Business Analysis Lifecycle

by Sergey Korban

Aotea Studios Ltd

November 2011

Contents

Introduction

Business analysis as a discipline is maturing at a good pace. Many organizations operating in fast changing environments recognize the importance of the business analysis function and the benefits that it delivers to the business. The business analysis function helps lift up organizational performance, improve the bottom line and maintain competitive advantage. Looking back at the progress made, I see that the moment is right to introduce the business analysis lifecycle.

The IIBA developed good practice of business analysis and introduced it as the Business Analysis Body of Knowledge (BABOK)[1]. The BABOK describes knowledge areas, tasks, techniques and other relevant aspects of business analysis. It says that “the primary purpose of the BABOK® Guide is to define the profession of business analysis”.

The BABOK defines business analysis as “the set of tasks and techniques used to work as a liaison among stakeholders in order to understand the structure, policies, and operations of an organization, and to recommend solutions that enable the organization to achieve its goals”[2].

The BABOK introduces knowledge areas defined as “knowledge required for effective business analysis, tasks to be performed within each knowledge area and generally recognized techniques helping execute the tasks”. It also outlines relationships between different knowledge areas. However, the BABOK does not say that business analysis is a *repeatable method*.

All my experience in business analysis illustrates that business analysis is not a one-off activity. In contrast, it is a repeatable method of specifying a business need and an approach to finding a solution to satisfy the identified need. Lessons from each completed project feed into the improvement of business analysis activities for the coming projects.

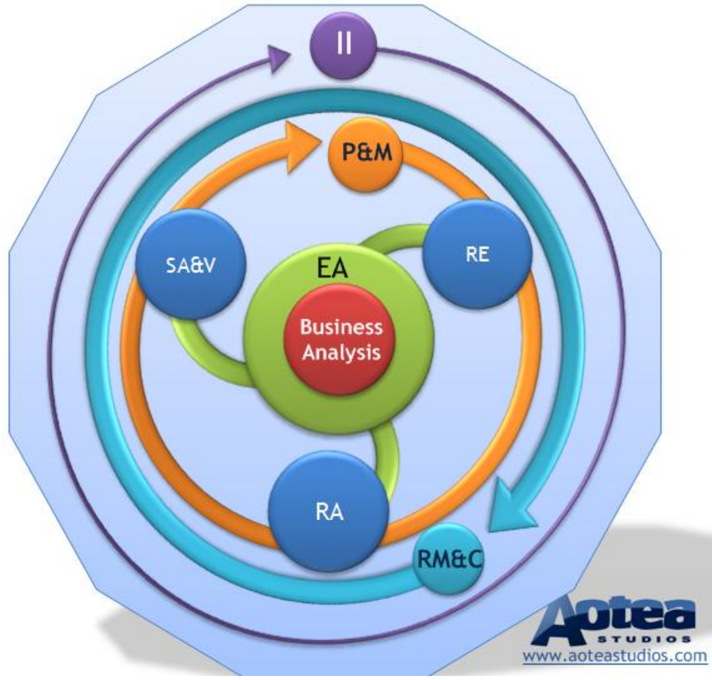
In my opinion, the concept of the business analysis lifecycle (BA lifecycle) can and should be applied to business analysis as it represents a structured and repeatable approach to solving a business problem. Let’s explore the business analysis lifecycle.

[1] The term BABOK® is a registered trademark of IIBA®.
[2] BABOK 2.0, p.3

Business Analysis Lifecycle

The diagram on the right illustrates the BA lifecycle. It consists of seven areas:

- Enterprise Analysis (EA)
- Requirements Elicitation (RE)
- Requirements Analysis (RA)
- Solution Assessment & Validation (SA&V)
- Planning & Monitoring (P&M)
- Requirements Management & Communication (RM&C)
- Iterative Improvements (II)



The first six areas are well known. They govern business analysis and help keep it on the right track within projects.

In practice, business analysis is part of each project, however the lessons learned within each project phase or even iteration within a phase, are often not applied to improve business analysis and its key areas. To overcome this, I have added one more area which I call **Iterative Improvements**.

Enterprise Analysis is the core of the BA lifecycle as it deals with the current state of an organization and existing (limited) capabilities.

EA closely interacts with **Requirements Elicitation**, **Requirements Analysis** and **Solution Assessment and Validation** where required. The goal of these interactions is to specify the business need, define the gaps and the required capabilities, and determine reusable components of the existing environment. These areas are supported by **Planning and Monitoring** and **Requirements Management and Communication** throughout the whole business analysis lifecycle.

As a business analyst executes tasks within the indicated areas, s/he learns lessons and applies the obtained knowledge to *improve* execution of the tasks in the next iteration. This is the moment where **Iterative Improvements** comes into play. **II** completes the BA lifecycle.

The described lifecycle works on improvement of business analysis all the time. This concept delivers the following benefits:

- Proven and effective approaches are used from the first project day
- Planning of business analysis activities becomes more effective

- Communication with stakeholders is effective and has fewer surprises
- Requirements are not missed
- Proven procedures, reports and templates are the norm
- Business analysis function continuously increases its value to the business.

Practical Application

Let's see how the business analysis lifecycle works in real situations. I'm going to walk you through the phases of a successfully completed compliance project as an example of how a business analyst can apply the BA lifecycle.

Start-Up Phase[3]

The business sent a memo to the Project Management Office about the need to satisfy new compliance requirements imposed on the company by a market regulation body. The PMO made a rough estimation (at a very high level) of the project scope and assigned a project manager to the project. The project manager engaged a BA to help refine project scope and determine how much the project may cost and how long it may take to complete.

The project manager allocated the following tasks to the business analyst:

- Analyze the current state of the information landscape within the organizational unit that initiated the project
- Determine project dependencies with ongoing projects
- Specify high-level requirements based on the new market rules
- Develop Project Vision and Solution Vision artifacts to support the development of a Business Case.

The business analyst started work on the assigned tasks by having short and informal meetings with the key business users. The objective was to get a clear picture of the newly required capabilities, the imposed market deadline, the length of the transition period and the financial impact non-compliance would have on the organization. These facts helped him define the project scope and outline possible changes to the current state.

Initiation Phase

The business analyst used the collected information to develop the BA Plan, which included the approach to business analysis, business analysis deliverables, initial assumptions and

[3] The names of phases are used in accordance with PRINCE2®

constraints, effort estimations for the specified tasks, a list of key stakeholders and a communication matrix with preliminary details of communication patterns.

To complete the first task (analysis of the current state), the BA applied the techniques recommended in the EA knowledge area. At the same time, to speed up the task execution, the techniques from RE and RA were utilized. SA&V tasks and techniques were used to get the full picture of the current state.

All the resulting information was presented in the Current State Analysis document. The document was used to refine the original project scope and the time estimates made earlier.

The next step was to specify the high level requirements. Again, RE, RA and RM&C were at play and helped complete the analysis at the enterprise level and do the groundwork for developing the Project Vision and Solution Vision artifacts.

The described tasks were completed in a short period of time because of the flexible combination of techniques. Engagement of stakeholders was really good because of early communication of the identified needs, existing capabilities and discovered constraints.

So, as the business analyst applied lessons learned (II) from each completed iteration, he was able to refine his plan of BA activities and improve his approach to business analysis.

Execution Phase

Once the Business Case was approved, the business analyst started work on business requirements to a solution. The high level requirements specified earlier were translated into business requirements which encompassed both the changes to the current business processes as well as the changes to the information systems enabling these processes. SA&V served well for getting a good understanding of the existing issues with the information systems, their performance and limitations. RE and RA were used concurrently to shorten the duration of the phase in order to meet the tight deadline. RM&C was used to keep all stakeholders in the loop.

The specified requirements were packaged into Use Cases to facilitate engagement of stakeholders, speed up peer and business reviews and simplify communication with software developers and testers down the track. The Use Cases contained traceability of the requirements from functional requirements back to market rules. The Use Cases were also allocated to specified functional areas of the solution. This approach gave the business analyst full control over the requirements and made management of the requirements and communication of changes an easy task.

The progress of delivering the artifacts was monitored through weekly reports.

Iterations with different stakeholders highlighted weaknesses in communication with a project sponsor and technical SMEs. The II helped fix the issues and establish a proper means and schedule of communication.

SA&V was used to specify the transition requirements because the solution had to be connected to the external systems. The gathered information was fed back to EA to correct project scope and make changes to some specified requirements. RM&C was invoked again to communicate these changes back to the stakeholders.

This phase included a few more iterations but I would like to keep the story short so let's move to the final phase.

Closure Phase

The BA delivered a few more artifacts in addition to those mentioned in the beginning of the story. These were Business Requirements, Functional and Non-Functional requirements, Business Process Design and Glossary of terms used within the business domain.

As a good organizational practice, a post-implementation review was completed a month after the go-live. It allowed the business analyst to go through the lessons learned from each phase and identify weaknesses and what worked well. This information was reported to the project manager and it was also used to improve business analysis planning and business analysis activities for future projects.

The business analysis artifacts from the project were stored in a central repository. They are currently used as references in other projects. The requirements can be re-used where required.

Summary

The BA lifecycle introduced in this article is a structured and repeatable approach to identifying business needs, analyzing current and required capabilities, managing and communicating the identified requirements, as well as selecting and validating a solution which meets the business objectives.

The story about the market compliance project illustrates how the BA lifecycle works in real situations. The tasks of business analysis are used in an orchestrated manner with a constant aim to improve their execution where required.

Lessons learned in one project are then re-used in other projects to improve business analysts' performance, improve the quality of business analysis artifacts and the BA function at large. Continuous learning also ensures delivery of greater value to the business in a consistent manner.

About Aotea Studios

Our goal at Aotea Studios is to help businesses succeed by providing resources to improve business processes and productivity. Our expertise is in the areas of business analysis and project management.

We believe that most people benefit from visual information as it allows learning faster, easier and retaining more, which is why we focus on presenting information visually in our products.

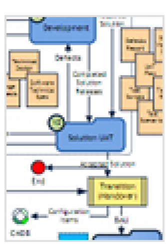
Aotea Studios products

Business Analysis Kickstart

A *visual* guide which will help you boost your business analysis skills. It even goes beyond business analysis because there's much more a BA needs to know. It's easier than reading books!
Learn more

Business Analysis Template Kit

A set of quality document templates for business analysis documents. Give yourself a head start and focus on the content rather than the layout.
Learn more



Business Analysis Illustrated

A collection of charts which visualise business analysis related processes. They work great as an overview or a reference that you can put up on your wall!

Learn more