Business Analysis: The Evolution of a Profession

By Kathleen Barret, IIBA President and CEO

"Change has considerable psychological impact on the human mind. To the fearful it is threatening because it means that things may be worse. To the hopeful it is encouraging because things may get better. To the confident it is inspiring because the challenge exists to make things better. Obviously, then, one's character and frame of mind determine how readily he brings about change and how he reacts to change that is imposed on him."
—King Whitney Jr. to a sales meeting, quoted by *Wall Street Journal*, June 7, 1967.

It is often the case that organizations need a crisis or "burning platform" to force change. They respond by either "jumping" to a new way of doing business or they "expire in the flames".

Business Analysts are agents of change. While the business analysis profession has been around a long time, the formalization and recognition of the role are directly linked to the creation of International Institute of Business Analysis (IIBA) in 2003. However, IIBA® benefited from a number of changes that were occurring in the worldwide business community:

- Global Economy / Marketplace
  - Resources can now be acquired relatively easily at reasonable prices.
  - Competitors are everywhere—both locally and from across the globe.
- Right-sourcing
  - Organizations are focusing on their core competencies and outsourcing everything else.
  - This global supply chain requires a common language and consistent use of tools across multiple organizations.
- Integrated Organization
  - Siloed, independent lines of business are becoming horizontally integrated and are focusing on their common customer.
  - Process, products, and infrastructure are being rationalized and aligned across the whole business.
- Just in time delivery
  - Organizations can't afford to maintain larger inventories—they must respond to changing demands quickly. Inability to deliver will create bad press and increase the reputational risk and their global competitors will overtake them in the marketplace.
- Information Technology spend
  - The increase in information technology spend is both a cost of doing business as well as a competitive advantage.
  - IT needs to be operationally efficient—standardize, embrace best practices / tools, eliminate waste, and focus on what is important.
- Role of Technology
  - Technology is no longer the inhibitor—organizations can do anything with technology if they are willing to invest the resources, both financial and human.
  - The solution is no longer if, it's how.

In this new business reality, getting it right the first time is critically important—the consequences of "do-overs" are enormous. Success requires a planned approach that hits the mark and is executed flawlessly with expert skills.

We have much legacy to deal with—systems that are old, unreliable, stagnate, comply with old standards and have missing architectures. The corporate personality and environment often impacts our ability to move forward. Technology is constantly changing, with new approaches and complexity-reducing design techniques. But when technology is new and unproven it can also be disruptive to the familiar ways of getting things done.

The environment in which we are working can be just as complex with various organizational structures, political sensitivities, diversified project teams operating in different locations and often multiple countries, not to mention the wide range of systems and system interactions.

The cost of getting it wrong

Companies, regardless of the economy, continue to increase their investment on software development. The cost of getting it wrong can be astounding. Did you know?
- 71% of failed software projects are traced to poor requirements – *CIO Magazine*
- 40% of the effort in an average software project is fixing errors
- Requirements defects account for 56% of re-work – Butler Group, 2005
- $250 billion of annual waste is traced to poor requirements (global)
- $194.4 billion is spent on software development (U.S. Bureau of Economic Analysis, 2008)
- $46 billion is spent on fixing software requirements errors (USA)

If we examine those last two numbers from the USA, almost 25% of all spending on software is rework associated with requirements. It is clear that improving business analysis capabilities can have a significant impact on the bottom line.

So what is an organization supposed to do? Some continue to do the same things over and over again. Doing things the way they have always done them will get the same results. They need to do things differently and that involves taking a hard look at the root causes—poor requirements, questionable strategic alignment and inadequate focus on the business—all things that can be addressed with better business analysis.

Business Analysis Defined

The definition of business analysis is: "the set of tasks and techniques used to work as a liaison among stakeholders to understand the structure, policies, and operations of an organization, and recommend solutions that enable the organization to achieve its goals."

Business analysis involves analyzing the business and understanding:
- Why the organization exists
- How an organization works
- What are its goals and objectives

- How it accomplishes those objectives
- How it needs to change to better accomplish objectives or to meet new challenges

The Business Analyst role is about linking and liaising. Broader than IT, the BA focuses on solutions in the context of the organization's goals, regardless of whether they utilize technology. The BA role is about meeting business needs and ensuring investment in the right solutions.

A Guide to the Business Analysis Body of Knowledge® (BABOK® Guide) incorporates six Knowledge Areas along with a set of underlying competencies, and applies to both the enterprise and to projects. The knowledge areas are:

- Business Analysis Planning and Monitoring
- Elicitation
- Requirements Management and Communication
- Enterprise Analysis
- Requirements Analysis
- Solution Assessment and Validation
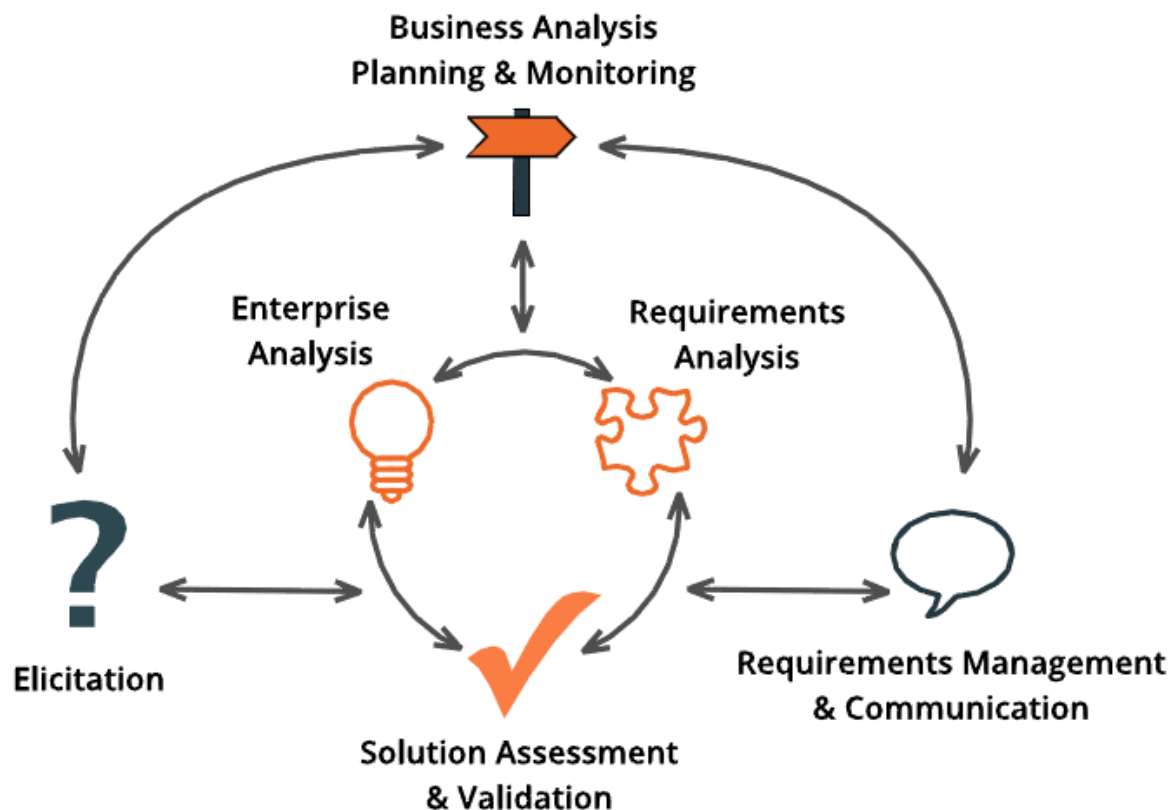
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We are agents of change. Business Analysis is a disciplined approach for introducing and managing change to an organization by identifying and articulating the need for change, and facilitating its implementation.

Business Analysts identify and define the solutions that will maximize the value delivered by an organization to its stakeholders. We work across all levels of an organization and may be involved in everything from defining strategy, to creating the enterprise architecture, to taking a leadership role by defining the goals and requirements for programs and projects or supporting continuous improvement in its technology and processes.

We have the specialized knowledge to act as a guide and lead the business through unknown or unmapped territory, to get it to its desired destination. The value of business analysis is a realization of benefits, such as avoidance of cost, identification of new opportunities, understanding of required capabilities and modeling the organization.

The BA role is still evolving. We know what to do, but don't necessarily do it. There is often insufficient organizational support from executives, managers, project teams or business partners. We still find gaps in individual skills or knowledge. Often the development life cycle is not clear—who does what, when? While BAs believe that all aspects of the role as defined in the *BABOK® Guide* are relevant and important, they spend most of their actual work time on elicitation and specification—enterprise analysis and solution assessment and validation are known to be important but are still not being done to the extent required.

There are many communities impacting our role and how it can deliver value to the organization. Business Process Management, Business Rules, Agile, Enterprise Architecture, and Business Intelligence are all components of business analysis and changes in those areas will evolve the BA role. BAs need to stay involved to understand how they can leverage these changes to support their performance.

BAs have a great opportunity in front of them. You can help evolve the profession by supporting the BAs in your organization, networking through chapter events or other BA communities and participating in your professional association. Your future is up to you.

Izq a der: Guillermo Morales (CIO Kryteria), Kathleen Barret (ex CEO IIBA), Rafael Dorantes (Capacitación LATAM IIBA), Guadalupe Del Pozo (COO Kryteria) dando Kick Off al programa oficial en México en 2009