



Business Understanding Checklist

I. Set Business Objectives:

A. Background

1. Identify key persons in the business and their roles
2. Identify an internal sponsor (financial sponsor and primary user/domain expert)
3. Indicate if there is a steering committee and list members

B. Problem Area

1. Identify the problem area
2. Describe the problem in general terms
3. Clarify prerequisites of the project
 - a) What is the motivation of the project?
 - b) Does the business already use data mining?
4. Identify target groups for the project result
5. Identify the users' needs and expectations

C. Current Solution

1. Describe any solution currently used to address the problem
 - a) What is the current process?
 - b) How long does the current process take?
 - c) How effective/accurate is the current process?
2. Describe the advantages and disadvantages of the current solution and the level to which it is accepted by the users
 - a) How often do the users access the system
 - b) What are the general issues faced with the current solution

D. Objectives

1. Specify all business questions as precisely as possible
2. Specify expected benefits in business terms

E. Success Criteria

1. Specify business success criteria
2. Identify who assesses the success criteria



II. Assess Current Situation

A. Inventory of Resources

1. Personnel

- a) Identify project sponsor
- b) Identify key technical personnel (i.e. System Administrator, Database Administrator, Technical Support)
- c) Identify key business personnel (i.e. Domain experts, Business/Marketing Analysts, Data Mining Experts, Statisticians)
- d) Check availability of personnel

2. Data

- a) Identify data sources
- b) Identify type of data sources
- c) Check Data Information

3. Computing

- a) Identify the base hardware and establish availability
- b) Identify base software
- c) Check available data mining tools

B. Requirements, Assumptions and Constraints

1. Requirements

- a) Specify target group/users profile
- b) Determine target schedule/timeline for the project
- c) Determine Project/Model/Solution requirements
- d) Determine other requirements

2. Assumptions

- a) Clarify all assumptions
- b) List assumptions on data quality
- c) List assumptions on external factors
- d) Clarify assumptions that lead to any of the estimates

3. Constraints

- a) Check general constraints
- b) Check access rights to data sources
- c) Check technical accessibility of data

C. Risks and Contingencies

- 1. Identify business risks
- 2. Identify organizational risks
- 3. Identify financial risks
- 4. Identify technical risks
- 5. Identify risks that depend on data and data sources
- 6. Develop contingency plans



D. Terminology

1. Check prior availability of glossaries; otherwise begin to draft glossaries
2. Talk to domain experts to understand their terminology
3. Become familiar with the business terminology

E. Cost and Benefit

1. Estimate costs for data collection
2. Estimate costs of developing and implementing a solution
3. Identify benefits
4. Estimate operating costs
5. Identify other costs



III. Determine Data Analysis Goals

A. Data Mining Goals

1. Translate the business questions to data mining goals
2. Specify data mining problem type

B. Data Mining Success Criteria

1. Specify criteria for model assessment
2. Define benchmarks for evaluation criteria
3. Specify criteria which address subjective assessment criteria