

Business Value: Is There Something Missing from the BA Toolkit?

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Abstract

An important contribution that business analysts regularly bring to a business is a set of tools for visualising the activities of the business in a way that improvement opportunities and supporting systems can be effectively deployed. The ubiquitous business process map has been the tool of choice for this activity. But how confident are you that it is an accurate reflection of what is really going on? After the initial use are they relegated to being expensive wallpaper for the BA office? Despite tediously working your way from the top to the bottom of the organisation to produce these charts are they still missing some important, but subtle, workings of shop floor operations? Are your logical and rational recommendations from analysing these charts still being resisted for some reason? If this describes your experiences then it may be worth reading further. In this article I describe a bottom up analysis method based on business value network modeling which promises a more holistic mapping of the business based on value more so than simply process flows. Additionally it leaves the business participants with some relationship governance tools that can be deployed independently of any future systems development. A six-step process is described using selected case study data.

Introduction

Business value can be a tenuous topic, easy to see in retrospect, but much harder to predict in advance. The genesis of Business Analysis (BA) as a discipline in the 1970s was built on the value proposition that resulting systems could improve the efficiency of business processes via automation. The more mechanistic the process, the greater the value in applying BA capabilities to automated systems. Since the 1970s a lot has changed in the business world. The people centred service sector is now the major driving force for developed economies. For the major part, BA tools however, remain centred on the original value proposition i.e. being transaction centred and automation driven. At the same time massive changes in technology capability over the past 30 or more years has generated a multiplicity of potential value propositions, for which I believe BA practices have not been able to keep pace. Business value has become a complex concept that now runs far beyond simply reducing the cost of a transaction.

As an example, analysis of customer support centre systems is regularly centred on improving the speed of ‘processing’ a call. However efficiency of escalating calls is of little value if a satisfactory response cannot be achieved. Value in this case is principally related to accessing the appropriate expertise, with time being only one part of the value equation. The iPhone, iPad phenomena was not a result of a considered top down BA approach, focused on delivering the most efficient commercial transaction. Granted, the efficiency of conducting the commerce does contribute to its success, but ultimately it was Apple’s keen sense of consumer desires and its ability to bring disparate sources of media together in a supremely user-friendly environment. A similar picture could be painted for Google, Ebay, Amazon, Facebook and other typically agile and rapid growth business corporations. So as BAs how do we grapple with the growing complexity of the business value proposition? What is missing from the BA toolkit to meet this challenge?

An important response to these developments in the business world has been the advent of Agile development techniques, that are now belatedly finding their way into the certified BA toolkits¹. Initially Agile threatened the very existence of the BA role by short-circuiting the link between end users and developers. Agile is essentially a ‘bottom up’ process, which aims to cater for the complexity of evolving user requirements. By actively engaging the end user into the development process, the intent was to accelerate the process by removing the overhead typically associated with traditional BA activities and a waterfall approach to development.

The experiences of the last decade however have shown that scaling up is a challenge for Agile developments, with the pressure on the “Product Owner” to represent the complexities of all product stakeholders, proving too much for larger projects. So the role of the BA as a link between the business stakeholders and the developers has been preserved, if not even enhanced. Additionally, Agile developments clearly have a systems product in mind. While this may still be the case for a majority of BA activities, situations do regularly occur where a skilled BA could facilitate business value through improved business practices without the need for a significant investment in new systems.

Given the increased variety and complexity of the business value opportunities that exist today, what tools are available that can effectively bridge the mature ‘top down’ analytical processes that dominate BA toolkits, and the newer, but limited, Agile development techniques. Ideally we are looking for techniques that can provide the large systems business analysis artifacts, that have traditionally been provided by top down BA methods, but with the flexibility and adaptability afforded by Agile techniques.

¹ <http://www.batimes.com/iiba/new-babokr-agile-extension-and-learning-guide.html>

Value Networks as a Bridge

There are a lot of workplace activities that contribute to the “as-is” picture that don’t comfortably fit within a transaction model. Traditional top down analytical approaches effectively ‘filter’ these activities out as unimportant diversions. Analysis ‘fatigue’ plays its part as the last thing an analyst wants to do when working their way down through an organisation is to have to capture what appear to be custom improvisations, to deal with the inevitable exceptions that can occur. They can make our diagrams messy and impossible to interpret, not to mention the substantial additional time it can take to do this.

Analysts who have taken the opportunity to observe and engage in work practices i.e. taking time to experience ‘a day in the life’ of your target audience, will invariably discover clever, largely intangible improvisations, tactics and strategies for making work life easier. Humans are just like that. The other area where traditional business analysis techniques struggle is where human judgment plays a critical role. Sometimes an experienced or skilled individual conducts the work. Other times it could be a collaborative effort. Either way, the activities are not easily described using transaction centred analysis tools. Agile proponents are less concerned about the nature of these intangible activities, but on how they would materialise as a product feature. With Agile at least the intangibles are accommodated in the final product, but again, the pressure is on the product owner to effectively represent the intangible requirements of all stakeholders, which is pretty much an impossible task.

So what is the cost if we ignore or under-represent these intangible work activities? Well the most obvious one is when the new install is launched and those end users find that instead of making their work life easier, it has actually become harder. We then have a tough, but increasingly regular, problem on our hands. Worse still, many simplified ‘as-is’ pictures are used as platforms for process re-engineering. Simplistic ‘as-is’ pictures focused more on transactions and less on people, has largely been blamed for the plethora of failed business process re-engineering projects since the 1990s². So is there another way? How can we efficiently and effectively capture these intangible work practices without significantly adding to the business analysis overhead, especially when it comes to studying ‘as-is’ situations? Where in the BA toolkit are there techniques for doing this?

The bad news is that what I call ‘bottom-up, people centred’ techniques are still only just emerging as mainstream tools and are not typically found in BA toolkit descriptions³. The core technique that I use is called “[Value Network Analysis \(VNA\)](#)”⁴. It cannot be found, for example, in the [Business Analysis Book of Knowledge](#), but can be found in the [ITIL Service Strategy](#) book. However, as IT

² White J., “Re-engineering Gurus Take Steps to Remodel Their Stalling Vehicles”, Wall Street Journal, 26 Nov 1996.

³ Agile is a recent, but growing exception now

⁴ For a comprehensive coverage of Value Network Analysis see Allee and Schwabe: <http://www.valuenetworksandcollaboration.com/home.html>

requirements begin to evolve beyond the tangible 'transaction' to incorporate intangible 'relationships', the need for such techniques will become paramount.

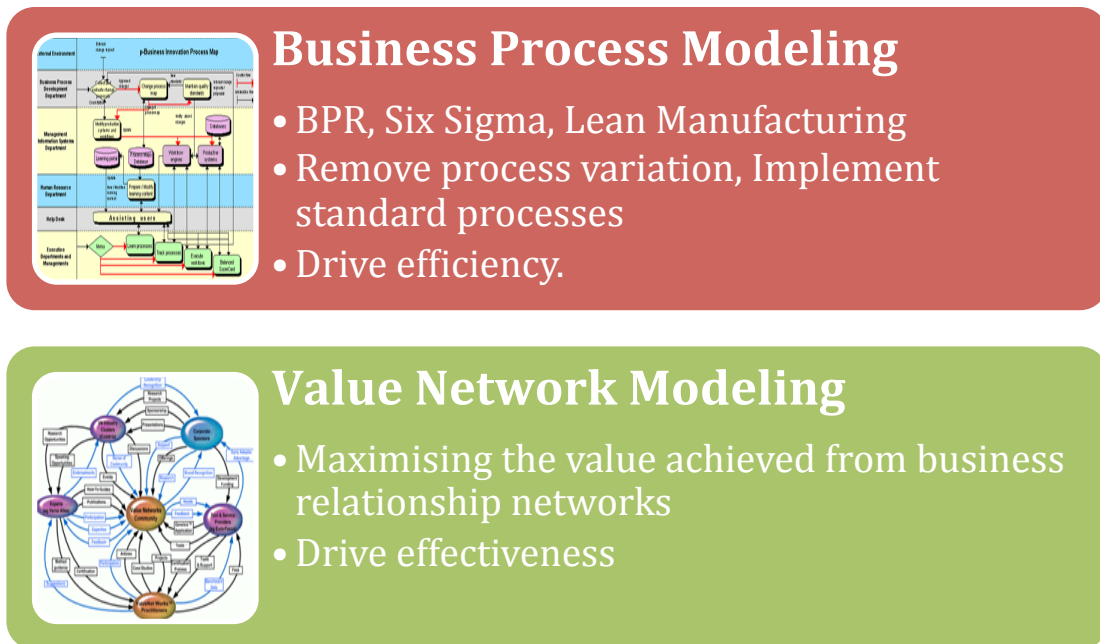


Figure 1 - Business Process vs Value Network Modeling

The schematic in Figure 1 contrasts the familiar 'swimlane' business process mapping approach with Value Network Modeling. Value Network Modeling takes a more holistic view of a business, being centred on value flows beyond the mechanistic processes. In its application, as described here, it accommodates all the features of a business process map while adding the intangible elements of the value equation. Results can be visualised as a network map or the more familiar 'swimlane' representation as illustrated later in Figure 6.

Bottom Up Business Analysis

What would happen if we approached where the 'real work gets done' from the bottom, rather than the top? The immediate response might be that we will spend a lot of time analysing things that are not strategically important. Therefore it makes sense to choose when to start analysing from the bottom up, and this would be once the scope of the analysis activity has been identified. Once we have a scope here are the steps I would suggest for a bottom-up analysis:

1. Identify the key work roles that are involved in your scope.
2. Undertake a preliminary survey of these stakeholders
3. Draw up the Dependency Network.
4. Conduct a Value Network Analysis Workshop
5. Create the 'Enhanced' Interaction Diagram

6. Incorporate into your Systems Development or Business Re-engineering Objectives.

Each step is now illustrated below using selected case study data:

1. Identify the key work roles that are involved in your scope.

Who are the key stakeholders in the core work activities that you are analysing? Identify a suitable name for the roles and the people that currently conduct those roles. A rule of thumb is to aim to limit your scope to say between 5 and 8 participating roles.

2. Undertake a preliminary survey of these stakeholders

In this preliminary survey we are asking role respondents to identify the level of dependency that they have on the other identified roles when conducting their work.

BA Toolkit - Value Networks

Please answer the following questions:

1.* Please identify the degree to which you depend on the selected roles to effectively conduct your own work.

	Critical to my work	Important to my work	Moderate impact on my work
Budgeting and Internal Reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
CFO	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Financial Reporting and Compliance	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Resource Centre Finance Officer	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technology Planning	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Technology Reporting	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

[Click here to finish survey ---->](#) Finish Survey

Figure 2 - Dependency Survey Example

Note that we are not asking for detail on that dependency i.e. whether it is transaction oriented or collaborative in nature. At this stage we just want to understand what the dependency network looks like. This can be a one question survey.

3. Draw up the Dependency Network.

From the results of the preliminary survey you can now draw a picture of the dependency network. What you will find is that some of the dependencies will simply reflect the accepted business process flow. Others however may be a surprise to you. These are dependencies that don't appear naturally in a transaction flow and will be largely overlooked by traditional business analysis techniques.

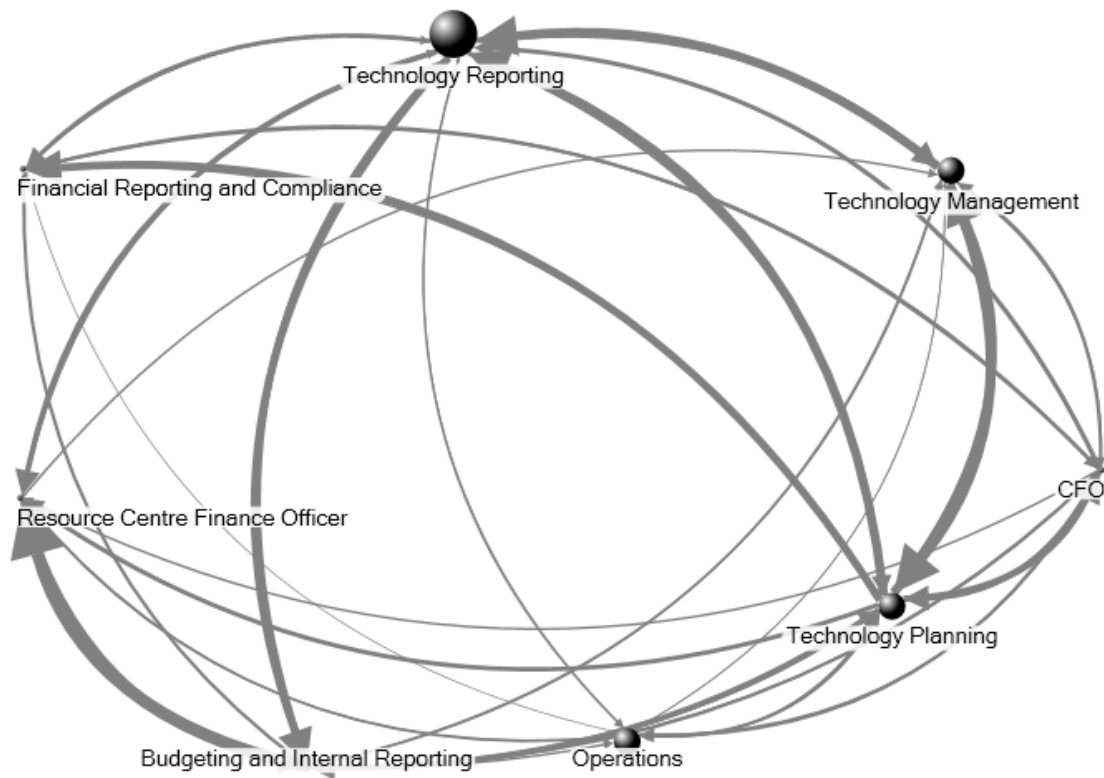


Figure 3 - Role Dependency Network

From the simple dependency question we can generate this rich map of organisational dependencies. The thickness of the lines and the direction of the arrows indicate the relative strength and direction of dependency. The relative size of the nodes reflects the number of dependency nominations. From the above map we can see that Technology Reporting is the most critical role. The thicker links indicate the critical relationships that need to be analysed in more detail.

4. Conduct a Value Network Analysis Workshop

In this activity we invite key representatives from the identified roles. From our dependency network we know the key relationships that we need to analyse. What we aim to do in the workshop is to have each of the role participants articulate value flows that pass between themselves and the roles that either they depend on, or which are dependent on them for their decision-making, or in fact where dependency is reciprocated (which interestingly, is most of the time). It is possible for participants to articulate what the current status quo is, but we encourage them to articulate a more optimal value exchange i.e. a 'should be' scenario. Importantly when articulating a value exchange, the participants are asked to nominate the tangible, but also the intangible value elements along with a relative 'cost/risk' to deliver and/or 'value' received.

The value network articulation is a critical differentiator for VNA as it is able to capture those intangible or less visible activities that often are the difference between an activity being conducted successfully or not. We use a simple card system to facilitate the collection of these role-to-role value exchanges:

What can I offer... What will it cost me?


The Partnership Scorecard™  	
Deliverable: <p style="text-align: center; color: #0070C0; font-weight: bold;">CFO Support Action</p>	
Description/Example: <p style="text-align: center; color: #0070C0; font-weight: bold;">CFO to provide endorsement for decisions on which improvement projects to progress</p>	
Role accountable for delivering it? <p style="text-align: center; color: #0070C0; font-weight: bold;">CFO</p>	Role primarily receiving it? <p style="text-align: center; color: #0070C0; font-weight: bold;">Budgeting & Reporting</p>
Cost of delivery? (Please circle) <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> 1 2 3 4 5 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Low → High </div>	Value for recipient? (Please circle) <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> 1 2 3 4 5 </div> <div style="display: flex; justify-content: space-between; align-items: center; margin-top: 5px;"> Low ← High </div>

Figure 4 - Capturing Value Flows Between Roles

The above example identifies an intangible value flow from the CFO office role to the Budgeting and Reporting role. The Budgeting & Reporting role clearly sees that progressing improvement ideas is an important part of their role and that the CFO office can be instrumental in their decisions on which improvement projects to progress. In the description space key decisions executed by the receiving role supported by this value input can be specifically identified. It is important to note the dynamic here. The BA has not been required to interview both roles and synthesise the results into a requirements document or analysis report. The BA has simply facilitated a conversation from which the agreed information emerges, both tangible process flows, but importantly the less visible intangibles like the example above. The agreed value received and cost to deliver, provides a mini business case for each flow. This can be used by the BA to prioritise requirements.

5. Create the 'Enhanced' Interaction Diagram

This is where bottom up VNA results can be represented in the same form as the more familiar top down Business Process Mapping form. Traditional BA techniques capture transactional processes in a 'swimlane' interaction diagram which typically has 'roles' described as 'swim lanes' and transactional activities passing between them. Use case analysis results are typically integrated into diagrams like these. The VNA process can achieve exactly the same representation, with the addition of the intangibles, to achieve a more holistic

value flow representation. The tangible flows will typically mimic the process flows identified in the use cases. The VNA process however has facilitated their identification directly by the role participants, rather than through the agency of a business analyst. In this way the full detail of both the intangible and tangible value flows are captured in the language of the participants.

SEQ	T/S	Deliverable	Deliverable Description	Budgeting	CFO	RC	Tech Planning	Finance	Operations	Tech Mgmt	Tech Reporting
120	Task	Provide a year capital forecast	Tech Reporting provide a in year capital forecast monthly	←							
121	Task	Provide monthly internal reporting	HR & Financial reports - Actuals/ forecast staffing numbers							←	
122	Task	RC update monthly forecast	After monthly financial data is complete , RC are required to update forecasts in TM1	←							
	Support	Cert of Compliance delivery reports	Reports 3 times a year FMS provides guidance/ leadership issues					←			
	Support	Timely updated budgets going through TM1 and A budget model (ABS)	Sometimes budgets are getting updated without going through (AS TA) and I need to know how to complete A standard template for budget development	← - - - - -							
	Support	Accounting Leadership Liaison & Engagement	Provide direction on asset Mgt policy - Provide assistance with asset Mgt						- - - - -		→

Figure 5 - Final Role Interaction Chart

The above extract from the interaction chart identifies the additional intangible value flows as dotted arrows. In the above example the value flows have also been classified as mainstream ‘tasks’ that can be potentially sequenced into a value chain, and ‘support tasks’ which tend to be more event driven.

If more detail is desired, the role interaction diagram can be further detailed with decision points executed by a role and the subsequent value flows flowing into and out from these decision points.

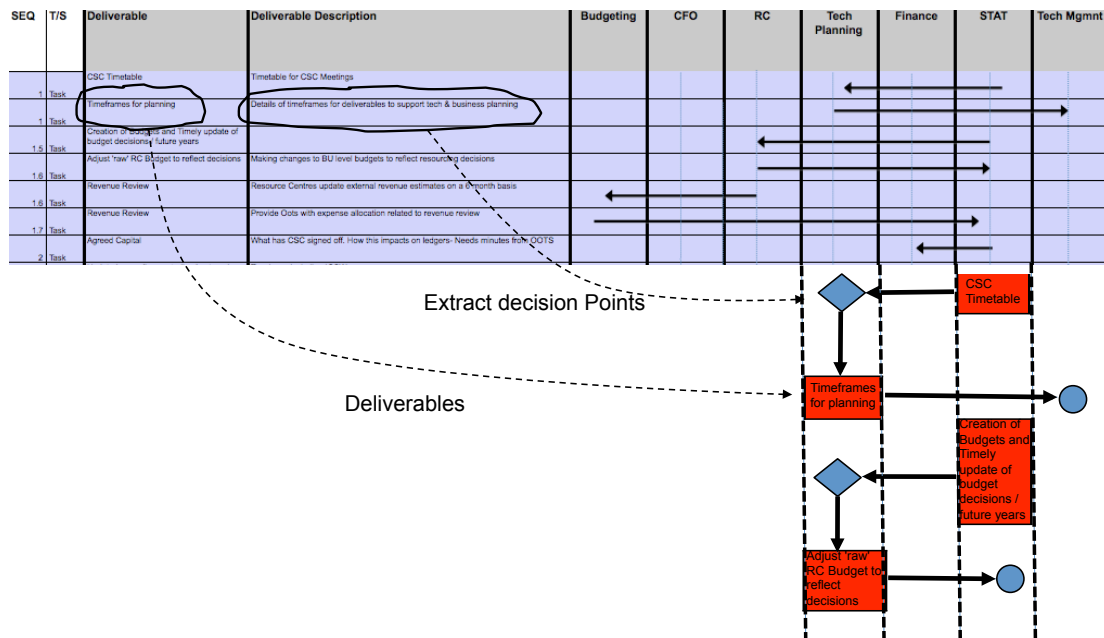


Figure 6 - Translating Interaction Diagram to Swimlanes

This more familiar swimlane representation will have some activities shown that are intangible deliverables like “providing endorsement support to a decision”, which would not typically find their way into a traditional swimlane business

process analysis. By including intangible activities, we can therefore achieve a more realistic representation of how business is actually being executed.

6. Incorporate into your Systems Development or Business Re-engineering Objectives.

When using an interaction diagram derived from a VNA, the business case for each value flow is 'built in' via the cost/benefit assignments. It is also usual to find some tasks for which the business case is negative, and therefore could be dispensed with. The tangible flows will regularly identify the transaction flows that need supporting in a future system. Importantly however, the additional intangible value flows will specifically identify the relationship/collaborative activities that also should be facilitated by any new system. This is some of the additional value that VNA brings to the BA table. As with traditional BA developed business process maps, the enhanced interaction chart is available for authentication by the broader organisation and therefore becomes the basis for the scaling up of systems.

Independent of systems developments, during the VNA workshop you will notice that role participants will often not be totally aware of what is valuable or not to their peers. The value exchange discussions can often become a value exchange 'negotiation' between roles, where one role may commit to deliver something to another role in exchange for a return 'favour'. We would encourage workshop participants to use the results of the workshop as a basis for governing the relationships between the roles. In essence what they will have done during the value exchange negotiations is to articulate their respective accountabilities to the other roles, moving from the as-is to the should-be. Ownership of the outputs will likely be higher, given the more active role they have played in their creation.

As business analysts the value we can add to a business should not be solely contingent on a successful systems implementation. If we can facilitate a smoother collaborative performance in the target business through the analysis activity alone, then our reputations can only be enhanced.

Summary of Benefits

In this article I have identified a 'bottom up' approach to business analysis that I believe fills a growing gap in traditional BA toolkits. The approach can act as a bridge between the traditional top down methods, providing visibility of business processes, and the newer Agile development methods that can effectively accommodate complex business value propositions, but without leaving documented artifacts for scaling applications.

I would argue that the approach can create significant additional value to the BA activity, while at the same time lowering the time and cost of its delivery. Specifically the approach:

- Allows the critical intangible activities to be effectively identified, articulated and valued;
- Provides a mechanism where intangible value flows can effectively be integrated with the traditional transaction flows for future exploitation;
- Using a simple survey, exposes an overall dependency network between roles, as determined by the role participants themselves;
- Has a 'built-in' business case for each value flow using the cost/benefit assignments made during the value exchange negotiations;
- Compresses the time to "interaction/process" map significantly through BAs facilitating role to role value flow assessments, rather than the traditional BA / User interview process;
- Provides a beneficial adjunct to Agile development activities by providing a scalable context to operate within;
- Leaves the business participants with self generated 'commitments' to their peer role partners that can be effectively used for governing future collaborative activities, independent of whether new support systems are developed from their creation.

About Optimice

Optimice provides specialised consulting services to help organisations map and improve business relationships at multiple levels. Optimice identifies relationship patterns between people, organisations or markets, and we have improved the basic techniques to optimise these relationships in a compelling business-focused context.

Our Partnership Scorecard™ helps organisations manage the intangible relationship aspects of outsourcing, smart sourcing, alliances, joint-ventures and similar complex business frameworks.

Our specialized survey tool www.onasurveys.com provides consultants and other practitioners the most effective and user friendly tool available on the market to collect data on business relationships.

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