Mode

BIG GOALS—LIMITED RESOURCES

How to Scale the Impact of Your Data Team

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Introduction

Companies at the growth stage have a balancing act to perfect. They know they need to learn as much as possible about their business and customers to gain a competitive edge, but they feel pressure to sustain runway, manage overhead, and (especially these days) show the potential for profit fairly early on.

This white paper is for data teams with limited resources but big goals—we compiled advice from data experts at companies like Bento and Notion to learn what worked for them as they grew, from investing in data infrastructure to hiring and onboarding new analysts. Two recurring themes we saw? Stay flexible, and empower your team.

Read on for tangible ways to do both by choosing the right mix of tools, team members, and focus areas to scale the impact of data at your company.

What does it mean to scale the impact of data?

Scaling the impact of data means that as you make incremental improvements and investments for your data team, they achieve greater and greater outcomes.

In the best case scenario, you're able to serve the whole organization the data necessary for each business function without overburdening your analysts or going over budget.

As you scale, you'll see signs that you're doing it well. Your business team will gain momentum—becoming more confident in their ability to interpret dashboards and find insights. New analyst hires will get up and running faster. You'll also have more engineering resources to put on innovative data projects instead of managing a backlog of repetitive tasks. And when a pivot, an acquisition, or expansion into a new market happens, you won't be stuck with mountains of technical debt.

That was the case for the panel of data experts we're about to introduce you to. They were first interviewed in our webinar, Small Team, Big Impact. In the following pages, you'll read the top 6 takeaways from that panel discussion.

Create a lean but powerful baseline

> **Daniel Sternberg**
> Head of Data at Notion

I think we boiled the ocean a little bit too much.

Between building a data stack to prioritizing the needs of stakeholders, it's easy to try to do it all.

The best data leaders know how much data drives the success of a company, and they want to get quickly to the next level of data maturity at their organization. It takes restraint to focus on just the most important pieces first. But according to Daniel Sternberg, who leads the data team at Notion, that focus pays off.

Sternberg used to run a small data function at Gusto. The company had over 300 employees thanks to their large customer experience team, but only a tiny data team. Sternberg explains the challenge: "Number one, we were understaffed to support the infrastructure side. And number two, we weren't really ready to support all of the different use cases across the company."

"Trust in data is this very kind of delicate thing, and you can feel when people are starting to lose trust."

Sternberg's team tried to create everything for everyone, providing self-service data in Looker. But with only a few analysts and too many infrastructure requirements, the data models weren't always reliable. The result was that people weren't confident, and trust is hard to get back.

Instead of trying to give everyone everything or recreate a system that worked at a previous company, sketch out what your perfect baseline looks like. Start with your data stack, only include technology that doesn't require specialized new hires or lock you into a costly enterprise platform.

> Trust in data is this very kind of delicate thing, and you can feel when people are starting to lose trust.

Daniel Sternberg
Head of Data at Notion

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Build a flexible data stack

Successful, lean data teams tend to rely on collection of smaller services, putting together their favorite data tools using prebuilt connectors or APIs. At Mode we talk about choosing <u>analytics tools you can grow with</u>—for example, choosing a data warehouse, ETL tool, and BI solution that gets all of your data in one place from the start and prioritizing collaborative, scalable workflows as you build out your data function.

Here's an example of what a flexible, scalable stack might look like:

A data warehouse to store everything in one place

An ETL solution that transforms data before it arrives in your warehouse

An event analytics platform that sends event data from your apps and products

Transformation tools that transforms streaming data after it's in your warehouse

A BI solution analysts can use to dig deeper and build self-service data tools for the org

Avoid solutions that require speciality development or admin work you don't have on your team yet. A few analysts can go a long way when given the right tools, and you don't want to create more work for your team than it can handle. You will need at least one engineer who's comfortable building data pipelines and troubleshooting workflows until they're 100% confident in the outputs.

Identify critical growth KPIs for stakeholders

> **Perry Wang**
> Head of Analytics & Growth
> at Y Combinator

The big factor is really about focus.

Everyone is a stakeholder to the data team, and it's up to you to work with different go-to-market functions to identify their most important reporting and metrics. To give each stakeholder enough so they can do their jobs well but still stay focused and within your team's capabilities, you'll need to collaborate early, set expectations, and consistently deliver what you've committed to.

Perry Wang, who works on Data Science and Growth for Y Combinator, recalled his early days at Segment where they didn't have advanced transformation tools in place or a large team to troubleshoot. They, like Sternberg at Gusto, had to laser focus on the core areas of the business where they needed to have rock-solid reporting.

"We asked, what are the core analytics and reports that are really important to the business? We got the financial tables, the revenue tables, the core funnel tables in order, and that gave the data team a ton of validation and trust to run deeper towards more complex experimentation," Wang explains. Getting the foundational data right gave analysts and business stakeholders more confidence later as they addressed other parts of the business that weren't initially considered table stakes.

You can put your team on key initiatives based on their skillset, too. For example, at Gusto Sternberg focused the BI team on building strong reporting for growth teams like Marketing and Sales. His data science team stayed focused on the longer-tail needs of the product to understand exactly what was working and what wasn't.

"I focused on initially hiring a small number of really, really strong product analytics data scientists on my team who were very good at cross-functional communication. I moved as quickly as I could to create a more embedded structure for those folks once I got buy-in."

There's no one set of metrics to focus on, so to achieve the greatest impact you'll need to ask where the gaps are. To get some ideas, take a look at our article on KPI reporting—On the next page, you'll find an example of an executive KPI report, which might have high-level metrics from several departments and serve as a good starting point for your discussions.

An example of an executive KPI report:
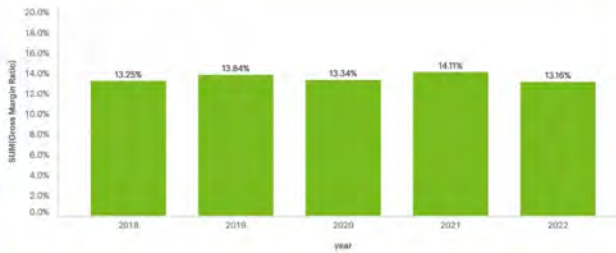

Profitability Ratios

Gross Margin Ratio
YOY
13.2%
▼ 6.77%

Gross Margin Ratio Trends

Operating Margin Ratio Trends

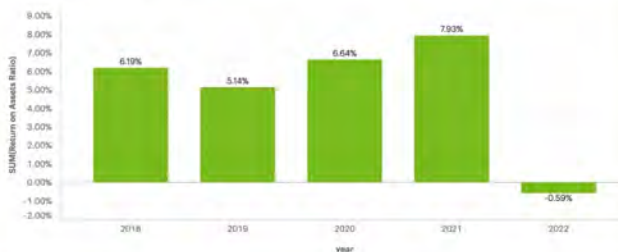Operating Margin R...
YOY
2.4%
▼ 55.00%

Net Profit Margin Ra...
YOY
-0.5%
▼ 0.5%

Net Profit Margin Ratio Trends

Return on Assets Ratio Trends
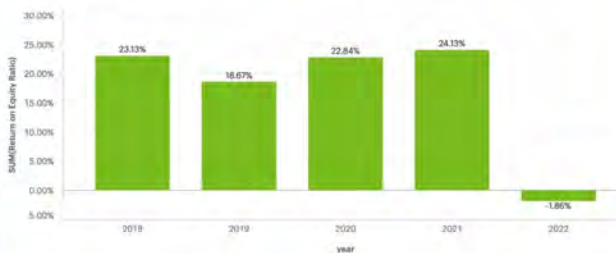
Return on Assets Ratio
YOY
-0.6%
▼ 0.6%

Return on Equity Ratio
YOY
-1.9%
▼ 1.9%

Return on Equity Ratio Trends

Use your own data to prioritize

> **Meera Kanani**
> Head of Growth at Bento

> Define your crystal balls. The things you can't drop or they'll break. Rubber balls you can drop and pick back up when the timing is right.

Smaller data teams must make tradeoffs and prioritize not just their own wishlist, but that of their business stakeholders. Meera Kanani, Head of Growth at Bento, works closely with the CEO on everything from sales to customer success to product. Her advice is to rely on the data to prioritize.

"To define a crystal ball," explains Kanani, "you need to have clarity on what the most important things are. We're able to understand what features are being used most commonly by our customers, what feedback we're getting from customers and prospects, and it's worked really well for us."

If you're a SaaS company, you'll probably rely heavily on event data from your products. Many Mode customers connect tools like Heap to stream user activity data into their warehouse and explore it on the fly in Mode, especially when they're not yet sure which metrics have the closest relationship to acquisition, adoption, and churn. This type of data makes underlined behavioral segmentation possible, which can uncover patterns your stakeholders wouldn't have thought to ask about.

For B2C companies, the focus may be more on what drives customer preferences and how they consume content or make purchases. Lily Keck is in charge of Product Operations at Balanced, a digital fitness startup for older adults. "There's the product, our app itself, and they are stakeholders, but it's also figuring out who's taking classes, how many classes are they taking, things like that, on the production side."

Keck, like many B2C data leaders, must leverage qualitative data like customer feedback as well. "We're working really closely with our Member Experience team to figure out what customers are saying, if someone's not taking a class, why?

If they're taking a lot of classes, what do they like about it?" For Balanced, the app must offer a good experience, but it's the content that drives longevity for the business.

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Cultivate a curious, empowered team

> **Lily Keck**
> former Product Operations at Balanced
>
> I've been really lucky that curiosity is a trait on our team. Everyone really is interested in the data.

When curiosity is a core trait of your analysts and data stakeholders, people are motivated to find answers on their own. You want to make both of these things possible—on one side through hiring and building a data-driven culture, and on the other providing self-service tools non-analysts can use to find answers to their most pressing questions.

Keck points out that "It can be hard if there's no designated person whose job [a particular data task] is, but if you add it into every conversation, data sort of becomes everyone's job, or at least everyone cares about it. Having data available to everyone is really important."

To start making data available to everyone, create a few <u>self-service products</u> that your business users can dig into on their own. Mode customers that want scale without hiring a large analyst team provide dashboards where stakeholders can create new visualizations, filter, and slice and dice data without having to code.

"Focus on the core places in the business, where you need to have really strong, rock-solid reporting."

Empower your analysts, too. The benefit of being an earlier-stage data team means you're unburdened by technical debt and legacy integrations (hopefully!), so analysts should be able to work freely in the language and tools they like the best. Choose a <u>modern BI solution</u> with collaborative, cloud-hosted notebooks and the option to use R, Python, or SQL when analyzing data and building models. New analysts should be able to quickly gain institutional knowledge, including how models were created and where their data comes from.

Focus on the core places in the business, where you need to have really strong, rock-solid reporting.

Daniel Sternberg
Head of Data at Notion

Evolve alongside your company

> **Meera Kanani**
> Head of Growth at Bento
>
> Data is only as good as the clarity you have and what you're trying to get to.

Nearly all of the data leaders we spoke to had to, at some point, be skilled both as detailed practitioners and as managers quickly scaling up a data team. As your company grows and you build more robust infrastructure and models and self-service tools, your team will require more of you.

Sterberg explains. "I think making sure you have decent depth across a number of different areas is really critical to being a leader of a data organization, where you can keep a level of gravitas in all of these different areas. That takes time."

Process is just as critical as technology or knowledge. As you scale, you'll make regular decisions on what to codify as process vs what to do ad hoc.

Kanani explains the art vs science balance that comes along with growing a small data team: "It's so easy to rely on your gut, but creating a framework for how you make a decision is something to be thought through sooner rather than later, so you can impart that knowledge as your team grows."

Wang, who often advises founders at YC, adds that they push founders, not just data team leaders, to obsess over metrics at an early stage. "Make data a priority and share ownership across product, across engineering, across growth, as the leader for the organization. For us, it's really about focusing on how we simplify the path to growth and scale for these founders."

As you work to scale the impact of data across the company, shared ownership and maintained versatility is key. Work closely with your founders and stakeholders and use your intuition to decide where to start, then lean on your technical skillset and business data to move forward. Even if you don't have an army of data scientists and analysts at your fingertips, you'll start seeing big improvements in areas that matter the most.

Watch our on-demand webinar to hear more about how these data experts were able to make a big impact before having large data teams and budgets.

Watch now

Mode is the data studio built for analysts

Mode is the only BI solution that provides data tools for every team in a single platform, and flexes based on your organization's needs. By supporting the multimodal analytical needs required of today's businesses, Mode clears the path from data to insights to uplevel decision making at every level of the organization.

Ad Hoc Analysis

Answer challenging and important questions to drive decisions

Custom Data Apps

Build custom internal tools and embedded analytics for myriad use cases

Advanced Analytics

Open up results of predictive modeling, statistical analysis, and more to everyone

Self-Serve Reporting

Enable everyone to explore data and build reports, powered by governed datasets and metrics

Interactive Dashboards

Standardize performance reporting in one central place to build alignment

Get more from your data

Your team can be up and running in 30 minutes or less.

Request a demo