MOZART DATA

How Start-Ups Can Build a Data-Driven Culture From the Start

To be data-driven, you have to make decisions based on answering the right questions with data and remove emotions and speculation from your decision-making process. But it doesn't happen overnight. Here's what you need to do to create a data-driven culture:

1 Set up critical data infrastructure

It's not possible to establish a data-driven culture without the tools your team needs for success. You'll need a modern data stack, which consists of an ETL tool, data warehouse, and transformation layer, to centralize and organize siloed data for efficient analysis and insight mining.

When data's organized, it becomes much easier to share that data with other teams, either directly in a data warehouse or via a business intelligence (BI) tool.

2 Establish a universal source of truth

When data is centralized and organized, one of the results is a universal source of truth for your company. To establish a source of truth, you should:

- Systematically organize data for consistent methodology.

- Automate processes so data is always up-to-date.

- Create definitions and remove duplicates and outliers to make downstream analysis simple.
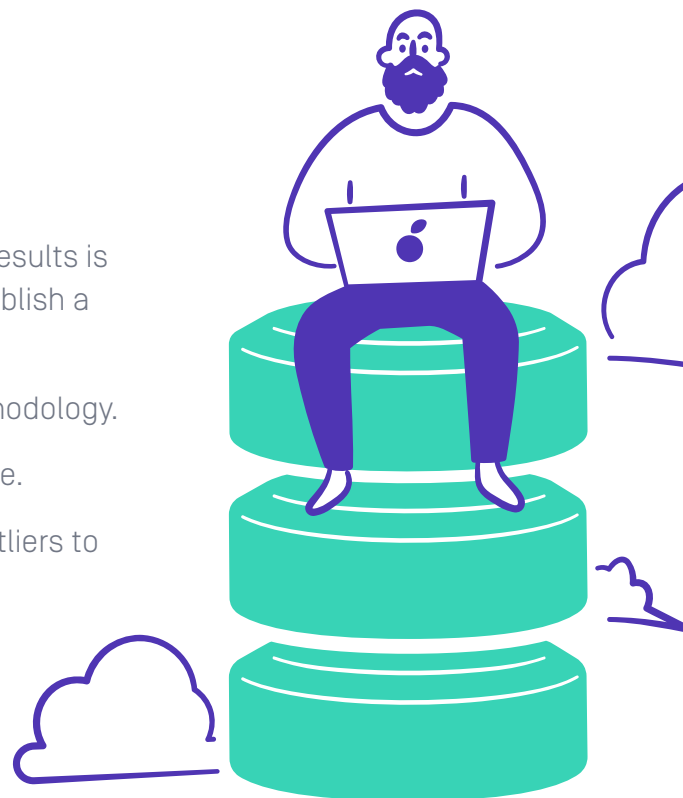
3   Define key metrics and questions to be answered

With a universal source of truth, everyone should have access to the data they need. But for your team to be data-driven, a few things need to happen:

- Define key metrics, so there's no ambiguity in reporting.

- Identify KPIs and questions that should be answered, so teams are driving towards the right goals.

- Develop a strategy for insight mining based on these goals.

4   Democratize data and create buy-in

A data-driven organization requires data-driven teams. Teams need to trust the data and know how to use it to make decisions. To develop this competence and confidence in your teams, prioritize data democratization.

- Give decision makers access to relevant data.

- Document data definitions and processes and share them so people understand the "how" and "why" behind the data.

- Help less technical teams automate manual data work and train them to access and use their data.

- Empower teams to take action based on their findings.

5   Plan for the future

At this point, your teams should be on the same page. But some start-ups struggle to maintain this momentum, especially if teams aren't used to relying on data. To prevent a slide back to complacency after the first wave of insights and optimizations, look to address weaknesses in your processes and determine what works well so you can maintain it. A data-driven culture needs to be deliberately preserved by auditing processes, KPIs, and assumptions periodically. This proactive approach will help your teams continue to make the most of your data.

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Once you build the infrastructure, you can create a self-serve data culture by educating teams on how to **ask a good question and answer it themselves.** It's critical to not just rely on the data team to do the work.

Alex Netsch
Director of RevOps at Rippling

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