

# Business Analysis Foundation

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## Lesson 1: Introduction to Business Analysis

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BCS  
FOUNDATION CERTIFICATE  
IN BUSINESS ANALYSIS

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## Welcome to your Study Guide

This document is supplementary to the information available to you online, and should be used in conjunction with the videos, quizzes and exercises.

## Study Guide Icons

|   |                             |  |
|---|-----------------------------|--|
|    | <b>Tip</b>                  | This will remind you of something you need to take note of or give you some exam guidance. |
|    | <b>Definition</b>           | Key concept or term that you need to understand and remember.                              |
|  | <b>Role</b>                 | Job title or responsibility.   |
|  | <b>Purpose or Objective</b> | For a process or activity.   |

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## 1 What is Business Analysis?

This lesson explored what business analysis is:

- The origins and development of business analysis
- The scope of business analysis work
- Taking a holistic approach
- The role and responsibilities of a business analyst

## 2 Origins and Development of Business Analysis

Originally, developments in IT enabled organizations to create information systems that improved existing business operations and decision making. However, as business operations have changed, the emphasis has moved on to the development of new services and products.

For many years there has been dissatisfaction with the services provided by IT as although the technology enables the development of information systems, these often fail to meet the requirements of the business or deliver a competitive advantage. There is a perception that, all too frequently, information systems do not deliver the predicted benefits. This has led to a shift to outsourcing, often in a drive to reduce costs, or due to a lack of IT expertise at senior management level.

The outsourcing of work is based on the belief that a company will receive higher quality at lower cost. In theory this approach has much to recommend it, but it can create communication issues between the business and the outsourced development team. So, to make the outsourcing model work, new roles are required within the organization – which led to the development of business analysis capabilities. A study by Feeny and Willlocks (1998) identified “*business systems thinking*” as a core element of the business analyst role, and a key skill that needs to be retained in organizations who have outsourced their development team.

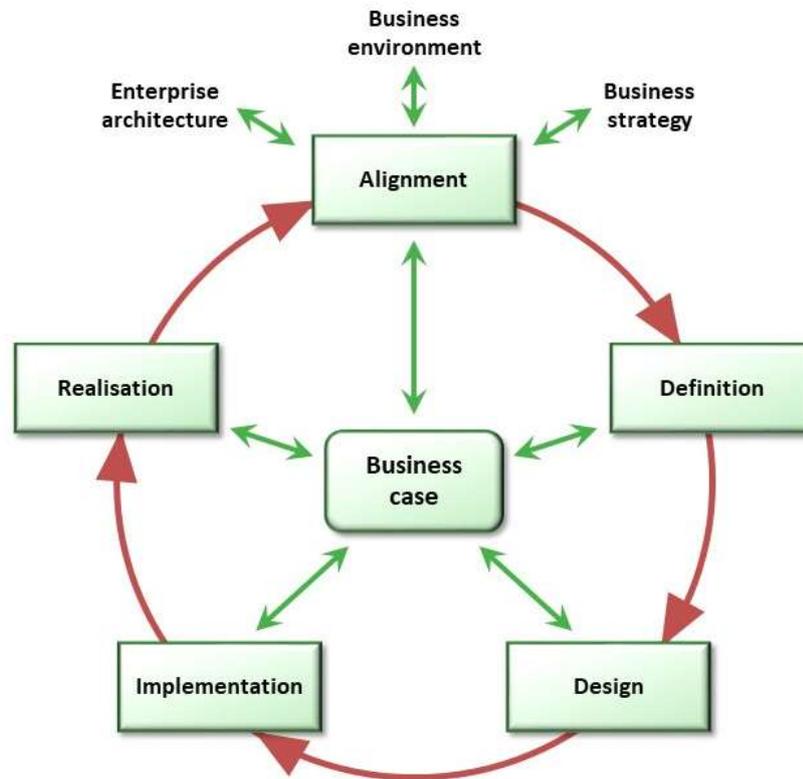
Additionally, three factors need to be present to deliver competitive advantage:

1. The needs of the business must drive the development of IT systems
2. The implementation of an IT system must be accompanied by the necessary business changes
3. The requirements for IT systems must be defined with rigor and accuracy

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During the last few years organizations have recognized the need for roles and skill sets that enable the successful delivery of business change initiatives.

This is illustrated in this typical business change lifecycle:



**Figure 1: The Business Change Lifecycle**

Extensive analysis is required throughout the lifecycle if change is to be successful and deliver the desired benefits. In many organizations a coherent approach to change is still awaited and often the definition of business needs, and requirements to ensure these are met, are not clear. The focus is too often on the solution rather than understanding the problem. This can result in the development of changes that fail to deliver business benefits.

These factors have led to the rise of the business analyst.

|  |             |  |
|--|-------------|--|
|  | <b>Role</b> | The Business Analyst role is to uncover the root causes of problems, identify the issues to be addressed and ensure any solution will align with business needs. |
|--|-------------|--|

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The majority of business analysts are employed by their organization, rather than using external consultants. Cost is a key reason for this, as external consultants can be expensive. Speed is also a factor, as internal consultants will already know the business and will be able to retain the knowledge within the company. Internal consultants are knowledgeable about the business domain and are accountable for their actions.

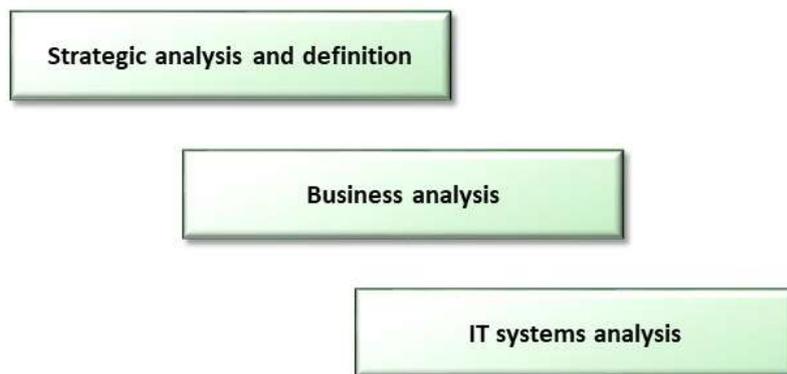
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## 3 The Scope of Business Analysis Work

There have been many definitions of a business analyst over the years, but the following is a comprehensive and current one:

|   |                         |  |
|---|-------------------------|--|
|  | <b>Business Analyst</b> | A business analyst is someone who analyzes an organization or business domain and documents its business or processes or systems, assessing the business model or its integration with technology <sup>1</sup> . |
|---|-------------------------|--|

One way to consider the business analyst role is to examine the possible range of activities. This diagram shows three areas that might be considered to be within the scope of the business analyst.



**Figure 2: The Potential Range of the Business Analyst Role**

Strategic analysis is usually the work of senior management, but Business Analysts need to have a good understanding of the strategy development process.

|   |            |  |
|---|------------|--|
|  | <b>Tip</b> | Strategic analysis techniques and an overview of the strategic planning process can be found in lessons 3 and 4. |
|---|------------|--|

<sup>1</sup> Source: [https://en.wikipedia.org/wiki/Business\\_analyst](https://en.wikipedia.org/wiki/Business_analyst)

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In some organizations, business analysts work closely with IT developers and the specification of IT system requirements is a key part of their role. To do this they need a detailed understanding of IT systems and how they operate.

Business analysts are usually required to investigate a business system where improvements are required. They may be asked to resolve an identified or localized issue, or they may be asked to focus upon enhancing or replacing an IT system. An analyst would usually begin by gaining an understanding of the current business situation. Even when a problem is defined, and a solution identified, it is rare that this turns out to be the entire problem or that the solution addresses all the issues.

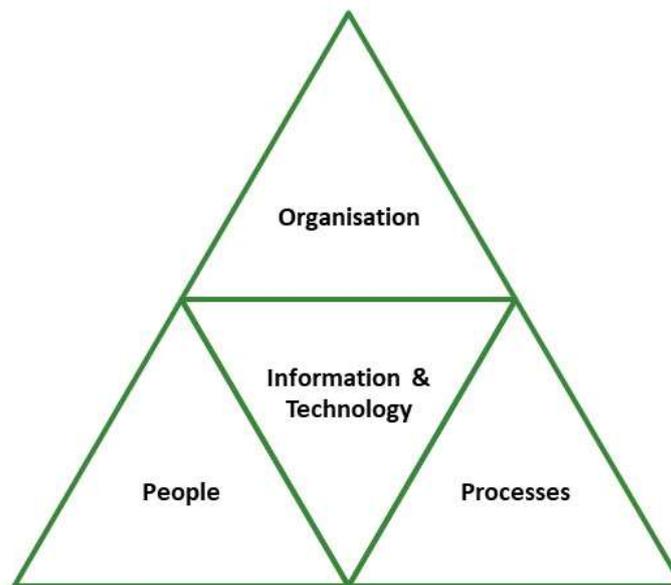
For any changes to succeed, the business analyst needs to consider all aspects, for example, the processes, IT systems, job roles, skills and resources that will be needed to improve the situation. An analyst may also be required to develop a business case to justify the required level of investment and consider any risks.

One key element of the business case will be the identification and quantification of the business benefits. Assessing whether the predicted benefits have been delivered and taking actions that will help to deliver those benefits, are further key aspects of business analysis. At a later stage the business analyst may be required to support the implementation of the changes. This can include advising business users as they adopt new processes and procedures or assisting in the user acceptance testing activity for an IT system.

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## 4 Taking a Holistic Approach

Business analysis requires the application of a holistic approach. All aspects of the operational business system need to be analyzed if all the opportunities for business improvement are to be uncovered. This diagram represents the aspects that it is useful to consider when identifying areas for improving the business system:



**Figure 3: The POPIT Model Showing the Views of a Business System**

The POPIT model demonstrates that business analysts need to consider these four aspects when analyzing a business system:

- The process
- The people
- The organizational context
- The technology

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For each of the four areas, the following should be considered:

## The Process

The situations for process would include:

- Are they well defined and communicated?
- Is there good IT support, or are several 'workarounds' in existence?
- Does the process require documents to be passed around the organization unnecessarily?
- Is there the potential for delays or the introduction of errors?

## The People

The situations for people would include:

- Do they have the required skills for the job?
- How motivated are they?
- Do they understand the business objectives that they need to support?

## The Organizational Context

The situations for the organizational context would include:

- Is there a supportive management approach?
- Are jobs and responsibilities well defined?
- Is there effective cross-functional working? For example, situations where people from different areas of a team work together.

## The Technology

The situations for the technology would include:

- Do the systems support the business as required? For example, do they run efficiently?
- Do they provide the information needed to run the organization? For example, in terms of data being available for productivity.

It is vital that the business analyst is aware of the culture of their organization and its impact on the people and working practices. Using a holistic approach ensures that these aspects are included when analyzing a situation. Business analysis places an emphasis on improving the operation of the entire business system. Typically, these improvements will include the use of IT, but some situations may relate to staff development or other factors. The focus should be on business improvement with regard to the needs of a particular situation.

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## 5 Agile Systems Development

Agile is a software development approach which emerged in the late 1990s as a result of approaches such as Rapid Application Development or RAD and the Dynamic System Development Method, or DSDM. These approaches evolved as a reaction to the linear waterfall cycle, which emphasizes completing each stage before moving on to another. The Agile philosophy is to deliver software increments early and to elaborate requirements using approaches such as prototyping.

The Agile Manifesto stated:

We are uncovering better ways of developing software by doing it and helping others do it. Through this work we have come to value:

**Individuals and interactions** over processes and tools

**Working software** over comprehensive documentation

**Customer collaboration** over contract negotiation

**Responding to change** over following a plan

That is, while there is value in the items on the right, we value the items on the left more.<sup>2</sup>

So, the business analyst, working on an Agile project, would be involved in supporting the business users in clarifying, elaborating and prioritizing the requirements during the development process.



### Tip

The role of the business analyst in an Agile environment is explored further in lessons 14 and 17.

The business analyst may be required to support the implementation of the business changes. One aspect of this is acceptance testing. The business analyst's involvement can include work such as developing test scenarios and working with business users as they apply the scenarios to their new process systems.

<sup>2</sup> [agilemanifesto.org](http://agilemanifesto.org) (2018)

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The business analyst will also be required to provide extensive support in tasks such as:

- Writing procedure manuals and user guides
- Training business staff in the use of new process and IT systems
- Defining job roles and writing job descriptions
- Providing ongoing support as business staff adopt new approaches

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## 6 The Role and Responsibilities of a Business Analyst

The role and responsibilities of a business analyst would typically be:

- To investigate business systems, taking a holistic view of the situation
- To evaluate actions to improve the operation of a business system
- To document the business requirements for the IT system support using appropriate documentation standards
- To elaborate requirements in support of the business users during evolutionary systems development

|   |                                    |   |
|---|------------------------------------|---|
|  | <b>Business Analyst Definition</b> | An advisory role which has the responsibility for investigating and analyzing business situations, identifying and evaluating options for improving business systems, elaborating and defining requirements, and ensuring the effective implementation and use of information systems in line with the needs of the business. |
|---|------------------------------------|---|

In a more senior position, aspects of the business analyst role might be:

- **Strategy implementation** – Here the business analysts work with senior management to help to define the most effective business system to implement elements of the strategy.
- **Business case production** – this is a senior business analyst role, with support from finance specialists.
- **Benefits realization** – the business analysts carry out reviews, examine the benefits defined in the business case and evaluate whether benefits have been achieved, or if actions are needed
- **Specification of IT requirements** – typically using standard modelling techniques such as data modelling or use case modeling

The definition of the business analyst role may be expanded by considering the rationale for business analysis. This explains why business analysis is so important for organizations today, and details responsibilities that business analysts must accept.

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## 7 The Rationale for Business Analysis

The rationale for business analysis is:

### Root causes not systems

- *To distinguish between the symptoms of problems and the root causes*
- *To investigate and address the root causes of business problems*
- *To consider the holistic view*

### Business improvement not IT change

- *To recognize that IT systems should enable business opportunity or problem resolution*
- *To analyze opportunities for business improvement*
- *To enable business agility*

### Options not solutions

- *To challenge pre-determined solutions*
- *To identify and evaluate options for meeting business needs*

### Feasible, contributing requirements not meeting all requests

- *To be aware of financial and timescale constraints*
- *To identify requirements that are not feasible and do not contribute to business objectives*
- *To evaluate stated requirements against business needs and constraints*

### The entire business change lifecycle, not just requirements definition

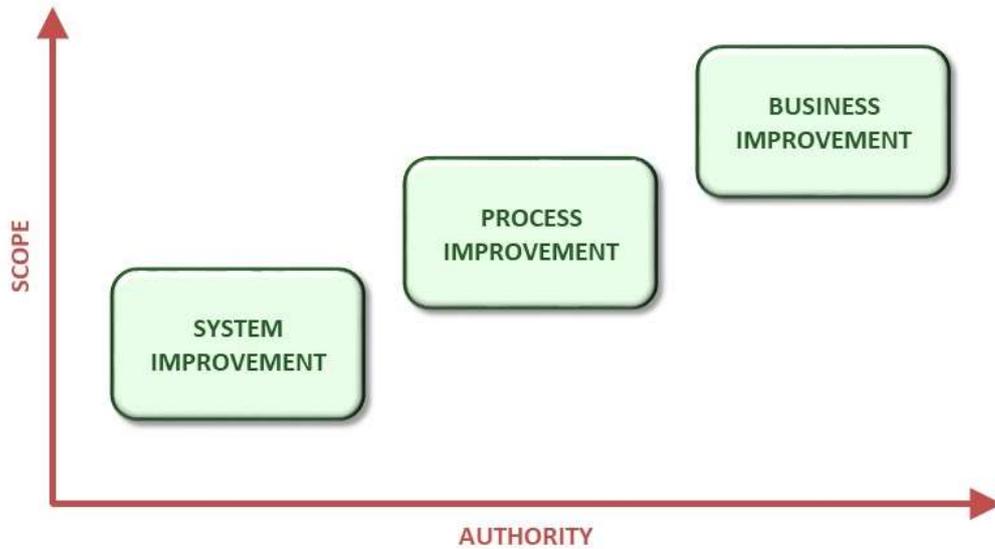
- *To analyze business situations*
- *To support the effective development, testing, deployment and post-implementation review of solutions*
- *To support the management and realization of business benefits*

### Negotiation not avoidance

- *To recognize conflicting stakeholder views and requirements*
- *To negotiate conflicts between stakeholders*

The Business Analysis Maturity Model or BAMB shown here represents the development and maturity of business analysis:

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**Figure 4: The Business Analysis Maturity Model**

The BAMM shows three levels of maturity. The first level is where the business analysis work is concerned with defining the requirements for an IT system improvement. The next level moves beyond specific IT development so that the analysts improve the business processes that give rise to the requirements. The third level involves improving the business and working with senior management to support the delivery of value to customers.

These levels of maturity apply to three perspectives on business analysis. These are the individual analysis, the business analysis community within an organization and the business analysis profession as a whole.

The BAMM links to the Capability Maturity Model Integration or CMMI, represented here:

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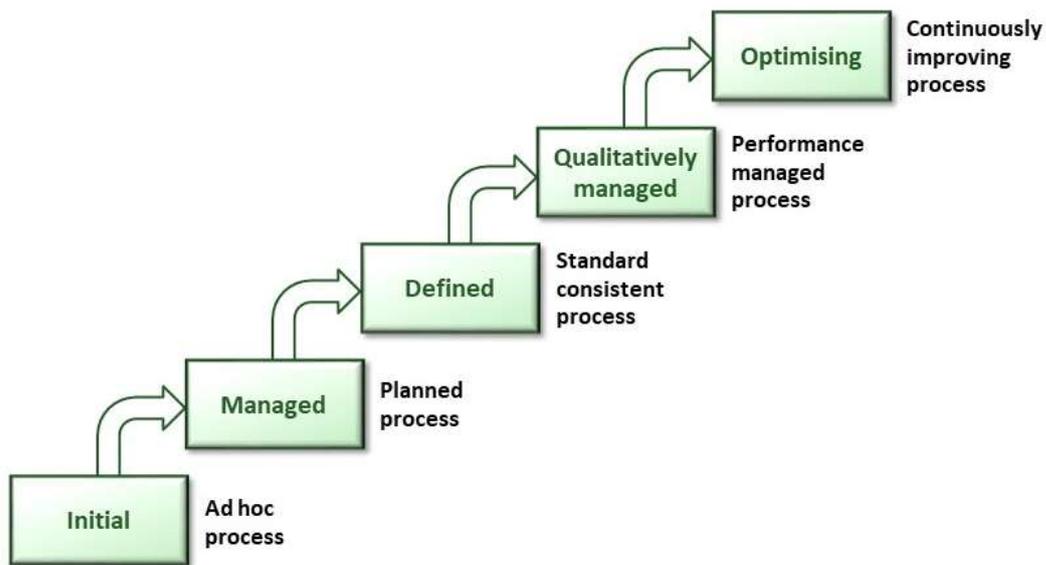


Figure 5: The Capability Maturity Model Integration

When considering the BMM in the light of the CMMI, it can be seen that the five levels of the CMMI apply at each level of the BMM. For example, a young organization may employ business analysts for requirements definition work, and here the analyst may initially have to develop their own process and standards. So, they would be at the Systems Improvement level of the BMM and the initial level of the CMMI. A version of the CMMI developed to evaluate the maturity of Business Analysis Practice is illustrated here:

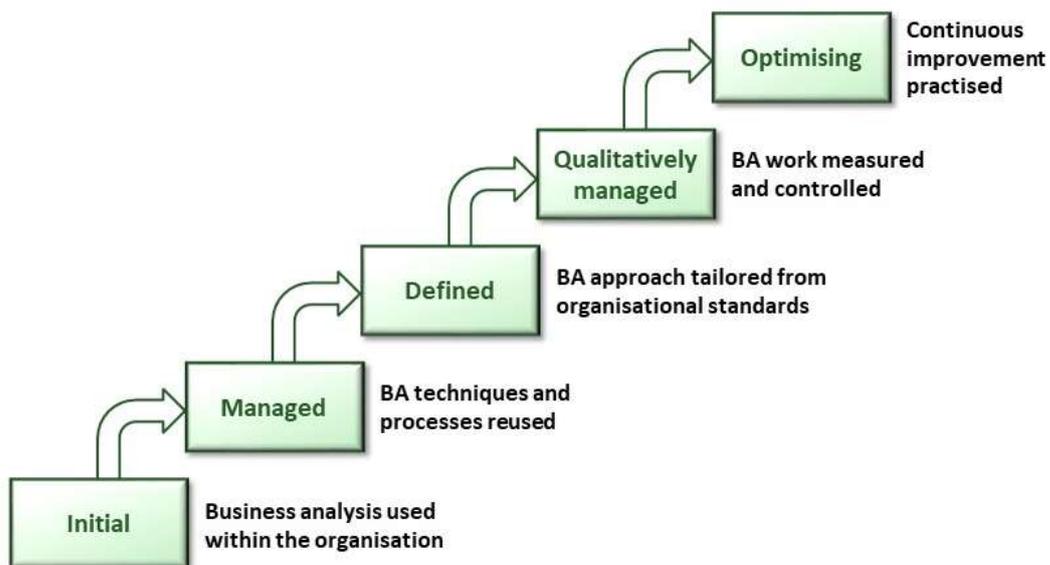


Figure 6: The Capability Maturity Model for Business Analysis

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This approach assesses the maturity of the improvement process. A more mature organization may have analysts working at all three levels of the BAMM. The analysts at Business Improvement level may have a defined process, standards and measures, and therefore be working at the Managed level of the CMMI.

Business analysis has developed a great deal over the last 26 years and is often referred to as a profession. The factors that support professionalism in business analysis are shown in this table:

| Factors                                    | Illustration  |
|--|---|
| <b>Qualifications</b>                      | Organizations increasingly require business analysts to have these  |
| <b>Standards</b>                           | These are techniques and documentation that are applied to carry out business analysis work   |
| <b>Continuing Professional Development</b> | This is a recognition of the need for continual development of skills and knowledge to retain professional status   |
| <b>Professional Bodies</b>                 | These are responsible for defining technical standards and the code of conduct, promoting the profession and carrying out remedial action where necessary |

Business analysts are often expected to have the skills and knowledge of the business domain plus the analytical skills of consultants. The challenge is for analysts to ensure that they develop the extensive toolkit of skills that will enable them to engage with business problems and assist in their resolution. The challenge for the business is to support the analyst and give them the authority to carry out the work effectively.