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Business Analysis
Based on *BABOK® Guide* Version 2
A Pocket Guide

Van Haren
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Jarett Hailes

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Colophon

Preface

"There is nothing so useless as doing efficiently that which should not be done at all."
- *Peter Drucker*

Understanding needs. Defining objectives. Prioritizing problems and opportunities. Selecting the right solution. Ensuring what is delivered is effective. All these activities and more rely on effective business analysis.

The profession of business analysis is rapidly changing and evolving. As organizations realize how crucial it is to be able to successfully manage and deliver change in order to survive and thrive in the global economy, demand for business analysis skills will continue to increase. To this day, people still have difficulty understanding the purpose of business analysis and how it fits with other professions that are involved in the same activities within organizations. In 2003 the International Institute of Business Analysis™ (IIBA®) was formed to define and develop standards for the profession and help business analysis practitioners (called Business Analysts) improve their skills.

The IIBA developed *A Guide to the Business Analysis Body of Knowledge®* (*BABOK® Guide*) to provide Business Analysts and other stakeholders

a comprehensive understanding of what business analysis is about and how it can be delivered to help organizations meet their objectives. Version 2 of the *BABOK® Guide* was released in 2009 and helped shift the focus on business analysis from mainly within the Information Technology domain to one that enables all aspects of the organization to improve their performance and deliver solutions to meet their needs. The *BABOK® Guide* delivers a wealth of information about business analysis, but it can be difficult to know where to start or how to apply its content. Since the profession has evolved since the release of Version 2, there are certain aspects of business analysis that are under-represented in the current version of the *BABOK® Guide*. The purpose of this pocket guide is to provide a clear, concise summary of the key ideas from the *BABOK® Guide* while also offering additional competencies (competences), techniques and ways to apply business analysis within organizations.

Current Business Analysts can use this pocket guide as a quick reference to key concepts. Other stakeholders involved in business analysis activities, from C-suite executives to project team members to front-line staff, can use this guide to gain an understanding of the value business analysis has within an organization and how to effectively interact with Business Analysts.

As you review this pocket guide, I encourage you to think about your organization's mission, goals, and objectives, as well as its current operations, and consider what its key success factors are going forward. From this starting point you can leverage the content from this pocket guide and the *BABOK® Guide* to ensure your organization focuses its energy on what truly matters and is able to successfully deliver solutions that meet its needs.

May 2014,

Jarett Hailes, CBAP

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1 Introduction

1.1 Purpose of the Pocket Guide

The purpose of this pocket guide to the International Institute of Business Analysis™ (IIBA) *A Guide to the Business Analysis Body of Knowledge*® (or '*BABOK*® *Guide*' for short) is to help understand the key knowledge found within the *BABOK*® *Guide* and how it can be applied to a particular situation. This pocket guide can be used by:

- Individuals interested in how business analysis works or who may want to become Business Analysts;
- Business Analysts as a quick reference during the course of their day-to-day work;
- Team members working on projects or within normal organizational operations where business analysis is performed;
- Managers and executives who need to understand how business analysis can help improve their organizations.

This pocket guide is based upon the content found in Version 2 of the *BABOK*® *Guide*, published in 2009[1].

Throughout this guide, you will see boxes that contain information of particular interest. Each box has one of the following symbols:

Note: defines a key concept or explains it in greater detail;

Example: a sample situation or description of a particular task is performed;

Tip: ways to help apply the *BABOK® Guide* in a meaningful way.

1.2   What is Business Analysis?

Business analysis as a profession is relatively young, but the core activities that encompass its value have been performed by a wide variety of individuals within modern organizations for quite some time.

> **Note:** According to the *BABOK® Guide* "business analysis is 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 recommend solutions that enable the organization to achieve its goals".

Fundamentally, business analysis is about:

- Understanding an organization's core goals and objectives;
- Being able to identify and assess key drivers that enable the organization to meet its goals and objectives;
- Determining how an organization's people, processes, structures and technologies work together as a system to perform their operations and how this ties to its goals and objectives;
- Defining the needs of the organization based on its key drivers, goals and objectives as well as its current capabilities and future potential;

■ Evaluating potential solutions that will enable the organization to realize its goals and objectives.

As implied by the *BABOK® Guide* definition, business analysis is an **enabling** function that works with many groups of people who are involved directly and indirectly with an organization. Business analysis takes information from internal staff, customers, suppliers, partners, and vendors to develop a comprehensive understanding of the organization as it pertains to a particular problem or situation being analyzed (or the problem 'domain').

> **Note:** For the purposes of the *BABOK® Guide* and this pocket guide, a Business Analyst is an individual who performs business analysis activities, regardless of what their formal job title is.

As a result, Business Analysts need to be able to comprehend and process information that will often be conveyed from many different perspectives. To successfully perform business analysis, a Business Analyst must be able to understand information from many different industries and professions, each of which have their own set of terminology, standards, cultures and perception of the organization. Business Analysts take information from all these sources, determine what is relevant and valuable, and then use that information to define the organization's needs and assess potential solutions.

> ⚠ **Example:** Many Business Analysts help Information Technology solution providers understand the needs of their client, whether it is an external organization or the other departments within their own organization. In this setting, Business Analysts often develop materials that allow both parties to agree on what is needed and how the solution will meet those needs.

1.3   The Need for Business Analysis

Most modern organizations are comprised of the following people, processes and tools:

- Executives focused on defining and achieving strategic goals and outcomes;
- Front-line staff focused on executing their assigned tasks as efficiently as possible;
- Managers focused on ensuring their teams meet or go beyond the expectations of their superiors;
- Customers focused on their experience with the product or service they receive;
- Suppliers and vendors focused on delivering what they need to in order to retain and increase their business with their client;
- An array of information technology, communication, and other systems that help facilitate processes, knowledge management, and interaction with all the above stakeholders.

Each person and group within this collection has different viewpoints, skills, backgrounds and priorities that make it difficult for them to see how to effectively utilize the organization's resources in order to solve problems and capitalize on opportunities:

- Executives may be able to see the big picture but don't have a deep understanding of the organization's capabilities to decide which components should be leveraged for a particular initiative;
- Front-line staff may not be empowered or realize how to make changes that will work towards the company's strategic objectives, or have their own vision and priorities that compete with the executive view;
- Managers are too busy putting out the daily fires to dedicate time to bridge the vision and priorities of their staff and superiors;
- Suppliers, vendors and even different departments within the same organization are conversant in the language of their domains, but may not be able to effectively interpret how other stakeholders think and talk.

These problems are only exacerbated as organizations grow and/or are forced to adapt to changes in their industries.

Business analysis takes information from all of these people, groups, and tools to assess what the true needs of the organization are and find solutions that will effectively address those needs. It allows individuals and teams to get a holistic view of all relevant information related to a particular goal and helps facilitate the assessment and implementation of solutions that will achieve that goal.

Business analysis delivers value to organizations by:
- ☑ Focusing on needs that are paramount to the goals of the organization, which helps maximize the use of scarce resources to solve what truly needs solving;
- ☑ Enabling organizations to find the right solutions as efficiently as possible;

☑ Developing a performance framework that enables ongoing measurement, assessment and improvement of critical business functions and future opportunities.

1.4   About IIBA

IIBA® was formed in 2003 in Canada by 28 founding members[2] who were dedicated to promoting the emerging profession of business analysis. The organization initially focused on the development of professional standards, certifications and a collective body of knowledge.

The organization has grown by leaps and bounds since then, and now has over 26,000 members around the world in 134 countries.

Today the organization has several key offerings that help aspiring and seasoned Business Analysts develop their skills, give employers the ability to assess and improve the performance of their Business Analysts, and build relationships with other professions and organizations to enhance the value Business Analysts can deliver. These offerings include:

- Support for chapters to develop and engage the local community of Business Analysts within a region;
- Learning opportunities through regular webinars, newsletters and best practice articles;
- Certification of education providers to deliver training that aligns with the *BABOK® Guide*;
- Special interest groups focused on the use of business analysis within a particular industry;
- Sponsorship of the multi-disciplined annual Building Business Capability conference that enables Business Analysts to gain

insights into techniques, ideas and approaches that can improve their day-to-day activities.

Additionally, IIBA offers two levels of certification. These certifications help organizations understand a base level of knowledge that the certified individual possesses and provides individuals with recognition for their experience as Business Analysts. Both of these certifications require completion of an exam based on the *BABOK® Guide* content:

- **Certification of Competency in Business Analysis (CCBA):** for Business Analysts with some experience; individuals must have performed at least 3,750 hours of business analysis work;
- **Certified Business Analysis Professional (CBAP):** designed to recognize those with an extensive depth and breadth business analysis experience; individuals must have performed at least 7,500 hours of business analysis work in the past 10 years.

1.5   About the *BABOK® Guide*

The *BABOK® Guide* defines the scope of what it means to perform business analysis and how the major concepts and tasks that make up this profession relate to one another.

BABOK® Guide History

- January 2005 (Version 1.0): outline and key definitions;
- October 2005 (Version 1.4): draft content of some knowledge areas;
- June 2006 (Version 1.6): details for most knowledge areas;
- October 2008 (Version 1.6 errata);
- March 2009 (Version 2.0): refine, simplify, and integrate knowledge areas, tasks and techniques.

Within each iteration of the *BABOK® Guide*, IIBA sought community involvement to ensure the end product was as relevant to as many

practicing Business Analysts as possible and would represent best practices within the profession.

The *BABOK® Guide* provides a framework containing several key elements:

- **Knowledge areas:** a collection of related tasks that form a major function of business analysis. The *BABOK® Guide* defines six knowledge areas, which are discussed in Section 1.7.
- **Tasks:** a specific type of work that is performed in order to accomplish a particular goal. Each task within the *BABOK® Guide* has a specific purpose, description, set of inputs and outputs, elements, relevant techniques that can be applied, and set of stakeholders involved.
- **Techniques:** describe a particular way that a task can be accomplished. Many of the techniques described within the *BABOK® Guide* are often a component of the overall work to be performed to complete a task, and some can be applied to multiple tasks.
- **Underlying competencies:** represent certain basic aptitudes that Business Analysts require in order to be able to effectively perform the tasks defined within the *BABOK® Guide*.
- **Terms:** standard definitions for common words that are used throughout the *BABOK® Guide*. The *BABOK® Guide's* glossary provides clear descriptions for all major relevant terms.

Note: The *BABOK® Guide* is not prescriptive in how a Business Analyst should go about performing their tasks on a particular initiative. A methodology or specific set of procedures applies the information from the *BABOK® Guide* to a given situation.

1.6   Key Terms to Understand

Before reading further, it is important to understand some of the key terms used within the *BABOK® Guide* and this pocket guide:

■ **Stakeholder:** a group or individual who have interests that may be affected by an initiative, or who have influence over it;

■ **Solution:** a set of components that meet a business need by solving a problem or enable an organization to capitalize on an opportunity;

■ **Requirement:** a condition or capability needed by a stakeholder to solve a problem or achieve an objective;

■ **Initiative:** an effort undertaken to achieve a specific goal or objective.

Business analysis may be performed within a project environment or within the course of an organization's ongoing operations. The term **initiative** will be used to denote the performance of business analysis in either context.

Requirements can be further classified into the following groupings to assist with business analysis tasks:

■ **Business requirements:** high level goals or objectives of the organization – they define **why** an initiative is being performed;

■ **Stakeholder requirements:** define **what** is needed for a particular stakeholder or collection of stakeholders;

■ **Solution requirements:** describe characteristics of a particular solution that will meet business and stakeholder requirements;

■ **Transition requirements:** capabilities which the solution needs to move the organization from its current state to the future state when the solution is implemented, but are not needed after the transition is completed.