# the little book of Business Analysis

NineFeetTal solvering positive change

# Welcome to our little book on the big subject of Business Analysis

#### Why read this book?

Because you want just one source of information that covers the basic principles of Business Analysis.

You need those useful tips, stats and facts for an upcoming presentation but don't have time to research them.

Everyone is talking about the subject and the numerous methodologies – you need someone to put it in perspective for you.

### Alternative reasons to read this book

There is too much information out there on this subject – you need something you can digest in small chunks.

Your inbox is overflowing and you want a more tactile experience.

You've heard a rumour there are other little books in this series and just want to read them all.

Enjoy!

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### Business Analysis?

Business analysis is a research discipline of identifying business needs and determining solutions to business problems.

Solutions often include a systems development component, but may also consist of process improvement, organisational change or strategic planning and policy development.

Wikipedia

### What is the role of a.... Business Analyst?



that has responsibility for investigating business systems, identifying options for improving business systems and bridging the needs of the business with the use of IT.

British Computer Society, The Chartered Institute for IT





# Setting the scene

# What is strategy?

Strategy is the direction and scope of an organisation over the long-term:

which achieves advantage for the organisation through its configuration of resources within a challenging environment, to meet the needs of markets and to fulfil stakeholder expectations.

Johnson & Scholes

## In other words...

DIRECTION

Where is the business trying to get to in the long-term?

MARKET SCOPE

Which markets should a business compete in and what kind of activities are involved in such markets?

ADVANTAGE

How can the business perform better than the competition in those markets?

RESOURCES

What resources (skills, assets, finance, relationships, technical competence, facilities) are required in order to be able to compete?

**ENVIRONMENT** 

What external, environmental factors affect the business' ability to compete?

STAKEHOLDERS

What are the values and expectations of those in power in and around the business?

### Where to start?

Before embarking on any project, you will need to understand the internal and external factors that can affect your proposed strategy. There are various **strategic planning tools** that you can use to analyse these factors.

Some of the most widely used tools include:

- SWOT Analysis
- » PEST Analysis
- » Porter's 5 Forces
- » McKinsey's 7S Model

# **SWOT Analysis**

Use a **SWOT** Analysis to analyse the...

#### STRENGTHS

The advantages over the competition concerning this project.

#### **W**EAKNESSES

The disadvantages you have internally compared with the competition.

#### **O**PPORTUNITIES

Current external trends which are waiting to be taken advantage of.

#### THREATS

External movements which may cause a problem and have a negative impact on your business.

### **PEST Analysis**

Use a **PEST** Analysis to examine important external factors that may impact your project.

#### POLITICAL

Global issues, legislation or regulations which may impact now or in the future.

#### **E**CONOMICAL

Interest rates, inflation and consumer confidence should all be taken into account.

#### SOCIAL

Media, major events or advertising and publicity factors can all make an impact.

#### TECHNOLOGICAL ENVIRONMENT

Technological advancements, innovations as well as global communications should be considered.

### Porter's 5 Forces

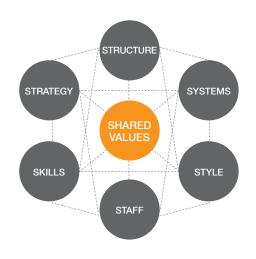
Use Porter's 5 Forces to analyse the competitiveness of the industry in which you operate, and the 'attractiveness' of the market.

Porter identified five factors that act together to determine the nature of competition within an industry:



### McKinsey's 7S Framework

McKinsey's Framework model is based on the theory that, for an organisation to perform well, these 7 elements need to be aligned and mutually reinforcing.



# **Selecting the right tool**for the job

#### **SWOT** Analysis

Great for reviewing the internal elements of the business, for example, understanding the weaknesses of your business could help you to manage and eliminate threats, which may otherwise catch you unaware.

#### **PEST** Analysis

A great tool to ensure you give adequate consideration to the external factors that could impact your business or project.

#### Porter's 5 Forces

Used for analysing the attractiveness and likely profitability of an industry.

#### McKinsey's 78 Framework

Use this model to help identify what needs to be realigned to improve performance, or to maintain alignment during change.

Whatever the change, the model can be used to understand how the elements are interrelated, and so ensure that the wider impact of changes made in one area is taken into consideration in other areas.



Getting to a version of the

truth

## The truth is out there...



Getting to a version of the truth requires Interaction with key stakeholders through a well balanced mix of elicitation techniques.

Your project's business needs and the stakeholder mix will determine which elicitation methods you should use.

Let us help you select the best elicitation techniques for **you...** 

# Elicitation techniques: Interviews

The most commonly used technique used for requirements gathering.

#### When to use

When you need depth of understanding over breadth.

#### Pros

Allows in depth discussion to enable you to extract detailed information from individuals. Can often lead to an accurate understanding of the process.

#### **Cons**

Large amounts of qualitative data can be hard to analyse. Interviews can also be a time consuming exercise if your stakeholder group is large.

# **Elicitation techniques:**Workshops

Stakeholders brought together for a short intensive workshop.

#### When to use

When knowledge is dispersed among stakeholders.

#### Pros

One of the most powerful techniques in gaining consensus on requirements. Can forge an agreement between stakeholders and team.

#### **Cons**

Requires good facilitation skills.

# Elicitation techniques:

### Document Review

Elicit requirements by studying available documentation. A good starting point before involving others.

#### When to use

When there are complex departmental systems and no single user knows the full process.



Enables you to understand the process and not the biased opinion of individuals! Has little or no impact on stakeholders time.



Documents can be difficult to interpret correctly without input from individuals.

# **Elicitation techniques:**Surveys

Information is elicited via questions to sample groups, sometimes anonymously, in a short space of time.

#### When to use

When your stakeholder list involves high numbers. With free online survey software readily available, surveys are also an inexpensive way to gather information.

#### Pros

Useful for quickly gathering data from a large group of participants, particularly when stakeholders are geographically dispersed. Results can be statistically analysed.

#### **Cons**

Surveys can take a long time to develop and response rates cannot be guaranteed. Not well suited for collecting behavioural information.

## Drawing conclusions...



Once your elicitation methods have been employed, be sure to document the elicitation quickly, while it is still fresh in your mind.

Share the results with project drivers and appropriate stakeholders to confirm their agreement with the findings.

### Be prepared for...

- Conflicting requirements from different stakeholders
- >> Unspoken or assumed requirements
- Difficulty gaining access to the right stakeholders
- The stakeholders' unwillingness to change or help design a new product
- » Not enough time allocated to meet with all the important stakeholders

NineFeetTall's recent 'Truth or Dare' survey revealed...



### What makes a good Business Analyst?

a good business analyst has the ability to listen to what is being said and hear what is not.

www.modernanalyst.com



## Requirements analysis

An effective analysis of your requirements will allow you to understand what you **need** and what you **want** in order for your project to be a success.



# Why do we need requirements specification?



What marketing suggested



What marketing approved



As designed by engineering



What was built



How it was installed



What the customer wanted

### **Get it right!**

**66** 60%-80%

of project failure

can be attributed directly to poor requirements gathering and analysis.

"

Source: Gartner



- 1. Poor definition of requirements
- 2. Ineffective communication
- 3. Lack of handover process
- 4. Lack of sponsor involvement
- 5. Poor strategic alignment
- 6. Poor risk management
- 7. Poor planning
- 8. Long time to delivery
- 9. Scope creep

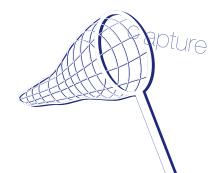
# What is a requirement?

A requirement is a statement that identifies a necessary attribute, capability, characteristic or quality of a system for it to have value and utility to a user.

It describes what is **wanted** and what it **will do.** 

## **Documenting** requirements

Here are some useful words to use when documenting your requirements.



check receive 2 allocate take evaluate notify authorise ask record track calculate detect report amend produce



#### Beware of...

#### **AMBIGUITY**

Does the requirement actually say what is required or is it all fluff and no substance?

#### **OVERLAP**

Are there requirements that might cross over with one another?

#### **REALISM**

Is the requirement realistic or is it just one person's pipedream that could never be possible?

#### **TESTABILITY**

Can the requirement be tested?

# Prioritising requirements

A standard Business Analyst format for prioritising requirements is through the Mas Caw technique.





### **MoSCoW**



A requirement that is fundamental and must be met by the solution.

#### SHOULD HAVE

A requirement for which, if not directly met by the solution, there is a workaround that is acceptable to the business.

#### **C**OULD HAVE

A requirement that can more easily be left out of the increment under development.

#### **W**ON'T HAVE

A requirement that stakeholders have agreed will not be implemented in a given release, but may be considered for the future.

### Sign-off

**APPROVAL:** 

ninefeettall 15th May 2013

The final stage of producing a requirements document is the all important document Sign-Off.

Whilst this may be the final Step in the process, it is important you understand from the very beginning Who will be signing off your document.

# **Avoiding** scope creep

It is critical that you have a Clear and well understood SCODE.

Changes will happen but at least you can assess the impact to COSt, time and QUality and make informed decisions on whether changes should be included or not.

## How to avoid scope creep

- 1. Have a clear understanding of the project vision.
- 2. Know the priorities of the project drivers.
- 3. Clearly define your intended deliverables and get them approved by the project drivers.
- 4. Breakdown the deliverables into actual work requirements.
- 5. Break the project down into minor and major project milestones.

- 6. Map all work requirements and milestones onto a detailed project plan.
- 7. With your schedule in place, assign all required resources.
- Determine your critical path. This is likely to change over the course of your project so it is important to evaluate it before development begins.
- Expect scope creep! Implement Change Order Forms to enable you to perform a cost/benefit analysis for all change requests.



# What is process design?

Process design is used to develop officient business practices.

It combines the Objectives of each department in the business to create a repeatable set of instructions

to make the business run efficiently.

# 9 process mapping questions

- 1. What are the key inputs?
- 2. What are the main outputs?
- 3. Where does the output go?
- 4. What generates the process?

- 5. What decisions are made in the process?
- 6. Who performs each activity?
- 7. Who are the suppliers of the process?
- 8. Who are the customers of the process?
- 9. What sequence are the activities performed in?

# Process mapping tools and models

The real world is usually complex and messy.

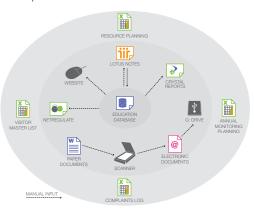
You need an approach to process design that first lets you clearly see what's happening – and then helps you think about how the situation could be improved.

Business analysts use a number of different process models:

- Rich Pictures
- >> Flowcharts
- Swim-lanes
- » Use Cases
- » Data Flow Diagrams

### **Rich Pictures**

Rich Pictures help visualise business processes.



EDUCATION SYSTEMS DATA FLOW - AS IS

Key elements of a Rich Picture:

#### **PROCESSES**

What are the processes for transforming inputs into outputs?

#### **INPUTS**

What are the inputs? Where do they come from?

#### **OUTPUTS**

What are the outputs? Where do they go to?

#### **STEPS**

What are the basic steps in-between.

# Process Design

### **Swim-lanes**

(often referred to as cross-functional flowcharts)

Allows you to quickly and easily plot and trace processes and, in particular, the interconnections between processes, departments and teams.

Key attributes of a Swim-lane diagram:

#### LANES

Processes and decisions are grouped visually by placing them in lanes.

#### PROCESS FLOW

Highlights the flow of a process between different functions or departments.

#### HAND-OVERS

Highlights the key hand-over points.

#### INFFFICIENCIES

Great tool to help spot processing gaps, delays and inefficiencies.



# Process mapping should help you decide...

**Business** improvement

Vs

Business process re-design

## Process Design

## Improvement VS Re-engineering

#### BUSINESS IMPROVEMENT

Normally assumes some pre-defined constraints especially regarding organisational structure.

- » Taking what you have and making it better
- » Bottom up, within the departments
- » Focus on existing process
- » In the order of 10-20% efficiency gains
- » Incremental improvements, less risky

#### BUSINESS RE-ENGINEERING

Builds the optimum process first and then designs the organisation around it.

- » Wipes slate clean and starts again
- Top down, spanning departments
- » Focus on outcome
- » Up to 10 times efficiency gains have been reported
- » Radical change but more risky

# Business improvement tools

#### **Lean Vs Six Sigma Vs Lean Six Sigma**

Some people speak of Lean, some speak of Six Sigma and some use a combination of the two.

#### WHAT'S THE DIFFERENCE?

How do you know what's right for your organisation?

**Lean** originates from the Japanese manufacturing industry

#### Lean focuses on:

- » eliminating waste from processes
- increasing process speeds

### Six Sigma

...is a set of tools and strategies for process improvement originally developed by Motorola in 1986

It seeks to improve the quality of process outputs by:

- identifying and removing the causes of defects
- » reducing cycle times
- eliminating costs which provide no value to customers

In recent years, **Six Sigma** is often combined with **Lean** 

**Lean Six Sigma** combines speed with quality improvements.

Whilst Lean promotes rapid business processes, this focus can sometimes result in a lack of quality.

Together Lean and Six Sigma can result in the most efficient, quality workflows possible, allowing your company to maximise productivity, while eliminating waste and reducing costs.

# Business process re-design

Using Radical Change to Improve Organisational Performance ...the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements

in critical contemporary modern measures of performance, such as cost, quality, service and speed.

"

Michael Hammer

## **Business improvement**

Vs

Business process re-design

Radical, extreme	Start from new	One-time	Тор down	Broad, cross functional
DEGREE OF CHANGE	STARTING POINT	FREQUENCY OF CHANGE	PARTICIPATION	TYPICAL SCOPE
Incremental, small steps	Existing processes	Continuous	Bottom up	Narrow, within functions

# The key stages of business process re-design



## **GAP** analysis

Compare the "As-Is" and "To-Be" processes and highlight any gaps using this **NineFeetTall** framework to ensure all areas are addressed.





Testing new ways of working

# Testing, testing, 1, 2, 3...



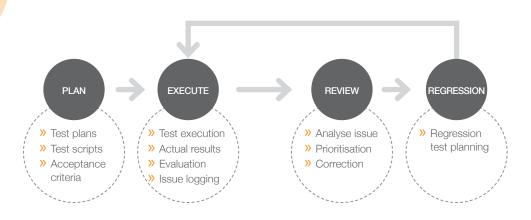
Testing is the practice of making objective judgments regarding the extent to which a new system meets, exceeds or fails to meet stated objectives.

# **9 areas** a good test strategy should highlight

- 1. The approach that needs to be taken.
- 2. The test stages that will be passed through.
- 3. The teams/people responsible for undertaking testing.

- 4. The responsibilities of those undertaking the testing.
- The conditions under which testing will take place.
- 6. The environment requirements of testing.
- The success criteria for testing to be classified passed or 'fit for purpose'.
- 8. How testing will be managed, tracked and reported.
- The key risks and areas of concern as stated by the business / suppliers.

### **Test plan**



90%

of the effort involved in testing is in the planning and preparation.

**only 10%** 

of effort is deployed in the testing of the actual system.

## Scoping a test strategy

What needs to be defined?

#### **SCHEDULE**

When/what, cycles, regression testing.

#### **RISKS**

High impact processes, high volume activities, high complexity.

#### **KPIs**

Performance criteria, sign-off criteria.

#### **PEOPLE**

Test manager, test analysts, subject matter experts, customers, board, developers, etc.

#### **EQUIPMENT**

IT, printers, scanners, tills etc.

#### SOFTWARE

Test environment, version.

#### **DATA**

Set up of real data on test system, appropriate user access rights and security.

#### **LOCATION**

Where, desks, etc.

#### TEST MANAGEMENT

Tools to track progress and issue resolution.



# Your go-live checklist

#### **SYSTEM**

System fully tested, infrastructure in place, user logons and access rights set up.

#### **BUSINESS PROCESS**

Documented and communicated with clear roles and responsibilities.

#### DATA

Master data set up, data migration complete and KPIs defined and agreed.

#### TRAINING

Stakeholders and users have been trained, training and support material available.

#### **CHANGE PLAN**

New ways of working defined and organisational structure aligned.

#### COMMUNICATION PLAN

Tailored to the audience encouraging two-way engagement.

#### CUTOVER PLAN

Step by step plan and resource pool to support the go-live issues and change management process – to prioritise fixes and improvements.

#### CONTINGENCY

A plan in case something goes wrong.

### Ready?

The decision to go-live or not should not be taken lightly; it is without doubt one of the most important decisions in the project lifecycle and getting it wrong can jeopardise the success of the entire project.



Going-live without everything in place may result in:

- Insufficient training
- » Business processes not understood
- Stakeholders missed
- » Lack of communications
- Business areas not ready for the changes
- Workflows and exceptions not mapped out
- » No backups and disaster recovery in place
- » Unclear responsibilities, accountabilities and ownership
- » Inadequate implementation strategy

## And finally...



you should occasionally look at the results.

Sir Winston Churchill



## Glossarv

### **Glossary**



BA - Business Analyst.

**BPM** – Business Process Management.

**BPR** – Business Process Re-Design.

McKinsey's 7S' – a model to help balance the shared values, strategy, structure, systems, skills, staff and style elements of your project or business.

**MOSCOW** – A standard BA format for prioritising requirements.

**LEAN** Business Improvement – focuses on eliminating waste from processes and increasing process speeds.

**PEST** – model to analyse Political, Economical, Social and Technical factors.

**Porter's 5 Forces Model** – used to analyse the competitiveness of the industry in which you operate.

Six Sigma – a set of tools and strategies for process improvement, originally developed by Motorola in 1986.

**Stakeholder** – anyone who can affect or is affected by an organisation, strategy or project.

**SWOT** – model to analyse your Strengths, Weaknesses, Opportunities and Threats.



## Useful resources



#### **WEBSITES**

www.ninefeettall.com

www.9plustraining.com

www.mindtools.com

www.modernanalyst.com

#### **BLOGS**

www.ninefeettall.com/blog

#### RESEARCH

Nine Feet Tall's 'Truth or Dare' Survey, 2012 Download the results from www.ninefeettall.com/insight/register-truth-or-dare-survey/

#### SOCIAL

www.linkedin.com/skills/skill/Business\_Analysis

#### **ASSOCIATIONS**

BCS (British Computer Society), The Chartered Institute for IT http://www.bcs.org

#### BABoK

(Business Analyst Body of Knowledge)

IIBA – International Institute of Business Analysis www.iiba.org



About NineFeetTall

## thour NineFeetTs

### About NineFeetTall

#### NineFeetTall

are experts in business transformation

with proven experience of delivering complex change projects across multiple industries and sectors. Each member of the team
has a broad range of skills and
knowledge brought together with
a conviction and energy to deliver

measurable results for our clients.

# About NineFeetTall

### **Contact us**

We hope you have enjoyed our little book on this big subject.

If you would like to discuss your business analysis requirements, please get in touch:

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