

Business Analysis as Organizational Change

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Major BA contexts



Business Model/Strategy

- Create/Deliver/Capture Value



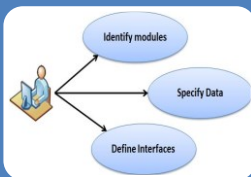
Process Alignment

- What processes to have



Process Design

- How to execute processes



Requirements Analysis

- Resourcing the processes

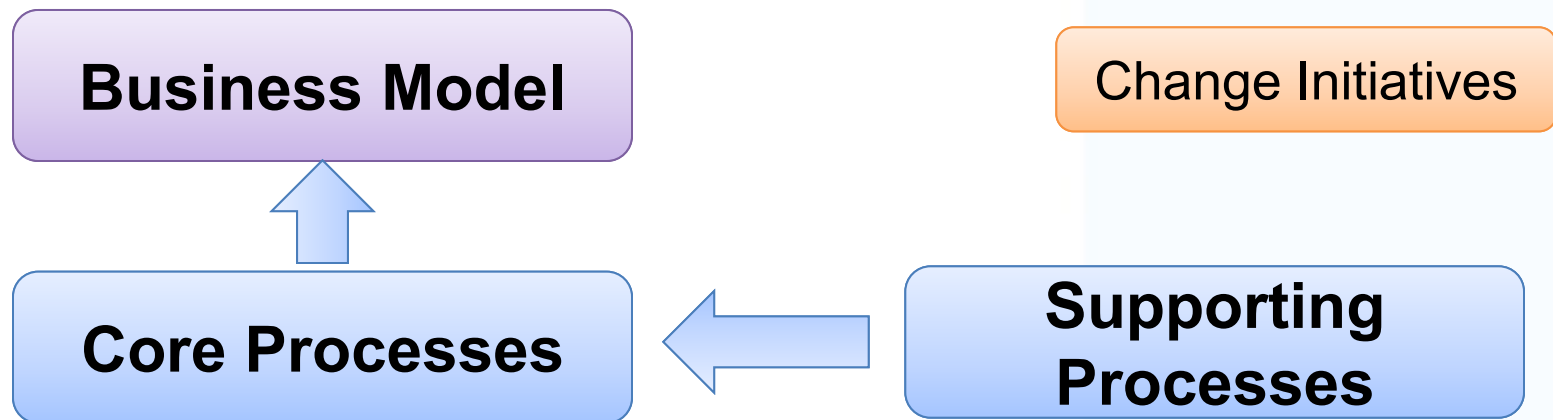
Business Model

- ▶ What it's about
 - ▶ "rationale of how an organization creates, delivers, and captures value"
 - ▶ "Who has your money in their pockets? How are you going to get it into your pockets?"

- ▶ What it means for the BA
 - ▶ Figure out why your company exists in the first place
 - ▶ What product/service does it create?
 - ▶ For whom is it created?
 - ▶ Where does the sale/service delivery occur?
 - ▶ How does money change hands?

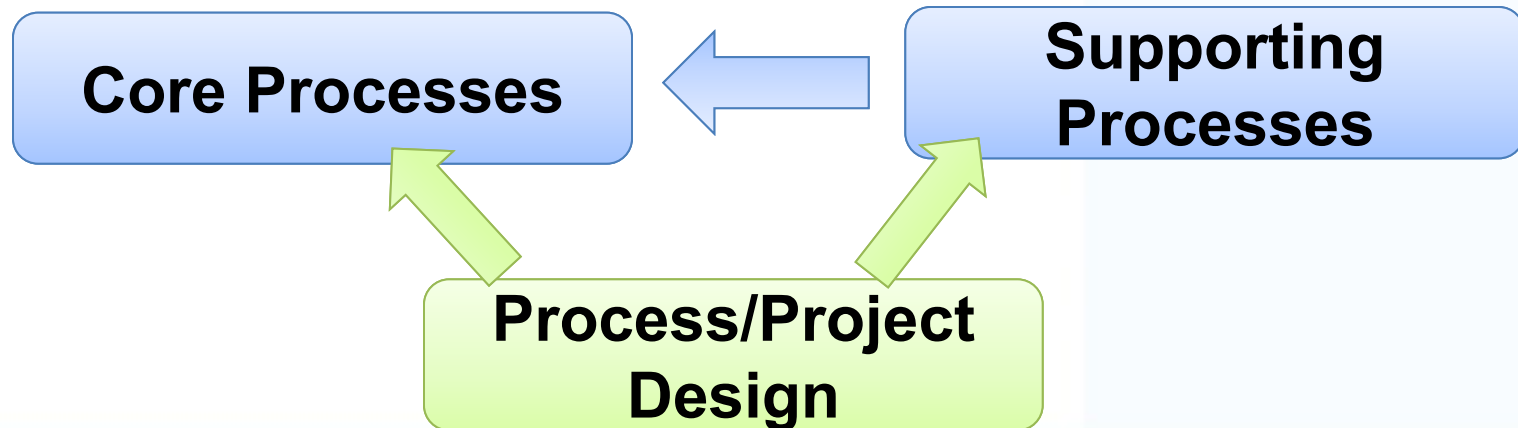
Process Alignment

- ▣ Define the major activities of the company
 - ▣ Core activities – processes and semi-repeatable projects that create, deliver or capture customer value (e.g. Sales, Billing)
 - ▣ Supporting activities – processes and semi-repeatable projects that help us do core activities (e.g. IT, HR, Accounting)
 - ▣ Change initiatives – disruptive and non-repeatable projects to improve/fix processes



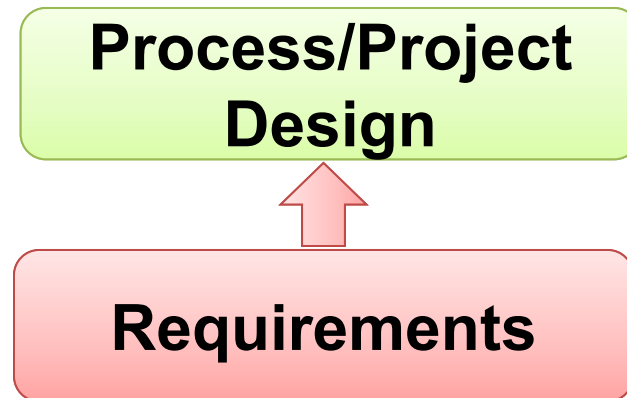
Process/Project Design

- ▣ Sequential (True) processes
 - ▣ Have defined steps, sequence and results
- ▣ Repeatable projects
 - ▣ Have defined results (similar but not identical for each execution)
 - ▣ Have recommended steps to get to the result
 - ▣ Sequence is driven by common sense and resource availability



Requirements

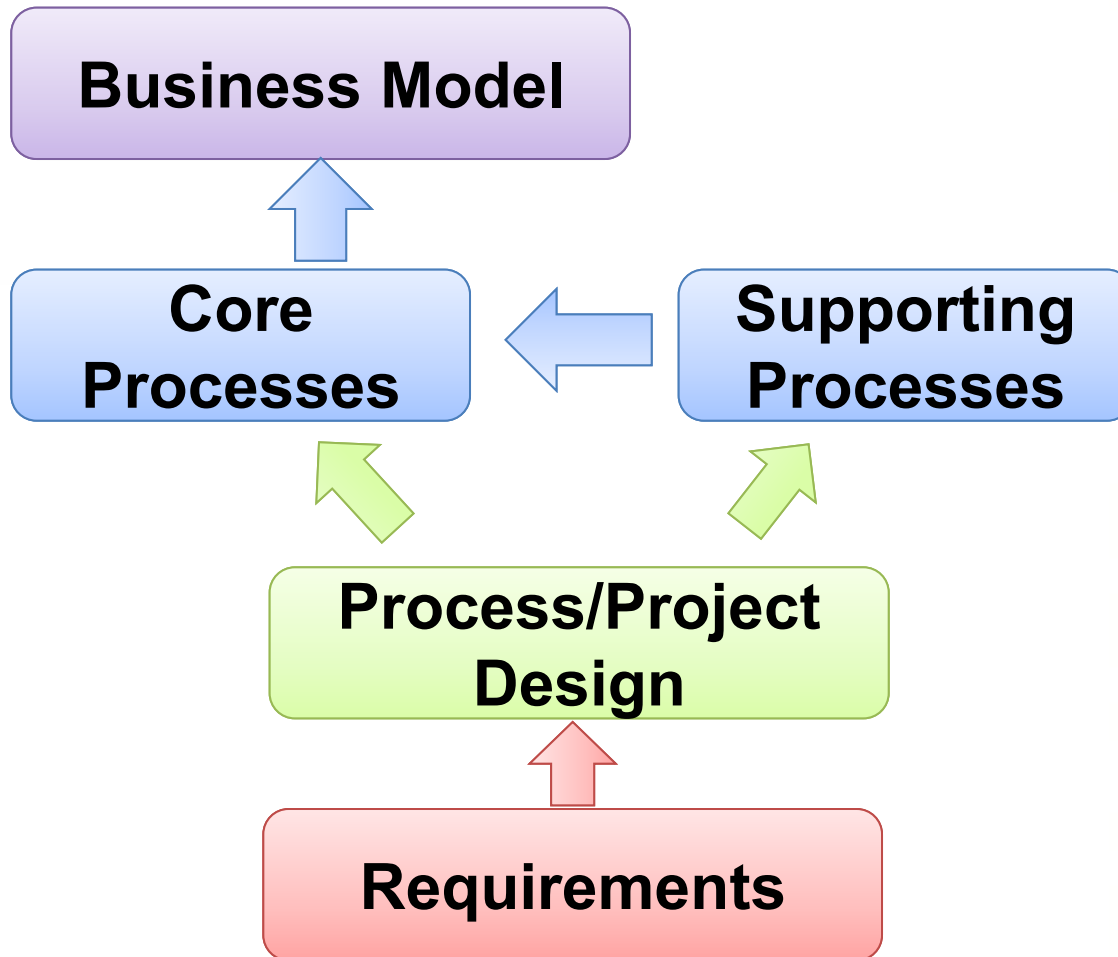
- ▣ What is required to perform process/project per its design
 - ▣ People (RACI)
 - ▣ Inputs – Physical, Data
 - ▣ Tools – Physical, IT tools, Knowledge
 - ▣ Interfaces – functioning related processes/projects



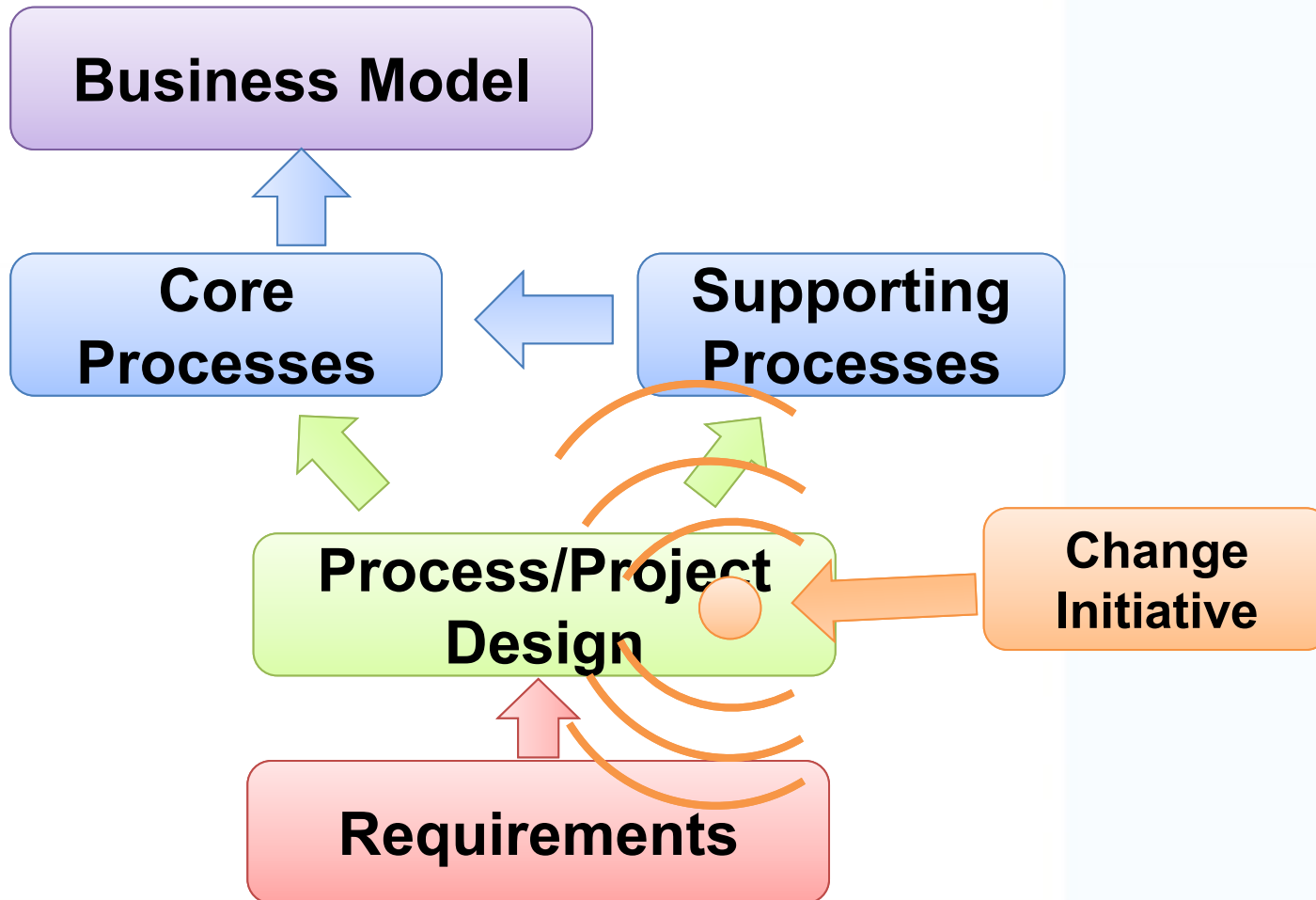
Why Should We Care

- ▶ Business Analysis always deals with change
- ▶ Even small change can create ripples all the way to the business model
- ▶ Not too much time required

Tracability Diagram



Change Initiative



Why Should We Care

- ▶ Business Analysis always deals with some kind of change
- ▶ Change causes disruption for the purpose of increasing business value (for customers, shareholders, employees)
- ▶ Requirements not traced to business value tend to start pointless and repetitive discussions
- ▶ High-level strategy improvements not traced to detailed requirements tend to have unforeseen impact
- ▶ IT resourcing requirements need to be in synch with process constraints and HR requirements

How to document it

- ▶ Does not matter – as long as you DO document it
- ▶ Traceability is generally easy to document with any of the major BA tools - text, diagrams or tables
- ▶ Several rules should be observed
 - ▶ Each requirement supports a business activity or another requirement (and this is explicitly stated next to the requirement)
 - ▶ Each business activity has a reason we are doing it. The reason should be explicitly stated and ideally should be detailed by measurable objectives
 - ▶ Each goal/objective somehow ties to the business model and to increasing overall business value

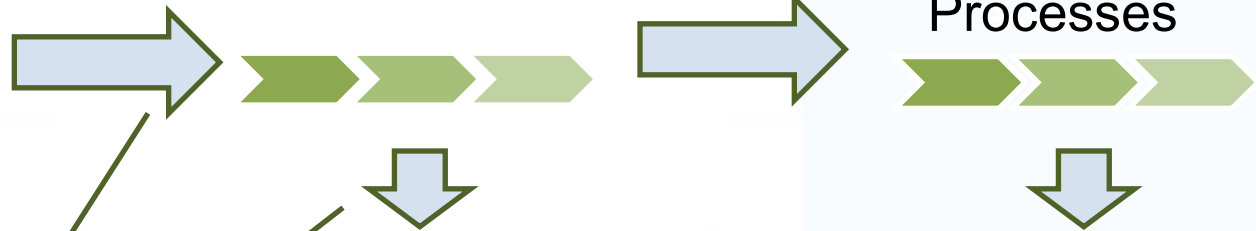
The structure

Business Model



Core Processes

Supporting Processes



The arrows represent value connections – link activities to the reason for doing them

Actual work being done

Required people/data/tools



Business Model Canvas



Creating value

- ▣ Value Proposition – what's so special about the product/service
 - ▣ Newer, better, cheaper
 - ▣ Accessible, simple
 - ▣ Cooler, brand recognition
 - ▣ Helping avoid costs and risks

- ▣ Activities, resources and partners
 - ▣ What needs to get done (core and supporting processes)
 - ▣ What resources are needed (requirements)
 - ▣ What partners can provide some activities and resources

Delivering value

- ▶ Customer segments – who is the customer

- ▶ Channels
 - ▶ What is the type of sale (website, stores, wholesale)
 - ▶ How do we build awareness and stand out
 - ▶ How is the purchase and delivery organized
 - ▶ How is support organized

- ▶ Customer Relationships – what types of customer interactions are performed

Capturing Value

- ▶ Revenue Streams - Which activities are directly related to getting revenue
- ▶ Cost Structure – what are the real costs for the activity (salaries, indirect costs, ect.)
- ▶ Capturing internal value
 - ▶ Objectives/KPIs – essentially measure if the activity (process or project) is achieving its purpose
 - ▶ Measuring the right thing needs deep understanding of the activity's purpose and tracing to the business model
 - ▶ Collecting value capture information is itself a supporting activity (Accounting, Reporting, Business Intelligence processes)

Learn to understand the business

- ▶ **STEP 1:** Separate into groups of two
- ▶ **STEP 2:** Choose the BA (to fill the canvas) and the SME (to provide the information)
- ▶ **STEP 3:** The SME will provide information on the company they work for to the best of their knowledge
- ▶ **STEP 4:** The BA will interpret that information and fill the Business Model Canvas based on their understanding
- ▶ **STEP 5:** Name a couple of operating IT systems within the company and which Key Activities they support

How to Contact me

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