KPMG

Voice of the
CDAO

A recurring conversation with CDAOs
on the modern data-driven enterprise

November 2025

CDAOs deliver measurable ROI with AI in a fast-changing world

In our conversation with chief data and analytics officers (CDAOs), we discussed key themes that include prioritizing artificial intelligence (AI) projects, focusing on return on investment (ROI), and evolving AI goals beyond productivity gains to autonomous agents. These represent the most pressing data and AI issues facing organizations today. CDAOs emphasized aligning AI initiatives with business problems and securing chief executive officer (CEO) buy-in to drive successful implementation. They also shared their respective challenges, including an aging infrastructure, data quality issues, and data product use goals.

Many CDAOs commented on the shift towards measurable business outcomes. This is supported by the 2025 KPMG US CEO outlook that shows CEOs are accelerating their ROI expectations for AI investments. The across-the-board productivity gains reported by many CDAOs are nice to have, but democratization improvements lack that bottom-line impact. As leaders advance toward a hybrid environment with agents and humans collaborating, CDAOs will help shape the transformation.

On the CDAO agenda

Strategic prioritization

Prioritize solving business problems

Focus on ROI

CEOs expect more results sooner

AI goals

From productivity gains to autonomous agents

Strategic prioritization

Prioritize solving business problems

A recurring theme with CDAOs is the importance of aligning AI projects with core business problems. Doing so helps ensure business fit and bottom-line results.

"Our framework calls for starting with the business problem and tying it directly to a strategic priority," noted the CDAO for an aerospace company.

Another key to prioritizing AI and ensuring follow-through is soliciting buy-in from decision-makers. A CEO on board with an AI initiative is like being given the gold ticket. The CEO's directive influences the entire organization.

The CDAO for a manufacturing company shared how having their CEO's mandate combined with focus and priority accelerates their AI program.

"CEO bottom-line targets provided the direction. We first looked for low-hanging fruit with a high value of return to make sure we're capturing hard savings. Then our value stream mapping systematically identifies ways the low-hanging fruit feeds into our prioritization list."

Some CDAOs pull out tips and tricks for prioritization like pooling together every department's innovation budget and then having them compete to get it back. Those that do get their generative AI (GenAI) projects green-lighted for production. Others prioritize technology spending because there is no magical pot of money.

Given AI's broad scope enterprise-wide, several CDAOs have implemented frameworks for managing all things AI. This is best illustrated by a CDAO for a utility company that serves the power needs of customers and hears about it when there are outages.

"Our three-pronged AI strategy focuses on AI execution, AI democratization, and AI foundation. Execution coordinates work across function while democratization provides tools to empower thousands of employees. Foundation facilitates the other two prongs."

One of the biggest roadblocks to prioritization and success with AI programs is aging infrastructure, which contributes to data silos and data quality and access issues that many companies face. Security risks and compliance challenges can also come with aging infrastructure. Upgrades and modernization can help, but costs can seemingly outweigh benefits.

Prioritization and AI can help an aging infrastructure. For example, AI-powered tools can analyze legacy code and can even automatically apply refactoring changes to modernize it.

"Organizations are rethinking their interaction models. Diverse, high-quality data improves accuracy and reduces bias."

—Danielle Beringer, KPMG, Principal, Advisory

Focus on ROI

CEOs expect more results sooner

The operative word with an eye toward 2026 is ROI. The pilot period was instrumental, scaling was educational, and the employee productivity bump was nice. More than anything else, companies now want to see a return on their AI investment.

According to the 2025 KPMG US CEO outlook shows CEOs are accelerating their expectations for a return on AI investments. In 2024, 68 percent of CEOs surveyed expected an AI return in three to five years. In 2025, 69 percent surveyed found the timeline for AI ROI accelerated to one to three years.

With CEOs expecting more sooner, CDAOs are shifting from experimentation to execution with a strong focus on measurable business outcomes. Many are prioritizing use cases tied to revenue or cost savings and moving away from bespoke models toward modular, reusable AI components. Focusing on ROI measurement by defining metrics at the project kickoff can also be helpful.

For example, a CDAO for a telecommunications company focused on a quick win use case. "We have an AI solution that reviews contracts and finds rebates that we missed before. We're trying to find real savings, not just solving things faster."

A sizable percentage of CDAOs have internal challenges like data and processes collected from mergers, operating in a regulated industry, or behind the curve in data modernization required for AI.

Mergers and acquisitions can do a number on data quality as the CDAO of a chemical manufacturer attested.

"Due to acquisitions, our data quality is suspect in some cases and works well in other cases. Our data excellence program certifies data products and assigns a quality score to each. That's in addition to driving GenAI use cases."

Regulated industries present their own challenges. "I have 230 companies and 230 data sets. Our goal is a specific use case that aggregates a bunch of data at scale," shared the CDO with a private equity firm.

One of the advantages of being a laggard in AI is the opportunity to make meaningful leaps in a relatively short time like using pretrained LLMs to catch up with the innovator class. For this CDAO, the challenge is more manageable and deals mainly with working closely with the CFO and securing funding for AI.

"The definition of AI-ready data evolves based on how your company uses AI."

—Matteo Colombo, KPMG, Global Leader for Cloud, Data & AI

AI goals

From productivity gains to autonomous agents

Many organizations are experiencing general productivity gains with AI in the range of 5 percent to 9 percent. However, the real potential is in autonomous agents with human oversight delivering double-digit potential gains in the ballpark of 40 percent to 50 percent or higher.

The general productivity gain has been problematic for business leaders. It's not that leaders doubt the gain; it's more the challenge with capturing the bottom line impact.

"We've seen a general productivity improvement," noted the CDAO of a utility company. "The biggest beneficiaries of the AI democratization that has improved workforce productivity are people's dogs. They're getting walked a lot more with our people getting home sooner."

Dog walks aside, leading companies are pushing beyond democratization and general productivity gains to where the real value with AI lies.

"We're leveraging not just individual productivity gains through AI but also pushing the boundaries in terms of autonomous AI-operated business with human oversight," said the CDAO of a technology company. "That's where we're starting to see real value."

And how will that value manifest? "We'll try to make money this year while we think three years in terms of transformation," the CDAO continued.

A workplace transformed into autonomous agents working alongside human workers has ramifications, from positive to negative. On the positive side, we can expect a hybrid business environment with enhanced productivity, improved efficiency, and innovation. Autonomous agents collaborating with humans could lead to groundbreaking discoveries. On the negative side, a hybrid world could displace jobs, shift skills needed, and create demand for trust and transparency to mitigate issues.

CDAOs will have a front seat and an active role in creating a hybrid business environment. For example, the technology company is being very intentional with changing how a human does their job.

Other CDAOs are busy with democratization efforts, prioritizing use cases and meeting data usage goals, among other challenges. Every company has a different goal.

"We have people who are using our AI tools daily, hourly, every minute of the day, and then there are those who are not even interested," remarked the CDAO of a healthcare company. "How do we balance improving the general AI literacy with the need to generate actual ROI?"

"Productivity gains from AI means our people are getting home sooner to walk their dogs."

—CDAO for a utility company

Key considerations

- Form a cross-functional team for use case selection
- Blend productivity and profitability AI initiatives
- Accelerate AI with modular, reusable components

Additional resources

2025 KPMG US CEO Outlook

Data governance in the age of AI

KPMG AI Quarterly Pulse Survey

The agentic AI advantage: Unlocking the next level of AI value

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