

The Rationale and Coverage of Business Analysis

Summary

Business analysts are responsible for investigating business situations, identifying options for improvement and defining the requirements to deliver the improved business system. This may require changes to the business processes, structures, people and information systems (IS) including the use of information technology (IT). The business analyst performs a key role in the business change lifecycle.

Introduction

The role of the business analyst has emerged and developed over the last two decades. Although a relatively new discipline, business analysis has the potential to deliver great benefit to organisations.

Definition of business analysis

The BCS publication *Business Analysis, 3rd Edition* (2014) defines the role of the business analyst as follows:

An advisory role which has the responsibility for investigating and analysing business situations, identifying and evaluating options for improving business systems, elaborating and defining requirements, and ensuring the effective implementation and use of information systems in line with the needs of the business.

The Business Analysis Maturity Model™

Business analysis originated for many reasons: the dissatisfaction of business users with IT solutions and the growth of the outsourcing business model and the increase in competition between organisations with the corresponding impact on the need for efficiency of operation. Against this backdrop, the development of business analysis has taken place over many years and in many organisations this development is still continuing. Over the last decade or so, the business analysis specialism has developed to the point where both BAs and their employing organisations now consider it to be a profession.

The Business Analysis Maturity Model™ (BAMM™) in figure 1 has been developed by Assist Knowledge Development.

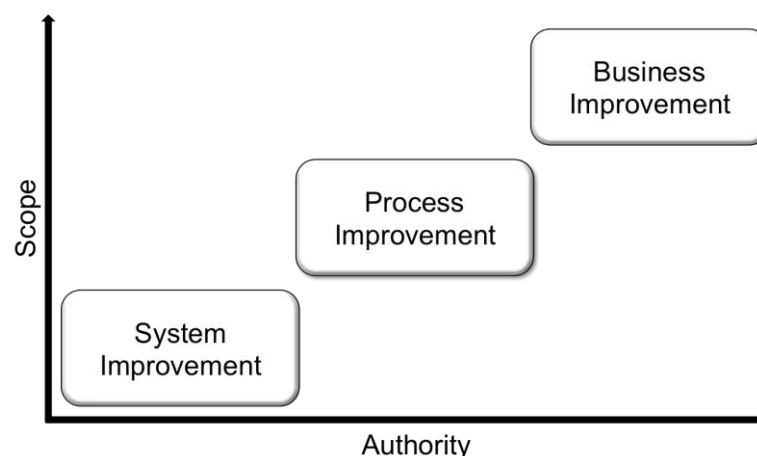


Figure 1: Business Analysis Maturity Model™

The model represents the evolution of the business analyst's role along two dimensions:

- **Scope** – The breadth of the business analyst's role, varying from a specific focus on improving an individual system, to a wider examination of business processes and, ultimately, to considering improvements across an entire area of the organisation
- **Authority** – The degree of influence wielded by the business analyst and the growth of their ability to influence the thinking of the management of the organisation

At the bottom-left of the model the business analyst is working on projects where initial options have been considered and the direction of the project determined. At the top-right of the model the business analyst works with senior management to consider the range of business improvement options available to the organisation. The three levels in figure 1 are set out in detail below:

System Improvement

At this stage a business analyst is typically involved in working with business users to improve the effectiveness of their business systems, usually involving the use of information technology. The professional skills required of the business analyst include the ability to gather, document, analyse and model requirements for system improvement.

Process Improvement

Here, the business analyst's focus becomes broader and they are involved in improving the business processes to enhance the operation of the organisation. The professional skills required include stakeholder management, gap analysis, business process modelling and the ability to construct a business case.

Business Improvement

Ultimately the business analyst is likely to be working as an internal consultant in the organisation, assisting senior managers to improve business effectiveness by identifying and implementing a range of organisational changes. The professional skills required include good stakeholder relationship management, strategic analysis, business performance management and the ability to draft and review proposals and contracts.

The BAMM™ represents a trajectory for the development of business analysis. This development may be viewed from three perspectives:

- The individual – Providing a route for the personal development of BA practitioners
- The organisation – Identifying the range of business analysis roles that the business analysis function could adopt in order to enhance the operation of the organisation
- The profession – Reflecting the development of the business analysis profession

Origins and development of business analysis

The use of Information Technology (IT) in business has enabled improvements in a number of different ways:

- Information systems have been developed that have improved business operations
- These systems have also provided better information for management decision-making
- Advances in communication mechanisms have enabled organisations to interact with their customers and suppliers in different ways and operations have been able to expand internationally. Processes have been redesigned and there has been a greater focus on customer service and an enhanced customer experience
- Organisations have been able to think more strategically about the products and services they offer and enhance their portfolios

IT enables the development of automated information systems, but once these are implemented the organisation often questions whether the business benefits the systems should have delivered have actually been realised. If the information systems were not delivering the benefits required by organisations then a new approach was required. However, the need for this new approach was increased by two key reasons as shown in figure 2:

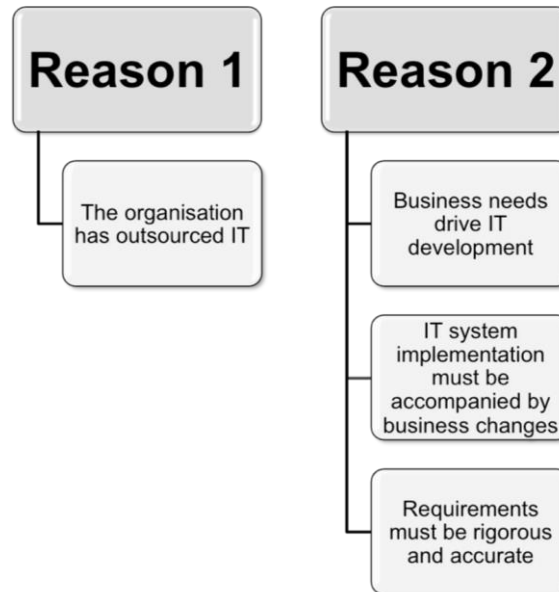


Figure 2: Factors in the development of business analysis

Reason 1 – Outsourcing

Many organisations have moved their IT development and operations to external, specialist organisations, often based in other countries. This has been driven by a need to reduce costs and the recognition of a lack of IT expertise within senior management.

Reason 2 – IT as a competitive advantage

There has been an increasing recognition that IT systems do not deliver business advantage without three factors being present:

- The needs of the business must drive the development of the IT systems
- The IT system changes on their own are not enough – the business system changes that accompany the revised IT system must also be defined and implemented
- The requirements for the IT system must be defined with rigour and accuracy

The impact of these factors on organisations has led to the recognition that a new role, the business analyst, is needed to provide advice about the use of and deployment of IT in order to deliver business benefits. It should also be noted that sometimes the advice may be that IT is **not** required and that the solution to a business problem or issue lies elsewhere.

Successful Business Change

In recent years, many organisations have decided to broaden their focus from IT projects to programmes that deliver business change initiatives. Figure 3 shows a typical business change lifecycle that encompasses the key activities required to provide a coherent approach to business change.

The early part of the business change lifecycle is concerned with the analysis of the organisation's needs. However, extensive analysis is also required in the later stages if the needs of the organisation and the business benefits are to be delivered.

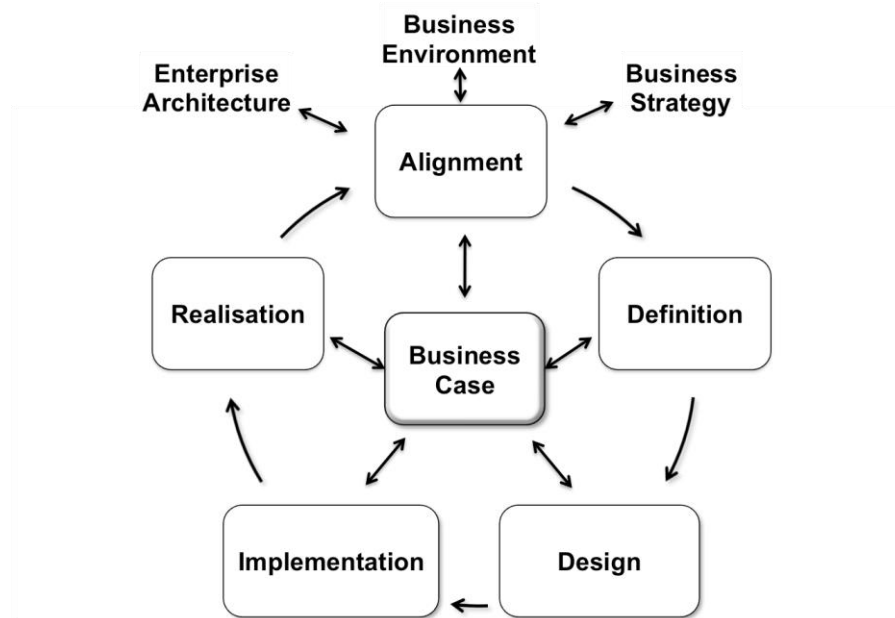


Figure 3: Business Change Lifecycle

The scope of business analysis

Figure 4 represents a continuum of business improvement work ranging from strategic analysis to traditional IT systems analysis.

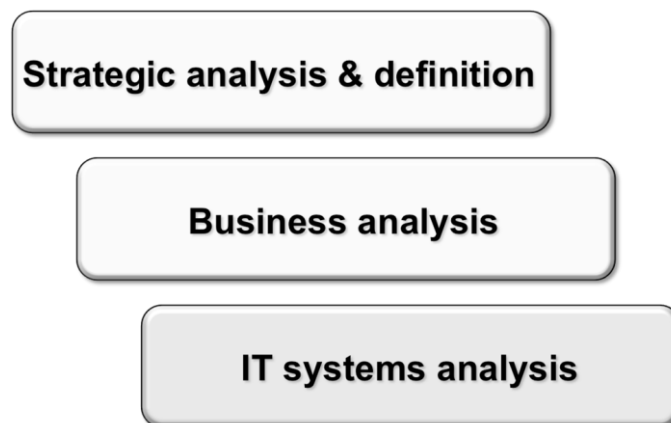


Figure 4: The range of business analysis

The extent of the business analyst role has been a subject for discussion for many years. One way to consider this is to look at the three roles concerned with analysing and improving organisations and the possible range of analysis activities.

Strategic analysis and definition: This work is concerned with setting the longer term direction and strategy of the organisation and is typically the responsibility of senior management, possibly with the support from strategy consultants. Most business analysts would not be involved in setting strategy but may be required to support the analysis work. However, it is important that business analysts understand the strategic context as their work will have to support the achievement of the strategy.

IT systems analysis: This work involves analysing and specifying the IT system requirements often using data and process modelling techniques. The role of a systems analyst does not exist in some organisations and hence the business analysts may get involved in this work. If this is the case the business analysts will need to be able to apply the systems analysis techniques.

Business analysis: This straddles the other two analysis disciplines. The range of this work can vary widely and there are a number of different types of assignments:

- Resolving an identified issue by recommending actions to overcome a problem or achieve business benefits
- Investigating ideas or issues with a view to increasing efficiency or effectiveness. A rigorous business case is likely to be required to support any recommendations made
- Defining the business requirements for an IT system enhancement or replacement

Whichever situation applies, it is usually the case that the business analyst has to look beyond the stated problem to gain an understanding of the business situation. The business analyst will have to consider all aspects of the business system including the processes, the IT systems and other resources. Other aspects of business analysis work involve the development of business cases, delivery of the business benefits and support for the implementation of business change.

Business analysts need to take a holistic approach, looking beyond the IT improvements to the broader aspects of business systems. There are four key areas to be considered as shown in figure 5.

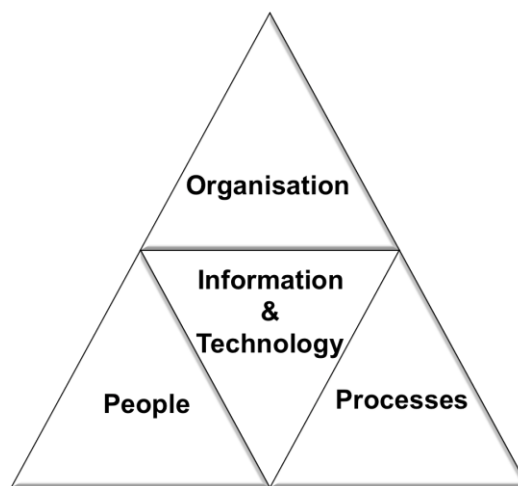


Figure 5: The holistic nature of business analysis

Process	Whether the processes are defined and have been communicated to the business staff, are they well-supported by the IT systems, are there workarounds in operation? Does the process require the unnecessary distribution of documents?
People	The skills of the people, the motivation levels, their awareness of the business objectives they are required to support
Organisational context	The management approach, whether or not skills and responsibilities are well-defined, how well the staff work with colleagues from other functional areas
Technology	Whether the systems support the business and provide the required information

Tasks undertaken by the business analyst

We can identify the following key areas of responsibility for the business analyst:

- Investigating business situations
- Identifying and evaluating options
- Defining requirements
- Ensuring the effective use of information systems

The business analysis process model

Business analysis projects can be varied in range and nature. This is often what makes the work so interesting. Figure 6 sets out a process model for business analysis assignments. This model may be used in its entirety on some projects; on others fewer stages may be required.

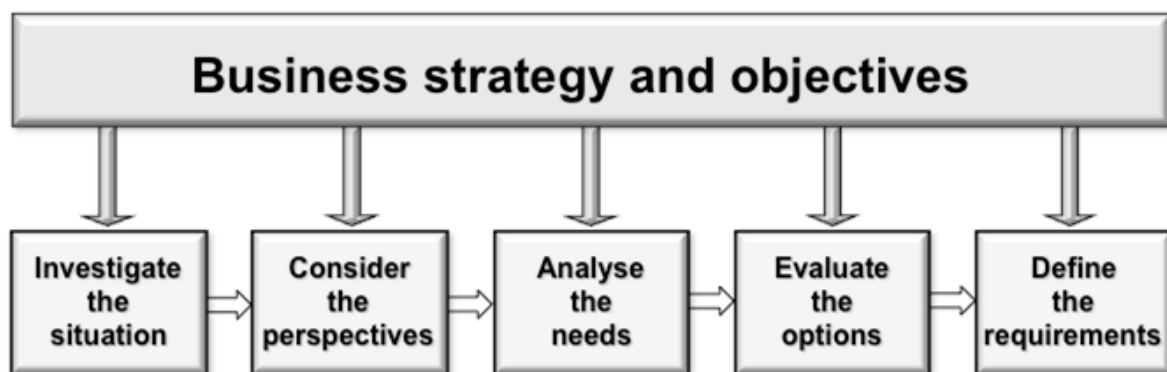


Figure 6: Business analysis process model

Business strategy and objectives

The starting point is a good understanding of the underlying business strategy and objectives of the organisation. We have already considered some techniques that we can use to gain this understanding. The strategy should be kept in mind at all times during the assignment and guide the business analysts in their work

Investigate the situation

The first stage of the process proper though is to investigate the situation and uncover the issues and views. Some of these may not be facts but opinions. Once we have some information, we may need to investigate further and obtain quantifiable data in order to see if the information is accurate

Consider the perspectives

Very often in business analysis work, we discover that different stakeholders have different views of their organisation, what it stands for, where it should be going and what it should be doing. We can refer to these as ‘business perspectives’ and the second stage of our process model specifically examines these and what they mean for the direction of the assignment

Analyse the needs

Having understood these different points of view, we can now try to understand what can be done about the business problems. We use gap analysis to compare the existing business situation with the desired, future business system

Evaluate the options

We can then identify the options for business improvement and assess their business, technical and financial feasibility. The options are then presented to the decision-makers

Define the requirements

Finally, having agreed the way forward, we can proceed to eliciting, documenting, analysing and agreeing the more detailed requirements for the chosen solution

The process model thus provides a structure for a business analysis assignment that can otherwise appear to be rather unstructured.