



E-BOOK

Building a Data-Driven Organization

Introduction

How do the world's leading companies consistently outperform their competitors and drive innovation? The secret lies in their ability to harness data to make informed, strategic decisions. Put simply, data helps them acquire and retain more customers, drive efficiencies across inventory and purchasing, and leverage marketing strategies to drive sales in a profitable way.

Join us as we explore the essence of a data-driven organization—one that has the infrastructure, resources, governance, and culture to gain full value from its data. By integrating data into the core of their operations, brands can unlock powerful insights that influence critical decisions across marketing, inventory, purchasing, and more.

This eBook is designed to help you transform your organization into one that leverages data to drive better business outcomes. You will learn:



Core concepts and the fundamental framework of a data-driven organization



Where you currently stand in your journey to becoming data-driven



Gaps you need to address to foster a data-driven culture



Lessons learned from top brands Daasity has worked with

Founded in 2017, Daasity is the first and only data and analytics platform created specifically for consumer product brands by industry experts. More than just a platform, Daasity serves as a strategic partner, equipping leaders with the knowledge, frameworks, and tools needed to tackle their biggest data challenges.

Prepare to transform your organization's approach to data, as Daasity guides you every step of the way towards becoming a truly data-driven brand.

Table of Contents

Data Essentials: Building Blocks of an Effective Data Strategy	4
Are You a Data-Driven Organization?	7
The Framework for Data-Driven Transformation	8
Insights: Using Analytics to Guide Business Strategy	11
Consumer Brand KPIs: The Backbone of Data-Driven Decisions	14
Infrastructure: Technology to Support the Data-Driven Organization	19
Resources: Essentials for Data-Driven Success	22
Governance: A Framework for the Data-Driven Organization	24
Culture: Cultivating a Data-Driven Culture	26
Success Stories	29
How to Measure the Impact of Becoming Data-Driven	32
Starting Your Data-Driven Journey	34
Glossary	35

Data Essentials: Building Blocks of an Effective Data Strategy

A strong data strategy begins with getting the basics right. Before you start building a strategy, you need to think about what you want to achieve, and who will be in charge of it.

This section explores the critical elements that businesses need to implement to harness the full potential of their data, as well as common pitfalls to avoid.

Strategy vs. Tactics

Companies need to decide if they want to be tactical or strategic in their use of data. This defines the infrastructure, resources, culture, governance and strategy that need to be managed.

For an organization to get the most out of its data, we recommend a strategic approach.

A strategic approach means data practices and systems are designed and implemented with a holistic and long-term view, aligning closely with the organization's overarching objectives. Strategic data use involves comprehensive planning, company-wide collaboration, and long-term growth.

A tactical approach typically involves isolated initiatives within specific departments, leading to data silos that impede organization-wide insights and strategic alignment. While tactical solutions can provide quick fixes to short-term problems, they don't contribute to broader business objectives and can create inconsistencies in how data is handled.

A strategic data-driven organization would use data for:

- Corporate planning and KPI monitoring
- Departmental operational strategy
- Organizational performance planning, monitoring, and evaluation
- Operational and system monitoring

A tactical data-driven organization would use data for:

- Departmental operational strategy
- Individual performance planning, monitoring, and evaluation
- Operational and system monitoring



Example:

Let's say the marketing department deploys a new customer data platform (CDP) to send customers targeted emails and boost sales. That's tactical.

A strategic approach would be integrating that platform with marketing and other data sources across the organization, such as inventory and supply chain management. This is advantageous because it enhances your overall business intelligence. Let's say you have surplus inventory of a product. Having a single platform helps you spot this faster and create effective marketing campaigns targeting the customers that are most likely to buy the product.

The Importance of C-Suite Ownership

Data strategy goes hand-in-hand with the ability to connect the dots across an organization, which requires strong leadership from the top. C-level leaders are uniquely positioned to break down departmental barriers and silos, ensuring data serves as a central asset driving the organization's overarching goals.

A strategic approach to data management needs a champion at the executive level, ideally the Chief Financial Officer (CFO) or the Chief Information Officer (CIO).

We believe that the CFO, with their broad view of the company's financial ecosystem and strategic goals, is best positioned to lead a company's data strategy. They have a cross-functional view of the company coupled with P&L responsibility. In other words, they have skin in the game and the right connections and influence.



Expert Insight:

"CFOs are the logical choice to own analytics and put it to work to serve the organization's needs."

Frank Friedman, Former CEO and CFO of Deloitte



Example:

An American outdoor apparel brand sold products on their own website, Amazon, and through wholesale to big-box stores. One challenge they faced was deciding which team would sell new products. At the start of the season, the wholesale team held inventory believing they could sell it in-store, while the ecommerce and Amazon teams had higher demand but couldn't fulfill orders due to lack of inventory. This led to \$10M of outdated inventory that had to be sold at a discount. The CIO stepped in to oversee the development of a holistic system with a data warehouse, providing leadership and a unified process to optimize inventory management across all channels.

Are You a Data-Driven Organization?

Are you a strategically data-driven organization? Here are ten questions that you should answer to determine if you are on the right track:

1. Are you investing appropriately in data and analytics? Based on annual revenue, a data-driven organization would usually be investing this much:
 - ☞ \$1MM in revenue, spending up to \$500 to \$2,500 a year
 - ☞ \$10MM in revenue, spending up to \$5,000 to \$25,000 a year
 - ☞ \$100MM in revenue, spending up to \$50,000 to \$250,000 a year
 - ☞ \$1,000MM in revenue, spending up to \$500,000 to \$2,500,000 a year
2. Do you have at least diagnostic insights (why did something happen) across key business areas?
3. Do you have a process in place to build a bottoms-up and top-down operating plan?
4. Do you track at least monthly the KPIs in your operating plan that are actionable?
5. Do you have documented definitions and sources for all of your KPIs?
6. Is analytics a shared resource, or do you have the governance in place to support individual responsibility?
7. Is analytics, decision-making, and insights a core company value?
8. Do your analytics and data initiatives have C-level support?
9. Does your infrastructure enable you to easily pull relevant information from different data sources?
10. Do you feel confident making important business decisions based on insights?

If the answer to all or most of these questions was “Yes,” then congratulations! You are already a data-driven organization.

If you weren't able to answer all or most questions positively, there is work to be done. Stay with us as we walk you through how to transform your organization.

The Framework for Data-Driven Transformation

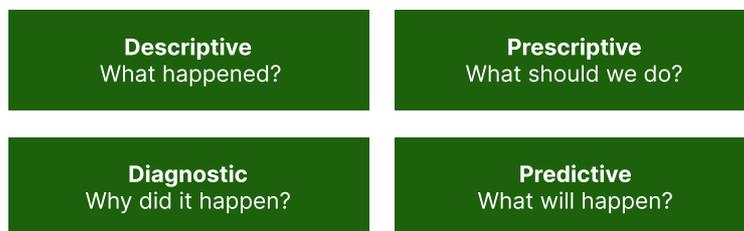
We believe there are five pillars necessary for becoming a data-driven organization:



Let's explore these pillars in more detail.

Insights

Insights enable organizations to see beyond numbers, translating data into actionable intelligence. There are four levels of insights:



Infrastructure

Infrastructure is the backbone of your technical data operations. It powers the collection, storage, and processing of data. At a minimum, your infrastructure needs to ensure that your data is accessible and actionable across the organization. The infrastructure should evolve and scale with your organization's needs.

Resources

You will need the right talent and technology to sustain and scale your data capabilities. Investing in skilled personnel and allocating sufficient budgets to support data initiatives are imperative for maintaining the momentum of data-driven strategies.

Governance and Planning

Governance involves establishing processes, policies, and standards for data usage. It ensures the way your company handles and stores data is compliant, legal, and ethical. Effective data governance goes hand-in-hand with strategic planning that aligns data initiatives with business objectives. Together, they ensure that data not only serves regulatory requirements but also propels long-term strategic goals.

Culture: The Human Element

Perhaps the most critical yet challenging aspect is fostering a culture that embraces data-driven decision-making. This involves educating and empowering all levels of the organization to utilize data in their roles. A supportive data culture encourages experimentation, learning from failures, and shared ownership of data insights.

By developing these pillars, organizations can navigate the complexities of becoming truly data-driven.

You can be data-driven without being perfect in all the pillars. However, if there's too much inconsistency in how these areas are developed, your efforts to become a data-driven organization will start to falter and could even fail. After all, a chain is only as strong as its weakest link.



Expert Insight:

Gartner predicts 80% of data and analytics initiatives will fail by 2027. Gartner analysts said that the typical “one-size-fits-all” governance approach used today is not suitable for most organizations.



Example:

TechRetail Inc., a (fictional) mid-sized retail chain specializing in consumer electronics, embarked on a transformation to become a data-driven organization. The company invested heavily in cutting-edge analytics platforms and data integration tools, aiming to leverage data to optimize inventory management and personalize marketing efforts.

While TechRetail was technologically advanced, the organization neglected proper data governance frameworks. The absence of governance led to multiple versions of critical data existing across departments, inconsistencies in data handling, and a lack of accountability in data management. Employees were unsure about the sources of data, which metrics were reliable, and how to use the data in decision-making processes.

The lack of governance meant that despite having advanced analytics capabilities, the data was often incorrect or misinterpreted. Marketing campaigns based on faulty data led to poor customer targeting and lower ROI, while inventory decisions made from inconsistent data resulted in overstocks and stockouts, hurting the company's profitability.

Over time, the initial gains from technological investments began to diminish. The inability to trust the data eroded decision-making confidence and led to internal disputes over data accuracy. The organization's data-driven transformation stalled, and efforts to rectify the situation were costly and time-consuming.

In the following chapters, we will explore the five pillars in further detail, giving you a detailed framework for your journey to becoming more data-driven. Let's begin with the first pillar, insights.

Insights: Using Analytics to Guide Business Strategy

Data-driven organizations don't just collect data—they transform that data into a strategic asset that guides decision-making and optimizes business performance. This chapter tackles how businesses can use different levels of insights to understand past performance, predict future outcomes, and make informed strategic decisions.

Understanding the Four Levels of Insight

There are four levels of analytics: descriptive, diagnostic, prescriptive and predictive. Let's take a look at what that means and how they can help your business.

Descriptive Insights: What is happening in your business?

Descriptive analytics provide a snapshot of past and current states, like sales performance or customer engagement levels. These insights are essential for benchmarking and setting the stage for deeper analysis.

Brands typically start with this level of insight because it is straightforward to track, often managed in a spreadsheet, and helps you easily identify areas that may require further investigation. All businesses should assess these insights at least weekly, and as your brand grows, consider reviewing them daily. As your insights practice matures, continue to run descriptive insights as a safety check to ensure all business processes are functioning as expected.



Example:

You might have a weekly tracker that shows revenue, traffic, orders, marketing spend and inventory by week for the last year. Any large week to week variations in any of these metrics (KPIs) should cause you to ask why did that change which then leads to the next level of insight needed which is diagnostic.

Diagnostic Insights: Why Do Things Happen?

Diagnostic analytics is the ability to understand why something happened and not just what happened. It involves looking at the root causes behind your business outcomes. This is critical in order to create a cycle of identifying an issue through descriptive analytics and then understanding what happened (diagnostic analytics) so we can fix the issue.



Example:

If your sales dipped last quarter, diagnostic analytics will help you figure out why. Orders are the product of the traffic to your site multiplied by the conversion rate. If traffic stays constant and orders have declined, that means the conversion rate has gone down. This could indicate issues in website performance, messaging, or product-market fit.

Prescriptive Insights: What Should You Do Next?

Knowing what happened and why it happened is good, but knowing what to do next is better. Prescriptive analytics suggest actions based on patterns identified in the data. This can happen programmatically or manually.

Programmatic Approach

A programmatic approach means having a system in place that will automatically make the recommendation on an action to take. This can be as simple as a set of rules that trigger an action, or a fully-automated artificial intelligence platform that uses data to make decisions on your behalf.



Rule-Based Example:

Let's say a product that had sales above X last week now has an inventory below Y. You could set up your inventory system to send you an alert telling you to purchase more of that product.



AI Example:

When you run a “Performance Max” campaign in Google Ads, the platform allocates budgets dynamically to the highest-performing channels, including Search, YouTube, Display, Discover, Gmail, and Maps. This is designed to help you get the most conversions out of your budget, eliminating the need for you to manage and update budgets across campaigns manually.

Manual Approach

A manual approach is where a person or team analyzes the descriptive and diagnostic data and interprets the results to make recommendations on what steps should be taken to improve. This is often the ideal approach for more complex problems that are either ambiguous in nature or cannot be well defined. With a manual approach, you can blend pure mathematics with the softer intuition that is needed to make the right decisions.



Example:

A prime example is deciding how to allocate your overall marketing spend. The outcome of marketing can be at times unclear because certain campaigns are geared towards driving awareness (top of funnel) and others aim to drive sales (bottom of funnel). Unless you can properly tag each campaign and track the performance to feed into a programmatic system, which is unlikely, then you are probably going to get incorrect recommendations.

Predictive Insights: What Will Happen Next?

The most forward-looking of the insights, predictive analytics, uses data to forecast future outcomes based on certain conditions.

The most simplistic version of predictive insights is a forecast, using historical data and formulas to make a prediction about what will happen in the future. More complicated versions will use a programmatic approach to predict the outcome of certain actions like likelihood to make a purchase or the future revenue stream from a particular customer.

Predictive analytics can take the form of understanding how my business will perform in aggregate (forecast) or at a detailed level (customer).

Aggregate predictive analytics are important for planning and supporting strategic and operational forecasts.

Detailed predictive analytics are less common with consumer brands. Generic models are usually not very effective, and custom models are expensive to build and maintain.



Example:

A clothing retailer could use historical data on the fabrics, colors, and styles of clothing that customers have purchased to build a predictive model. This model would identify the customers most likely to be interested in the retailer's upcoming season's collection. The retailer could then offer these select customers an exclusive first-look opportunity to purchase items from the new collection in advance at a premium price, fostering customer loyalty through a personalized, VIP experience.

You can use these different levels of insights to shed light on different areas of your business, from customer acquisition and retention to operational efficiency. A key part of progressing through these levels is developing and using relevant KPIs.

Consumer Brand KPIs: The Backbone of Data-Driven Decisions

Consumer Brand KPIs are operational indicators that every brand should track in order to align performance with strategic objectives. KPIs are not only about measuring outcomes. They provide a framework for decision-making, helping brands to set a plan, measure their progress, and get back on track when needed.

The Role of KPIs in Strategic Planning

Customer brand KPIs act as a compass. They provide actionable insights to guide tactical and strategic planning, navigate market trends, and adjust strategies on the fly. This ensures brands remain agile and responsive to changes in consumer behavior and market conditions.

KPIs are a critical part of:

- **Strategic Alignment:** KPIs ensure that every business unit's efforts are aligned with the overall business objectives, fostering unity and coherence across the organization
- **Performance Monitoring:** Tracking KPIs helps keep an eye on performance and identify areas needing improvement or adjustment.
- **Decision Support:** KPIs support critical business decisions, from budget allocation to marketing strategies, and help in predicting future trends.

Consumer Brand KPIs are strategic tools that, when properly implemented, become integral to a brand's success. By integrating these KPIs into their strategic planning, brands can drive informed decision-making and meet or even exceed their operational and business goals.

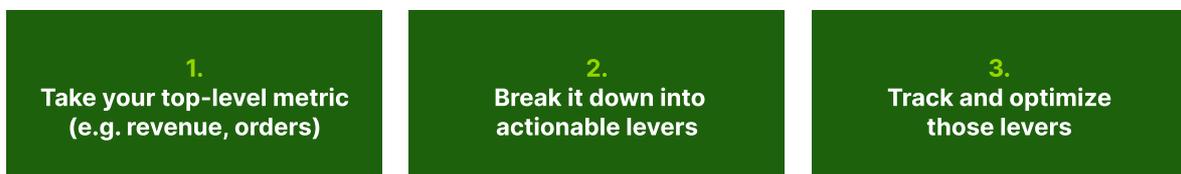


Tip:

The journey is as crucial as the destination. Daasity creates done-for-you dashboards with all major KPIs, so you don't have to worry about which KPIs to track and how to get the data. To see how Daasity can help your business utilize KPIs effectively, sign up for a demo today.

How to Build Effective Consumer Brand KPIs

Let's walk through the process of developing relevant, trackable KPIs. Essentially, you take your top-level metric and then break it down into KPIs that you can track and influence.



Example:

Increasing orders will very likely increase your revenue. However, you can't influence orders directly. Consider which metrics you can directly influence that will achieve the desired outcome. For example, you could boost your conversion rate via A/B testing or increase average order value with product recommendations at checkout. Tracking the metrics within your control, like conversion rate, makes your data more actionable.

It's best to begin with the core business metric of profit, defined simply as:

$$\text{Profit} = \text{Revenue} - \text{Expenses}$$

Focusing on revenue allows brands to manage the levers directly impacting financial performance. Now, let's go through the different business areas that contribute to revenue, and the levers they can pull to drive more revenue.

Site & Acquisition Marketing

Acquisition combines efforts from marketing and website management teams aiming to drive traffic and convert visits into sales.

Brands looking to increase revenue often start measuring performance like this:

$$\text{Revenue} = \text{Orders} * \text{AOV (Average Order Value)}$$

However, Orders and AOV are not levers we can directly control. So, you need to break them down further into components you can directly influence:

$$\text{Orders} = \text{Traffic} * \text{Conversion Rate}$$

$$\text{Average Order Value} = \text{Average Unit Revenue (Price)} * \text{Units per Transaction (UPT)}$$

Traffic comes from either paid or unpaid marketing. So you can break this down even further:

$$\text{Traffic} = (\text{Spend} / \text{Activity (nonpaid)} + \text{Spend} * \$/\text{Impression}) * \text{Clickthrough Rate}$$

This enables you track revenue via these key components:

$$\text{Revenue} = \text{Spend} * \$/\text{Impression} * \text{CTR} * \text{Conversion Rate} * \text{AUR} * \text{UPT}$$

This gives you a set of trackable KPIs that you can influence:

- Marketing spend (paid channels)
- Marketing activity (non-paid channels)
- \$ / Impression
- Click-through rate
- Conversion rate
- Average Unit Revenue (AUR)
- Units per Transaction (UPT)

Retention

Retention focuses on maximizing the lifetime value (LTV) of customers by encouraging repeat purchases.

LTV metrics are vital as they help understand customer buying patterns over time and assess the effectiveness of retention strategies. For best results, track LTV at a cohort level by grouping customers into similar groups.

You can deconstruct LTV like this:

$$LTV = 1st\ purchase\ AOV + \% \text{ of customers repurchasing} * orders/customer * AUR * UPT$$

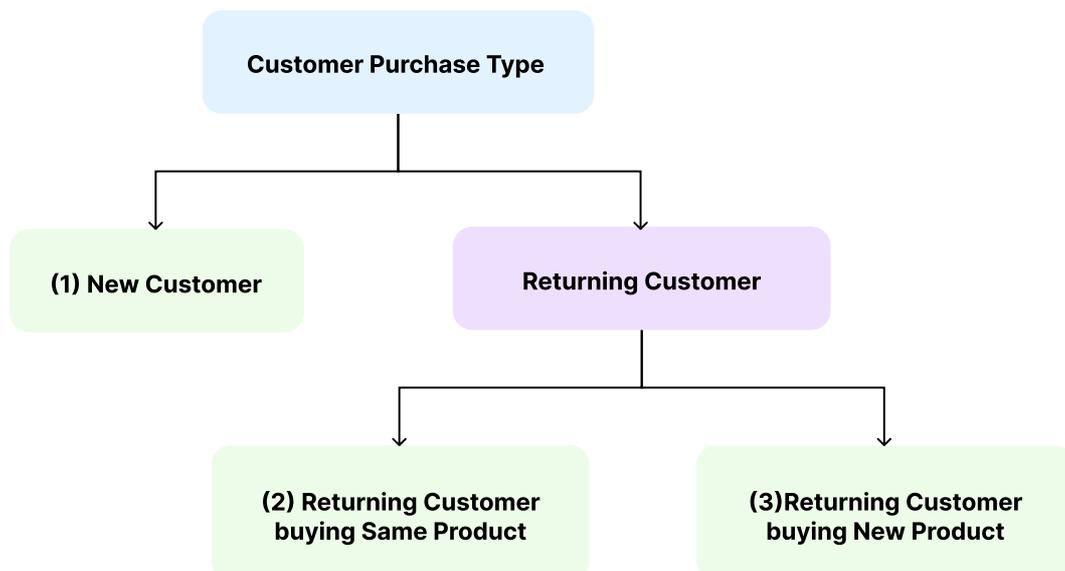
Therefore, these are the KPIs to track LTV as it relates to revenue:

- 1st purchase AOV
- % of customer repurchasing (in our cohort)
- Orders / Customer
- AUR (optional)
- UPT (optional)

Merchandising, Product & Supply Chain

The goal here is to create and deliver products that will make customers come back and purchase again. Instead of tracking revenue, consider the types of customers and the type of business.

First, break your customers into three buckets to understand the customer types:



Next, consider your type of business. Do customers come back time and time again to purchase the same product? Or do purchases tend to be a one-off?



Example:

A company that sells mattresses has very little likelihood of generating high-repeat customers and therefore needs a very different strategy to a company that sells consumable products like shampoo.

Understanding the mix of our customers and your type of business can help you come up with tailored strategies to develop new products that enable the business to increase LTV and thus increase profitability.

Infrastructure: Technology to Support the Data-Driven Organization

Building a data-driven organization relies heavily on the right technology and infrastructure. In this chapter, we'll dive into which technologies are crucial for supporting a data-driven strategy and how tools like Daasity play a vital role.

Moving from Excel to Advanced Reporting Tools

Many organizations start their data journey with tools they are familiar with, like Microsoft Excel and Google Sheets. These solutions are useful for basic data tasks and analysis but start to fall short as business needs grow and data becomes more complex.

The limitations can quickly become frustrating—things like:

- Struggling to process large data volumes
- Lack of real-time updates
- Errors from manual data entry

As your business and data needs evolve, you will need to move to more sophisticated reporting tools and analytics platforms. These tools support larger data sets, offer real-time processing, and reduce errors through automation, providing more accurate and timely insights.

However, in time, and as the business grows, these tools will eventually become insufficient too. You will likely find that you are unable to answer key business questions because the tool's capabilities are too limited. This brings us to the next stage: the data warehouse.

Building a Data Warehouse

A key goal for any data-driven organization should be to establish a data warehouse. This acts as a central hub for all your data and supports complex queries that help in making strategic decisions. A data warehouse not only improves data consistency and accessibility but also strengthens data security and supports advanced analytics.

This centralized approach simplifies data management, supports better data governance, and helps maintain a single source of truth across your organization, which is crucial for maintaining consistency and accuracy in your insights.

Implementing AI

Incorporating AI into your data strategy can provide powerful insights and enable conversational analytics. Conversational analytics allows users to ask questions about their data in natural language and receive accurate, data-driven answers in the form of charts, tables, or summaries. This technology empowers more users across the organization to leverage data for decision-making, even if they lack the technical skills to work with traditional business intelligence tools.



Example:

Imagine a marketing manager who wants to understand how a recent campaign impacted sales across different regions. With conversational analytics, they could simply ask, “How did the email promotion last Thursday affect sales by region the following week?” The AI system would then process this query, analyze the relevant data, and provide a clear visualization or summary of the results.

However, implementing an AI strategy with data involves more than simply connecting a large language model (LLM) like ChatGPT to your data warehouse. While LLMs excel at converting questions into SQL queries, they lack the context to understand your specific data structure.

To effectively leverage AI, businesses need a semantic layer that helps the LLM understand their data infrastructure. A semantic layer is a business-friendly representation of corporate data that helps end users access data by using common business terms. The semantic layer can be delivered through metadata descriptions of database tables and columns or a knowledge graph.

As each business has a unique combination of platforms and data sources, brands will need to build their own semantic layer or work with platforms like Daasity that manage the data warehouse and provide this layer. The semantic layer ensures that business questions are accurately translated into SQL queries and run against the correct dataset, yielding reliable results.

Introducing Daasity

Using Daasity's all-in-one data warehouse and reporting solution transforms how data is managed and analyzed, especially for consumer brands. Daasity integrates easily with various data sources you may already use, from ecommerce platforms to retail and third-party analytics tools.

With Daasity, you can:

- **Combine data from multiple sources** into one analytics platform, making it easier to access and analyze
- **Automate reporting**, which saves time and lets your team focus on strategic decisions instead of data management
- **Gain better visibility into KPIs**, which allows for real-time performance tracking and faster adaptation to market changes

Resources: Essentials for Data-Driven Success

Becoming a data-driven organization is not just about implementing the right technology or infrastructure. It also requires the right mix of human and financial resources to support your data initiatives. These resources are critical components essential for achieving data-driven success. In this chapter, we'll explore the importance of allocating sufficient financial resources and investing in the right human capital to sustain and scale your data capabilities. We'll also discuss the key roles needed in a data-driven organization and the importance of developing data literacy across your workforce.

Financial Resources

Allocating sufficient budgets is crucial for sustaining and scaling your data capabilities. The financial resources you dedicate to data initiatives will determine what you can spend on infrastructure, technology, and people.

As a general rule, most brands should spend no more than 0.25% to 0.50% of sales on analytics, though this may be higher (around 1%) in the early stages. For example:

A company with \$1MM in revenue can spend \$500 to \$2,500 a year

A company with \$10MM in revenue can spend \$5,000 to \$25,000 a year

A company with \$100MM in revenue can spend \$50,000 to \$250,000 a year

A company with \$1,000MM in revenue can spend \$500,000 to \$2,500,000 a year

These investments will typically cover infrastructure, technology, and people.

It's important to view these investments not as a cost, but as an investment in the future of your business. By allocating sufficient financial resources to your data initiatives, you're laying the foundation for data-driven decision making that can drive significant business value.

Human Capital

Becoming a data-driven organization requires investing in the right human capital. This means hiring and developing talent with the skills and expertise necessary to effectively leverage data

Key roles in a data-driven organization may include:

- **Data Analysts:** Professionals skilled in analyzing data, generating insights, and communicating findings to stakeholders. They should have strong analytical and problem-solving skills, as well as expertise in tools like Excel, SQL, and data visualization software.
- **Data Engineers:** Technical experts responsible for designing, building, and maintaining the organization's data infrastructure. They should have deep knowledge of databases, data warehousing, and ETL (extract, transform, load) processes.
- **Data Scientists:** Advanced analytics professionals who use techniques like machine learning and predictive modeling to extract value from data. They should have a strong background in mathematics, statistics, and programming.

Beyond these specialized roles, it's also important to develop data literacy across the organization. This means providing training and resources to help all employees understand how to effectively use data in their roles.

By investing in the right mix of data talent and fostering a culture of data literacy, organizations can ensure they have the human capital necessary to turn data into actionable insights and drive business value.

Governance: A Framework for the Data-Driven Organization

Data governance is a critical component of a successful data strategy. It involves establishing processes, policies, and standards to ensure data is handled in a way that is secure, consistent, and aligned with the organization's goals. Effective governance is essential for maintaining data quality, ensuring correct usage, and driving value from your data assets.

Key aspects of data governance include:

- **KPI Alignment:** Aligning the organization around which KPIs to measure, where the data comes from, and how to measure them
- **Change Management:** Implementing processes for managing changes to the business, data sources, and their impact on KPIs
- **Business Planning:** Developing and monitoring plans based on data-driven insights
- **Continuous Improvement:** Adjusting strategies and tactics based on what the data reveals

A robust data governance framework should be built around a series of interconnected planning processes, as you can see here:

Planning and Governance



The **Three Year Plan** is a high-level strategic plan that sets the overall direction for the organization.

The **Annual Operating Plan** translates the three-year strategy into specific performance goals and strategies for the coming year.

Breaking it down further, businesses should track on a monthly basis their performance against the annual plan and make data-driven adjustments as needed.

Finally, the **Year-End Review** is a comprehensive assessment of performance and informs the planning for the next cycle.

In all of these plans, the leadership team plays a central role in setting goals, monitoring performance, and making data-driven decisions.

By implementing a governance framework that encompasses this full planning cycle, organizations can ensure that their data strategies remain aligned with business objectives and that insights are consistently used to drive action and value.

Strategic Planning Processes

To maximize the value of data, it's essential to align data strategies with overarching business objectives. This involves implementing planning processes that use data to inform goal-setting, resource allocation, and performance tracking at both strategic and operational levels.

An effective data-driven planning process will:

- Leverage data to set realistic, achievable targets
- Adopt a top-down or bottoms-up approach where appropriate
- Regularly monitor KPIs to track progress against plans
- Use insights to adjust strategies and tactics in real-time

By connecting data strategies to business planning in this way, organizations can ensure that their data investments are driving measurable business value.

In the next chapter, we'll explore the human side of data further, looking at how to cultivate an organizational culture that embraces and effectively uses data to drive decision-making.

Culture: Cultivating a Data-Driven Mindset

All the investments and effort poured into building the infrastructure and business processes to transform the enterprise into a data-driven one are wasted without the right culture. A data-driven culture is one where data is valued as a strategic asset, where decisions are based on facts and insights, and where continuous learning and improvement are the norm. Fostering this type of culture requires a concerted effort from leadership and a commitment to change.

The Importance of a Data-Driven Mindset

First and foremost, an organization must have a genuine desire to be data-driven. This desire needs to be rooted in a belief that data can drive better decisions, improve performance, and create a competitive advantage. Without this desire, efforts to become data-driven are likely to be half-hearted and short-lived.

Coupled with desire is the need for a data-driven mindset. This is a way of thinking that constantly seeks out data to inform decisions, that questions assumptions and intuitions, and that is comfortable with the ambiguity and iterative nature of data-driven problem solving. This mindset needs to be cultivated at all levels of the organization, from leadership down to front-line employees.

This journey starts at the top. Leaders must not only desire a data-driven organization but must also visibly embrace a data-driven mindset in their own decision-making, and clearly communicate that across the company.

Critical Thinking Skills for a Data-Centric Workforce

Becoming truly data-driven requires more than just technical skills. It demands a new way of thinking, one grounded in critical thinking and continuous questioning. Some of the key critical thinking skills necessary for a data-centric workforce include:

- 1. Analysis:** Breaking down information or ideas into components to understand their underlying structure and relationships. This involves identifying assumptions, claims, evidence, and reasoning.
- 2. Evaluation:** Assessing the quality and credibility of information, arguments, or solutions. This includes considering the strengths and weaknesses of different viewpoints, recognizing biases, and determining whether the evidence provided is sufficient to support a claim.

- 3. Inference:** Drawing logical conclusions based on available evidence and reasoning. It involves making connections between pieces of information and recognizing implications.
- 4. Interpretation:** Understanding and explaining the meaning of information or data. This involves considering context and perspective to arrive at a well-grounded understanding of the information.
- 5. Problem Solving:** Applying critical thinking skills to identify solutions to complex problems. This often involves creativity and the ability to generate multiple possible solutions while assessing their feasibility and potential outcomes.
- 6. Open-Mindedness:** Being receptive to new ideas, perspectives, and information, even if they challenge existing beliefs. It involves being willing to adjust one's views based on evidence and sound reasoning.
- 7. Clarity:** Expressing ideas and arguments clearly and precisely. This includes using well-defined terms and avoiding ambiguity to facilitate effective communication.
- 8. Reasoning:** Using logical and rational thinking to connect evidence and arguments. This involves avoiding fallacies (flawed logic patterns) and ensuring that valid premises support conclusions.
- 9. Reflection:** Engaging in self-assessment and self-correction. Reflecting on one's thinking process and being aware of potential biases or limitations can enhance the quality of critical thinking.
- 10. Effective Communication:** Presenting one's ideas and arguments coherently and persuasively. This involves considering the audience and tailoring the communication to convey complex information effectively.

Developing these critical thinking skills requires a combination of training, practice, and exposure to diverse perspectives. Encouraging cross-functional collaboration, providing opportunities for experimentation, and fostering a culture of continuous learning are all key to building these capabilities.

Is Your Culture Data-Driven?

If you're not sure if your culture is data-driven or not, these questions can guide you:

- Do you have clearly defined values and processes that guide our decisions and actions?
- How are data analytics incorporated into your values?
- Does the leadership exemplify and practice the values and processes to guide your decisions and actions?
- Do you have a business planning process that is both top-down and bottom-up, using data as a necessary ingredient?

- Are you approaching data analytics with an open-minded rigor to uncover new insights?
- Are the employees adequately coached and guided on using data in making decisions?
- Are you comfortable making decisions that are not supported by data? If so, when do you think it is appropriate to do so?
- Do you foster a culture of continuous learning?
- Are employees encouraged to take calculated risks and learn from failures?
- Are there systems in place to recognize and reward employees who embody the desired culture?
- Do you have metrics and feedback mechanisms to assess your culture?
- Do we regularly seek employee feedback and act on it?

Becoming a data-driven organization requires developing a data-driven culture and working on the other pillars—insights, infrastructure, resources, and governance. By focusing on these key areas, you can transform your organization to effectively leverage data for better decision-making and improved business outcomes. In the next section, we'll explore real-world examples of brands that have successfully navigated this journey.

Success Stories

In this chapter, we'll dive into the stories of three consumer brands —Blueland, Caraway, and The Citizenry—and explore how they overcame challenges and transformed their organizations with data.

Blueland

Founded in 2019, Blueland is an innovative consumer packaged goods (CPG) brand on a mission to reduce single-use plastic packaging. They offer a range of eco-friendly cleaning and personal care products.

Challenges: The team had a mix of manual reporting plus a custom data model that was difficult to maintain and lacked many data sources. As the brand grew, it was becoming more difficult to evaluate performance and make data-driven decisions.

Becoming Data-Driven: Blueland leveraged Daasity's platform to centralize their data from various sources, including Shopify, Amazon, ReCharge, and marketing platforms. This gave them a single source of truth for their data.

With Daasity, Blueland was able to:

- Save over 50 hours per month on manual data work
- Make data-driven decisions to optimize their subscription offerings, website merchandising, and customer retention strategies
- Expand and optimize their presence on Amazon by comparing performance across DTC and Amazon channels
- Free up their data analysts to focus on identifying opportunities and making strategic recommendations, rather than data cleaning and reporting



Quote:

“Daasity has made a massive difference in helping us focus on key elements of our business: metrics that matter, identifying issues and opportunities, and driving the strategy of our business to ensure that we're making truly impactful decisions.”

VP of Growth & Digital Product at Blueland

Caraway

Caraway, founded in 2018, is a leading kitchenware brand offering premium, non-toxic ceramic cookware.

Challenges: Caraway was using a Google Sheet for their primary business reporting. This was time-consuming, prone to errors, and made it difficult to get timely, accurate insights.

Becoming Data-Driven: By partnering with Daasity, Caraway was able to centralize their data from multiple sources, automate their reporting processes and make more data-driven decisions. A good example of this is the launch of their new bakeware line, where Caraway worked with Daasity to create a dedicated dashboard for real-time insights. This allowed them to:

- Analyze customer behaviors and make real-time adjustments to their ad strategies
- Guide customers towards popular products
- Optimize their retention marketing efforts by highlighting best-selling products to specific customer segments

Caraway also used Daasity to monitor the impact of price changes on metrics like unit sales and product page conversion rates. This helped them successfully implement a 12.5% price increase on a new product without seeing a decline in order volume.



Quote:

“Daasity allows us to see how our blended ROAS and CPA is tracking at any given moment. This allows us to adjust marketing investment levels across channels in a more dynamic way as we work to achieve ambitious revenue and efficiency goals.”

Director of Growth & Digital Product at Caraway

The Citizenry

Founded in 2014, The Citizenry partners with artisans around the world to offer carefully crafted, modern home decor.

Challenges: As the company grew, managing data across multiple spreadsheets became increasingly challenging. The Citizenry's team was spending hours downloading, organizing, and manipulating data from various systems, with little time left for actual analysis.

Becoming Data-Driven: The Citizenry turned to Daasity to integrate data from Shopify, Loop, Attentive, TikTok, Facebook, and other sources, creating a unified view of their business.

With Daasity, The Citizenry was able to:

- Save over 5 hours per week on manual data tasks
- Run custom analyses that were previously impossible or extremely time-consuming
- Gain valuable insights into customer behavior, such as identifying a subset of customers with a short repurchase window
- Use these insights to make strategic decisions, like continuing a collection that was driving customer retention

Across all three of these brands, the key to becoming data-driven was centralizing data, automating reporting, and freeing up time and resources for strategic analysis and decision-making. By leveraging Daasity and committing to a data-driven approach, these brands were able to drive impressive results and gain a competitive edge in their respective industries.



Quote:

“Having all our disparate data sets in one place has been a game changer. We are able to easily see data that would have taken hours if not days to uncover previously.”

Senior Director, BI and Retention at The Citizenry

How to Measure the Impact of Becoming Data-Driven

On your journey to becoming data-driven, it's important to recognize and measure the signs of progress along the way. In this chapter, we'll dive into the key indicators that will help you assess how data-driven your organization has become and the impact this transformation is having on your business.

3 Signs Your Company Is Becoming More Data-Driven

A brand that's becoming more data-driven will experience three key shifts in how it approaches planning and decision-making.

1. Building Plans Around Controllable Levers

One of the first signs of a more data-driven approach is a shift in how plans are constructed. Rather than just setting high-level targets like "increase revenue by X%," data-driven brands will build their plans around the specific levers they can control.

For example, a three-year plan might be built around targets for traffic, average order value, and conversion rate—metrics that can be directly influenced by the brand's actions. By focusing on these controllable levers, the brand can create a more actionable, realistic plan.

2. Diagnostic Tracking and Faster Adjustments

As the brand tracks its performance against the plan, it should be operating at least at the diagnostic level of data maturity. This means not just tracking what is happening, but understanding why—and quickly.

If the brand is ahead of or behind its targets, diagnostic analytics will provide insight into the root causes. This understanding enables the brand to make real-time adjustments to its strategies and tactics.

As the brand becomes more data-driven, the time it takes to identify issues, understand their causes, and implement adjustments should decrease. The brand should be able to make more pervasive changes across the organization based on data insights.

3. Increased Ability to Improve Plans

Finally, as a brand becomes more data-driven, it should see an increased ability to improve its plans over time. By constantly measuring performance, understanding the drivers behind that performance, and making data-driven adjustments, the brand can refine its planning process.

Each planning cycle should be informed by the lessons learned from the previous cycle, leading to more accurate, achievable, and impactful plans over time.

Ultimately, the true measure of success for a data-driven organization lies in its ability to leverage data to drive better business outcomes.

CONCLUSION

Starting Your Data-Driven Journey

Becoming data-driven is a journey, not a destination. It requires a commitment to continuous learning, experimentation, and improvement. But the rewards—in terms of enhanced decision-making, operational efficiency, and competitive advantage—are well worth the effort.

If you're just starting out, remember that small steps can lead to big changes. Begin by identifying a few key areas where data could drive value for your business. Invest in basic data infrastructure and analytics capabilities. Foster a culture of curiosity and experimentation. And most importantly, don't be afraid to fail. Every setback is an opportunity to learn and refine your approach.

As you mature in your data journey, keep pushing the boundaries. Expand your data capabilities, integrate more advanced analytics, and keep driving cultural change. The most successful data-driven organizations are those that never stop evolving and improving.

How Daasity Can Help

At Daasity, our mission is to help consumer brands navigate the complexities of becoming data-driven. Our platform is designed to solve the most common data challenges brands face, allowing you to centralize your data, automate reporting, and gain real-time insights into your business.

With Daasity, you can:

- Bring all your data together into a single source of truth
- Ensure your data is accurate, reliable, and up-to-date
- Align your organization around a cohesive set of KPIs
- Automate reporting and free up time for strategic analysis
- Gain visibility into your performance and make data-driven decisions

Whether you're just starting your data journey or looking to take your capabilities to the next level, Daasity is here to support you every step of the way.

Together, let's harness the power of data to drive better outcomes for your brand, your customers, and your bottom line. Learn more and get started today at daasity.com.

Glossary

Here you'll find definitions of key terms that we refer to throughout this ebook.

Analytics: The process of examining data to draw conclusions and insights about performance, trends, and opportunities.

Average Order Value (AOV): The average dollar amount spent each time a customer places an order.

Business Intelligence (BI): The strategies and technologies used to analyze data and present actionable information to help executives, managers and other end users make informed business decisions.

Clickthrough Rate (CTR): The ratio of clicks on an ad or link relative to the number of times the ad or link is shown.

Cohort: A group of customers or users.

Conversion Rate: The percentage of visitors to a website that complete a desired goal (often a purchase) out of the total number of visitors.

Customer Acquisition Cost (CAC): The total sales and marketing cost required to acquire a new customer over a specific time period.

Customer Lifetime Value (LTV or CLTV): A prediction of the net profit attributed to the entire future relationship with a customer.

Data Governance: The overall management of the availability, usability, integrity, and security of data used in an enterprise, based on internal data standards and policies that also control data usage.

Data Literacy: The ability to read, understand, create, and communicate data as information.

Data Warehouse: A central repository of integrated data from one or more disparate sources, used for reporting and data analysis.

Diagnostic Analytics: A form of analytics that examines data or content to answer the question, "Why did it happen?"

Descriptive Analytics: The process of using current and historical data to identify trends and relationships, to answer the question "What has happened?"

Extract, Transform, Load (ETL): The process of extracting data from source systems, transforming it to fit operational needs, and loading it into a data warehouse or other target system.

Key Performance Indicator (KPI): A measurable value that demonstrates how effectively a company is achieving key business objectives.

Knowledge Graph: A structured representation of interconnected entities, their properties, and the relationships between them, which enables AI algorithms to understand and reason about complex real-world information.

LLM (Large Language Model): A type of artificial intelligence model that is trained on vast amounts of text data, enabling it to understand and generate human-like language.

Machine Learning: An application of artificial intelligence (AI) that provides systems the ability to automatically learn and improve from experience without being explicitly programmed.

Predictive Analytics: A category of data analytics aimed at making predictions about future outcomes.

Prescriptive Analytics: A form of advanced analytics that examines data to solve problems and answer questions.

Return on Ad Spend (ROAS): A marketing metric that measures the amount of revenue your business earns for each dollar it spends on advertising.

Semantic Layer: A business representation of corporate data for end users.

Units Per Transaction (UPT): The average number of items purchased per order or transaction.

About the Authors



Dan LeBlanc, Founder and CEO at Daasity

Dan is the Founder and CEO of Daasity, a company that delivers the experience and tools to transform businesses of any size into data-driven organizations. With over two decades of experience in data analytics, database marketing, and business intelligence, Dan has held leadership positions at companies such as Provide Commerce, Encore Capital Group, and Capital One. His expertise spans across implementing customer segmentation methodologies, developing data warehousing solutions, and driving data-driven growth strategies. Dan's passion for empowering brands with data-driven insights led him to start Daasity in 2017.



Chris L. Shimojima, Co-Founder at Daasity

Over three decades, Chris has held executive leadership positions at iconic brands such as Nike, AT&T, Sears, and Provide Commerce. His expertise in digital transformation, ecommerce, and customer experience has driven growth and innovation across various industries. Prior to co-founding Daasity, Chris served as the CEO of Provide Commerce, a \$650 million online retailer, where he successfully engineered the company's sale to the FTD Group. Chris also brings extensive board experience as a director for public, private, non-profit, and venture-backed start-up companies.



Michelle Golladay, VP of Revenue at Daasity

Michelle is the VP of Revenue at Daasity, where she oversees sales, post-sales, marketing, and partnerships. With over a decade of experience in data-driven marketing and sales, Michelle has held leadership positions at companies such as ShopRunner, Wunderkind, The Weather Channel, and IBM. Michelle brings a strategic, customer-centric approach to data-driven marketing, focusing on delivering measurable results and fostering strong relationships with clients and partners.

