

BABOK® v3 Study Group

Study Notes

Week 1: Core Concepts

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These notes is the basis for the Business Analysis knowledge and concepts to follow. It covers the core concept model of Business Analysis as well as includes the industry definitions of Business Analysis, the requirements classification schema, stakeholder types, and key terms. These notes are the entry point into the knowledge areas which will follow and is an essential introduction to establish a firm foundation of understanding.

- What is Business Analysis
- The Business Analysis Core Concept Model(™)
- Key Terms
- Stakeholders
- Requirements Classification Schema
- Requirements and Designs
- Test your knowledge

Understanding Business Analysis

Business Analysis is the practice of understanding business needs and enabling change including the recommendation of solutions. Business Analysis can deliver value before, during or after a project or business initiative. Initiatives where Business Analysis is applied can be tactical, strategic or operational in nature. Business Analysis is often used to understand the business's current state and future desired state.

According to the BABOK® Guide, Business Analysis can also be performed using a variety of different business perspectives. These perspectives include:

- The Agile Perspective
- The Business Intelligence Perspective
- The Information Technology Perspective
- The Business Architecture Perspective
- The Business Process Management Perspective

It is important to note that these perspectives do not include the full range of potential contexts in which Business Analysis can be applied.

Who is a Business Analyst?

Any person in the organization who performs tasks, which are described within the BABOK® Guide is considered to be a Business Analyst.

The BABOK® Guide Version 3 describes Business Analysts as follows: “Business Analysts are responsible for discovering, synthesizing, and analyzing information from a variety of sources within an enterprise, including tools, processes, documentation, and stakeholders. The Business Analyst is responsible for eliciting the actual needs of stakeholders – which frequently involves investigating and clarifying their expressed desires – in order to determine underlying issues and causes.”

So if we consider this very broad definition of who the Business Analysts are in the organization we would most likely recognize that many projects or product-related roles within the organization could be considered as playing a Business Analysis role to a certain extent.

Examples of roles that often include a variety of Business Analysis tasks would be:

- *The Business Architect*
- *The Business Systems Analyst*
- *The Data Analyst*
- *The Enterprise Analyst*
- *The Management Consultant*
- *The Product Owner and the list go on....*

You probably get the picture that Business Analysis stretches across many different roles, many different perspectives and areas within the enterprise.

Key Terms

There is a core set of key terms used within the business analysis profession which has been defined in the BABOK® Guide v3.0. It is important for you to understand and learn the meaning of each of these terms.

Here will define and explore the meaning of the following terms used in the BABOK® Guide context:

- Business Analysis
- Business Analysis Information
- Design
- Enterprise
- Organization
- Plan
- Requirement
- Risk

Business Analysis

As we have already determined in an earlier definition, “Business Analysis is defined as the practice of enabling change in an enterprise by defining needs and recommending solutions that deliver value to stakeholders.”

Business Analysis Information

This term refers to all types of information that a Business Analyst uses to perform Business Analysis tasks. Each defined Business Analysis task has inputs and outputs of Business Analysis information.

Examples include: Requirements elicitation results, Requirements, Designs and Solution scope to name but a few.

Design

A Design in the context of Business Analysis refers to any usable representation of a solution. The design could take many different formats depending on the specific situation and essentially depicts how value can be realized with a solution.

Examples of design in this context could include: A screen mock-up, a process model or a sketch of a dashboard.

Organization

We are all familiar with the meaning of the term Organization. In this context, it is defined as a group of people working to achieve a common set of goals.

Organizations are continuously operating to achieve the goals they have set whereas in the case of a project, the project will be disbanded when the goals have been met.

An example of an organization could include: a 'Retail Clothing Company' that sells a particular brand of clothes.

Enterprise

The BABOK® Guide v3.0 defines the term "Enterprise" as a system of one or more organizations and the solutions they use to pursue a shared set of common goals.

The solutions being referred to in this definition can include: processes, tools or information. An enterprise can be a number of organizations, governments or any other type of organization.

An example of an Enterprise could be: a large Banking Corporation that consists of many different smaller companies operating under the same umbrella company – local banks, investment banks, insurance companies and so forth could all be part of the same Enterprise.

Plan

The term "plan," describes tasks to be performed, resources and materials required to execute the tasks, any dependencies and sequencing of tasks as well as dates and expected outcomes. It also outlines the stakeholders involved in executing the plan successfully.

An example of a plan could simply be: the Project Plan for the implementation of a Customer Relationship Management solution.

Requirement

The BABOK® Guide defines the term "Requirement" as a usable representation of a need. Requirements focus on understanding what kind of value could be delivered if a requirement is fulfilled.

An example of a requirement could be: a document describing the specific needs for a Sales Management Solution in an organization.

Risk

Risk is the uncertainty around what is expected as an outcome. In the context of Business Analysis this means that the risks need to be analyzed in terms of its priority to the business stakeholders and to collaboratively find ways to mitigate or decrease the likelihood of a risk eventuating. There are different types of risks that should be understood by the Business Analyst.

There are project-specific risks that affect the ability of the project team to deliver as expected. Then there are also operational or business risks that exist as a consequence of the proposed solution or change introduced by the project or initiative. These risks need to be addressed in alignment with the proposed solution and changes to ensure the risks identified are acceptable and managed according to the wider organizational risk appetite.

An example of a Project Risk: “Due to additional and unexpected scope in functionality required for the solution, there is a risk that the project team cannot deliver by the originally agreed delivery date.”

An example of a Business Risk: “A risk has been identified in that highly skilled employees may leave the organization because their roles are being changed by the implementation of the new Sales Management Solution.”

Now that we have discovered the key terms used and their meanings, it is time to explore who the key stakeholders are that plays an active role within the projects we deliver as Business Analysts.

Stakeholders

There are stakeholder roles you should be aware of and be able to define and interpret in the context of exam questions. Here we take each of these stakeholder roles and understand what part they play within the realm of Business Analysis.

The different Stakeholder roles you should be familiar with when working within the Business Analysis domain includes:

- Business Analyst
- Customer
- Domain Subject Matter Expert
- End User
- Implementation Subject Matter Expert
- Operational Support
- Project Manager
- Regulator
- Sponsor
- Supplier
- Tester

Business Analyst

As you would imagine the Business Analyst is responsible and accountable for the execution of all Business Analysis activities. In some cases, the Business Analyst may also be responsible for performing other stakeholder responsibilities.

An example of a Business Analyst stakeholder includes: a Project Business Analyst who is responsible and accountable to deliver all the stakeholder and solution requirements for the project.

Customer

The customer is probably the most important stakeholder because they are the ones who will use products or services produced by the project, the organization or the enterprise as a whole.

An example of a Customer include: a banking customer who uses the bank’s credit card facility as a product.

Domain Subject Matter Expert

This role is the individual who has an in-depth knowledge of the specific topic area where a business need or solution scope is being analyzed. There are many types of roles in the organization that can also play the role of a Domain Subject matter Expert.

Two examples of the domain subject matter expert role include: the Payroll Officer in a New Payroll Solution initiative or a Sales Consultant where a new Sales Process is being implemented.

End User

The end users are the stakeholders who will be using the business solution that is being implemented. This could include a new business process and/or a specific product or system solution.

An example of an End User is: a Call Center Operator who uses the Call Centre Software Package to perform their role.

Make sure you understand the difference between a Customer and an End User. The Customer can also be an end-user when they are the end-user of the system and the customer for a particular solution. Example: An online banking customer is a customer and an end-user of online banking software. Whereas, in a call centre scenario, the end-user of the Call Centre Software is the call centre agent and the Customer is the person who is being served by the Call Centre agent who is using the software.

Implementation Subject Matter Expert

These types of stakeholders are the individuals who are subject matter experts within a certain aspect of an implementation of business processes or software solutions.

Some roles that are considered Implementation Subject Matter Experts include: Change Manager, Solution Architect, Configuration Manager, Database Administrator, Usability Analyst, Trainer and so forth.

Make sure you understand the difference between an Implementation Subject Matter Expert and a Domain Subject Matter Expert.

Operational Support

This stakeholder group is responsible for the day-to-day management and maintenance of a system or a product.

Examples of these stakeholders include: helpdesk staff, release managers, operations analysts and product analysts.

Project Manager

This stakeholder role is responsible for managing the work that is required to implement the solution that was defined to meet the business needs. The project manager must manage the project in terms of scope, budget, schedule, resources, quality and risk. Other stakeholder roles, which often play the project manager role within different situations, could include: the team lead role, a product manager role, a technical lead role or a project lead role.

Regulator

Many enterprise initiatives are subject to specific regulations. The regulator plays the role of enforcing specific standards across different industries and sectors. Examples of these standards can be legislation, corporate governance standards or audit standards.

Example roles of regulators could include: the government, regulatory bodies or an auditor.

Sponsor

The role of the sponsor is to initiate and support the efforts required to analyze a business need and to find and establish a solution for that need. The sponsor acts as the authorizer of all activities as well as controlling the budget for the initiative. Other role titles of sponsors are the executive or project sponsor.

For example: In a Payroll Initiative it would be typical for the Payroll Executive to be the initiative's sponsor.

Supplier

The role of this stakeholder sits outside the boundary of the enterprise or organization. The supplier provides products and services to support any business initiative and can often form an integral part of the solution. The Supplier stakeholder therefore has a contractual and in some cases moral obligation towards the organization.

An example of a Supplier could be: the Software Vendor who is selected to provide a new Call Centre software solution as part of a business initiative.

Tester

Finally, the role of the tester is to define and establish a process to verify that the solution that is being implemented meets the requirements defined by the business analyst. The tester stakeholder will also be responsible to establish a certain quality standard to be adhered to by the solution. The role of the tester is also referred to as the role of a quality assurance analyst.

An example responsibility of a Tester would be: to write test scripts to match the business requirements to be tested using an agreed Test Procedure.

Each Business Initiative requires all these roles to be present in order to be complete and well rounded. It is essential for the Business Analyst to consider and understand the roles of all these stakeholder types when planning the Requirements Approach and Engagement activities.

Requirements Classification Schema

There are four main types of requirements defined by the BABOK® Guide v3.0. These are fundamental to Business Analysis and requires you to fully understand each classification entirely. They include:

- Business Requirements
- Stakeholder Requirements
- Solution Requirements
- Transition Requirements

The Requirements Type: Solution Requirements, is also further defined into two sub-types: Functional Requirements and Non-Functional Requirements or Quality of Service Requirements.

In order to implement the BABOK® Guide Requirements Classification Schema, you will need to assess and map the levels of requirements to your existing requirements processes and the resulting requirements documents.

Let's now consider the different types of requirements in more detail and understand what that means for your real-world requirements by looking at an example for each.

The diagram below summarises the different types of requirements described in the Requirements Classification Schema.

Business Requirements

A Business Requirement is a statement of a business goal, objective or desired outcome that describes why a change has been initiated.

An example of a Business requirement: The Payroll department must upgrade existing payroll procedures to cater for the growth in employee numbers.

It is important to realize that the business requirements describe and justify the high-level business functionality that is needed in the resulting solution. In order to define a solution, the business requirements will be progressively elaborated and decomposed to the next level of detail, which brings us to the "Stakeholder Requirements."

Stakeholder Requirements

The stakeholder requirements describe the needs of the stakeholders that must be met in order to achieve the business requirements.

These requirements define the needs of stakeholders and how they will interact with a solution. Stakeholder requirements act as a bridge between the business requirements and the solution requirements. The stakeholder requirements identify what is needed from the user's perspective and define "big picture" capabilities that the resulting solution must possess.

An example of a Stakeholder requirement: The Payroll team must set up new employee accounts to prepare for new employees who is joining from a merger company.

You will note here that the stakeholder requirement is written and expressed from the perspective of a particular stakeholder or stakeholder group. The stakeholder requirements might be common or different between different stakeholder groups and should be considered as such.

Solution Requirements

The solution requirements describe the specific solution characteristics that the solution will need to possess to be able to meet the stakeholder requirements. These are the requirements that contain enough detail to develop and implement the solution from.

Solution requirements are divided into two categories:

- **Functional requirements:** These requirements describe the specific functionality that is required by the new solution or in other words, the functional requirements describe the capabilities that a solution must provide to its users.

An example of a Functional requirement: The Teller scans the barcodes to calculate the total grocery bill for the customer upon checkout.

In this example, the functionality that is being described is about the ability to calculate the total grocery bill. In another example you might have similar functional requirements for searching for products, printing receipts or processing payments. It is about the functions the system provides to the end user.

- **Non-functional Requirements or Quality of Service Requirements:** These types of requirements describe the characteristics that are expected of the solution. This is best described with a few different types of non-functional requirement categories.

Examples of Non-Functional requirements include requirements describing the performance requirements for a system, the transaction volume capability of a system, the security requirements of a system and the usability of a system. There are many other non-functional requirements categories to describe the required characteristics of a solution.

Remember that non-functional requirements are also referred to as quality of service requirements or quality attributes.

Transition Requirements

Last but not least are the transition requirements. These types of requirements define what is needed to transition from a project or a pre-production solution to an operational solution or to transition from the current state to the future state.

An example of a Transition requirement: To migrate all existing employee payroll information from the current manual systems to the new Payroll Calculator database.

The reason the above example is a transition requirement is that once all data has been migrated successfully to the new system, the requirement is complete and will not be required beyond the temporary tasks of migration of data.

Requirements and Designs

It has been an ongoing debate or area of confusion where requirements and designs are being used and elaborated upon interchangeably. In the past, we have said that you must first establish the requirements and then another role such as a solution architect will typically be responsible to elaborate on the design aspects of the initiative or planned solution. We have however through years of experience realized that this is in fact not always practical and not always appropriate. In some situations requirements will be defined and elaborated initially and, in some cases, the design will initiate further definition of more requirements.

People are solution-driven and it therefore often happens that a design or solution sometimes drives the analysis of requirements rather than requirements being the first step in the life cycle.

Regardless of whether requirements are defined upfront and then designs are considered, it is important for the Business Analyst to now understand that in some situations they will be responsible for doing designs (or at least part of it) as well as the requirements for a solution. It remains really important for the business analyst however to always ask “why” a design or a requirement is being considered and how it aligns with the business goals and objectives.

Below are some comparison examples of requirements and designs.

Example 1:

- ***The requirement: View 6 months of order information across all departments in a summary report.***

The design equivalent of the requirement: A sketch of a dashboard-style user interface or screen layout.

- ***Example 2:***

The requirement: To capture employee personal information in a central database.

The design equivalent: a wireframe or screen mockup showing all the required fields and a general design of the screen layout.

In conclusion, the Business Analyst will be responsible for the requirements definition throughout the life cycle of development of the solution. The Business Analyst will also be responsible for being closely involved during the design steps of the process to ensure that designs are aligning with requirements defined and ultimately meet the business objectives of the organization.

