

# Data-Driven culture: redefining success in investment funds and venture capital

*A data-driven culture is crucial for the success of investment funds, as it embraces a holistic approach to data, combining human expertise with strategic use of cutting-edge technologies.*

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In a world where data is omnipresent, a data-driven culture is becoming a decisive factor for companies' success. A Deloitte study (2022) shows that companies with a strong data culture are twice as likely to dominate their market and five times more capable of making quick decisions compared to their competitors. This demonstrates the critical importance of such a culture in constantly evolving sectors like investment funds and venture capital.

Despite the enthusiasm surrounding advanced technologies, we argue that without a strong data culture at all levels of the organisation, even the best tools can fail. Developing this culture is more crucial than ever to remain competitive in the investment industry.

## The data culture that makes all the difference

A robust data culture enables informed decision-making and the identification of investment opportunities that traditional approaches might overlook. A Forrester study (2020) highlights that data-driven companies are 58% more likely to outperform their peers in terms of

profitability. For instance, in the U.S., funds like Sequoia Capital and Andreessen Horowitz leverage data intensively to identify promising startups, placing them at the forefront of the industry. In France, players such as RRW, Jolt, *Daphni*, and SuperNova Invest rank among the most successful tech funds and pioneers of the "data-driven VC" approach.

It is tempting to believe that technology alone can guarantee success and address all the challenges a project or company may face. Yet, Gartner (2021) research shows that 85% of big data projects fail due to poor implementation and a lack of data culture.

Take the case of SoftBank and its Vision Fund. Despite massive investments in advanced technologies and promising startups like WeWork, the absence of a rigorous data culture and data-based evaluation practices led to problematic investment decisions. Overestimating growth prospects and underestimating risks resulted in significant losses and major restructuring.

In this context, data, when properly understood and utilised by teams, becomes a powerful performance driver for funds, showcasing the expertise and human qualities of their talents—essential assets!

## Data talent: keys to innovation and decision-making

To foster a data-driven culture, recruiting the right talent is essential. This includes not only data specialists but also professionals capable of managing and applying data strategically. According to LinkedIn (2022), the demand for data scientists has increased by 46% over the past two years, while demand for data project management roles has grown by 39%. The right mix of skills can catalyse innovation and accelerate data-driven decision-making.

Beyond the technical skills required for data extraction and processing, it is equally important to bring in hybrid profiles who can bridge the gap between business needs and technology, whether internal or external.

Other business-oriented profiles will also help connect operational support needs of portfolio companies—now a critical factor for entrepreneurs in selecting a fund—using data as a business lever to analyse competition or drive sales prospecting, for example.

## Conclusion

A data-driven culture has become a key success factor for investment players. It enables faster, more informed decision-making, goes beyond simple technology to highlight the expertise of talent, and is impossible to implement without strategic recruitment to support it.

As we move towards a future increasingly shaped by data, with its potential amplified by the deployment of advanced AI technologies, it is crucial to adopt a more holistic approach to data. Companies must not only integrate a data-driven culture but also consider innovative partnerships—perhaps with tech startups or universities—to co-develop solutions designed to meet the needs of investment players. Lastly, continuous training should be prioritised to ensure teams stay at the cutting edge of technological and methodological advancements.

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