

CHAPTER 1

What Is a Business Analyst?

The job market is undergoing a shift in requirements from general computing knowledge and programming skills to those of interdisciplinary domain knowledge and integrated application development and problem-solving skills.

—Jiming Liu

What is a business analyst? Why is such a position necessary to organizations? Is the business analyst simply a middle man between the technologists and the businesspeople, acting as a go-between, translator, and conduit? Or is there some larger, more important role being played in the center of the organization? This chapter explores what makes a business analyst and what a business analyst does for the organization. It also takes a look at the potential of the position and the direction in which the business analyst role is evolving.

The Business Analyst in Context

There is a new position in the corporate hierarchy. A purebred technologist or an entirely business-oriented worker cannot fill this position. It is not management level and does not possess authority; however, it is a key contributor to most of the successful IT-related changes in an organization. Those occupying this position are fully versed in how to increase productivity, lower costs, and comply with regulations from both the business and technology perspectives. They can look at any problem from the perspective of the entire organization to determine the impacts, positive and negative, of any proposed change. They are adept at fashioning solutions to business problems, generally using computer technology. This position is the business analyst.

Since the first time a computer was used to support a business process, there has been a need for someone to talk to businesspeople. Until there is a time when businesspeople can solve their problems directly with the computer without needing a technologist to design the programs and change the code, there will be a need for someone to help businesspeople define the problem and describe the solution to the technical people who solve it.

“I’ve been a business analyst for twelve years. My new boss doesn’t have a clue about business analysts. He thinks ‘business analyst’ is just a new term for requirements collector. Can you tell him the value of business analysts? He won’t believe me.”

The business analyst position is relatively new in the organization. Many organizations do not have a defined business analyst position as yet. The reality is, though, that the business analyst is not a new role to the organization, but rather a role that has been played since the first business owner challenged his staff to come up with a more efficient way to produce wheels. While there may not have been an official position in most companies called business analyst, for years the role has been performed by other positions in the organization, such as project manager, systems analyst, and business manager.

What Is It All About?

“Can you tell me in a nutshell, like an elevator pitch, what it is that a business analyst does so I can tell my mother-in-law?”

In Version 1.3 of its *Business Analysis Body of Knowledge* (BABOK), the International Institute of Business Analysis (IIBA) has the following definition of the role:

A business analyst works as a liaison among stakeholders in order to elicit, analyze, communicate and validate requirements for changes to business processes, policies, and information systems. The business analyst understands business problems and opportunities in the context of the requirements and recommends solutions that enable the organization to achieve its goals.¹

In 2009, the IIBA updated its definition to “A business analyst is any person who performs business analysis activities, no matter what their job title or organizational role may be.” Business analysis activities involve “understanding how organizations function to accomplish their purposes, and

defining the capabilities an organization requires to provide products and services to external stakeholders. It includes the definition of organizational goals, how those goals connect to specific objectives, determining the courses of action that an organization has to undertake to achieve those goals and objectives, and defining how the various organizational units and stakeholders within and outside of that organization interact.”²

The British Computer Society proposes the following definition of a business analyst:

An internal consultancy role that has the responsibility for investigating business systems, identifying options for improving business systems, and bridging the needs of the business with the use of IT.³

These authorities have different slants on the business analyst job: analyst, liaison, communicator, internal consultant, improver of business systems, and business problem solver. Putting it all together, the business analyst is an agent for change in the business, summoning the forces of technology to make changes in the organization, solving problems, and improving processes, thereby increasing the value of the organization.

The Role of the Business Analyst

“I’m a project manager and it sounds like I have been doing the business analyst’s job for quite a while. Is that possible? Should I get two salaries?”

Over the years the work of business analysts evolved first into a role and more recently into a position in the organization. Where there is not a business analyst position, the role has been played by other positions, such as the IT project manager or a business line manager, on a part-time or temporary basis. In some organizations, it is divided among several positions, such as requirements engineer, quality assurance analyst, quality control specialist, product owner, project manager, business champion, software configuration manager, and so forth. Organizations are now realizing that the majority of IT project failures occur because no one person took on the role of business analyst, but still there is no true agreement on what that role should be. This section explores many of the options.

The following is a quote from an East Coast utility company’s internal document entitled *Business Analyst Handbook*. Note the emphasis on the business analyst’s roles:

At [company name], the business analyst serves many functions, from operational business support of a business area to deep involvement

in software development projects. The business analyst's role changes based on the customer area he or she is supporting. This situation exists because the expectations for a business analyst are customer driven. A business analyst can be focused on a business area supporting many applications and processes or a single large application (such as an enterprise application) or they may possess extensive knowledge in a particular business area process and support technology associated with that process. Whatever the role, the business analyst must possess a wide variety of skills and knowledge ranging from strong relationships, excellent communication skills, problem solving, facilitation, quality assurance techniques, presentation skills, and analytical/critical thinking. Sprinkled in with all these skills, it is important for the business analyst to have a surface understanding of the technological infrastructure (network, applications, software and hardware) that supports his or her business area.⁴

The Business Analyst in the Center

No matter how you look at it, the business analyst's role is in the center. As shown in Figure 1.1, there are three communities that the business analyst must deal with throughout any project and thereafter.

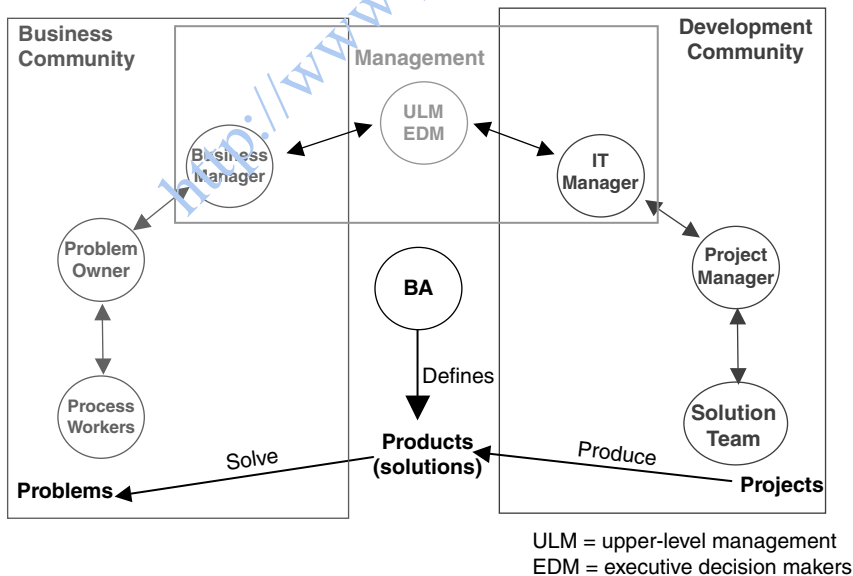


FIGURE 1.1 The Business Analyst in the Center

The business community represents the slice of the business that is involved with the problem to be solved. It might be a large slice, such as accounting, or it might be a small slice, such as the collections department. Generally this business slice represents the problem domain.

The business manager is the highest-ranking person in the organizational hierarchy directly associated with the business area. For example, when a problem exists in the collections department, the business manager might be the manager of the collections department. When a problem exists in accounting, replacing the accounting system for example, the business manager might be the CFO.

The problem owner is the primary point of contact for the problem. The problem owner is the person who has authority to seek a solution to a perceived problem in the business area. The process worker is anyone who actually works with the system or business process in question as a part of his or her daily job. The term user refers to a subset of process workers, namely those who actually use a computer system and put data into a system, extract information from the system, and manipulate the information within the system. I suggest instead the term *process worker* to expand the business analyst's view to include those in the business community who are involved with the overall business process being improved, but who are not necessarily users of a computer system. This helps to keep our focus on the business rather than the technology.

The business community has problems. There are changes in government regulations to deal with, new products introduced by the competition to keep up with, new markets to break into; there is expansion of sales and support, mergers, acquisitions, divestitures, and personnel turnover. There are old legacy systems that cannot cope with the new marketplace and product lines; and there are the inevitable defects that crop up and small changes to be made to the computer system. When the business community can solve these problems, it does. Because of the impact of computer technology on every aspect of the business for most organizations, the business community generally needs the help of development community personnel to solve the business problem. In fact there are many times that the development community looks on the business community as nothing but one big problem. This is good. If the business did not have problems, the development community would not have work.

The development community in Figure 1.1 represents all of IT. So the IT management circle is the highest-ranking person on the IT side, such as the CIO or vice president of management information systems (MIS).

The job of the development community is to execute a successful project. A successful project is defined as being within budget, meeting the scheduled deadline, and delivering everything that was promised for that budget and schedule. Except for ongoing operations, everything on the

development side is a project. From a project perspective, the team is not concerned with whether the result of the project actually solves the problem, only that the project is a success. The project manager and solution team rightfully assume that the business has done due diligence and determined that the product to be developed is necessary and will provide a benefit to the organization. The solution team's job is to make it happen within the budget and timeframe.

So here is the situation: The business community has a problem and the technical community creates a product purportedly solving that problem, and there is no correlation that the problem is solved until the project is done, if then.

Perhaps the coordinating function is upper-level management. The management box across the top of Figure 1.1 represents upper-level management and executive decision makers up to and including the CEO and board of directors.

Upper-level management charts and monitors the strategic direction of the organization. Since projects are tactical, upper-level management is not typically concerned with the details of projects. When upper-level management does get too involved in the project details, we have a word for it: micromanagement. Process workers also have a word for the upper-level managers who do this sort of thing, but that word is better left unsaid.

So we still have a situation. The business community has a problem, one of a tactical nature, and the development community has a project, also of a tactical nature. This project is designed to produce a product. That product should be the solution to the business problem. However, there is no formal correlation between project and problem. The solution team assumes that the business has determined why the project is needed and what value the results of the project will provide to the business. The business assumes the solution team is going to come up with a solution to their problem and that it should be obvious why the project needs to be done and what the results have to be.

So who will verify that the result of the project—the product—completely solves the business problem? The role that ensures the results of the project solve the business problem is the business analyst. That is why the ideal position in the organization for the business analyst is in the center, unaligned with either community. The business analyst independently evaluates the business problem and specifies the solution for the solution team and then makes sure that the solution solves the problem it was intended to solve.

Business Analyst Focus

The business analyst focuses primarily on the business. In some cases, this means that the business analyst is not involved with IT at all. For example, the business analyst may be involved in rearranging job descriptions and

reorganizing manual tasks as part of a process improvement effort, assisting upper-level management in determining business strategy, or gathering the information and performing benchmarks for requests for proposals (RFP). Regardless, the focus is always on the product, the solution to the business problem. The ultimate goal of the business analyst is to solve that business problem, nothing less. When technology is involved the business analyst is a member of the solution team, but is still focused on the solution. In many situations, the business analyst is the only one so focused.

“I’m not really sure of my job duties as a new business analyst. What is a business analyst supposed to be doing? What do other business analysts in the industry do?”

The truth is that the industry has not really come up with a standard definition of what a business analyst does, even with the definitions in the IIBA’s *Business Analyst Body of Knowledge* and other sources. This is because business analysts have come from both the technical and business sides of organizations and the role is still evolving (see Chapter 5 for a view of the various roles of the business analyst), so there has not been coalescence on a single definition. Here is an analogy that I think captures the essence of the business analyst: the business internist.

The Ideal Business Analyst

“Can you tell me what to expect when I start my job as business analyst next week? What do management and everyone else expect from me?”

Table 1.1 provides a generic job description for the ideal business analyst broken down into task-related categories.

TABLE 1.1 The Ideal Business Analyst

Problem Analysis and Solution Definition	General Communication
Determines the actual problem to be solved in the organization.	Both facilitates and moderates meetings.
Understands the business issues and challenges of the organization and industry.	Delivers informative, well-organized presentations.
Identifies the organization’s strengths and weaknesses and suggests areas of improvement.	Understands how to communicate difficult/sensitive information tactfully.

(continued)

TABLE 1.1 *(Continued)*

Problem Analysis and Solution Definition	General Communication
Reviews and edits requirements, specifications, business processes, and recommendations related to proposed solution.	Possesses enough understanding in technical disciplines to be able to converse intelligently with solution team.
Documents the solution to the business problem in a form approvable by the business, acceptable to the solution team, and understandable to management.	Mediates conflicts between business and the solution team and different business units being impacted by the solution
Pushes creative problem solving beyond the boundaries of existing organizational practices and mind-sets.	Generates enthusiasm for the product among product stakeholders and solution team members
Identifies areas for improvement in internal processes and suggests potential solutions.	Facilitates decision making among organization executives
Product Delivery	Product Quality Assurance
Receives input from managers and appropriately and accurately provides comments/feedback.	Evaluates requested changes from the business and communicates needed changes to development team.
Communicates non-technical product and business standards and constraints.	Ensures product issues are identified, tracked, reported on, and resolved in a timely manner with both the solution team and the business.
Facilitates the business-community transition from current problem state to solution state.	Leads and/or participates in acceptance testing efforts.
Product Stakeholder Relationship	
Corresponds effectively with the business to identify needs and evaluate alternative business solutions.	
Identifies and manages product stakeholder expectations effectively.	
Ensures that the organization will be ready to accept and affect the change.	
Conducts effective product evaluations to ensure the problem is being solved in the business environment.	

This is quite a responsibility for a business analyst to undertake. It is all part of a holistic view of the organization, the business problems, and the IT solutions.

Creating positive change for the organization is the essence of the business analyst. Problem solver, communicator, facilitator, analyst—the business analyst works in the center of the organization improving

processes, clarifying communications, investigating problems, producing solutions, and adding value to the organization.

Last-Liners

Reviewing the list of jobs a business analyst does from Table 1.1 there seems to be very little in the organization that the business analyst does not do. I did not include in that list random tasks mentioned, such as prepare for executive meetings and make coffee. The business analyst position seems to be the epitome of what we call last-liners, referring to the last line on most job descriptions, which says something like “and any other activity or task required by management.” Last-liners are those whose entire workday is filled with tasks and activities not listed on their job description but are covered by that last line.

So is the business analyst really the new kid on the block? Has there been a sea change in business and IT that has resulted in the creation of this position? No. Actually, the role of business analyst has been around for centuries, perhaps as long as there has been business or at least accounting for business. Business analysts are not quite the oldest profession, but the position actually predates the modern computer, giving further support to the contention that business analysts solve business problems rather than write software requirements. Don't believe it? The next chapter describes a bit of the evolution of the business analyst and identifies some of the famous and infamous business analysts throughout history.

Notes

1. International Institute of Business Analysis, *A Guide to the Business Analysis Body of Knowledge*, version 1.6 (2006), page 9.
2. International Institute of Business Analysis, *A Guide to the Business Analysis Body of Knowledge*, version 2.0 (March 31, 2009), page 4.
3. Debra Paul and Donald Yeates, *Business Analysis* (British Informatics Society Ltd, April 2006), 4.
4. Excerpted from internal corporate business analyst handbook for an East Coast utility company, published 2006.

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