Chapter 1

Business Analysis in a Nutshell

In This Chapter

▶ Grasping what business analysis is and why it's valuable

▶ Tracking a business analyst's role and skills

▶ Introducing industry guidelines and certification options

*1*n today's competitive world, companies must always be at their best, maintain an edge, and capitalize on opportunities for growth. Business analysis is a deliberate attempt to review operations to ensure that business is moving along as well as it can and that the company is taking advantage of opportunities.

Basically, *business analysis* is a set of tasks and activities that help companies determine their objectives for meeting certain opportunities or addressing challenges and then help them define solutions to meet those objectives. Sometimes, companies hire outside, independent business analysts (BAs) to come in and perform the analysis. Other times, they may call upon an employee to perform BA tasks internally regardless of whether he has a business analyst title. No matter which category you fit into, this book lays it all out for you.

In this chapter, we give you a very broad overview of what business analysis is, introduce you to the business analysis lifecycle, and explain what the job entails.

Defining Business Analysis

According to the Business Analysis Body of Knowledge (BABOK) version 2, business analysis is the "set of tasks and techniques used to work as a liaison among stakeholders in order to understand the structure, policies, and operations of an organization, and to recommend solutions that enable the organization to achieve its goals."

Translation: Your goal as a BA is to understand how companies work and to enable companies to reach their potential by helping them articulate and meet goals, recognize and take advantage of opportunities, or identify and overcome challenges. All of which is a pretty tall order. But the task becomes more manageable — and understandable — if you think of it as having two distinct parts: the goal and the process.

- ✔ **The goal:** The *goal* addresses why you're doing the analysis in the first place — perhaps to improve a company's revenue and services or to reduce its costs. Think of the goal as the purpose of the project. In order to determine what the real goal is, you often have to employ the most frequently asked question in the world of business analysis: "Why?" Although we go into much deeper detail later in the book about discovering the goal of a project, the process really can be as simple as asking "why" until you've gotten to the root of the issue. (This fact is one reason we feel a 4-year-old is the best business analysis professional around.)

- ✔ **The process:** The *process* involves understanding the how — that is, understanding what the solution needs to do, what it should look like, and the people or systems that interact with it. The process requires you to grasp where the company is today and where it needs to be in order to achieve the goal. During this part, you determine what the solution should look and feel like and how to make sure it's used after developed. To develop the process, you basically break the goal down into manageable pieces that you and the company can execute. Those manageable pieces make up the solution.

In business analysis, you do not actually perform the activities to build the solution, nor do you actually manage the process to build the solution or test the solution. Instead, you identify the activities that enable the company (with your expert help, of course) to define the business problem or opportunity, define what the solution looks like, and define how it should behave in the end. As the BA, you lay out the plans for the process ahead.

Knowing Your Role in the Basic Business Analysis Lifecycle

Business analysis work is done at many levels within a company. From the chief executive officer (CEO) and vice presidents to the line managers, individuals throughout the company use business analysis activities throughout their day.

Because folks at all levels view things in terms of a *project* (a set of steps to accomplish something), explaining business analysis activities as part of a

project lifecycle (as shown in Figure 1-1) is easy. Although these tasks fall in a general order, they're somewhat fluid, as we discuss in later chapters. For now, get to know this cycle; it's at the crux of all things business analysis:

1. **Plan the project.**

   Planning includes creating a work plan or at least thinking through an approach for the analysis effort on a project, encompassing all the activities you do and the techniques you use. As the BA, your primary role during planning is determining the scope of the effort; if you're a more senior BA, you may be involved in project estimation and resource planning. These additional tasks are detailed in Chapter 11.

2. **Scope the project.**

   Defining and documenting the project scope requires you to understand why the project has been initiated (the *project statement of purpose*) and the goals of the project (the *project objectives*). As the BA, you hold folks to the project boundaries and analyze the business problem without jumping to a solution. This step includes clearly identifying the opportunity or problem the company needs to address. Chapter 9 includes information on how to develop a business case, which also discusses the problem definition. For more on scoping, flip to Chapter 10.

3. **Elicit, analyze, and communicate requirements.**

   This step is the bulk of what business analysis professionals do at the project level. As the BA, you actively partake in understanding the real business needs and finding the root cause of business problems, as well as communicating requirements to the intended audience. This task involves categorizing the requirements and knowing how detailed they have to be to ensure your project is solving the right problem. We discuss requirements in Chapters 5 through 8.

4. **Design the solution.**

   BAs aren't typically responsible for this activity; rather, they collaborate with the solution team to develop a solution. Because solution design isn't a core business analysis activity, we don't cover it in this book. However, the fact that design doesn't fall to you doesn't mean you should walk away when the designing starts. Having the BAs available to support the design and development team is important.

5. **Build or buy the solution.**

   Based on the activities in Steps 1 through 4, the business and project team make a decision to build the solution internally, have a group outside the company build it, or buy a prepackaged solution. During this time, your role is to ensure the solution still meets the business need stated in the project objectives and the business requirements. In addition, you may also start writing test cases and test scenarios for the next (test) phase.

6. **Test the solution.**

   As the solution is being designed and built, you need to validate that the business needs elicited during the project are being met. You collaborate with the test team, either as an active tester or by working with the testing team to ensure the solution meets the stated requirements and other project documentation. You can find out more about how to test solutions in Chapter 14.

7. **Implement the solution.**

   After a solution is built, you need to help make sure the business uses the solution. You actively work with project stakeholders as the solution rolls out, perhaps as a change agent (advocating the need for change) and/or to train new users on the system. Part of the implementation may be eliciting metrics surrounding usability, noting how quickly they are adapting to the new system, and gauging customer satisfaction. We cover implementation in detail in Chapter 15.

8. **Conduct a post-implementation review.**

   After the solution has been implemented, you need to make sure the goals outlined in the project are being met. If they aren't, another project may be necessary to address the gap. We detail post-implementation review in Chapter 14.
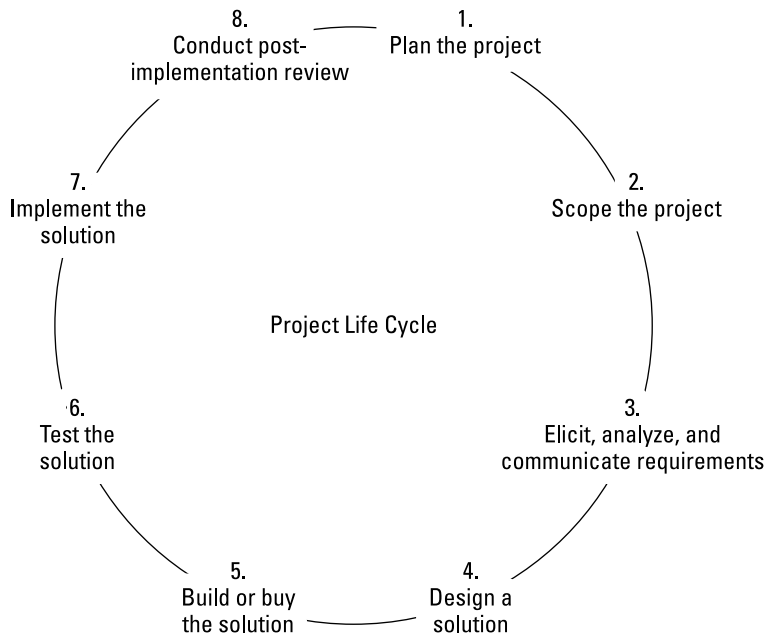

Figure 1-1:
A generic project lifecycle.

Illustration by Wiley, Composition Services Graphics

TIP

Don't confuse the post-implementation review with a "lessons learned" process. The latter generally discusses how you can do the project process better, not how well the solution works for the business.

Looking at the Value of Business Analysis

A popular perception of business analysis is that it makes businesses do business better. It's simple but true, and BAs are the people who function as the liaisons between the problems and solutions to make businesses everywhere do business better. Here are just a few of the ways that your performance as a BA can help an organization:

✔ **Setting expectations:** BAs help stakeholders define a solution for their problem. After a solution has been defined — whether that solution is to build a four-bedroom, wheelchair-accessible, three-car-garage house or to improve a business process to reduce costs — expectations are set. The stakeholders (the future homeowners, the business owner/executives, or whoever) expect that whatever actions follow will result in the solution that was identified.

✔ **Improving estimation:** Most people don't like surprises when it comes to time and cost estimates. Performing business analysis helps define what needs to be accomplished. Having this clearer picture lets organizations do a better job of estimating what their solutions will cost and how long they'll take to implement.

✔ **Better aligning projects with goals/objectives:** Because business analysis professionals work on both the "why" and the "how" pieces, they can see when a solution is no longer aligned with the goals and objectives.

ANECDOTE

Kupe was working on a project where the goal was to reduce employee time on a specific process for a utility company and therefore reduce salary costs associated with that process. He identified many parts of the process that could be automated, thereby reducing employee hours spent on the process. At one point, Kupe asked how many people performed a particular part of the process and how often, only to find that one person did it three times per year. Automating that part of the process would cost $10,000 . . . and save approximately 30 minutes of work time and $12 in salary cost per year. Automating this part of the process didn't align to the goal of reducing costs, so Kupe convinced everyone not to automate.

TIP

If you discover that the project work is no longer adding value to reaching the goals and objectives of the company, one of the best things you as the BA can do is cancel the project.

✔ **Managing scope creep:** *Scope creep* refers to the phenomenon of bringing in new requirements after everyone agrees on what should be included in a project. In companies where projects are going on all the time, scope creep is going to happen. Gain buy-in on the project scope from all impacted people as early as possible. Then, when scope creep happens, you can show the impact the new requirements would have so the business can make an informed decision.

For example, say you're on a project where you're solving a productivity issue for one department of a company; halfway through, the company wants to include another department. In this case, you have to review the original scope with the company and outline how the added department will change the project so the decision-makers can determine whether to proceed with the change.

✔ **Reducing project defects:** Business analysis activities detail the rules, process, and user interactions of the solution. This level of detail helps provide clear direction for the people developing the solution and those testing the solution to help ensure that defects are reduced and caught before the solution is implemented. In a solution that enables customers to buy products from a website, for example, one of the required conditions would be that the customer must enter a complete address; the BA would then elicit requirements surrounding the expected experience from the customer's viewpoint: Does the company cancel the order? Do the customers receive an error message? If so, what does the message say?

✔ **Smoothing the transition to production:** *Transition* as it relates to projects is all about moving from the development and test environment, where you're building the solution, to the production environment, where the users are actually using the solution. Good business analysis includes ensuring the solution will be used in production, which you do by getting the organization ready for the change and developing a roll-out strategy.

✔ **Reusing requirements and reducing duplicate solutions:** For every initiative, BAs should be careful not to duplicate requirements underway in different areas of the company. Because you often develop many solutions at the same time for the same goals and objectives, companies may well be working on multiple projects trying to accomplish the same thing.

ANECDOTE

Kupe was working at an energy company that was trying to improve the operations of its four real estate divisions. Each division was independently trying to address the same need: updating the real estate database. By looking outside each individual group, Kupe and a team suggested combining efforts that could save time and money by focusing on one solution rather than four.

✔ **Improving communication within the team:** Business analysis activities boil down to communication. One of the BA's main roles is to elicit and communicate the true needs of the business so the right solution can be delivered. Making sure everyone has a clear and consistent understanding of what needs to be accomplished helps ensure all sides are working together to accomplish the goal.

✔ **Increasing customer satisfaction:** BAs help address the inevitable changes a company goes through and can help mitigate any problems customers may feel as a result of those changes. One of the biggest ways you as a BA can help is by facilitating communication of the changes to customers. For example, if the company wants to make a change to its services or product, you can help it determine what the impact on the customers will be and how to effectively communicate the upcoming changes to those affected.

Considering the Skills of a Successful BA

When performing business analysis, you need to be equally proficient in several skills so you can apply them at different times based on the project you're working on. But you can't stop there; you also have to know when to use which skill. The following sections spell out a few skills you need to succeed at business analysis.

Outstanding communication

Communication is integral to everything in business analysis, so you need to be great at it. BAs operate at the intersection of business problems and business solutions, which means you have to be able to communicate with two groups of folks that sometimes seem to be speaking different languages. We cover more on communication in Chapter 3.

Detailed research, analysis, and recording

BAs need to have the curiosity for understanding processes, procedures, and systems. They shouldn't be afraid to ask questions. If you're consistently the person in the room with your hand up when a presenter asks for question, you just may be cut out for work as a BA. Even if you know the subject matter well, you can still ask questions to understand it in more depth and detail.

That curiosity helps you understand what each person needs from the project. The key isn't just asking questions of other people; it's wanting to understand all aspects about how something works or what the underlying problem is. Such curiosity could lead to conducting research on your own to figure out where the problem exists and then analyzing the issues and barriers that would create an effective solution.

Time management and information organization

If you ask a true BA when analysis is done, his answer will be "Never!" However, the reality is that you have a limited time to complete your project, so to be successful, you have to be able to effectively manage your work and be good at setting priorities. Because you'll be dealing with a lot of people and a lot of information, you need to be good at organizing all the information in a way that lets you recall it when needed to support your communication. You need to understand which pieces of your elicited information are relevant to which stakeholders and how you are going to use what you found to communicate your results.

The ability to see the big picture

If you get close enough to an impressionist painting, all you see are brush strokes. Only as you move away from the painting can you start to see the image of a cathedral or a picnic. Being able to step away from the project at hand and see the big picture is crucial for any business analysis practitioner. You must be able to work on a project while understanding how that project fits in with other projects in the organization and continues to meet the business's overall objectives. This macro view is a particularly important skill because the BA is typically the only person with this vital perspective. You're the one who can keep efforts relevant, synergistic, and efficient.

ANECDOTE

Once, a project Paul was a part of was being worked on by several smaller areas (or *silos*, in BA lingo) within one organization. He studied the entire end-to-end process — including the different silos — and discovered that multiple silos were creating the same data stores when having just one for everyone to access made more sense. Focusing on the big picture allowed Paul to catch the issue in time to get things back on track.

Customer-focused and value-driven perspective

To be a good BA, you must always keep in mind what your customer needs from you. That probably seems like a no-brainer, but keep in mind that we're not just talking about external customers who purchase your organization's products and services; we're also referring to internal customers from other departments and even to those on your project team. With any of these customers, you have to make sure that whatever you produce provides value to the customer and to the project you're working on.

A large BA toolkit

Abraham Maslow, the famous psychologist, once said, "I suppose it is tempting, if the only tool you have is a hammer, to treat everything as if it were a nail." This concept led to the *law of the instrument,* or overreliance on one familiar tool.

As a business analysis professional, you need to avoid falling victim to this law. By having a large toolkit, you can apply the right tool to the situation at hand. You have to know which tools work best based on the context and the situation. For instance, if you're trying to model data, the best tool is to use an entity relationship diagram, not a workflow (more on data modeling in Chapter 13). If you need to show your stakeholders what your solution would look like in real life, you use a prototype (Chapter 4). On the other hand, if stakeholders just need the nuts and bolts and bottom line of the project, you want to make sure you can write a strong business case (Chapter 9). If you're trying to make sure your project stays on track and doesn't go out of bounds, you use your scoping diagram (Chapter 10).

In addition to the business analysis techniques covered in the book, you need to have a good grasp on the types of solutions specific to your business or field. For example, if you work in an area that develops web applications, you want to be familiar with and stay current on the features and functions that technology can deliver.

Flexibility

Don't worry; nothing about business analysis requires you to take yoga classes. The flexibility we're talking about here is the way you respond to changes on a project. Flexibility is important because the question isn't whether changes will occur on a project; it's *when* changes will occur. You need to be able to roll with the punches calmly and change gears swiftly.

Scope can be expanded, new features discussed, and possibilities tossed around, all of which may lead to change. Refusing to change along with the project doesn't bode very well for you as the BA or for the project team as a whole and may cause project defects. In fact, you probably have to be the most flexible because you're at the center of the communication. You have to be able to adapt to changes on a project and adjust accordingly. The more quickly you accept the change, the more time you have to steer the project in the new direction.

REMEMBER Flexibility isn't just about being adaptable to changes to project requirements. You often have to be flexible when the human aspect of your project (such as team members) changes.

Getting to Know the IIBA BABOK

In 2003, a group of professionals involved with business analysis got together with a mission to help promote the profession, certify practitioners, and have a space for the community to share experiences and learn from each other. Thus, the International Institute of Business Analysis (IIBA) was born. Today, IIBA is responsible for maintaining the *Guide to the Business Analysis Body of Knowledge (BABOK Guide).* The *BABOK Guide* describes business analysis areas of knowledge, associated activities, and the tasks and skills a BA must do/have in order to be effective.

REMEMBER The *BABOK Guide* isn't a BA how-to manual (which may be what led you to purchase this book). Instead, it's a framework of six areas of knowledge:

- ✔ **Business analysis planning and monitoring:** Figuring out which activities are needed in order to perform the effort contained inside the project scope

- ✔ **Elicitation:** Getting information from stakeholders

- ✔ **Requirements management and communication:** Engaging the project team, sponsors, and stakeholders to keep them informed of project progress, scope alignment, changes to the scope, and the explanation of requirements

- ✔ **Enterprise analysis:** Finding and clarifying the real need to meet the strategic goals of the enterprise

- ✔ **Requirements analysis:** Classifying and prioritizing requirements in order to develop the solution

- ✔ **Solution assessment and validation:** Assessing which of the potential solutions best fits the business need and assessing the performance and effectiveness of the solution

In addition to these knowledge areas, the *BABOK Guide* covers another, equally important area that isn't considered a knowledge area: underlying competencies. *Underlying competencies* are skills an effective BA should have in order to perform as an effective business analyst. They consist of analytical thinking and problem solving, behavioral characteristics (such as ethics, trustworthiness, and personal organization), business knowledge, communication skills, interaction skills, and software application knowledge. (Many of these are the same as/related to the essential skills we discuss in the earlier section "Considering the Skills of a Successful BA.")

Pursuing Business Analysis Certification

Why get certified? This is a question BAs are still discussing on business analysis chat forums, and there are a lot of reasons why. Basically, though, it comes down to showing you have the requisite skills and experience to be effective in performing business analysis in the industry. In other words, a certification verifies that that a third party — the IIBA — has recognized you have "the right stuff."

The IIBA began offering certifications in November 2006 and provides an industry certification that measures a BA's knowledge of the BABOK. IIBA currently offers two levels of certification: certification of competency in business analysis (CCBA) and certified business analysis professional (CBAP). You can find the specific requirements on the association's website at www.iiba.org.

Many training vendors also offer certifications based on IIBA's business analysis curriculum. For example, B2T Training's curriculum aligns with the BABOK and helps prepare individuals for both IIBA certifications and B2T Training certifications.

You can find a lot of different certification programs, and the money and time you spend on them varies widely. For example, some certificate programs offered by training providers test your knowledge; the cost of earning the certificate is typically included in the cost of taking the courses. Here's what these programs often entail:

✔ You need to take a certain number of courses designated by the training provider.

✔ You may have to pass an exam after each course.

✔ You get your certificate after completing the courses and passing necessary exams.

Some certification programs involve a little more effort from the student, including prerequisites such as the following:

- ✔ You have to have had a certain amount of work experience, complete with references.
- ✔ You have to have had some formal BA training.

Other training providers have programs that both test your knowledge and incorporate a competency portion where you must show you can perform the work. These programs have a combination of tests and demonstration.

Evaluate certification programs and select the appropriate option based on your corporate and personal professional goals.