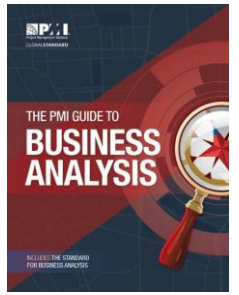
Introduction to Business Analysis

Overview of the Guide



- The PMI Guide to Business Analysis is intended to serve the needs of organizations and business analysis professionals by providing practical knowledge and good practices needed to contribute to portfolio, program, project, and product success and support the delivery of high-quality solutions.
- This guide is intended to enable business analysis to be effectively performed regardless of the project life cycle, whether a predictive, iterative, adaptive, or hybrid approach is used, and provide guidance for business analysis regardless of the job title of the individual performing it. This guide:

1	Defines what the work of business analysis is and why it is important;
2	Describes the competencies, processes, tools, and techniques needed to effectively perform business analysis tasks and activities;
3	Defines concepts related to business analysis that can be applied across all product and project life cycles, product types, and industries
4	Highlights collaboration between business analysts and other roles that business analysts typically need to work with collaboratively; and
5	Provides and promotes a common business analysis vocabulary for organizations and business analysis professionals

Introduction to Business Analysis

Overview of the Guide

- Currently organizations are interested in understanding how best to:

Strategically leverage business analysis to ensure that investments are allocated to the highest-value initiatives;

+

Adequately invest so that product teams have the resources they need to properly identify and solve the right problems;

+

Deliver solutions that provide measurable business value and meet stakeholder expectations.

- Business analysis professionals from every level of experience and competency, regardless of where they report functionally, require a business analysis standard that can be universally applied in any size organization, industry, or region of the world.

Introduction to Business Analysis

Overview of the Guide

- This guide identifies business analysis practices that are generally recognized as good practice. These terms are defined as follows:

1. **Generally recognized.** Means the knowledge and practices described are applicable to most portfolios, programs, and projects most of the time, and there is consensus about their value and usefulness.
2. **Good practice.** Good practice means there is general agreement that the application of the knowledge, skills, tools, and techniques when performing business analysis contributes to the successful delivery of the expected business values and results across portfolios, programs, and projects.

PMI Guide to Business Analysis different from a methodology

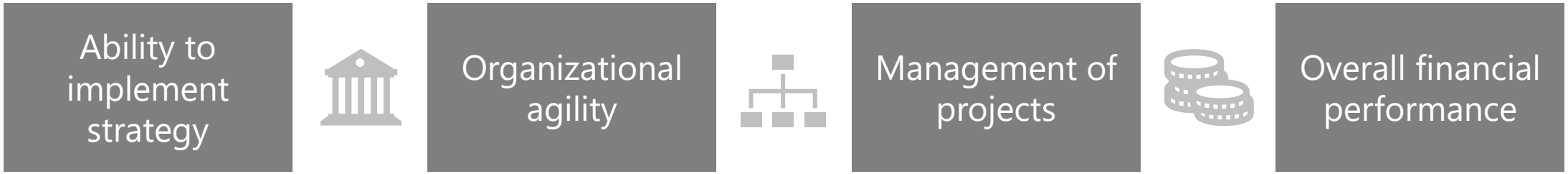
A **methodology** is a system of practices, techniques, procedures, and rules used by those who work within a discipline.

The **guide** is a foundation upon which organizations can build methodologies, policies, procedures, rules, tools, and techniques needed to practice business analysis effectively.

Introduction to Business Analysis

The Value of Business Analysis

- Organizations with highly mature business analysis practices believe that business analysis has a tangible impact on their organization's success and provides a competitive advantage. Research confirmed that a significantly larger percentage of highly mature organizations rank themselves well above average against their peer organizations with regard to:



- *A Core Competency for Project and Program Success* reports that organizations can focus more attention on the following three critical areas to improve the effectiveness of their business analysis capabilities:

1. **People.** By putting in place the necessary human resources who can properly apply business analysis to recommend solutions to the problems or opportunities addressed by the portfolios, programs, and projects, and at the same time, recognizing and developing the skills needed to perform this important role.

Introduction to Business Analysis

The Value of Business Analysis

2. **Processes.** By establishing and standardizing processes at the portfolio, program, and project levels, so consistent application of good business analysis can occur across initiatives within an organization.
3. **Culture.** By creating a sense of urgency at the top so that executive management and sponsors fully value the practice of business analysis as a critical competency of portfolios, programs, and projects, and provide the appropriate support and commitment needed to excel throughout the organization.

- Business analysis can be performed when creating or enhancing a product, solving a problem, or seeking to understand stakeholder needs. The value of business analysis spans many industries and types of projects. For instance:

Finance Industry	Health Care Industry	Construction Industry	Governments	Manufacturing Industry	IT Industry
In the **financial industry**, business analysis can be used to create or modify financial products that meet customer needs;	In the **health-care industry**, business analysis can be used to minimize wait times from entrance to first diagnosis;	On **construction** projects, business analysis can be used as the basis for the scope of work;	**Governments** use business analysis to analyze situations and determine the solutions to improve issues such as crises, and environmental issues;	In **manufacturing**, business analysis can be applied to optimize assembly-line processes; and	On **IT projects**, business analysis is performed to translate the business requirements into system requirements to provide clear guidance to developers

Introduction to Business Analysis

The Value of Business Analysis

- Effective business analysis enables individuals, groups, and public and private organizations to achieve better business outcomes. **Effective business analysis helps**:

1. **Address business needs**; Organizations are often tempted to provide solutions before fully understanding a situation. Business analysis enables the organization to identify and fix the root causes of problems instead of repeatedly addressing symptoms as they occur. Good business analysis hinges on conducting a needs assessment and recommending a solution based on the specifics of the problem space, including, but not limited to, understanding the business and enterprise architectures.

- Business analysis assists in detecting new opportunities that are essential for the growth and perhaps even the survival of an organization. Business analysis helps organizations **obtain business value** when addressing business needs.

2. **Managing Risk and Reducing Rework**; what constitutes sufficient business analysis is dependent on the risk appetite of the organization and the level of confidence required before the organization is comfortable proceeding with its initiatives.

Introduction to Business Analysis

The Value of Business Analysis

- The decision to proceed without performing sufficient business analysis and accepting a higher level of uncertainty is often the result of undervaluing business analysis activities. Although business analysis requires considerable time and resources, if overlooked, it can result in insufficiently understood requirements, missed stakeholder expectations, and frustration on the part of the project team and other key stakeholders.

3. **Effects of Product Defects**; when insufficient time is allocated to business analysis activities, gaps in requirements can arise. Missing and misunderstood requirements can lead to product defects. Product defects uncovered within the confines of the project result in rework, but if these product defects are uncovered once a product is released to the consumer, the results are exponentially worse.
4. **Stakeholders Satisfaction**; creating products to address the needs of the business and delivering those products on time and within budget while minimizing potential threats to the organization results in increased stakeholder satisfaction.

Introduction to Business Analysis

Common Vocabulary

- This lecture describes common vocabulary necessary for working in and understanding the discipline of business analysis.

1. **Business Analysis**. Business analysis is the application of knowledge, skills, tools, and techniques to:

Determine problems and opportunities;

Identify business needs and recommend viable solutions to meet those needs and support strategic decision making;

Elicit, analyze, specify, communicate, and manage requirements and other product information; and

Define benefits and approaches for measuring and realizing value, and analyzing those results.

- In short, business analysis is the set of activities performed to support the delivery of solutions that align to business objectives and provide continuous value to the organization.
- Business analysis is conducted in support of solution development, through portfolios, programs, and projects, as well as ongoing operational activities, such as monitoring, modeling, and forecasting. The practices defined within this guide apply wherever business analysis is conducted.

Introduction to Business Analysis

Common Vocabulary

2. **Business Analyst**. Business analysis may be performed by any individual regardless of the person's job title. In this guide, the person(s) who performs business analysis processes will be referred to as a business analyst. The term is being used in the broad sense and represents all the roles that are responsible for performing business analysis activities across industries or within organizations, regardless of whether the work is performed to support portfolios, programs, or projects.

   - Many portfolios, programs, and projects require a team of individuals to perform business analysis, and in these scenarios, the term *business analyst* will also be applied.

3. **Product**. A product is an artifact that is produced, is quantifiable, and can be either an end item in itself or a component item. Products are also referred to as materials or goods. A product can be tangible or intangible—for example, an organizational structure, a process, or a service. A service is the performance of duties or work for another party. Products are created or updated as parts of solutions to address business needs; therefore, they provide business value.

Introduction to Business Analysis

Common Vocabulary

4. **Product Requirements**. A ***requirement*** is defined as a condition or capability that is required to be present in a product, service, or result to satisfy a business need. This guide uses the term *product requirement* to describe the types of requirements that are part of the business analysis effort. Product requirements are the primary focus of this guide, and the term *requirement* without a qualifier is used to specify all product requirement types.

- A product requirement represents something that can be met by a solution and addresses a need of a business, person, or group of people. A product requirement should be **independent** of the design of the solution that addresses it. Product requirements are specified to clarify and communicate a business need or required capability.
- The PBA guide uses the term ***product requirement*** in the broad sense; therefore, when performing the work of requirements elicitation, specification, or requirements management, one may choose to indicate the type of requirement to be able to communicate whether the product requirement represents a need of the business, an aspect of the solution, or a product requirement for a particular stakeholder group. To provide clarity and context, product requirements are often categorized by type

Introduction to Business Analysis

Common Vocabulary

A. **Business Requirement**. Describes the **higher-level needs** of the organization such as business issues or opportunities, reasons why an initiative has been undertaken, and measurable representations of goals the business is seeking to achieve.

- Business requirements are used to provide direction for any solution so that the solution addresses the business need. Business requirements are typically defined **before a portfolio component**, program, or project has been initiated, as they represent the reason why the portfolio component, program, or project has been undertaken or why the product should be created or modified.
- An organization may have multiple business requirements. All other remaining product requirement types—such as stakeholder, solution, and transition requirements—are typically defined within the context of a project.

B. **Stakeholder requirement.** Describes the needs of a stakeholder, where the term *stakeholder* refers to an individual, group, or organization that may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a portfolio, program, or project. Examples of stakeholders include customers, users, regulators, suppliers, and partners, as well as internal business roles.

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Common Vocabulary

C. **Solution requirement.** Describes the features, functions, and characteristics of a product that will meet the business and stakeholder requirements. Solution requirements are further grouped into functional and nonfunctional requirements as follows:

1. ***Functional requirement***. Describes the behaviors of the product. Examples of types of functional requirements include *actions*, *processes*, and *interactions* that the product should perform. The data and rules needed to support functional requirements are typically elicited concurrently.
2. ***Nonfunctional requirement***. Describes the environmental conditions or qualities required for the product to be effective. Nonfunctional requirements are sometimes known as product quality requirements or quality of service requirements. Examples of types of nonfunctional requirements include *reliability*, *security*, *performance*, *safety*, *level of service,* and *supportability.*

D. **Transition requirement.** Describes temporary capabilities, such as data conversion and training requirements, and operational changes needed to transition from the current state to the future state. Once the transition to the future state is complete, the transition requirements are no longer needed.

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Common Vocabulary

- Two other types of requirements are **project requirements** and **quality requirements**. These requirement types are not part of the business analysis effort and are not considered to be product requirements. Project and quality requirements focus on project execution and are part of the project management effort. Because project and quality requirements are outside the scope of business analysis, they are only discussed here to show context of their relationship to business analysis:

A. **Project requirement.** Describes the actions, processes, or other conditions the project needs to meet. Examples of types of project requirements include milestone dates, and constraints.

B. **Quality requirement.** Describes any condition or criterion needed to validate the successful completion of a project deliverable or the fulfillment of other project requirements. Examples include tests, certifications, and validations.

- Business analysis focuses on ensuring that the product is of sufficient quality through the development of nonfunctional requirements. Project management focuses on ensuring that the processes performed to deliver the solution are of sufficient quality through the development of quality requirements. When the solution adheres to nonfunctional requirements and the processes to deliver the solution adhere to quality requirements, it maximizes the probability that the solution will meet business needs.

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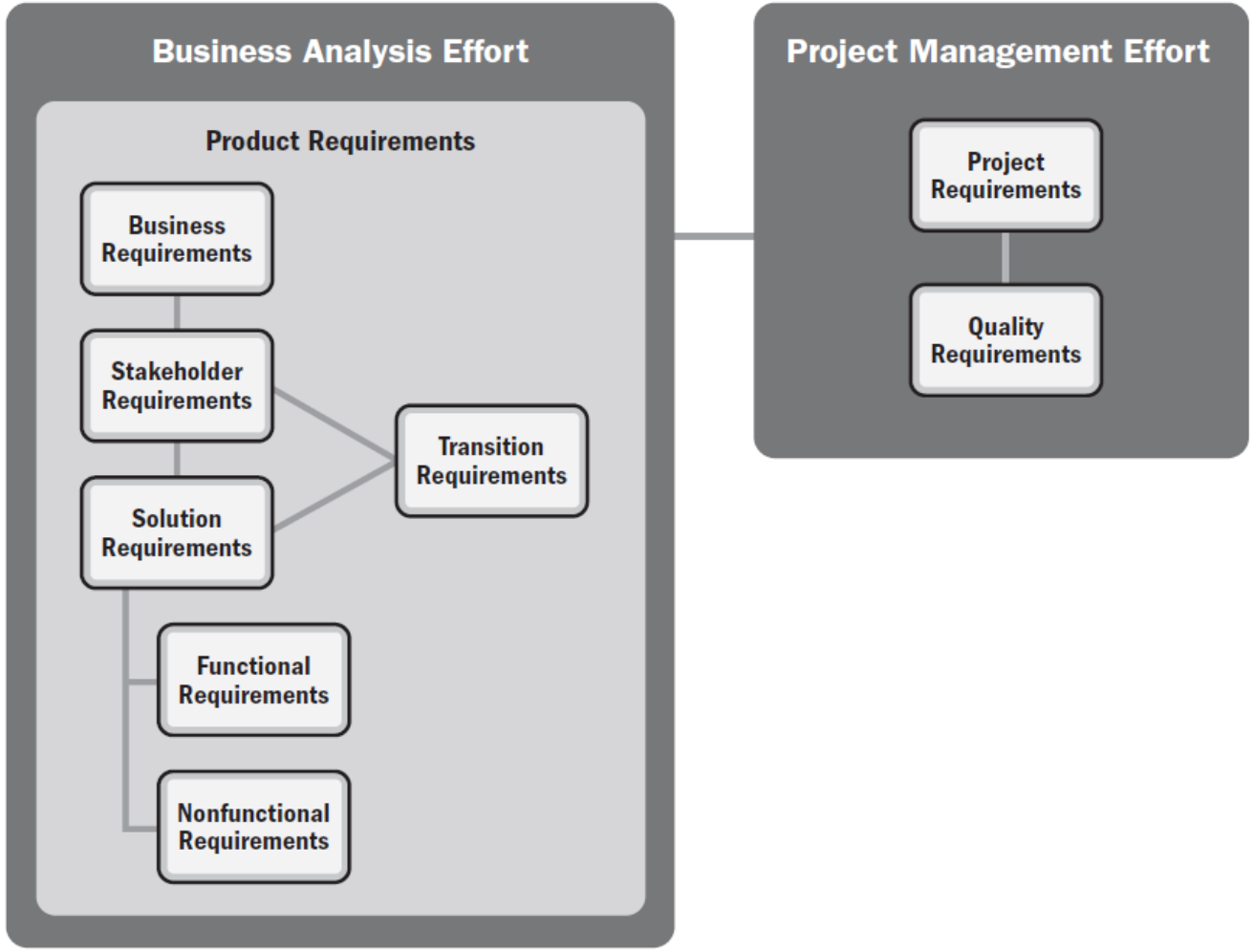
Common Vocabulary

- The figure depicts the relationships that exist among various categories of product and project requirements, for example:
- A single business requirement may be supported by multiple stakeholder and solution requirements;
- A single stakeholder requirement may be supported by many solution requirements;
- Solution requirements may be written as functional or nonfunctional requirements;
- Because transition requirements describe the transition from the current to future state, they support the implementation of stakeholder and solution requirements;



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Common Vocabulary

5. **Product Information.** Throughout the performance of the business analysis process, significant amounts of information are created, collected, analyzed, modified, consumed, and shared. When *product information* is referred to in process descriptions as an input or as an output, the reference is being made to the most common component of product information that is relevant to the process.

- The types of information the guide refers to as product information include: Business goals and objectives, requirements, analysis models, backlogs, user stories, product scope, product risks, assumptions, constraints, dependencies, and issues.
- Product information can include different types or levels of detail. For example, requirements could refer to business requirements or stakeholder requirements, and issues might be stakeholder issues or defects. Product information can take on different states as various processes consume and produce the information. For example, at different points in business analysis work, requirements can be in a verified, validated, prioritized, or approved state.

Introduction to Business Analysis

Common Vocabulary

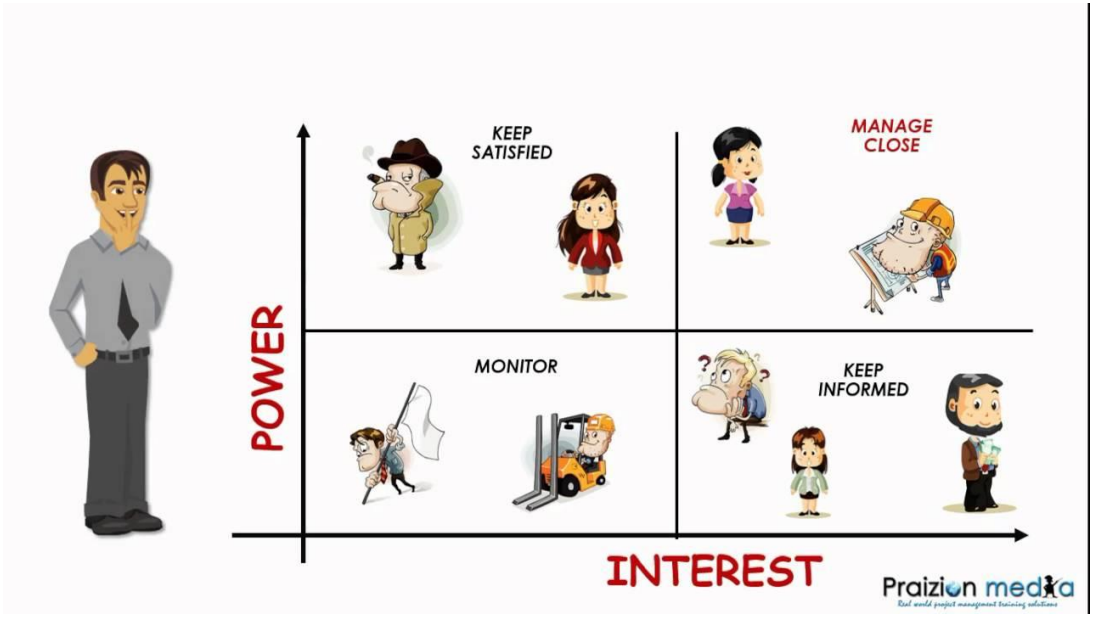
- The product information may be stored in a variety of forms, such as tools, documents, notes, emails, and possibly in people's minds. Product information is by no means the only information relevant to business analysis processes. Additional kinds of information are used to create and analyze the product information throughout the course of performing business analysis.
- The type and form of the additional information could include the original source material from which elicitation results came, elicitation notes, emails with additional context about analysis, and verbal or written comments from stakeholders about the information.

6. **Solution**. A solution is something that is produced to deliver measurable business value to meet the business need and expectations of stakeholders. It defines what a specific portfolio component, program, or project will deliver.
7. **Stakeholder**. In project management, a stakeholder is an individual, group, or organization that may affect, be affected by, or perceive itself to be affected by a decision, activity, or outcome of a project. In business analysis, stakeholders also include those affected or perceived to be affected by activities and decisions related to the solution.

Introduction to Business Analysis

Common Vocabulary

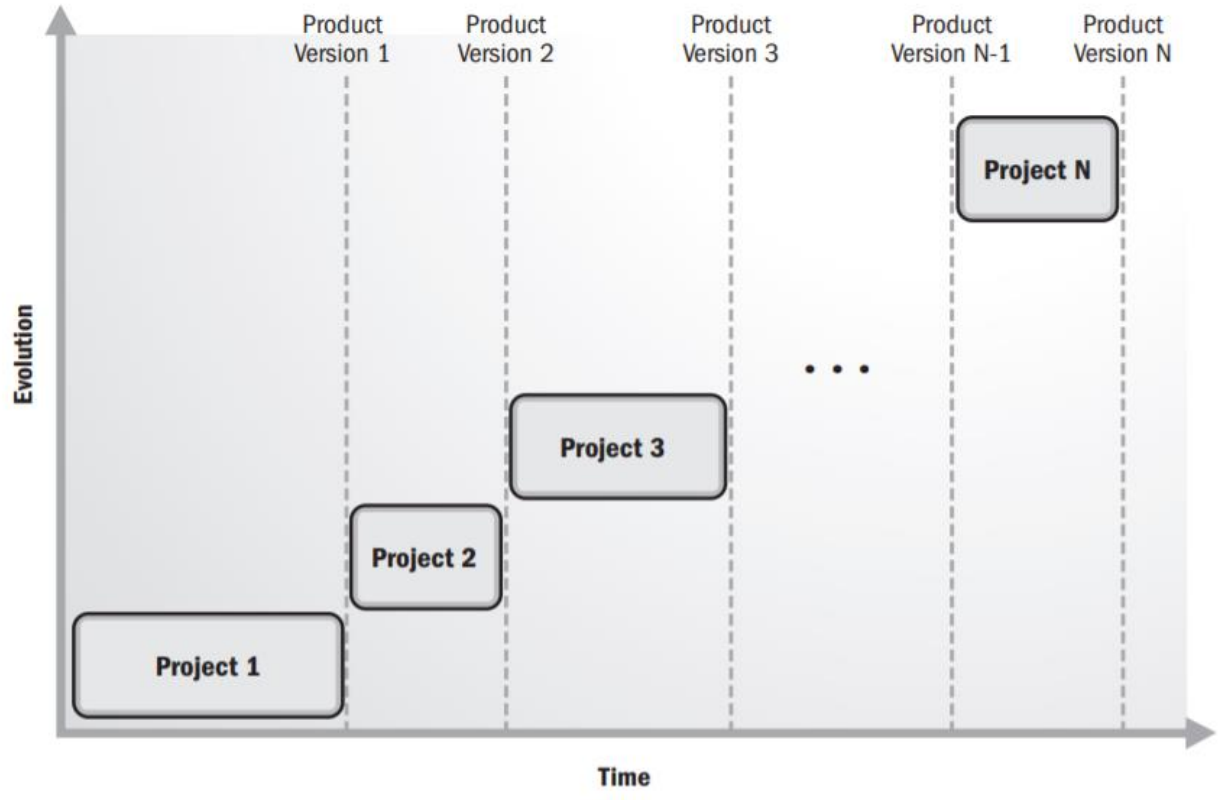
- In business analysis, stakeholder identification begins when business analysis activities are performed to define the business need and situation statement and continues through the development of a business case and during charter development. It is imperative that the stakeholder list be revised regularly to retain its accuracy.
- Business analysts work very closely with stakeholders, often on a day-to-day basis, and therefore, they continue to make refinements to the stakeholder register as new information becomes available. Maintaining accuracy of the stakeholder register is critical because when stakeholders are overlooked, there is a high chance that requirements will be missed.
- In business analysis, understanding the stakeholders identified in the register is equally important. When stakeholder characteristics are not known or understood, the business analyst may choose techniques that are ineffective. Misunderstanding stakeholders may result in ineffectively communicating or collaborating with stakeholders throughout the entire product life cycle.



Introduction to Business Analysis

Products and Projects

- For organizations to remain competitive, products often evolve through the work of projects. Projects deliver solutions through new products, product enhancements, revised processes, integrated systems, restructured organizations, market research, and trained personnel.
- **Projects** are temporary endeavors undertaken to create unique products, services, or results. Business analysis focuses on products, whereas project management focuses on delivering projects to create or evolve products. Both views are essential because the concepts of products and projects are highly intertwined—a fact that cannot be ignored. The figure represents one scenario for the relationship between projects and products in which one product evolves over the course of multiple projects.



Introduction to Business Analysis

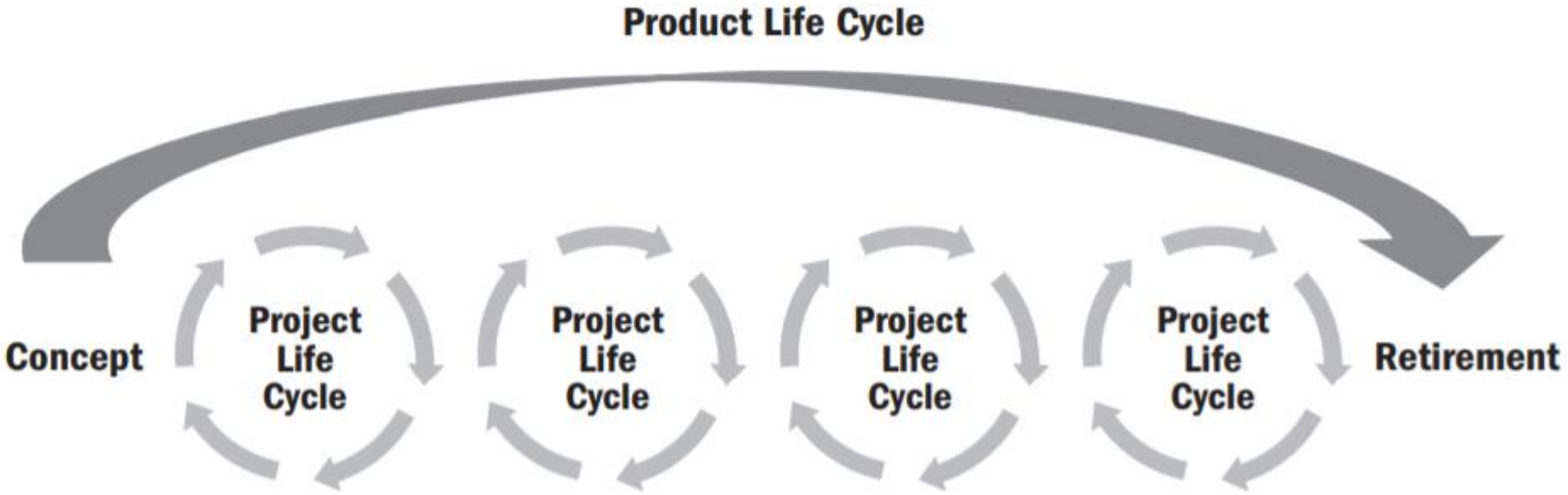
Products and Projects

- A **product life cycle** is a series of phases that represent the evolution of a product from concept through delivery, growth, maturity, maintenance, and retirement. The number of intermediary phases that a product goes through is dependent on the longevity of the product life cycle.
- A product life cycle may consist of multiple project life cycles. A needs assessment conducted within the product life cycle provides strategic alignment and justification for the investment of a new project. After the project is complete, an evaluation of the product is performed within the product life cycle to determine if a new project is needed to evolve the product. **Business analysis focuses on the entire product life cycle, including the many projects that advance the product.**
- A **project life cycle** is the series of phases through which a project passes from its initiation to its closure. The phases can be sequential or they may overlap. The names, number, and duration of the project phases are influenced by a number of factors, including the management and control needs of the organization(s) involved in the project, the nature of the project itself, its area of application, and the complexity or volatility of the product information.

Introduction to Business Analysis

Products and Projects

- Figure below illustrates the relationship between product and project life cycles, showing that a product life cycle is comprised of one or more project life cycles. While the diagram is not intended to model life cycle phases, keep in mind that each project life cycle may contain activities related to a part of the product life cycle, for example, product development, product maintenance, and eventually, product retirement.



Introduction to Business Analysis

How BA Supports Portfolio, Program, and Project Management

- **Portfolio management** is the **centralized management** of one or more groupings of projects, programs, subsidiary portfolios, and operations to achieve strategic objectives. **Programs** focus on achieving a specific set of expected benefits as determined by organizational strategy and objectives, whereas projects are largely concerned with creating specific deliverables that support specific organizational objectives. **Projects** may or may not be part of a program.

- **Business analysis** supports portfolio, program, and project management. Business analysis competencies increase alignment between the higher-level strategies and outcomes of programs and enable portfolio, program, and project management practices and processes.

Introduction to Business Analysis

How BA Supports Portfolio, Program, and Project Management

- Business analysis begins with defining a situation and a complete understanding of the problem or opportunity that the organization wishes to address; this work is considered **pre-project**. The results of pre-project activities provide information to understand the value a given project provides to the portfolio and program.
- Business analysis activities support portfolio management by helping to **align programs and projects to organizational strategy**. In portfolio, program, and project management, business analysis also involves the elicitation and analysis necessary to define the product scope, requirements, models, and other product information necessary to build a common understanding of the solution and clearly communicate product features to those responsible for developing the end product.

- The business analysis processes performed as part of the **Defining and Aligning Process Group** produce analysis results and other outputs leveraged by **portfolio management**. All other business analysis activities performed outside of the Defining and Aligning Process Group help define the solution and support the work of program and project management.

Introduction to Business Analysis

Business Value

- Organizations employ portfolio, program, and project management to improve their abilities to deliver benefits. Business value may be defined as the net quantifiable benefit derived from a business endeavor. The benefit may be tangible, intangible, or both. In business analysis, business value is considered the return, in the form of time, money, goods, or intangibles for something exchanged.
- For example, tangible benefits may include **monetary assets**, **facilities**, **fixtures**, **equity**, and **utility**, and intangible benefits may include **goodwill**, **brand recognition**, **public benefit**, **trademarks**, **compliance**, and **capabilities**.
- Business value may also be created through the effective management of ongoing, well-established operations. However, the effective use of portfolio, program, and project management enables organizations to employ reliable, established processes to generate new business value by effectively pursuing new business strategies that are consistent with their mission and vision for the future.
- **Portfolio management** ensures that an organization's programs, projects, and/or operations are aligned with its strategy. It allows organizations to define how they will pursue their strategic goals through programs and projects, and how those programs and projects will be supported by human, financial, or material resources. In doing this, portfolio management optimizes the pursuit of business value

Introduction to Business Analysis

Business Value

- **Program management** enables organizations to effectively pursue their strategic goals through the coordinated pursuit of projects, programs, and other program-related work. Program management seeks to optimize the management of related component projects and programs to improve the generation of business value.
- **Project management** enables organizations to efficiently and effectively generate outputs and outcomes required for the pursuit of their strategic goals by applying knowledge, processes, skills, tools, and techniques that enhance the delivery of outputs and outcomes by projects. Project management seeks to optimize the delivery of business value by improving the efficiency of organizations as they deliver new products, services, or results.
- **Business analysis** is used to perform research and elicit sufficient information to support business decision making, to determine if and when there is value in pursuing organizational changes to address business needs, and when it makes sense, to initiate a project or program to facilitate such change. As a result, business analysis optimizes the delivery of business value by providing the information needed to make wiser investment decisions on portfolios, programs, and projects
- Business analysis also supports the elicitation necessary to specify the set of product information used by development teams to design, build, and deliver solutions once the decision to pursue an organizational change has been made.

Introduction to Business Analysis

Business Value

Determining Business Value

- A project benefit is defined as an outcome of actions, behaviors, or solutions that provide value to the sponsoring organization as well as to the project's intended beneficiaries.
- For example, if a project introducing a new product missed its sales targets, but those who purchased the product were very satisfied with it and indicated that they would repurchase the product, then depending on whom you ask, you may obtain a different response to the question of whether this project provided business value.
- A challenge in defining business value often lies with first articulating the intended business value before the project has started, so the project team knows what to strive for, which answers the question "Why are we doing this project?" Project benefits are defined in the form of business objectives that serve as the foundation for business requirements and all other categories of product requirements.
- Business analysis is used to define reasonable business objectives that can be measured. For example, a business objective to which a project might contribute could be to increase revenue by US$1 million in the next calendar year.

Introduction to Business Analysis

Business Value

- Another challenge is articulating the business value in a measurable form or articulating or finding indirect evidence for business value. In the previous example, where the business objective was to measure revenue growth, some organizations might find it difficult to set a target revenue, baseline the revenue, or even measure revenue growth. Organizations are also sometimes hesitant to commit to achieving a target benefit.
- A measurement, such as customer satisfaction, can be used as a proxy or indirect evidence for revenue growth, with the assumption that there is a correlation between customer satisfaction and revenue growth.
- Increasing customer satisfaction is also something that is not easily measured; however, customer satisfaction surveys can be a means to quantify customer satisfaction. If the business objective is to increase customer satisfaction by three points, then customer satisfaction surveys can answer whether the business value has been achieved.

Measuring Business Value

- A complication is that the realization of benefits often does not happen until well after project completion. For example, when measuring revenue growth, measurement of the target revenue cannot be performed until a year after the solution has been deployed.

Introduction to Business Analysis

Business Value

- Measurement of customer satisfaction, which is a good leading indicator that revenue growth is also on track, may be accomplished sooner. By establishing a **business objective** before the project starts and determining how it will be measured, the project team is able to build requirements based on the business objectives and to incorporate the process of measuring the business value into the project, which ensures that metrics are available when the project has been implemented and that measurement data can be collected.
- If it is known that business value will be measured by customer satisfaction survey scores, a baseline survey should be taken to determine whether satisfaction increased. Resources can also be set aside to measure whether the business value was achieved after the project was implemented to learn from this experience, which could also introduce new projects and support the development of the product roadmap.

Measuring Project Success

- Project success should be tied to whether a project delivered its intended business value. The types of information that can be analyzed and documented when deciding how portfolio, program, and project success will be measured include the following:

Introduction to Business Analysis

Business Value

1. **Business objectives**. Measurable objectives, including the timing of when they should be measured.
2. **Strategic alignment**. How well the business objectives align to the overall strategies of the organization.
3. **Benefits owner**. Accountable person to monitor, record, and report realized benefits throughout the plan.
4. **Measurement plan**. Plan describing what to measure, how to measure it, and when to measure whether the business objectives have been achieved.
5. **Risks**. Uncertain events or conditions that could affect the achievement of business objectives.
6. **Assumptions**. Assumptions that are made when defining the business objectives and how they will be achieved.

Introduction to Business Analysis

Knowledge Areas and Process Groups

- **Knowledge Areas** are fields or areas of specialization that are commonly employed when performing business analysis. A Knowledge Area is a set of processes associated with a particular function. In this standard, the Knowledge Areas contain the set of processes that the work of business analysis comprises. Although they are related, the processes do not prescribe a sequence or order. This standard covers the following Business Analysis Knowledge Areas:

1. **Needs Assessment**. Analyzing current business problems or opportunities to understand what is necessary to attain the desired future state.
2. **Stakeholder Engagement**. Identifying and analyzing those who have an interest in the outcome of the solution to determine how to collaborate and communicate with them.
3. **Elicitation**. Planning and preparing for elicitation, conducting elicitation, and confirming elicitation results to obtain information from sources.
4. **Analysis**. Examining, breaking down, synthesizing, and clarifying information to further understand it, complete it, and improve it.
5. **Traceability and Monitoring**. Tracing, approving, and assessing changes to product information to manage it throughout the business analysis effort.

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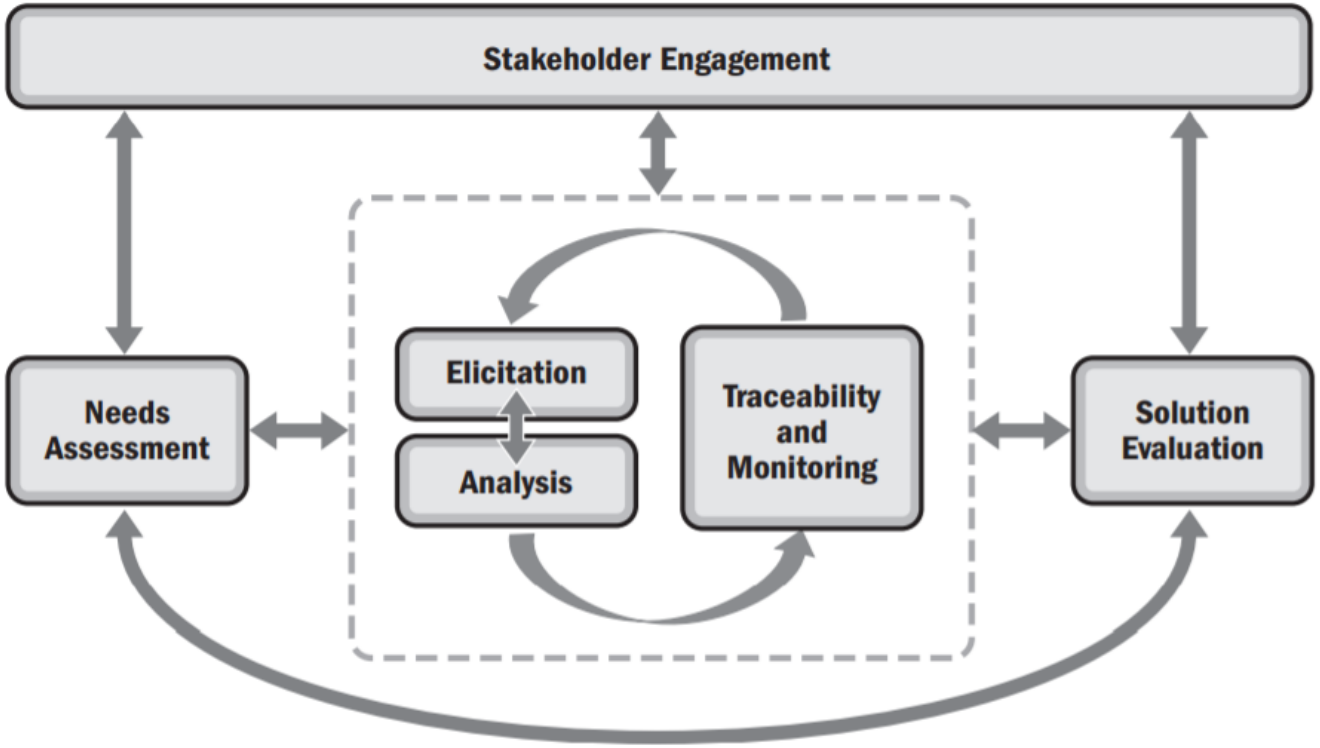
Knowledge Areas and Process Groups

6. **Solution Evaluation**. Validating a full solution, or a segment of a solution, that is about to be or has already been implemented to determine how well a solution meets the business needs and delivers value to the organization.

- This figure illustrates the relationships that exist among the six Business Analysis Knowledge Areas.
- For example, the processes in the Stakeholder Engagement Knowledge Area are used throughout all business analysis efforts and interact with all the other Business Analysis Knowledge Areas.



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Knowledge Areas and Process Groups

- Within this standard, the nature of business analysis is described through **35 processes** distributed across the **six Business Analysis Process Groups**. Each Process Group is independent of the application area or industry in which it is performed. Processes are not one-time events, and processes can overlap throughout the project and product life cycles. The six Business Analysis Process Groups presented in this standard are defined as follows:

1. **Defining and Aligning Process Group**. The processes performed to investigate and evaluate the viability of initiating a new product or changes to or retirement of an existing product as well as defining scope and aligning products, portfolios, programs, and projects to the overall organizational strategy.
2. **Initiating Process Group**. The process performed to define the portfolio, program, or project objectives and apply resources to a portfolio component, program, project, or project phase.
3. **Planning Process Group**. The processes performed to determine an optimal approach for performing business analysis activities, including how they are adapted for the chosen project life cycle, and to analyze the internal and external stakeholders who will interact and influence the overall definition of the solution.

Introduction to Business Analysis

Knowledge Areas and Process Groups

4. **Executing Process Group**. The processes performed to elicit, analyze, model, define, verify, validate, prioritize, and approve all types of product information, ranging from backlogs to user stories and requirements to constraints.
5. **Monitoring and Controlling Process Group**. The processes performed on an ongoing basis to assess the impact of proposed product changes within a portfolio, program, or project to assess business analysis performance and to promote ongoing communication and engagement with stakeholders.
6. **Releasing Process Group**. The process performed to determine whether all or part of a solution should be released and to obtain acceptance that all or part of a solution is ready to be transitioned to an operational team that will take ongoing responsibility for it.

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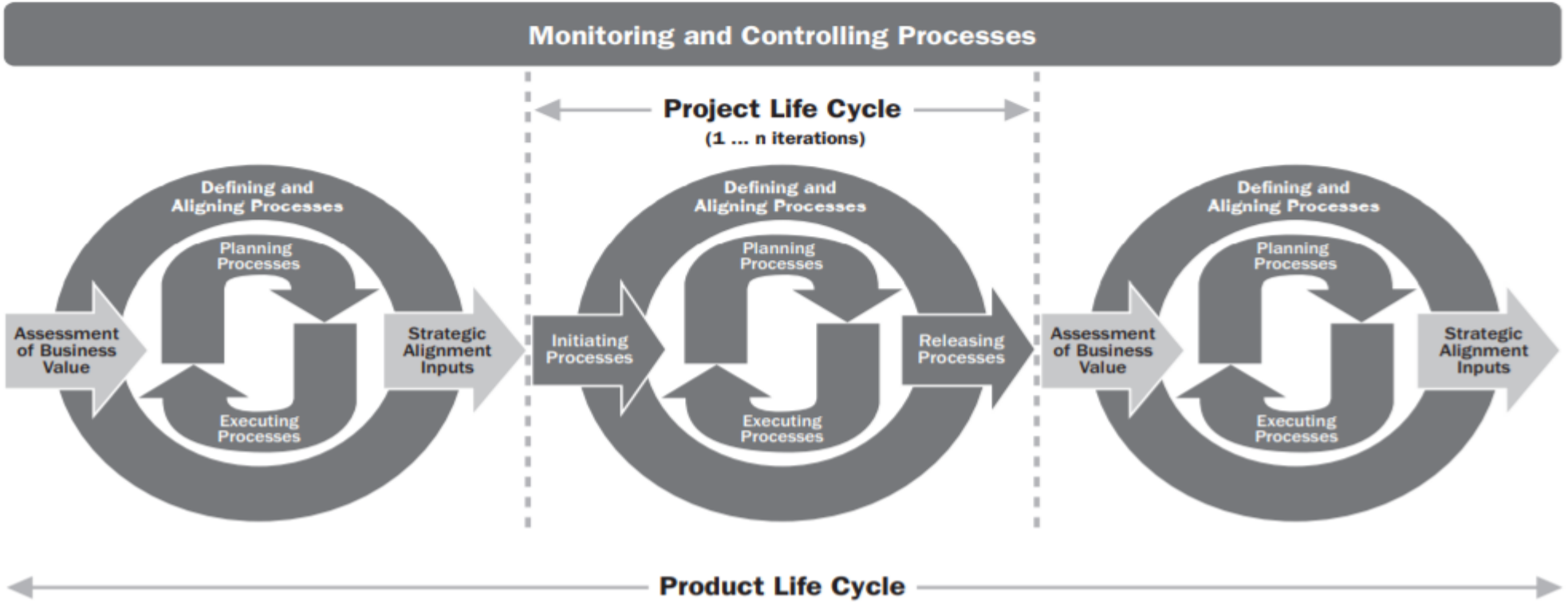
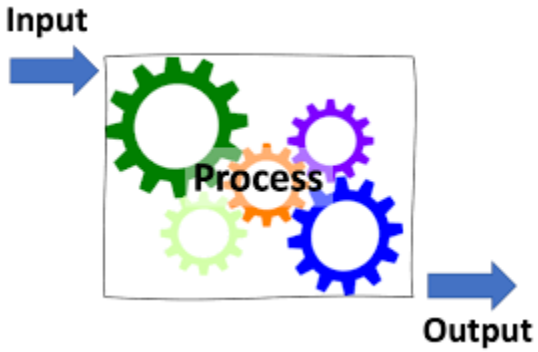
Knowledge Areas and Process Groups

- Figure below depicts the six Business Analysis Process Groups within the product and project life cycles. This figure demonstrates that processes within the Business Analysis Process Groups can be performed within the context of a project and beyond by supporting the activities in portfolio or program management.



Introduction to Business Analysis

Knowledge Areas and Process Groups



- The output of one process may become an input to another process, a project deliverable, or supporting information, leveraged by portfolio and program management. The definitions of each process, which follow the more detailed descriptions of each Business Analysis Process Group, include a list of typical inputs and outputs.
- Process Groups are not project phases or product life cycle phases. When the project or product life cycle is divided into phases, Process Groups may interact within each phase.
- Individual processes are often iterated several times throughout the product life cycle and even within a project. They may require that decisions or deliverables produced early on be revisited and revised. The timing and duration of the iterations and interactions among processes will vary based on the selected project life cycle. The processes presented in this standard provide a comprehensive picture of the activities that business analysis comprises and are transferable to all delivery methods, from predictive to adaptive and variations in between.

Introduction to Business Analysis

Business Analysis Tailoring

- Business analysis involves selecting the appropriate business analysis processes, tools, techniques, inputs, and outputs for use on a specific portfolio, program, or project. The business analyst performs this selection activity in collaboration with the project manager, sponsor, functional managers, other business analysts, or some combination thereof. This selection activity is known as **tailoring business analysis**.
- The Business Analysis guide provides a recommended reference for tailoring because it identifies the body of knowledge that defines business analysis that is generally recognized as good practice. Good practice does not mean that the knowledge described should always be applied uniformly to all portfolios, programs, or projects. There are different aspects of business analysis that can be tailored, including the:

  1. Business analysis methodology and techniques selected for use,
  2. Level of detail in the product information, and
  3. Business analysis deliverables.

- There are several factors that impact how to tailor business analysis. When deciding how to tailor business analysis, the team should consider these factors. The table presents the factors individually, but the cumulative effect of these factors could have a different impact on tailoring. For example, experienced stakeholders working in a highly regulated environment may require more detailed product information than they would otherwise if the environment were unregulated.

Introduction to Business Analysis

Business Analysis Tailoring

Tailoring Consideration Factors	How Factor Impacts Tailoring
Chosen project life cycle	Adaptive and predictive project life cycles almost always require different business analysis methodologies, different product information, and different deliverables. Tailoring business analysis based on the project life cycle is covered in more detail in Section 1.3.4.5.
Stakeholder knowledge and experience	Experienced and knowledgeable stakeholders or teams that have been working together for a while may require less detailed product information.
Location of the project participants	Distributed project participants may require detailed product information and additional deliverables to ensure communication when not face-to-face.
Business analysis experience on the team	Experienced business analysts may require less detailed business analysis practices than an inexperienced team. Teams that are not familiar with business analysis practices may need to conduct formal business analysis practices to help mature the teams.
Maturity level of the organization	Start-up organizations may not need or have formal business analysis practices or deliverables, whereas established organizations may have existing and repeatable business analysis practices.
Corporate culture	Some changes to business analysis practices are difficult or not possible without changes in corporate culture. Though improvements in business analysis processes may be justified, they may not be successful without a shift in mindset. Business analysis needs to be balanced between what is required, what is possible, and what will be accepted.

Introduction to Business Analysis

Business Analysis Tailoring

Importance or value of the project or components of the project	Highest-value projects or components of projects may warrant more rigorous business analysis practices, detailed product information, and additional formal deliverables.
Risk appetite of stakeholders and risk to the project, product, or its components	Higher risk levels may require rigorous business analysis methodology and detailed product information and additional deliverables for the riskiest components. Some stakeholders with lower risk appetite levels may want all details documented and approved.
Team stability	Irrespective of the project life cycle, when staffing volatility is a concern, there may be a need for more detailed product information and additional deliverables to reduce risk.
Size and complexity of the project	Larger or complex projects may require rigorous business analysis methodology, detailed product information, and additional interim deliverables to ensure thorough communication.
Governing standards and regulatory constraints	Regulatory constraints may require formal methodology, detailed product information, and additional deliverables to meet compliance requirements.
Outsourcing or vendor involvement	Contractual aspects of dealing with outsourced product development may require more formal business analysis practices and hand offs, more detailed project information, and additional hand-off deliverables.

Introduction to Business Analysis

Business Analysis Tailoring

Business Analysis Methodology and Practices Tailoring

- In some organizations, business analysts apply a business analysis methodology or business analysis practices to their work, which is either part of, or needs to align to, the overall project management or product development methodology.
- A **methodology** is a system of practices, techniques, tools, procedures, and rules used by those who work in a discipline. A **practice** is less formal than a methodology, is not required, and pertains to a manner in which we perform our work, typically based on preferences or recommended conventions or approaches.
- Some practices, techniques, and tools could be used in one methodology but not another. The order of application may also vary by methodology. Business analysis methodologies and practices may be:
    1. Developed by experts within an organization,
    2. Developed by experts outside an organization,
    3. Defined by vendors,
    4. Prescribed by a tool,
    5. Obtained from professional associations,
    6. Acquired from government agencies, or
    7. Any combination of these items.

Introduction to Business Analysis

Business Analysis Tailoring

Business Analysis Techniques Tailoring

- Techniques describe different ways for performing a particular business analysis process or task. There are hundreds of techniques in use. Some techniques are specifically used when performing business analysis, while others are common and used by many disciplines.
- The business analysis guide describe business analysis activities for all project life cycles, the techniques, too, are universal, regardless of the chosen delivery approach. While some techniques may be more helpful in one life cycle than another, most business analysis techniques are beneficial regardless of the life cycle chosen or industry in which they are performed.
- The techniques discussed in this guide were chosen based on universal and common use and are not intended to be an exhaustive collection of all the options available. Within each business analysis process, a small sample of techniques is listed as guidance to highlight possible techniques a business analyst may apply when performing the process.
- This list is based on universal and common use and is not intended to be exhaustive. Those performing business analysis are always encouraged to learn new techniques or adapt current techniques to new situations; therefore, the techniques available to a practitioner are always changing and growing.

Introduction to Business Analysis

Business Analysis Tailoring

Product Information Tailoring

- The product information used in business analysis is adapted most commonly based on the needs of the stakeholders, the context of a project, and the product and project life cycles in use.
- In general, most stakeholders want to contribute to or know about all the product information in scope. However, the level of detail in which the product information is explored and documented may vary according to stakeholder characteristics. Stakeholders who are experts in the domain of the project, located near one another, or in frequent communication with one another might require less detail when defining the product information.
- For stakeholders who are less familiar with the project domain, are physically distributed, or speak different languages, more detail may need to be included when defining product information
- The context of a project may vary with regard to the depth to which product information is defined. For example, for projects that are high risk or of high value, additional effort could be made to define highly detailed product information. Products that are regulated or are required to adhere to specific government regulations require detailed product information.

Introduction to Business Analysis

Business Analysis Tailoring

Business Analysis Deliverables Tailoring

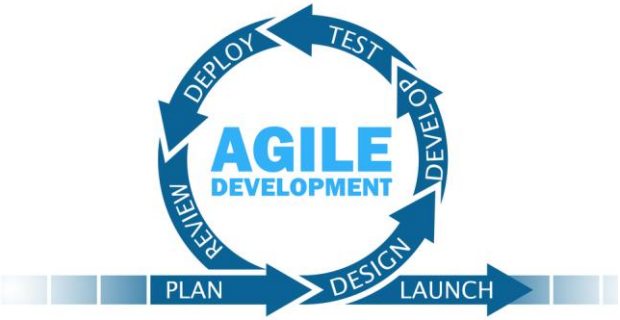
- Business analysis processes produce deliverables that can be tailored. The deliverables, what they contain, and the degree of formality with which they are described vary based on the selected project life cycle and other project characteristics. Business analysis planning includes identifying the types of deliverables expected to be produced and considers maintenance, storage, and access needs.
- When tailoring the deliverables, the business analyst needs to think through which stakeholders will consume them, what product information those stakeholders need to see, the level of understanding a stakeholder may have on the topic, and what will be the easiest format for the stakeholders to use. The objective is to produce deliverables that reflect what will be best for the stakeholders
- The deliverables may take the form of documents or they may exist in tools, such as requirements management tools, modeling tools, or agile tools.

Introduction to Business Analysis

Business Analysis Tailoring

Adapting Business Analysis to the Project Life Cycle

- While many factors influence how or why business analysis is tailored, the primary reason to tailor business analysis is to enable the business analysis practices to work within a specific project life cycle. The project life cycle refers to the phases through which a project passes from its initiation to its closure.
- Project life cycles can range along a continuum from **adaptive life cycles**—for example, agile approaches—to **predictive life cycles**, such as waterfall approaches. The business analysis approach or methodology is adapted to whichever project life cycle is being followed.
- Within the scope of the standard and guide, all the processes are applicable for use in any project life cycle; however, the timing and degree of depth with which they are performed may vary based on the project life cycle. For example, in a waterfall approach, the Conduct Elicitation process is performed mostly in the early phases of the project. This does not mean that elicitation will not occur in later phases, just less of it. In an agile approach, elicitation is performed repeatedly in each iteration throughout the entire project.



Introduction to Business Analysis

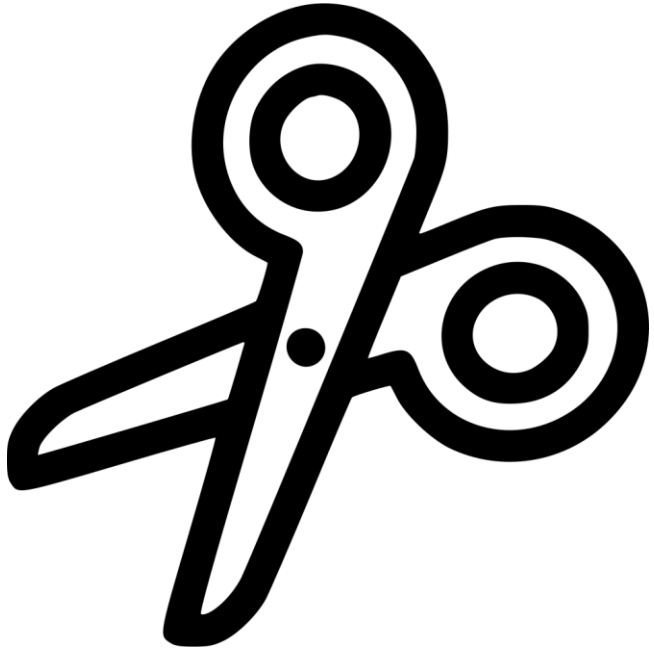
Business Analysis Tailoring

- The project life cycle drives which product information is applicable or, at the very least, how the product information is named. For example, predictive life cycles tend to refer to requirements, whereas adaptive life cycles refer to this same product information by the names of user stories and acceptance criteria. However, all project life cycles will likely elicit business objectives and create models.
- For this reason, this guide provides specific names such as business objectives or models when the type of business analysis information being discussed is common across life cycles or specific to a process; otherwise, the guide uses the term product information.
- The project life cycle also influences when product information is created, consumed, or modified. For example, in predictive approaches, the Conduct Elicitation process could first focus on business objectives and then on stakeholder and solution requirements—all in the early phases of the project. In later phases of the project, elicitation activities may be used primarily to correct errors or uncover missing product information.
- In adaptive approaches, while business objectives may have been elicited in earlier iterations, product information such as user stories and acceptance criteria are elicited in every iteration until nearly the end of the project.

Introduction to Business Analysis

Business Analysis Tailoring

- The tools and techniques used on a given project also vary based on the project life cycle. Some tools and techniques are applicable in any project life cycle, while others are more specific to certain life cycles, which will be discussed in the tools and techniques descriptions where applicable. It is always acceptable to use any tool or technique in any project life cycle if it helps further the business analysis.
- Generally speaking, business analysis competencies are applicable across all project life cycles. For example, although the choice of necessary analytical skills will vary based on the project, any of the competencies can be used in any project life cycle.
- While it is likely that the methods and frequency of communication could vary by project life cycle or stakeholder group, the communication skills are applicable within any life cycle. Finally, although different tools may be used in different project life cycles, the general skills related to tool knowledge are always applicable.



Agenda Here

Business Analysis Environment

Introduction

- In this section, we will examine the influences within the environment and organization where business analysis is performed and discusses how these influences impact the manner in which business analysis is conducted.
- The two major categories of influences discussed in this section are **enterprise environmental factors** and **organizational process assets**:

1. **Enterprise environmental factors (EEFs).** Conditions not under the immediate control of the team that influence, constrain, or direct the portfolio, program, or project. In business analysis, these conditions influence, constrain, or direct how business analysis is conducted and are not under the control of business analysts. Any given EEF can be external or internal to an organization.
2. **Organizational process assets (OPAs).** The plans, processes, policies, procedures, and knowledge bases specific to and used by a performing organization.

- EEFs and OPAs are implicit inputs to all business analysis processes. An important distinction between business analysis and project management is that the primary focus of project management is the project, while the primary focus of business analysis is the product.

Business Analysis Environment

Introduction

- A consequence of business analysis being product focused is that some aspects are fairly independent of these influences and others are highly dependent on the influences. The following are examples of each:

a. Independent of influences. Simply put, analysis is analysis. The same thought patterns used to think about a solution are used before or during a project or when considering the solution as part of a portfolio or program. In this guide, these thought processes are categorized as processes within Process Groups and Knowledge Areas and they occur whether:

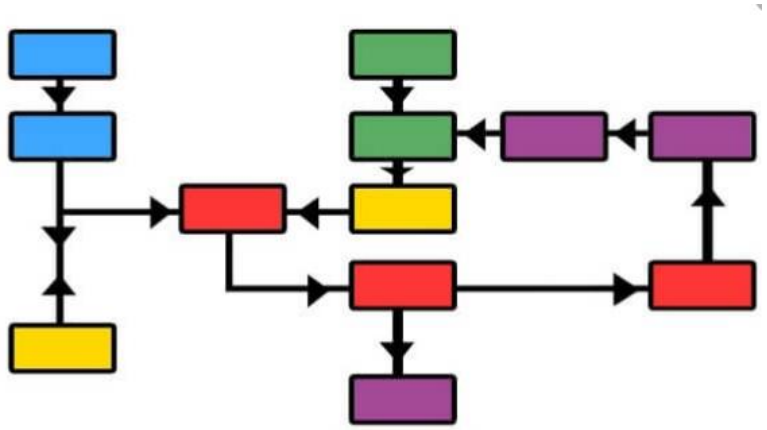
1. The solution is highly complex or simple;
2. The solution is ultimately operationalized in a highly regulated environment or in a small start-up;
3. The project teams are collocated or regionally dispersed (large or small);
4. The projects in which the solution is conceptualized, designed, and developed are executed with a predictive, adaptive, or hybrid life cycle; or
5. The eventual solution implementation necessitates building something physical, building software, devising or revising business processes, or any combination thereof

Business Analysis Environment

Introduction

b. **Dependent on influences**. Influences often dictate which project life cycle or life cycles are used to develop or enhance products, how business analysis processes are named, the methodology used to conduct them, the depth and style, and optionally, product information documentation, the level of formality of deliverables, and the collaboration style of a team as it works together to conduct analysis. How to bundle, slice, or split the delivery of a solution depends on environmental influences as well.

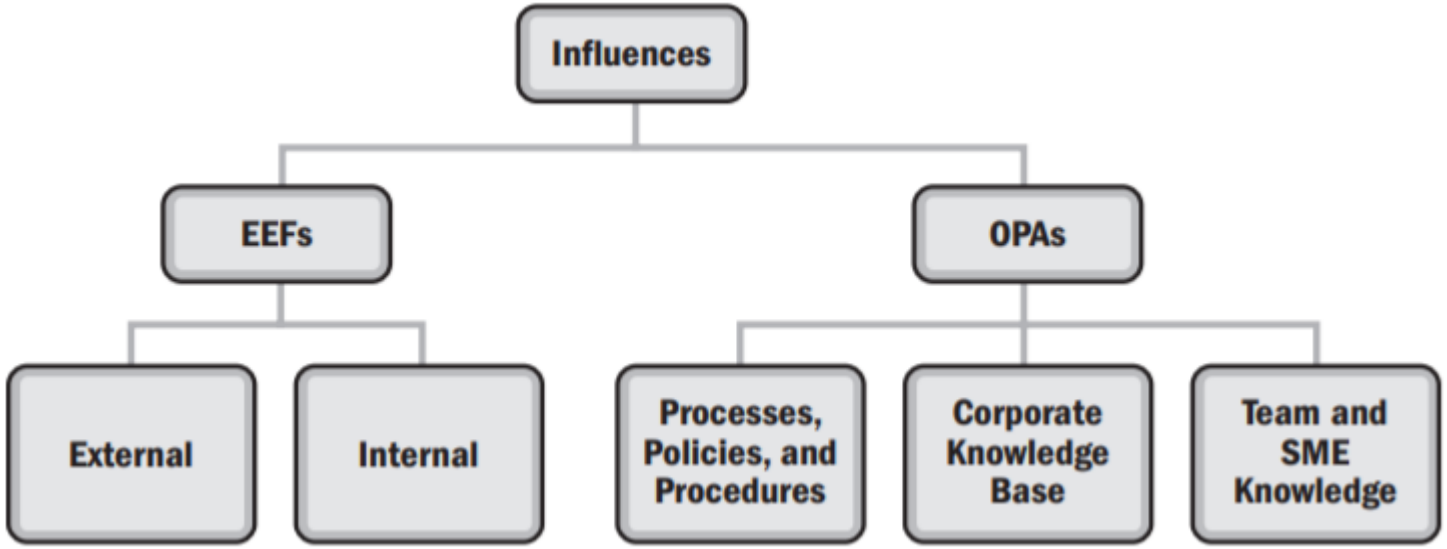
- For example, different deliverables or levels of collaboration could be appropriate in business analysis within a highly regulated environment as compared to a small start-up. The teams' physical working locations could change how much detail is documented about the product information and how frequently a team communicates.
- Influences on how business analysis is conducted may be categorized in a similar but not identical way as influences on projects. OPAs are internal to the enterprise. These may arise from the enterprise itself, a portfolio, a program, another project, or a combination of these.



Business Analysis Environment

Introduction

- The figure below shows the breakdown of influences into EEFs and OPAs.



- A challenge for those who are responsible for business analysis is to choose appropriate business analysis processes to perform in support of product development while working within the framework of an organization's environmental and organizational influences.

Business Analysis Environment

External Enterprise Environmental Factors

- Although an individual factor may influence one or more specific aspects of business analysis, the cumulative influence of all the environmental factors on the choice of the project or product life cycle drives how they impact business analysis.
- The following categories of EEFs are **external** to the organization and can impact how business analysis is performed:

1. **Marketplace conditions**. Examples include competitors, market share, brand recognition, trademarks, and customer expectations. Marketplace conditions may impact the timing, duration, and segmentation of business analysis processes in support of product development.

2. **Social and cultural influences and issues**. Examples include organizational politics, codes of conduct, ethics, and perceptions. Social and cultural considerations may impact the formality of business analysis efforts and how and when those responsible for business analysis collaborate with their stakeholders.
3. **Stakeholder expectations and risk appetite**. Examples include organizational culture, organizational politics, governance structure of the organization, service levels, and customer representation. Like social and cultural considerations, stakeholder expectations and risk appetite may impact the rigor and formality of business analysis efforts and the style of collaboration with stakeholders.

Business Analysis Environment

External Enterprise Environmental Factors

4. **Legal and contractual restrictions**. Examples of legal restrictions include country, local, or industry-specific laws and regulations related to security, and procurement. Examples of contractual restrictions include relationships with companies that provide products and/or resources to build or enhance products and the indirect relationship between an organization and the union that represents some or all of its workers. Legal and contractual restrictions may substantially impact the formality and style of and storage, access, and audit requirements for business analysis documentation as well as how business analysis processes are conducted.

5. **External professional standards for business analysis.** Examples include professional development organizations, such as PMI, which are setting the expectations and standards for how to conduct business analysis. These professional standards are resources for confirming or adjusting organizational business analysis practices.

Project Management Institute

Business Analysis Environment

External Enterprise Environmental Factors

- The following categories of external EEFs primarily provide sources of additional information to be analyzed to support product development and enhancement. These information sources may simplify or shorten business analysis efforts in some situations, and in other situations, may increase complexity or scope:

1. **Commercial databases**. Examples include benchmarking results, standardized cost estimating data, and risk databases. Reuse of this type of information could shorten business analysis efforts.
2. **Academic research**. Examples include studies, and benchmarking results. As with commercially available information, reuse of academic research results could shorten business analysis efforts.
3. **Government or industry standards**. Examples include regulatory agency regulations and standards related to products, and workmanship. Consideration of government or industry standards could substantially increase or decrease the complexity of the business analysis effort.
4. **Financial considerations**. Examples include currency exchange rates, interest rates, tariffs, and geographic location. Any of these considerations may impact the scope of a business analysis effort if they need to be considered to develop or enhance the product.
5. **Physical environmental elements**. Examples include working conditions, weather, and construction constraints caused by previous construction or geology. Consideration of the physical environment may impact the scope or complexity of a business analysis effort.

Business Analysis Environment

Internal Enterprise Environmental Factors

- The following EEFs are **internal** to the organization. They are listed along with representative examples for each factor. Most organizations are impacted by more than one of these influences. While each could have an impact on its own if it were the only influence involved, the impact made is usually the result of the cumulative effect of multiple EEFs:

1. **Organizational culture, structure, and governance**. Examples include vision, mission, values, beliefs, cultural norms, leadership style, hierarchy and authority relationships, organizational style, ethics, and code of conduct. Ultimately, these factors—especially organizational values and beliefs—are the basis for the presence or absence of many of the other internal environmental factors of an organization.
2. **Stakeholder expectations and risk appetite**. These considerations are **internal** as well as **external** EEFs. Examples include organizational culture, organizational politics, governance structure of the organization, and customer representation. Like social and cultural considerations, stakeholder expectations and risk appetite may impact the rigor and formality of business analysis efforts and the style of collaboration with stakeholders.
3. **Geographic distribution of facilities and resources**. Examples include factory locations, virtual teams, shared systems, and cloud computing. Geographic distribution impacts how and when business analysts collaborate

Business Analysis Environment

Internal Enterprise Environmental Factors

4. **Market research and experimentation**. Examples include considering real customer feedback, product experiments, and prototyping feedback. Like external EEFs, information from these initiatives may simplify or shorten business analysis efforts, especially when they have been performed as part of a separate effort.
5. **Architecture and infrastructure**. Enterprise architecture is a collection of the business and technology components needed to operate an enterprise. Business architecture is a collection of the business functions, organizational structures, locations, and processes of an organization, including documents and depictions of those elements. The business architecture is usually a subset of the enterprise architecture and is extended with the applications, information, and supporting technology to form a complete blueprint of an organization.
6. **Information technology software**. Examples that impact how business analysis is conducted include the availability of tools to support business analysis, such as conferencing tools, modeling tools, and product requirements or backlog management tools.
7. **Interest and level of commitment to reuse the results of business analysis**. How business analysis is conducted and the tools used to support it are impacted by whether or not the organization intends to leverage the analysis results of past products as a starting point to enhance those products or to consider or create future products.

Business Analysis Environment

Internal Enterprise Environmental Factors

8. **Human resources management policies and procedures**. Examples include staffing and retention guidelines, employee performance reviews and training records, reward and overtime policy, cost per skill type, and time tracking. Human resource management policies and procedures may determine which individuals can conduct business analysis or may impose restrictions on who can perform the work.
   - **Reward and incentive policies** can indirectly impact the way business analysis is conducted by influencing how stakeholders, subject matter experts, and other project team members prioritize their availability to participate in a business analysis process.
9. **Resource policies, procedures, and availability**. Examples include contracting and purchasing constraints, certified providers and subcontractors, and collaboration agreements

10. **Employee capability**. Examples include existing human resources expertise, skills, competencies, and specialized knowledge. Overall skills impact the level of business analysis maturity of the organization as a whole, which has a direct impact on the quality of business analysis at the project level
11. **Security policies, procedures, and protocols**. Examples include access protocols for facilities and data, protection of personal and customer information, proprietary information policies, procedures for personal security, and levels of confidentiality.

Business Analysis Environment

Organizational Process Assets

- **Organizational process assets (OPAs)** are the plans, processes, policies, procedures, and knowledge bases specific to and used by a performing organization. These assets influence how business analysis is conducted.
- In general, OPAs include any work product, practice, or knowledge from any or all of the organizations involved in the project that can be used to perform or govern a project. Examples of an organization's OPAs include templates, tools, methodologies, or internally and externally developed standards in response to regulatory constraints that the organization wishes to use across projects.
- OPAs are implicit inputs to all business analysis processes. For example, during business analysis planning, decisions may be made about which types of OPAs should be used while conducting business analysis. During the business analysis execution processes, specific OPAs may be selected for use. Because OPAs are internal to the organization, the project team members may be able to update and add to the organizational process assets as necessary throughout the project.
- Organizational process assets may be grouped into three categories:

    1. Business analysis processes, policies, and procedures;
    2. Corporate knowledge bases; and
    3. Team and subject matter expert knowledge

Business Analysis Environment

Processes, Policies, and Procedures

- Generally, business analysis processes, policies, procedures, and templates are not updated as part of the project work in support of creating or modifying a product. Updates are usually established by a global organizational function, such as a business analysis center of excellence, business analysis community of practice, business analysis shared service organization, or possibly a project management office (PMO).
- Some organizations encourage teams to tailor copies of templates and other assets to meet the needs of a project; other organizations require such assets to be used without modification unless they undergo an approved organization-wide change. In any event, updates to organizational business analysis processes, policies, and procedures can be applied by following the appropriate organizational change management processes
- As noted earlier, these OPAs are used as needed in support of the product life cycle. An organization's business analysis process, policy, and procedures include but are not limited to the following:

1. **Guidelines and criteria**. These include the organization's set of standard processes and procedures and deliverables that satisfy the specific needs of a product and project.
2. **Specific organizational standards**. These include policies, such as human resources policies, health and safety policies, security and confidentiality policies, quality policies, environmental policies, and audit policies.

Business Analysis Environment

Processes, Policies, and Procedures

3. **Project life cycles**. Project life cycles can significantly impact the names of business analysis processes and deliverables, the formality with which they are documented, as well as when business analysis is conducted and which analysis techniques are used. They can also impact who is responsible for conducting business analysis and how much analysis to conduct.
4. **Templates**. Examples include but are not limited to templates for business cases, business analysis plans, product requirements, use cases, user stories, backlog lists, models, risk registers, and traceability matrices.
5. **Change control procedures for product requirements and other product information**. These procedures include the steps by which business analysis standards, policies, and procedures or any business analysis product or project documents are to be modified, and how any changes are to be approved.
6. **Requirements management tool procedures**. Examples include procedures for the use of requirements management repositories, backlog management tools for product requirements, or traceability tools, as well as the configuration of such tools—whether out-of-the-box, customized, or internally developed—to support the procedures.
7. **Financial controls procedures**. Examples include standard contract provisions that may impact how business analysis is conducted.

Business Analysis Environment

Processes, Policies, and Procedures

8. **Issue and defect management procedures as applied to product requirements and other product information**. Examples include defining issue and defect controls, issue and defect identification and resolution, and action item tracking, along with the procedures for using any tracking tools.
9. **Organizational communication requirements as applied to business analysis processes**. Examples include specific communication technology available, authorized communication media, record retention policies, videoconferencing, remote collaboration tools, and security requirements.
10. **Procedures**. Examples include procedures for prioritizing, verifying, and approving product requirements.
11. **Risk management templates**. Templates are used for identifying product risks.
12. **Standardized guidelines**. Guidelines may include work instructions, proposal evaluation criteria, and business analysis performance measurement criteria.
13. **Project closure guidelines or requirements**. Examples include cumulative information from lessons learned and retrospective sessions, final project audits, project evaluations, product validations, acceptance criteria, and knowledge transfer

Business Analysis Environment

Corporate Knowledge Base

- **Explicit knowledge** can be readily codified using words, pictures, and numbers. **Tacit knowledge** is personal and difficult to express, such as beliefs, insights, experience, and know-how.
- Much of the explicit knowledge elicited and analyzed by business analysts is stored in corporate knowledge bases, also known as repositories. In some organizations, all or part of the explicit knowledge elicited and analyzed by business analysts may be shared in conversations and interactions between people, along with tacit knowledge. For business analysis in such organizations, team members and subject matter experts act as living repositories.
- Corporate knowledge repositories are used while conducting business analysis to store and retrieve product requirements and other product information and business analysis practices. These repositories can be used to research and understand as-is products and as-is business practices, procedures, and problems. They include but are not limited to the following:

1. **Business knowledge repositories**. Contain versioned project and product documents, such as locally shared, enterprise-wide, product-specific, or project-specific product requirements and models. For some organizations, business knowledge is stored in requirements management tools or modeling tools; others may store this information in project folders and files.

Business Analysis Environment

Corporate Knowledge Base

2. **Configuration management knowledge repositories**. Contain the versions of software and hardware components and baselines of all performing organizational standards, policies, and procedures.
3. **Historical information and lessons learned knowledge repositories**. Examples include project records and documents relating to business analysis performance, project closure information related to business analysis, information regarding both the results of previous project and product selection decisions, previous business analysis performance information, and information from risk management processes.
4. **Issue and defect management data repositories**. Contain issue and defect status, control information, issue and defect resolution, and action item results. In some organizations, issues and defects may be tracked and managed separately.
5. **Data repositories for metrics**. Include metrics defined for collecting and sharing measurement data on business processes and products.

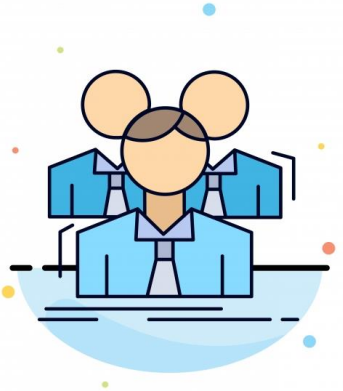
Business Analysis Environment

Team and SME Knowledge

- For business analysis, SMEs are a rich source of information, insights, and expectations for a future state. Long-time members of product development or product enhancement teams may also have knowledge that is not formally documented; in some sense, these team members become SMEs themselves.
- Solutions developed using any life cycle approach, but especially adaptive life cycle approaches, often use conversations to elicit, elaborate, and analyze product requirements. Though adaptive life cycles may also use lightweight documentation, such as user stories and models, to serve as reminders to have those conversations and may use sketches of lightweight models as reminders of the results of those conversations, some of the product information may still reside in people's minds.
- Product teams have the responsibility for transferring the product knowledge to the newest team members, so that the team itself becomes a living and self-sustaining repository of product knowledge

Business Analysis Environment

Organizational Systems



- A **system** is defined as a collection of various components that together can produce results not obtainable by the individual components alone. It notes that an organizational system is composed of organizational components, which are identifiable elements within an organization that provide a particular function or group of related functions. The interaction of the various system functional components creates the organization's capabilities and influences its culture.
- Organizational systems impact how business analysis is conducted by influencing:
  1. Choice of project life cycles that the organization uses,
  2. Type of support provided for business analysis practices and where it is located organizationally; and
  3. Collaboration with individuals in other functional areas,
- A challenge for those who are responsible for business analysis is to leverage business analysis processes in support of product development while working within the framework of an organizational system.

Business Analysis Environment

Organizational Systems

1. **Choice of project life cycles that the organization uses**. Internal EEFs, especially those that are examples of organizational culture, such as values and beliefs, structure, and governance, determine many of the characteristics of an organizational system.
   - The project life cycles and approaches to solution delivery that are chosen create likely scenarios for the formality with which business analysis is conducted and what tools and techniques are used. The level of formality is a factor in deciding how business analysis deliverables are tailored.
2. **Type of support provided for business analysis practices and where it is located organizationally**. Organizations that establish groups to support business analysis tend to evolve to a high level of business analysis capability. They tend to create high-quality standards/governance for business analysis practices and deliverables; facilitate resource sharing, methodologies, tools, and techniques; and provide learning opportunities for those who are responsible for performing this work.
3. **Collaboration with individuals in other functional areas**. The functional areas and reporting relationships within an organizational structure have a significant impact on how business analysis is conducted as well as who participates in it and their level of participation.

Business Analysis Environment

The role of the business analyst

- Business analysis has been performed for decades, and despite its long-term existence, the role of the business analyst is still considered fairly new. While the number of business analysts employed is on the increase as the role continues to mature and evolve, the role of the business analyst is often misunderstood and underutilized within organizations.
- There are several contributing factors to this misunderstanding, including:
    1. Inconsistent expectations regarding the skills required to perform the role,
    2. Inconsistent definition of the role and how the skills are applied,
    3. Lack of understanding about the value the role provides, and
    4. Failure to recognize that business analysis practices are equally important for program and project success as program and project management practices.
- In this section, we will explore the business analyst role by examining the position of the business analyst within the organizational structure, discussing the business analyst's sphere of influence in this structure, and discussing important skills that the business analyst may want to develop to be successful.

Business Analysis Environment

The role of the business analyst

- Those who perform business analysis are commonly called **business analysts**, but there are business analysis professionals with other job titles who also perform business analysis activities. Some business analysis professionals are specialized and therefore have a title that reflects that area of their competency: **strategic business analyst**, **data analyst**, **process analyst**, or **systems analyst** are a few examples of these roles.
- There are also many roles where business analysis is performed as a part of the role but is not necessarily the only responsibility. Enterprise and business architects; portfolio, program, project managers; and operational analysts are a few examples.
- When the term business analyst is used, it is done for the sake of brevity and should always be considered a reference to anyone performing business analysis regardless of the title a person holds or the percentage of job function spent on the work. The objective of the BA guide and standard is to establish an understanding about business analysis and not job titles.
- The evolution of the business analyst role is one of the reasons for the variety of job titles that exists today. Before business analysis was recognized as its own discipline, requirements-related activities were performed by various other roles, such as project managers, software developers, and product quality control analysts

Business Analysis Environment

Business Analyst Sphere of Influence

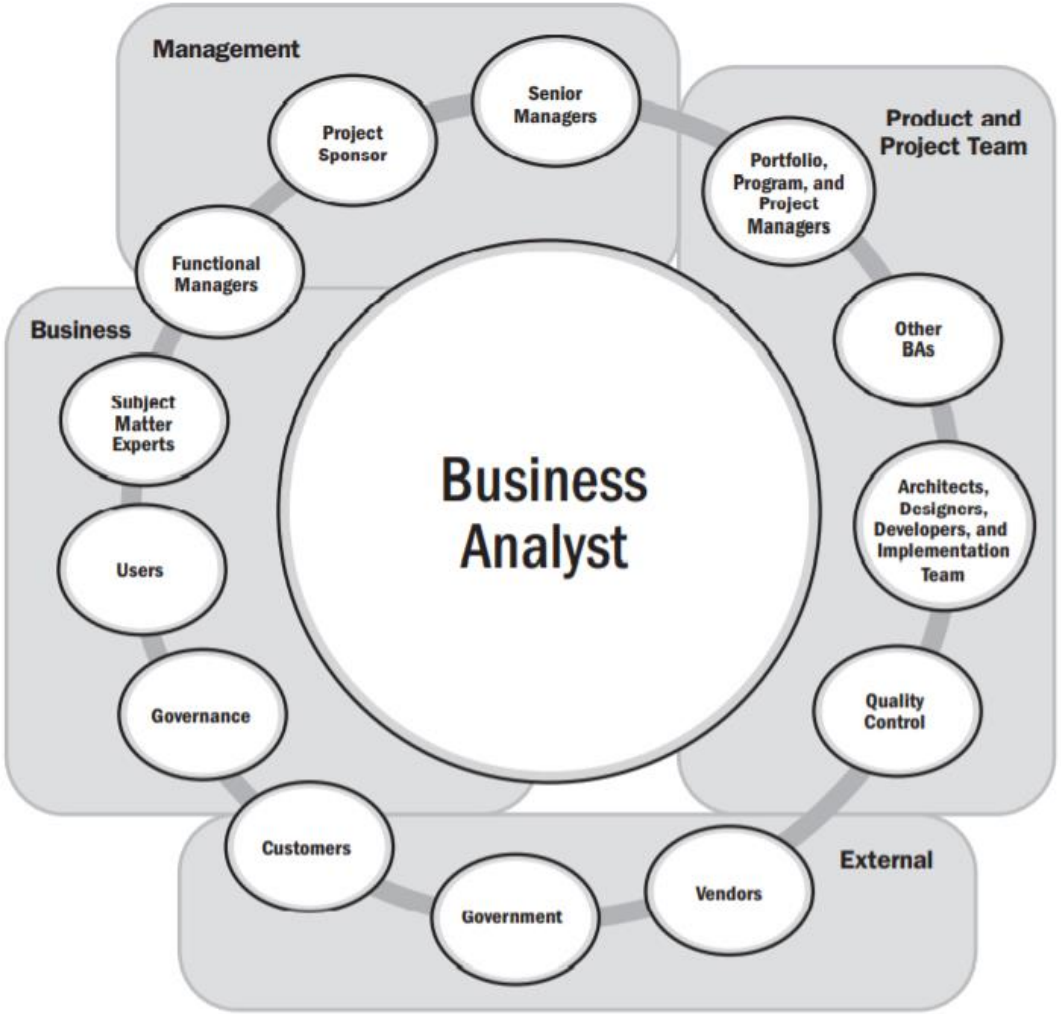
- Business analysts may lead, but they do not oversee project resources; this is the work of the project manager. A **lead business analyst** may oversee the work of less experienced business analysts on the team, or a manager of business analysis may be responsible for managing a pool of business analyst resources from an assignment or allocation perspective. At the project level, it is the **project manager** who is responsible for resource allocation, scheduling, and work progress, including that of business analysts
- Business analysts do manage stakeholder engagement, which is often considered an area of overlap with project managers. The business analyst's objective is to ensure that stakeholders remain engaged throughout the entire business analysis process so that the information required to build the solution is attained through ongoing discovery and collaboration and the solution design ultimately meets the needs of the business.
- A business analyst works with stakeholders to elicit and analyze business analysis information and evolve and develop the product requirements and other information necessary to achieve a common understanding of the product features across the product team. This makes relationship building and management a very important aspect of the business analyst role. Business analysts maintain a range of relationships that influence the business analysis work.

Business Analysis Environment

Business Analyst Sphere of Influence

- This figure highlights some of the stakeholder relationships that business analysts need to manage within their sphere of influence.

1. **Product**. The business analyst has accountability for leading stakeholders through a comprehensive process to ensure the successful delivery of the optimal solution. The process begins with a needs assessment and concludes with solution evaluation; all activities are product focused. A product can be tangible or intangible—for example, an organizational structure, a process, or a service.
2. **Organizations**. The position of the business analyst within the organization can be very different depending on how the organization leverages the skills of the business analyst. When positioned properly, the business analyst can be a trusted advisor to the business and a liaison to any technical resources



Business Analysis Environment

Business Analyst Sphere of Influence

- The following are some of the typical relationships created and managed by business analysts:

1. Business Stakeholders and Customers
2. Design Team
3. Governance
4. Government
5. Functional Managers
6. Portfolio and Program Managers
7. Project Manager
8. Project Sponsor
9. Project and Product Teams
10. Project Quality Control
11. Subject Matter Experts

Business Analysis Environment

Business Analyst Competencies

- Proficient business analysts possess a variety of skills that enable them to operate successfully at a senior level. These competencies are further elaborated in the BA guide Appendix X3. The skill list provided is not intended to be exhaustive, but instead highlights those skills that are most heavily used. The list of skills can serve as a checklist for business analysts to gauge and measure their personal competencies and to highlight areas where future professional development efforts may be targeted.

1. **Analytical skills** are utilized by the business analyst to process information of various types and at various levels of detail, break the information down, look at it from different viewpoints, draw conclusions, distinguish the relevant from the irrelevant, and apply information to formulate decisions or solve problems. The analytical skills category is composed of **creative thinking**, **conceptual and detailed thinking**, **decision making**, **design thinking**, **numeracy**, **problem solving**, **research skills**, **resourcefulness**, and **systems thinking**.

Business Analysis Environment

Business Analyst Competencies

2. **Expert judgment** relates to the skills and knowledge obtained from acquiring expertise in an application area, Knowledge Area, discipline, industry, etc., as appropriate for the activity being performed. It includes the skills and knowledge acquired through the collective acquisition of business and project experience. Expert judgment includes **enterprise/organizational knowledge**, **business acumen**, **industry knowledge**, **life cycle knowledge**, **political and cultural awareness**, **product knowledge**, and **standards**.
3. **Communication skills** are utilized to provide, receive, or elicit information from various sources. Due to the number of relationships and interactions that business analysts are required to manage and the amount of information that needs to be exchanged, these skills are some of the most critical ones for the business analyst to master. The communication skills category includes **active listening**, **communication tailoring**, **facilitation**, **nonverbal and verbal communication**, **visual communication skills**, **professional writing**, and **relationship building**.

Business Analysis Environment

Business Analyst Competencies

4. **Personal skills** are skills and quality attributes that identify the personal attributes of an individual. When a business analyst is viewed as being strong in any or all of these skills and attributes, he or she is able to build credibility. The personal skills category is composed of **adaptability, ethics**, **learning**, **multitasking**, **objectivity**, **self-awareness**, **time management**, and **work ethic**.
5. **Leadership** involves focusing the efforts of a group of people toward a common goal and enabling them to work as a team. Business analysts leverage these skills to lead disparate groups of stakeholders through various forms of elicitation, to sort through stakeholder differences, to help the business reach decisions on requirements and priorities, and ultimately to gain buy-in to transition a solution into the business environment. The leadership category is comprised of **change agent skills**, **negotiation skills**, **personal development skills**, and **skills to enable the business analyst to become a trusted advisor**
6. **Tool knowledge** is composed of various categories of tools that enable the practitioner to work more effectively. Business analysts use various software and hardware products to help them interact with stakeholders and get work done. The tool knowledge category is comprised of **communication and collaboration tools**, **desktop tools**, **reporting and analysis tools**, **requirements management tools**, and **modeling tools**.

THANK YOU