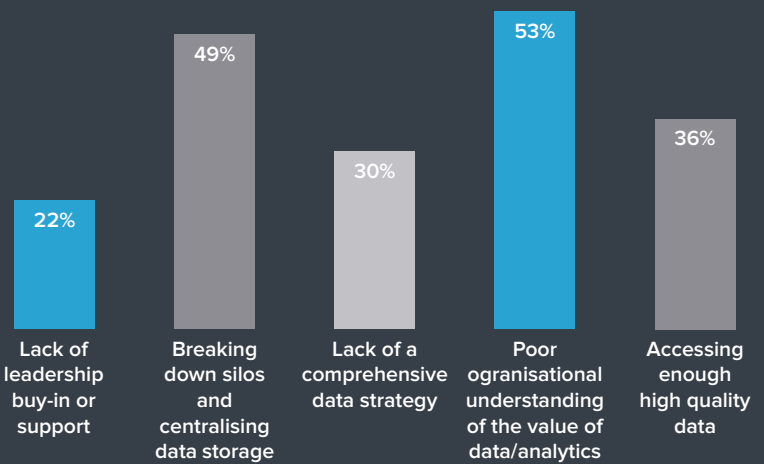
Does your organisation have a formalised data strategy?



What are the key objectives for data and analytics in your organisation?



What are the major challenges you face in building a data centric organisation?



How would you rank your organisation's current data centricity?





Laying the Foundations for AI Success

With two thirds of data and analytics leaders actively investing in AI in the Middle East and Africa, we look at what businesses can do to ensure their initiatives succeed

AI is now well into its 'early adoption' phase, with businesses throughout the Middle East and Africa clamouring to launch new initiatives.

Almost three quarters of the data and analytics leaders who responded to our latest regional benchmarking survey say their organisation has appointed someone to be responsible for AI deployment.

Two thirds say their organisations are exploring potential uses for AI, with 40.2% of them saying they've at least reached the 'early implementation' phase. Just 15% say they aren't looking to develop AI capabilities, 18% want to learn more about them and 26% are doing feasibility studies.

The potential benefits AI may bring to a business have proven extremely enticing for business leaders in the region, as FNB South Africa CAO, Chief Risk Office Mark Nasila explains.

"We've designed algorithms to try to offer the right product to the right customer at the right time," he says. "We enhance this with financial crime models to make sure we're not offering products to criminals."

Given the prevalence of financial crimes in the region, developing AI capabilities to combat fraud and money laundering is a priority for the banking industry's data leaders.

FNB is acutely aware that combatting cybercrime is essential for developing good relationships with its customers, and machines can check for suspicious activity far more effectively than humans can.

“The bank is now using an in-house developed AI system to optimise the due diligence forensic review process,” Nasila explains. “This AI system automatically creates a single consolidated report with all the information required, which includes a single view for financial crime risk management.”

He concludes: “So, instead of the analyst doing all this work, we’re having the analyst just doing quality assurance and making the decision.”

Initiatives like these have the potential to revolutionise the ways businesses provide goods and services.

But with Gartner predicting that 80% of AI projects “will remain alchemy, run by wizards whose talents will not scale” through 2020, it’s not clear that all organisations are ready to deliver these projects.

Data Leaders Must Walk Before They Run

The failure rates for AI and other advanced data projects are high.

According to a 2019 study from the International Data Corporation, 25% of organisations report that half of their AI projects result in failure. Survey respondents cite “unrealistic expectations” and a lack of skilled staff as the top reasons for these failures.

“Once you’ve decided to have a data strategy, the first thing most people do is buy hardware and software,” says Hartnell Ndungi, CDO at Absa Bank of Kenya.

“So, you go and start buying ‘best in class’ BI solutions before knowing exactly whether the tools are really going to solve your problems.”

Only 40.7% of respondents in our survey plan to invest in data governance or management in 2020, and just 29% expect to invest in data quality or enrichment improvements. Yet, these architectures underpin every successful AI programme.

Given that data leaders in the Middle East and Africa are grappling with data silos and working to instil data culture in their organisations, the importance of these investments should not be overlooked.

The business world may be excited about the potential of AI and advanced analytics. But organisations must make sure they have the right foundations in place first in order to succeed with these ambitious new initiatives. ■

“It’s important that we understand the customer’s intentions on our platform going forward”

Mark Nasila,

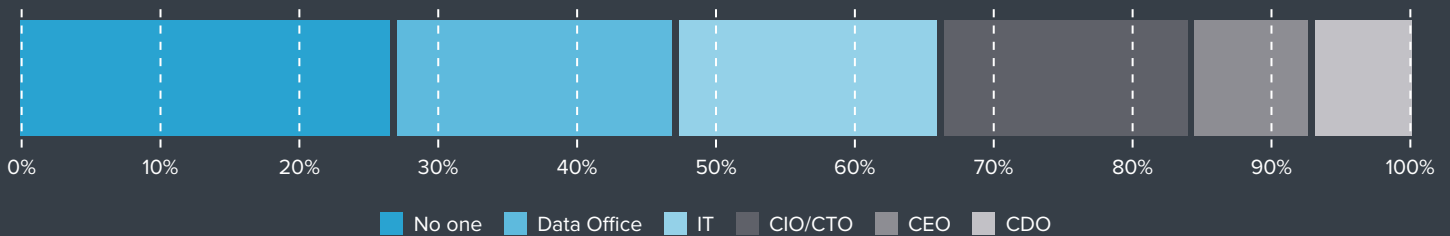
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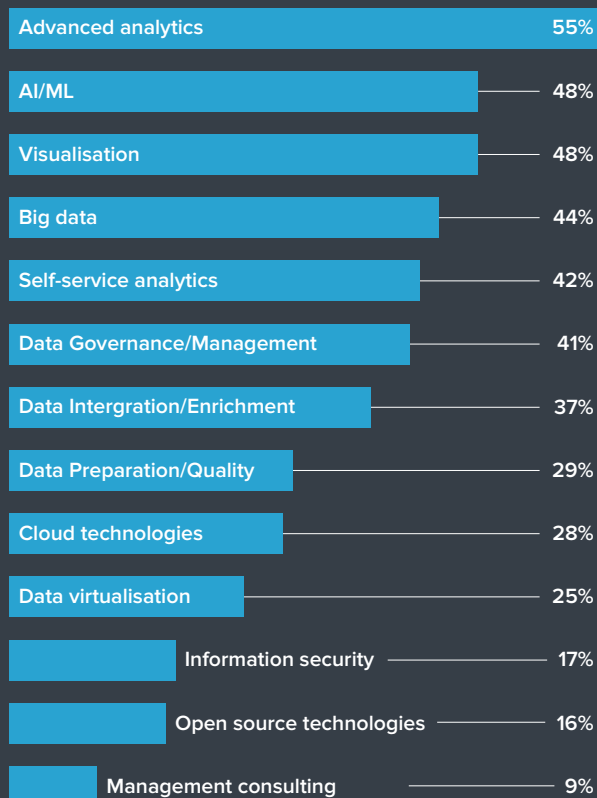
Data Leaders Keen to Develop Advanced Capabilities

Advanced analytics and AI are high on the business agenda, with companies looking to invest in new technologies to expand their capabilities over the next 12 months

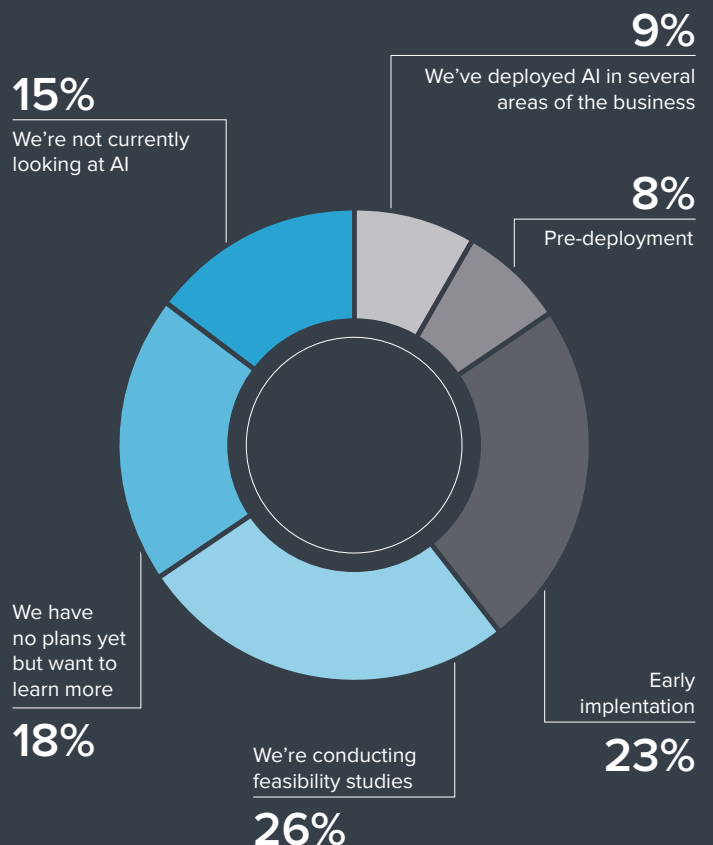
Who is responsible for AI deployment in your organisation?



Which of these are you most likely to invest in over the next 12 months?



What is the current state of your AI investments?





Your Chance to Network with MEA's Top Data and Analytics Leaders

Over the last four years we've witnessed the rapid maturation of data analytics in organisations across the Middle East and Africa through our in-depth research and world-class events across the region.

We undertook this survey to ensure that we constantly develop content and events that meet the market's changing needs. Its findings have been critical in the shaping of the agenda for **DataCon Africa 2020**.

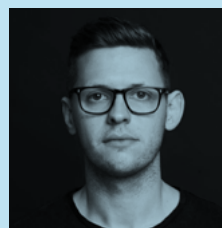
The insights we uncovered have guided the areas we research and which topics make the final agenda.

We will also be combining this research with additional surveys and qualitative interviews to ensure that **Chief Data & Analytics Officer Africa 2020** and **DataCon Dubai 2020** deliver high value information to the market.

With exclusive presentations from Standard Bank, Absa, IBM, PwC and many more – these events are the perfect place to network with your peers and hear from the top minds in your field.

FIND OUT MORE HERE

About the Editor



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Solomon Radley is an experienced editor and reporter with a proven record of helping brands grow their industry expertise and thought leadership credentials.

He works with data and analytics, learning and development and customer experience leaders to champion new innovations and highlight how the world's most forward-thinking brands are using data to fuel their digital transformations.

To share your data story or enquire about appearing in a Corinium report, blog post or digital event, contact him directly at solomon.radley@coriniumgroup.com.









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