



Business Analyst Proficiency How Capable Do I Need to Be?

A White Paper from Kathleen Hass and Associates

1. The Terrain

Our current turbulent economic times call for businesses to be able to react to change quickly, to chart a new course on a dime. Challenges abound:

- ▶ Our global economic systems teetered on the verge of collapse and by all accounts the recovery will be sluggish
- ▶ Our legacy of business and technology complexity poses barriers to our ability to change quickly
- ▶ Adaptability and agility are essential for success in the global marketplace
- ▶ Getting it right the first time is the only option
- ▶ Success requires a plan and approach that:
 - Hits the mark
 - Is executed without a flaw
 - With expert skills, and
 - Delivers real business value

To be able to react to – and even pre-empt change to remain competitive, organizations must be able to execute projects flawlessly. With so much riding on successful projects, it is no wonder we have invested heavily in improved project management processes,

tools and competencies over the last two decades. Although project performance has greatly improved, it is still woefully inadequate.

Consider the progress we have made (Figure 1), which is mostly due to improved project management and to reducing the size of projects (smaller projects are much more likely to succeed). Even with the improvements, nearly two-thirds of IT projects continue to fail (nothing of value is delivered) or to be challenged (they are over time and cost, and likely did not deliver the full scope of functionality). What does this mean to our ability to compete in the marketplace? We know that failed and challenged projects often come with significant financial impacts. A few examples:

- ▶ Rework and abandoned systems: a combined \$75B per year
- ▶ Boston's "Big Dig" Public Works Project: \$>10B overrun; Loss of life
- ▶ EuroDisney: \$4B failure
- ▶ FBI's Virtual Case Management System: \$170M failure

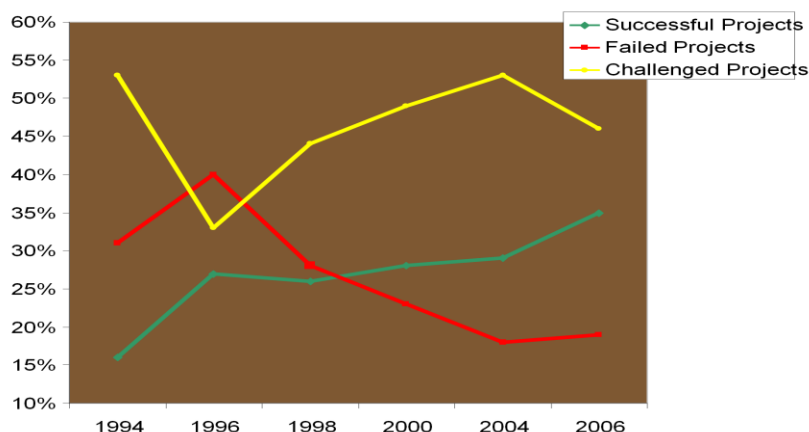


Figure 1: Standish Group Project Resolution History

2. The Root Cause

So, what is the root cause of our continued inability to deliver new business solutions faultlessly that hit the mark and add significant business benefit? Many experts have made the case that it is our **gap in business analysis and complexity management capabilities** (Figure 2) that is the root.

Consider the following research results that helped drive the overwhelming consensus that the gap in business analysis and complexity management capabilities poses a barrier to higher levels of project performance.

MULTIPLE STUDIES OF 47 MEGA-PROJECTS

Average for complex projects: 88% cost overrun, 17% schedule slippage, 72% fail to reach profit objectives

FORRESTER RESEARCH

Poorly defined applications have led to a persistent miscommunication between business and IT that largely contributes to a 66% project failure rate for these applications, costing U.S. businesses at least \$30B every year.

CARNEGIE MELLON

25%-40% of all spending on projects is wasted as a result of rework

GARTNER

50% of new applications are rolled back out of production

40% of problems are found by end users

KEITH ELLIS

More than forty-one percent of new development resources are consumed on unnecessary or poorly specified requirements.

Root Cause: Gap in BA and Complexity Management Capabilities

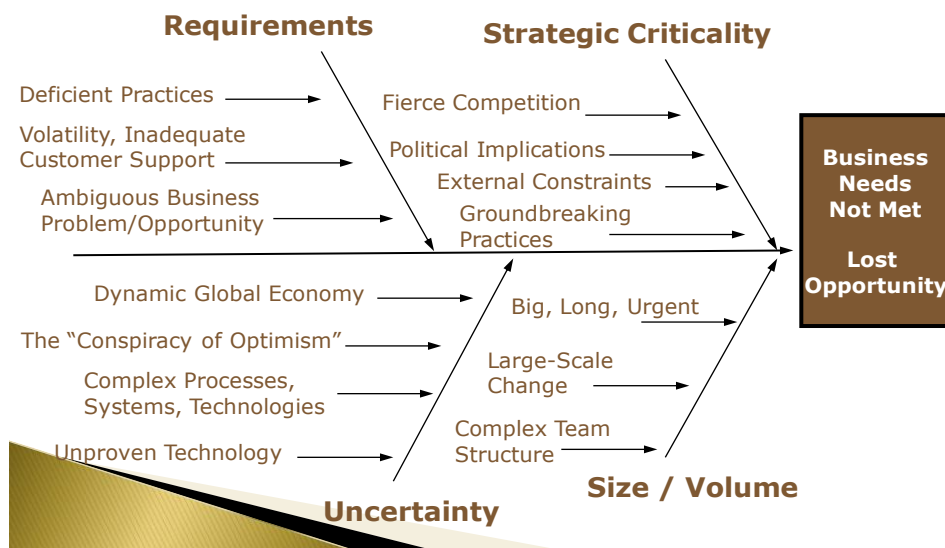


Figure 2: Root Cause of Failed and Challenged Projects

3.The Challenge: Close the Gap in Your BA Capabilities

Your challenge is to close the gap on your BA capabilities to meet the challenges of your organization's 21st century projects. What will it take? Are you up to the task? According to the *The New Business Analyst: A Strategic Role in the Enterprise*, November 2006 Evans Data Corporation Research Study, the typical business analyst looks something like this:

- ▶ 40 years old
- ▶ Median income: \$75K
- ▶ Well educated
- ▶ Hails from IT
- ▶ More than 5 years experience doing BA work
- ▶ Analysis skills acquired on the job
- ▶ Disturbingly, they report most of their projects do not deliver all requirements

In addition, today's BAs fill multiple roles:

- ▶ Business analysis: 29.3%
- ▶ Project management: 18.7%
- ▶ Developer: 15.4%
- ▶ SME: 13.5%
- ▶ Tester: 10.1%
- ▶ Other: 13%

WHERE IS THE INDUSTRY HEADING?

Clearly, BAs that are focusing on multiple roles and tasks involving diverse disciplines cannot devote the time and attention needed to cultivate mature BA capabilities. The current hybrid role is tactically focused, deep into project tasks; the BA role of the future is focused on strategy execution and on maintaining a competitive advantage. Where is the BA profession heading? How will you transition from a tactical player into a more strategic asset (Figure 3)?

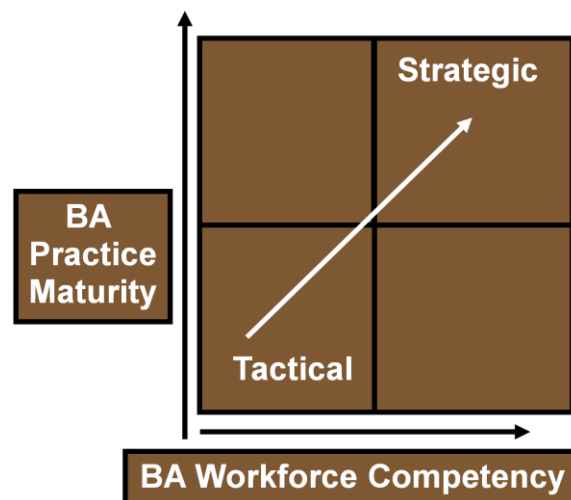


Figure 3: Where the BA role is heading

TODAY'S VARIETY OF BUSINESS ANALYSTS

According to a recent study, (Carey Schwaber and Rob Karel, *The New Business Analyst*, Forrester Research, Inc., April 8, 2008), today's BA roles are typically either IT- or Business-Oriented.

- ▶ **IT-Oriented Analysts** improve business results through changes to technology. These BAs are mostly generalists, with specialists emerging that may include Experience Analysts, Business Rules Analysts, Business Process Analysts, and Data Analysts.
- ▶ **Business-Oriented Analysts** improve operations through changes to policy and procedures. Business-oriented BAs are mostly specialized within a business domain, focused on Finance, Human Resources, Marketing, Manufacturing, etc. In decentralized organizations, these analysts are dedicated to a major business area, improving the processes and the corresponding technologies that are used to run the operations. In other more centralized organizations, these business analysts are organized as a pool of talent whose efforts can be transferred seamlessly to the areas of the enterprise that are in most need of business analysis support.

TOMORROW'S VARIETY OF BUSINESS ANALYSTS

At the same time, the industry will groom and field more strategic BA roles, driving BA practice maturity to meet the 21st century needs of our organizations. These roles include the Business Architect and the Business/Technology Analyst.

- ▶ **Business Architects** strive to make the enterprise visible. They develop the business architecture (rich pictures and documentation that

depicts the current state of the business in terms of organization structure, process and data flows, lines of business, locations, etc.). They are also responsible for keeping the business and IT architectures in alignment. The Business Architect then creates the future state architecture to depict how the enterprise will look when the vision is realized and the strategy is executed. Only then can they identify the gap in capabilities that need to be created to execute strategies.

- ▶ **Business/Technology Analysts** are cross-domain experts who convert business opportunities into innovative business solutions, and translate strategy into breakthrough process and technology change. They keep their eyes on the competition, and forge new strategies. According to Schwaber and Karel, "As time passes, fewer and fewer BAs will have the luxury of working only in a single business function or IT domain...these roles will slowly dissolve as projects increasingly demand knowledge that spans business functions like marketing and sales and IT domains like process, information and experience."

As a BA, you need to start grooming yourself right now to be prepared to meet your organization's needs. "Your future business/technology analysts will be the most valuable business analysts, because they can single-handedly turn business-requested IT-delivered applications into tomorrow's dynamic business applications," write Schwaber and Karel.

4. How do I Know if I am Capable Enough?

Your organization needs to ensure it has appropriately skilled BAs possessing the capabilities needed to successfully deliver complex new business solutions that meet 21st century business needs. The array of required BA competencies is vast (Figure 4).

But it's not just about competency (what you think you can do or your score on a

multiple-choice knowledge assessment); it's ALL about *capability*: Examining your competency level against your current and future work assignments and the performance and project outcomes you achieve within your organizational context. To determine the characteristics of your BA capabilities, identify your capability gaps, and put a plan in place to close the gaps, it is helpful to use a BA Capability Model (Figure 5). The model presented here is based on the latest industry research cited above, and is in alignment with the IIBA® BABOK® Version 2 and the newly released IIBA® BA Competency Model.

Breadth of Strategic BA Capabilities



Figure 4: Array of BA Competencies

This **Applied BA Capability Model** is four-tiered, each tier requiring different BA competencies based on the complexity and focus of typical work assignments. The four tiers include:

1. Operations/Support Focus
2. Project or New Product Focus
3. Enterprise/Strategy Execution Focus
4. Competitive/Future Strategy Focus

OPERATIONS/SUPPORT FOCUS

These BAs typically spend about 30% of their time doing BA activities for low complexity projects that are designed to maintain and continually improve business processes and technology. The remaining time they are likely fulfilling other roles including project manager, developer, engineer, SME, domain expert, and QA/tester. As legacy processes and systems age, these business analysts are

becoming more and more valuable since they are likely the best (and often, the *only*) SMEs who fully understand the legacy operational processes and technology. As application modernization efforts emerge, these BAs are invaluable, working closely with Business Architects to document the current state of the business supported by the applications undergoing modernization. This focus area typically includes:

- ▶ Generalist BAs
- ▶ Business System Analysts.

PROJECT / NEW PRODUCT FOCUS

Project-focused analysts work on moderately complex projects designed to develop new/changed products, business processes and IT systems. This focus area typically includes senior BAs who are:

- ▶ IT-Oriented BAs
- ▶ Business-Oriented BAs

Applied BA Capability Model

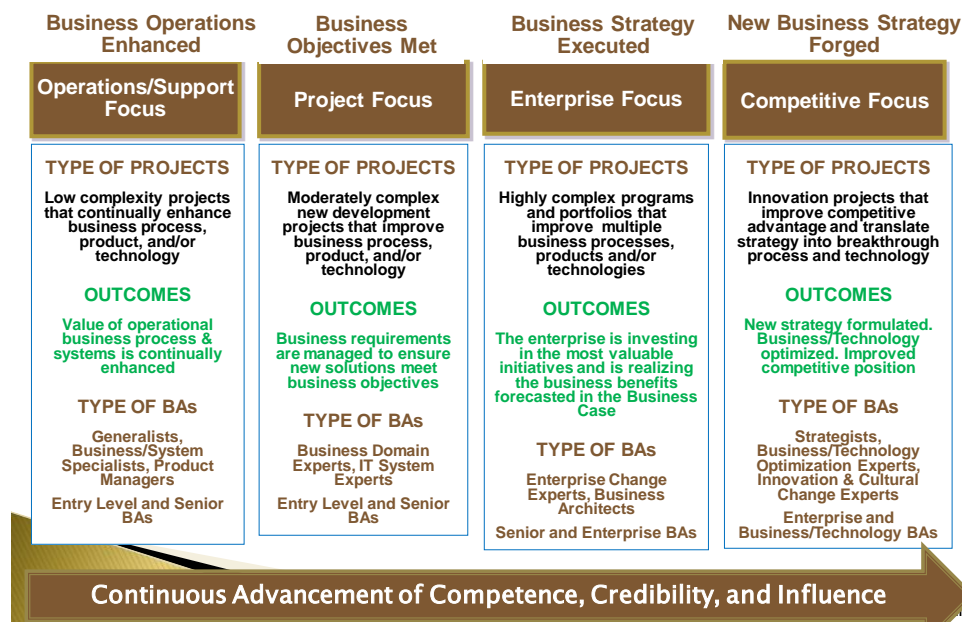


Figure 5: Applied BA Capability Model

ENTERPRISE / STRATEGY EXECUTION BUSINESS FOCUS

These BAs are operating at the enterprise level of the organization, ensuring that the business analysis activities are dedicated to the most valuable initiatives, and the business analysis assets (models, documents, matrices, diagrams etc.) are considered corporate property and are therefore reusable. Enterprise analysts focus on the analysis needed to prepare a solid business case to propose new

initiatives to execute strategy. They also work on highly-complex, enterprise-wide projects and programs, typically managing a team of senior BAs. This focus area typically includes experienced, high-level BAs who are:

- ▶ Enterprise Analysts
- ▶ Business Architects

COMPETITIVE / FUTURE STRATEGY FOCUS

Business/Technology Analysts are recognized business domain and technology visionaries who serve as innovation experts, organizational change specialist, and cross domain experts. Business/Technology Analysts focus outside of the enterprise on what the industry is doing, formulate the future vision and strategy, and design innovative new approaches to doing business to ensure the enterprise remains competitive, or even leaps ahead of the competition. Business/Technology Analysts convert business opportunities to innovative business solutions and translate strategy into breakthrough process and technology.

5. The Applied BA Capability Assessment – A Groundbreaking Approach

Using an Applied BA Capability Assessment similar to the one presented here, provides the information you need to baseline your competencies and prepare your own professional development plan, and can serve as input to your organization's professional development program. The results provide a basis for BA workforce adjustments and/or realignment, training requirements, professional development

activities, and specific mentoring and coaching needs.

The on-line BA Applied Capability Assessment collects basic demographic information about you, e.g., years of experience, time spent on BA activities versus project management or more technical tasks, and amount of BA education. It then compares the state of your BA capabilities to the industry as a whole. The information on how much time you spend on BA activities provides a view as to your actual capacity to deliver new business solutions.

The online BA Applied Capability Assessment provides the opportunity to participate in a multi-dimensional BA Capability Assessment that, until now, has only been offered to organizations. This approach allows you to see where you compare against BAs at your level in other organizations who are working on similar project assignments. In addition to the benchmark report, you receive a customized professional development plan to guide your BA performance improvement and career development efforts.

This is not your ordinary multiple-choice-type self-assessment using a rating scale. This approach provides an interpretive frame of reference to analyze your assessment responses; this assessment process exhibits strong reliability and validity when you respond candidly to each question. The following chart compares the BA Applied Capability Assessment approach to traditional competency assessments (Figure 6).

What You Receive:	BA Capability Assessment	Multiple-Choice BA Competency Assessment
Competency Rating for BA Knowledge Areas and Supporting Competencies	X	X
Summary Competency Snapshot	X	X
Canned List of Recommendations	X	X
Integrated Competency Report	X	
Comprehensive Professional Development Plan	X	
Comparison Against a Validated BA Competency Model	X	
Comparison Against a BA Benchmark Group	X	
Evaluation of Your Competency Level Against Your Current Work Assignments/Workload	X	
Analysis of BA Performance Outcomes and Project Outcomes	X	
Free Consultation to Help You Understand Your Results	X	

Figure 6: Applied BA Capability Assessment vs. Traditions Competency Assessments

Sample Results

The reports you receive are customized to your specific work situation and provide you with relevant, prioritized recommendations to help you focus your professional development efforts. Your customized reports arrive via email in PDF format. You may request a 15-minute telephone consultation or email consultation if you have any questions about your results and professional development recommendations.

INTEGRATED COMPETENCY REPORT

Name: Sally B. Analyst

1.0 BUSINESS ANALYSIS (BA) KNOWLEDGE AREAS

BA knowledge areas group a related set of task and techniques business analysts must understand and apply in order to work effectively within any analysis process or overall solutions development methodology.

Your project workload information indicates you work at this BA Level: **Senior Business Analyst**

Your assessment results will be compared to this BA Level and to the Group of BAs at this Level.

1.1 BA PLANNING AND MONITORING

Business Analysis Planning and Monitoring involves activities and techniques to identify stakeholders, develop estimates, define deliverables, and establish business analysis procedures to produce expected project outcomes.

Business Analysts at all levels need to develop effective BA Planning and Monitoring skills.

	0%	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%	
Your Rating	100%											
Senior BA Model	56%											
Senior BA Benchmark Group	57%											

BA PROFESSIONAL DEVELOPMENT PLAN

Name: Sally B. Analyst

SECTION 2: IMPROVING BA SKILLS APPLICATION

These recommendations are designed to help you fill the gaps in skills application that you rated as below the model for your BA level.

BA KNOWLEDGE AREAS

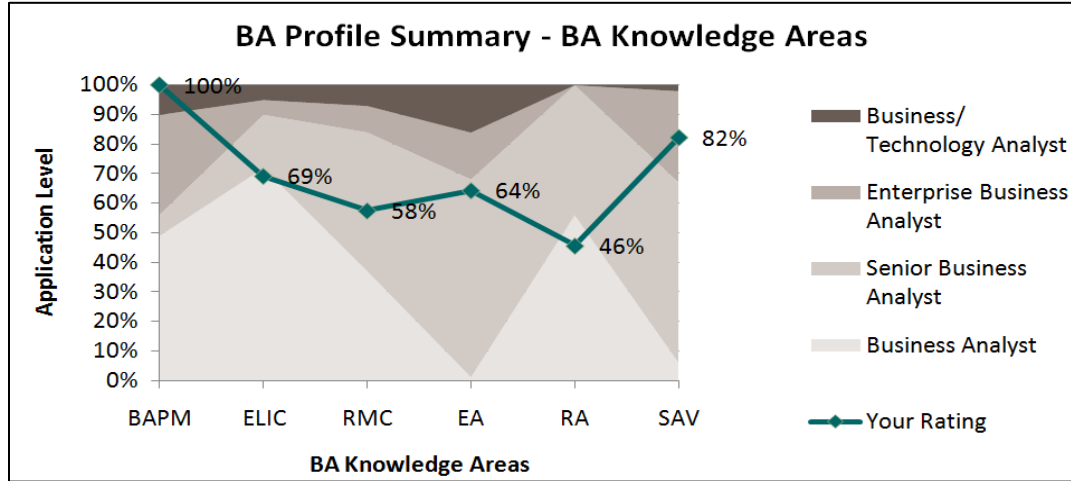
Skill Areas	Recommendations
<ul style="list-style-type: none"> Listed below are the BA skill areas that you assessed as below the model. Consider the following BA competency areas as candidates for professional development: Elicitation Requirements Management and Communication Enterprise Analysis Requirements Analysis 	<p>Courses:</p> <ul style="list-style-type: none"> Enlist in a formal course for the knowledge areas listed focusing on the task areas that were below the model for your BA Level. <p>Self Study:</p> <ul style="list-style-type: none"> Download the latest version of the IIBA® BA Body of Knowledge (BABOK®) and study these sections See below for suggested readings <p>Conferences:</p> <ul style="list-style-type: none"> Attend conferences on Business Analysis, (e.g., BA World, World Congress of Business Analysis), focusing on presentations and workshops for the knowledge areas listed <p>Local IIBA Chapter:</p> <ul style="list-style-type: none"> Attend your local IIBA chapter meetings to network and learn best practices for these competencies Suggest your local IIBA chapter conduct professional development events on these knowledge areas <p>Mentoring:</p> <ul style="list-style-type: none"> Seek a mentor in your group who performs well in the BA competency areas

BA TECHNIQUES

A Senior BA should apply various techniques to produce quality BA deliverables and achieve project outcomes. Consider applying these techniques on your projects to improve your skill application in the areas included in the previous table as being below the model for a Senior BA and to enhance your deliverables for those areas meeting or exceeding the model.

BA Skill Areas	Recommended Techniques
BA Planning and Monitoring	<ul style="list-style-type: none"> Delphi Expert Judgment Process Modeling Requirements Attribute Assignment Requirements for Vendor Selection Requirements Traceability Coverage Matrix Requirements Decomposition Requirements Workshops Responsibility Matrix (RACI) Risk Analysis Root Cause Analysis Scenarios and Use Cases Scope Modeling Solution Modeling Structured Walkthroughs Survey/Questionnaire Value Analysis Variance Analysis
Elicitation	<ul style="list-style-type: none"> Delphi Expert Judgment Focus Groups Force Field Analysis MoSCoW Analysis Prototyping Requirements Workshops Survey/Questionnaire

BA PROFILE SUMMARY



6. What Professional Services are Available to help Mature the BA Profession?

K. Hass and Associates offer professional services to organizations to help them in their quest to build a mature BA Practice. Our services, while well developed and utilized, are always targeted and customized to each organization's particular needs. No two implementations are alike, although our approach is rooted in proven best practices for assessments and consulting services. Our assessment services are supported by LORIOUS, LLC, an assessment, survey, and

research firm. **LORIOUS, LLC** provides applied organizational research, workforce evaluation, surveys, and analytics to help managers and leaders transform data into actionable business intelligence to drive and improve their organization's business outcomes.

For information about the science and analytics behind K. Hass and Associates' Business Analysis Practice Maturity Framework, read these whitepapers at www.LoriusLLC.com:

- BA Workforce Evaluation: *Get Off the Couch and Help Your BAs Achieve Optimal Fitness*
- Review of the Integrated Business Analysis Practice Maturity Assessment Framework: *Is That What's Really Happening in my Organization?*

The first step in advancing your BA capabilities is learning about our *BA Practice Maturity Framework* and how it can help you and your organization. K. Hass and Associates offers assistance in every aspect of *BA Practice Maturity*, transitioning individual BAs, BA workforces, and BA organizational practices to the level required to meet your business needs.

To download additional information, visit us online at www.kathleenhass.com or contact Kitty Hass at kittyhass@comcast.net. To participate in the groundbreaking BA Capability Assessment go to <http://www.loriusllc.com/assessments/bacapability.html>.

About the Author



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IIBA Board of Director and Chair of the IIBA Chapter Governance Committee

Kitty is the president of Kathleen Hass and Associates, Inc., a consulting practice specializing in the business analysis (BA), complex project management (CPM), and strategy execution through portfolio management. Ms. Hass is a prominent presenter at industry conferences, author and facilitator. Kitty has authored numerous white papers and articles on leading edge PM/BA practices, the renowned series entitled, *Business Analysis Essential Library*, a compilation of six titles on critical BA practices, and the PMI 2009 Book of the Year, *Managing Project Complexity - A New Model*. To download more free information about the premier business analysis support services available in the marketplace, visit us at www.kathleenhass.com or contact Kitty at kittyhass@comcast.net. New opportunities include:

- ▶ Bring our **PMO/BACOE "Best Fit" Workshop** to your organization to make the appropriate management decisions to accommodate your organization's business strategies, culture, and current maturity levels. Outputs include: business case, scope of authority and responsibility, operational charter, implementation plan, budget and staffing needs, measures of success, governance, and the expected value to be added to the business through the PMP/BACOE mandate.
- ▶ Investigate the only **BA and PM Assessment Services** available in the marketplace today that baseline the maturity of your current capabilities and competency levels and provide you with a customized benchmark study and a personalized professional development plan.
- ▶ Participate in our **BA Research Project** to baseline the current maturity levels of 21st century organizations. You will receive a valuable report on the current state of your organization's BA practice.