

Chapters *To Go*



Agile Extension to the BABOK Guide, Version 2

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Chapter 3: Analysis at Multiple Horizons

Overview

A planning horizon represents a view of work within an organization with a level of granularity appropriate to the planning time frame and the nature of the feedback loops. The *Agile Extension* defines three horizons: Strategy, Initiative, and Delivery. This framework provides a model to describe agile business analysis. Individual practitioners and organizations may employ different terms, levels of granularity, and time frames based on the context of the organization and the work being done.

In constant and rapidly changing environments, organizations are required to be able to sense and respond to local opportunities and problems without the need to involve the whole organization, while also looking forward at emerging threats and opportunities. These planning horizons provide a framework for the shift in focus that occurs when moving between understanding the long-term strategic needs of the organization and the immediate needs of a customer.

Depending on the size of the organization, multiple business analysis practitioners may be independently focusing on individual horizons and continuously communicating with each other, or a single business analysis practitioner may focus on more than one horizon. Constant communication and collaboration across all horizons is essential to allow for rapid feedback and learning which supports effective decision making across the organization.

3.1 Overview of the Three Horizons

3.1.1 The Strategy Horizon

The Strategy Horizon refers to the decisions that impact the entire organization. Business analysis practitioners operating at this horizon support decisions about strategy and the allocation of available resources in support of that strategy.

Decisions made at the Strategy Horizon identify the products, services, and initiatives to which the organization allocates resources.

Business analysis practitioners working at the Strategy Horizon identify short-term goals, initiatives, and risks that align to organizational strategy, and articulate the problems that must be understood in order to make strategic decisions.

The time horizon of the Strategy Horizon may be as short as three months to as long as multiple years ahead. This time frame continually shifts and moves forward, creating what can be considered a rolling time frame.

Business analysis practitioners working at the Strategy Horizon constantly consider what can be done to add value and how to learn valuable lessons quickly.

For more details regarding the Strategy Horizon, see 4. Strategy Horizon.

3.1.2 The Initiative Horizon

The Initiative Horizon refers to decisions that impact a particular goal, initiative, or team. Business analysis practitioners operating at this horizon support initiative based decisions about how to create value with the resources available, as well as better understanding the needs of the stakeholders and the options available.

At the Initiative Horizon, business analysis practitioners support decisions that are acted on in a shorter time period than at the Strategy Horizon and over a longer period of time than at the Delivery Horizon. Feedback and learning at the Initiative Horizon supports the analysis being done at both the Strategy Horizon and the Delivery Horizon.

Agile business analysis at the Initiative Horizon may support decision makers in a single team or in multiple teams. Each team may work independently or they may be highly interdependent, leading to a need to understand complex dependencies between teams.

For more details regarding the Initiative Horizon, see 5. Initiative Horizon.

3.1.3 The Delivery Horizon

The Delivery Horizon refers to decisions made regarding the delivery of the solution. Business analysis practitioners operating at this horizon work with the delivery team to understand how to best break down work, how to deliver and test the value the team is creating, and how to learn quickly from the work the team is doing.

The team working at the Delivery Horizon works on prioritized work from the backlog and turns it into a valuable product or service that meets the identified outcome or goal of the solution.

At the Delivery Horizon, business analysis practitioners support decisions that are acted on in a shorter time period than at the Initiative Horizon and impact the solution currently being developed. Business analysis practitioners work with a variety of stakeholders including decision makers and customers to deliver value directly to the customer.

For more details regarding the Delivery Horizon, see 6. Delivery Horizon.

3.2 Agility at Each Horizon

The same agile mindset, the same agile principles, and even many of the same agile business analysis practices apply at each horizon. However, different people may be involved in the analysis performed at each horizon, and the practices and techniques may apply in different ways. Appendix B: Mapping BABOK Guide Tasks to Horizons provides an overview of how each of the Tasks from the *BABOK® Guide* can be applied at each horizon. The individual chapters on each horizon also discuss the specific practices and techniques that are commonly used.

Agile business analysis involves continuous collaboration, feedback, and learning for all stakeholders across all horizons. This ongoing collaboration provides more current and accurate information to decision makers to help them make better decisions and achieve better outcomes.

The following diagram illustrates the interactivity between the three horizons.

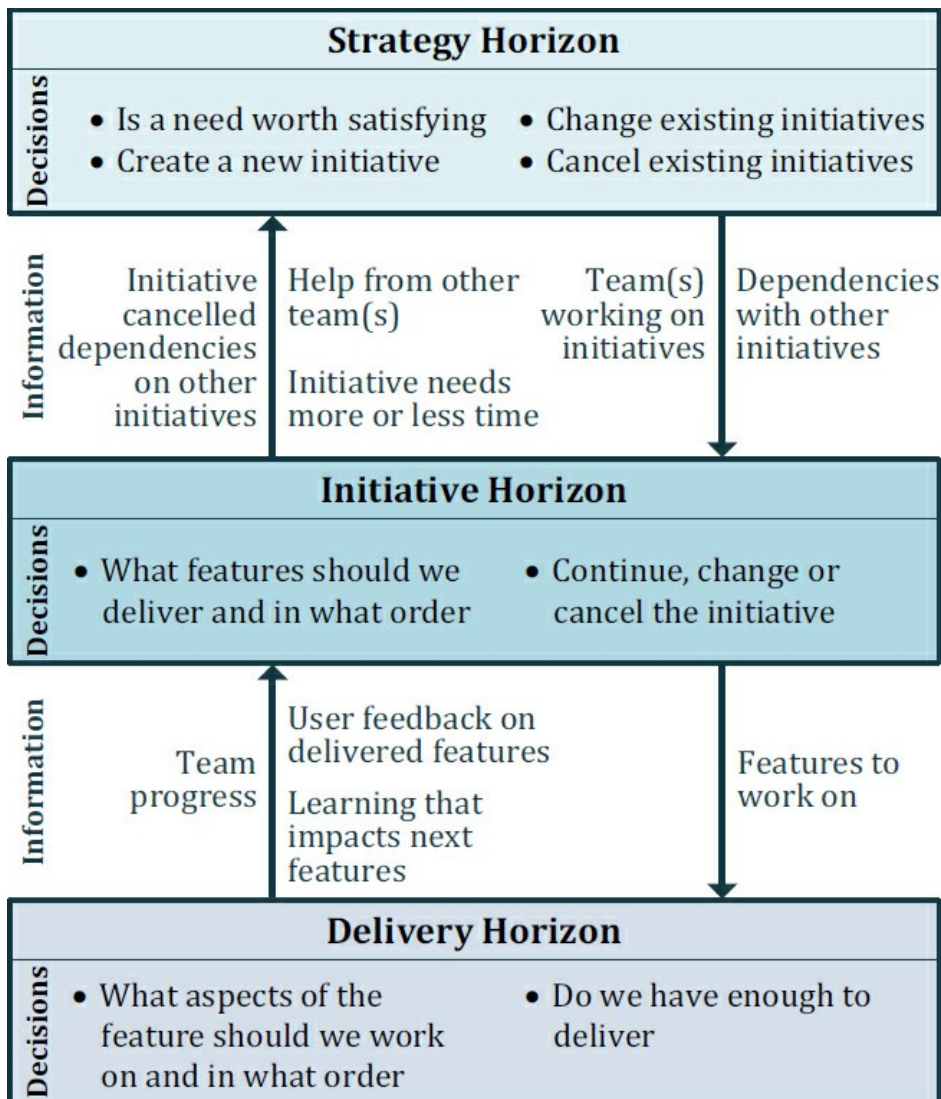


Figure 3.2.1: Three Planning Horizon

3.3 Predictive, Iterative, and Adaptive Planning

There are many ways in which business analysis practitioners plan. At the highest level, there are three most commonly used approaches to planning: predictive, iterative, and adaptive.

This chapter discusses these three planning approaches in their basic and root forms. Business analysis practitioners and the organizations in which they work may employ any combination of these planning approaches that suits their context.

3.3.1 Predictive Planning

Predictive planning involves performing detailed analysis and planning and then acting on that planning. An economic driver for predictive planning is the "cost of change" curve. It suggests that the later a mistake is found, the more it will cost to fix it. This in turn suggests that it is cheaper to spend more time analyzing information early on, so as to provide the fewest possible misunderstandings, gaps, and defects as possible before more work is done.

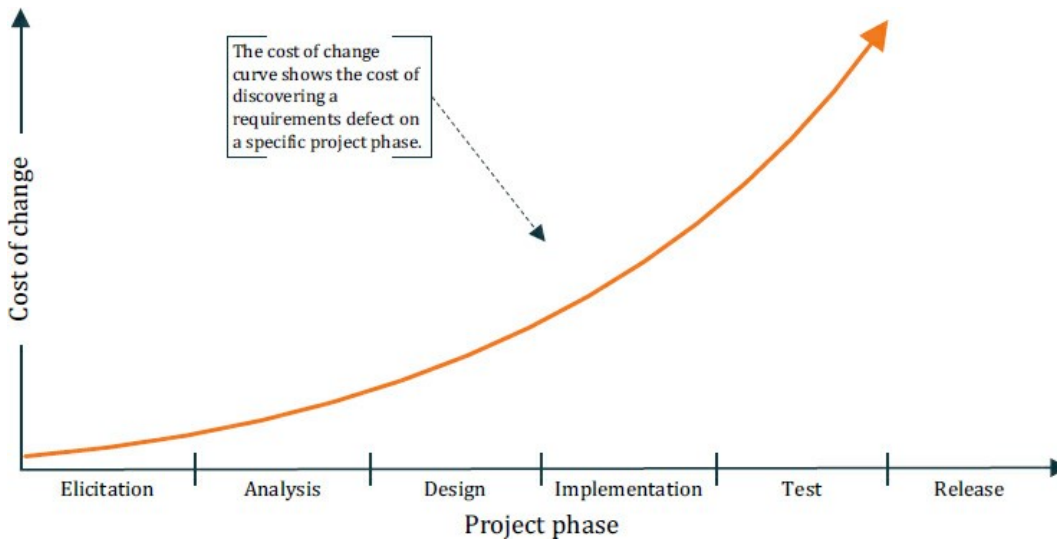


Figure 3.3.1: Cost of Change Curve

Predictive planning attempts to predict scope and risk at the beginning of a project. The planning horizon of predictive planning is the duration of the project, and project managers will therefore construct a detailed plan for the entire duration of the project. Deviations from the plan are seen as risks and a considerable body of practice exists for getting a deviant project "back on track". Feedback and learning can be suppressed in favour of maintaining the original plan.

A well prepared planner may identify potential risks and develop contingency plans based on good analysis. The challenge is that the cost of change can be high if a potential issue or opportunity means changing a substantial amount of detail as well. An unforeseen event can disrupt the plan, or worse, an opportunity cannot be accommodated because the work involved in changing the plan makes it impractical.

3.3.2 Iterative Planning

Iterative planning is an approach that is frequently used when long-term planning is rendered ineffective by rapid change and great uncertainty: the next step in the plan is based on the latest learning.

This suggests that each hypothesis should be tested before planning what to do next, since the hypothesis might be right, wrong, or partially right. In this situation, stakeholders and subject matter experts are learning what they need at the same time as planning is occurring. This suggests that plans are only viable for the immediate future, potentially the next one to four weeks.

Business analysis practitioners identify opportunities and threats as they emerge through the constant testing of assumptions. They are able to react to potential risks because the plans are resilient and constantly evolving.

In a rapidly changing, large, or complex context, not all information is immediately apparent or fully understood. Business analysis practitioners might find they have insufficient time to analyze an idea that impacts many parts of the solution, or they may find that they are doing a lot of rework as they discover new information or needs.

3.3.3 Adaptive Planning

Adaptive planning requires both long- and short-term planning. Long-term plans are subject to change though and are easy to change. Short-term plans take into account and inform the long-term plans of the organization.

This comes at a cost. It means that the organization is constantly both planning and analyzing. This creates confusion, mistakes, and wasted effort if there is a lack of transparency, trust, and collaboration. Adaptive planning creates a context that supports an agile mindset and the adoption of agile approaches to business analysis.

Adaptive planning is central to agile business analysis. Organizations produce both long-term and short-term plans, but it is not planning in a linear way. Adaptive planning (sometimes referred to as rolling wave planning) treats each plan as a hypothesis to be proven. Feedback and lessons learned are used to adjust the plan in real time. Newly discovered information may change the hypotheses on which the plan is based and cause a change in the plan. If not, business analysis practitioners continue to uncover better ways to achieve the plan as they execute it.

Adaptive planning is an effective approach when there is value in fast feedback and learning, and also in long-term planning. Higher level planning horizons (strategy and initiative), are longer and information more abstract than the lower planning horizons (initiative and delivery). Resistance to change is lessened because there is less detail to change.

3.3.4 Summary of Planning Approaches

Table 3.3.1: Summary of Planning Approaches

Approach	Economic Assumption	Planning Horizon	Issues and benefits
Adaptive	Cost of change increases as project progresses. Opportunity cost is high if feedback and learning are suppressed. Learning is facilitated by ongoing analysis and feedback. Implementation is continuous and creates learning for future work.	Plan is continuous and nested (or fractal) where strategic planning provides vision and scope to initiatives, while information gathered as work is delivered informs strategic thinking.	Significant complexity updating and adapting plans, which requires continuous collaboration and feedback. Appears inefficient because of the effort required to adapt plans as feedback and learning are generated. Cost of change is reduced because the organization can rapidly “sense and respond to” new information, while also keeping a focus on the longer term goals of the organization.

Iterative	<p>Cost of change is flat and does not increase as project progresses.</p> <p>High opportunity cost if feedback and learning are suppressed.</p> <p>Learning is best facilitated by quickly building the systems and soliciting feedback.</p>	<p>Plan is a series of short-term, detailed horizons.</p> <p>A plan is created only for the current horizon (iteration) and takes advantage of the latest feedback and learning.</p>	<p>Highly responsive to learning.</p> <p>Very efficient as there is no plan to maintain.</p> <p>Does not scale well and can appear ad-hoc because teams are encouraged to see beyond the horizon visible to them.</p> <p>Lack of focus on a longer range objective can result in planning becoming ad-hoc and random.</p>
Predictive	<p>Cost of change grows exponentially.</p> <p>Low opportunity cost with suppressed learning because project scope can be defined early.</p> <p>Learning is best facilitated by upfront analysis.</p>	<p>Plan consists of a single long-term, detailed horizon generally spanning the duration of the project.</p> <p>A detailed plan is constructed at the beginning of the project and all work is measured in terms of conformance to the plan.</p>	<p>Slow to respond to learning and may even suppress learning.</p> <p>Well understood by any organization.</p> <p>Efficiency is created by certainty in executing existing plans.</p>