The Fundamentals of Business Analysis

Business Analysis is a straightforward process of analysing business change requirements. Why, then, are there so many methods, approaches, techniques and tools for doing what is – essentially – the same job? In order to understand this, we need to rewind a bit in time to look at where Business Analysis came from, where it currently is and projections for where it will go.

The History Bit

Business Analysis was born out of the fact that IT change projects started to go wrong in the 1980s.

Before that, IT change projects could solve a limited set of problems in a limited way because the only options were to turn paper based data into electronic data and have simple programs automate the use of that data. There were many limitations such as:
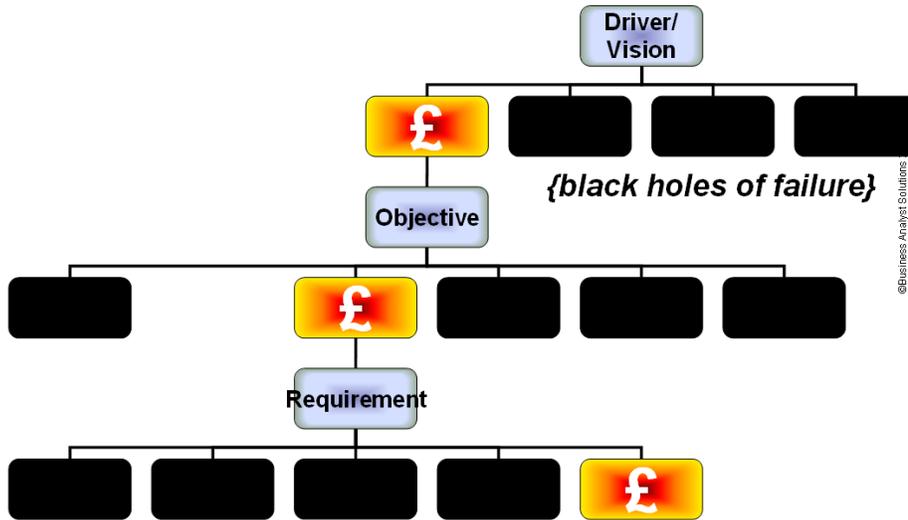
- storage of the electronic data was expensive
- the way data was stored was cumbersome (flat files read sequentially in one direction only).
- programs were difficult to write in abstract languages
- there was only a limited set of functionality based around mainframe processes
- user interfaces were delivered on basic green-screens

Since the 1980s things have changed: data storage has become cheaper and covers not just paper based data but audio and visual data too; relational, object orientated and other databases have made access to data easier; programming languages have evolved in usability and functionality; processing is no longer constrained to mainframes but distributed with increasingly sophisticated user interfaces.

…Then along came the internet generating a whole new market place and set of business models, as well as a new set of technological possibilities. We also now have thousands of 'legacy' systems being upgraded, merged and replaced. It seems the universe of business solutions is an ever expanding one.

The result of all this was that there are many more choices to make at each stage of an IT and/or any other type of change project and with that increase of choice comes the increasing likelihood that the wrong choices are made – wrong not in the sense of not working, just wrong for what the Business require. Unfortunately, not only does making the wrong choice invalidate the subsequent work based on that wrong choice, the earlier in the project that a wrong choice is made, the greater the damage is in terms of how much re-work is required. To make matters even worse than that, the larger the project or programme the bigger the disaster (Government projects seem to hold the trophy here!). The following diagram illustrates this principle:

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distance learning programme
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Driver/ Vision

£

{black holes of failure}

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Objective

£

Requirement

£

For example, there can be any number of drivers and visions for a project but if the wrong one(s) is identified then everything that follows based on the wrong driver/vision may be valid for that driver/vision, but wrong in terms of what the project is trying to achieve. And so on for the subsequent elements.

Where we are

Business Analysts are not born and neither (unfortunately) are they made: anyone who wants to call themselves a Business Analyst can and there is no rationale for disputing their claim. Worse still, people can be put in to the role of Business Analyst and simply told they are one and they have no way to contradict the statement even if they wanted to. Consequently, it is not uncommon for Business Analysts to think that because they have been doing the job for a number of years then they must know how to do it. This is a bit like saying that because I have done DIY for a number of years that I know how to build a house. Of course I can't build a house: I would need training to be able to do the job properly. What (for a Business Analyst) is "doing the job properly"?

Analysis is defined as "the process of breaking a concept down into more simple parts, so that its' logical structure is displayed" (OED) or **a :** an examination of a complex, its elements, and their relations and **b :** a statement of such an analysis (Merriam Webster).

So Business Analysts must analyse business problems in order to be able to find the correct solutions by breaking the problem down and establishing the logical connections – like links in a chain. To prove they are correct they need to follow some kind of logical rationale that proceeds from the precise definition of a problem and/or opportunity (the first link in the Business Analyst chain) to the precise definition of requirements that address the problem/capitalize on the opportunity (the last link in the Business Analysis chain).

This is what the philosopher Hume called a "chain of reasoning" that informs Business Analysts at every point they have to make a choice. But what are the 'links' this chain of reasoning must have? If it is an

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analysis of a change to business requirements (and what, in the Business Analyst world, isn't?) then it must cover the analysis of:

- business drivers (reasons for change)
- business vision (ideal state of the business post change)
- business objectives (the measures that prove the vision has been realised)
- business deliverables (what components will change the measures defined in the objectives)
- business requirements (what needs the business have that are in scope)
- business rules (what rules must be enforced as part of the requirements)

…and the valid intersections of these elements. The following diagram formalises this idea:

-Links-in-the-Chain-Of-Reasoning-
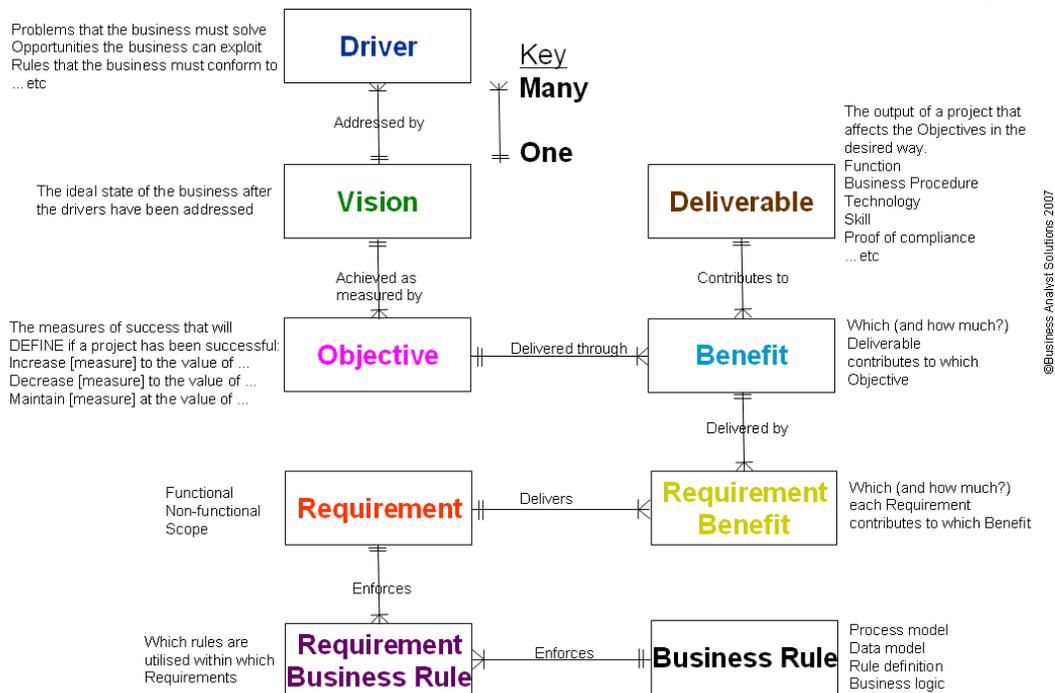
So now we have it: all methods and approaches and practices *must* have elements in them that cover all the links in the chain of reasoning or they cannot be executing a provable analysis of a business problem. They *may* have more besides, but at the very least they *must* have the components in the above diagram. They can call these links anything they like and they can conduct the *process* of analysis using any method that works (and we will know it works if the analysis is provable – and it is provable if every link in the chain of reasoning is in place and consistent with the links it touches).

Where we are going

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Business Analyst training courses often suggest that a Business Analyst is like an architect in that both establish what the client wants and specify the requirements for the build. But how similar are they in the real world given the lack of definition and accreditation of Business Analysis?

	Architect	Business Analyst
Who deals with multi-million pound projects?	Y	Y
Whose work will make or break a budget?	Y	Y
Whose work will have profound implications on the success or failure of a project?	Y	Y
Whose work will have profound implications on users for years to come?	Y	Y
Who has a legal requirement to undergo training?	Y	X
Who has to conform to a prescribed method?	Y	X
Who is regulated?	Y	X
Who can make it up as they go along?	X	Y
Who is legally liable for errors in their work?	Y	X

This lack of regulation and accreditation (all current training programmes and certifications are optional and there is no *mandatory or legal requirement* for a Business Analyst to be trained and accredited) has left a commercial vacuum where it is possible to launch yet another method/approach/practice, set up an accreditation scheme and collect the money. Consequently as Business Analysts we find ourselves with a (literal) embarrassment of methods and approaches and certificates and diplomas and professional organisations, all covering the chain of reasoning – to a greater or lesser extent!

This situation will not continue: there are too many competing methodologies and practices and exams and certificates and diplomas and…and you get the idea. This is an issue for those trying to select Business Analysts (Project Sponsors and Project Managers) and as a result of that issue the Business Analysis profession must face the following risks:

1. Projects will stop doing analysis. Lean and Agile (and the now old RAD and JAD) *could* be seen as the starting points for this as their method to mitigate the risks of missing links in the chain of reasoning is to do lots of small releases so that the cost of correction is lower for each release.
2. The Business Analyst profession will disappear into an in-fight of methodologies and rival accreditation schemes, lose all credibility and will be replaced by another profession (ironically having to do the same job under a different name as there is no rational way around the fact that in order to develop the right solutions the right analysis *has* to be done – eventually!). Of course, that profession will face the same issues as Business Analysts did and … well, as George Bernard Shaw put it "We learn from history that we learn nothing from history".
3. Systems Analysts will take over the Business Analyst role and develop analysis products fit for their purposes (developing computerised systems) and not necessarily fit for business purposes (developing solutions *maybe including* computerised systems, business procedures, organisational units to operate procedures and so on).

Clearly, the issue will be resolved before too long as market forces will drive it to a conclusion. The obvious question then is which – if any – risk will materialise in that resolution?

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I would suggest that all three are already materialising…