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Business Agility and Business Analysis in Sync for Success

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What are some of the challenges that we face today? Uncertainty about the future and how to respond, how to monitor performance in a fast-changing world, which opportunities to pursue to achieve positive performance, and how to deal with the massive amount of data and get value from that data – these are just some of the most common challenges.

The rapid evolution of technology creates opportunities – as well as challenges – for traditional businesses. As a result, many organizations strive to adopt an agile approach to respond effectively to the ever-changing environment and to better meet customer needs. But adopting agile is not the same as achieving business agility.

Business Agility is the ability of an organization to respond rapidly to changes while minimizing disruption and enabling success for the organization. Sounds nice, but how do you do that without ensuing absolute chaos? The answer: business analysis.

Business analysis is the practice of enabling change in an enterprise by defining needs and recommending solutions that deliver value to stakeholders. Business analysis allows an enterprise to articulate needs and the rationale for change, and to design and describe solutions that can deliver value. Good business analysis enables an organization to be agile, to respond well and rapidly to the changing environment, and to better meet customer needs.

In this paper, we will discuss the reality of today's business, typical misconceptions of agile, common barriers to agility, and how to utilize analysis to overcome challenges and position your organization for success.

A Volatile Present

Some industries, including manufacturing and IT, have always been volatile because of constant change in the technology involved in their core business. More traditionally stable industries include medical practices, insurance, and banking. Companies in the latter, more stable category have been slower to change their services and solutions because, until recently, their customers didn't demand change.

Take the insurance industry; once a player in the traditional, slow-changing category, they have experienced a shift in the way they do business due to new technology, globalization, changes in regulations, and a reduction in the use of the middleman. These elements have all had a sizable impact on the business and pushed the industry over the line into the volatile category. The same applies to banking, medical practices, and other similar types of businesses. These businesses are forced by the expectations of customers to drive toward the new paradigm: digital, agile, and responsive. In a 2017 Fortune magazine article, Ray Dorsey exposes that the number of virtual doctors' appointments is expected to climb from almost 0 in 2015 to over a billion a year in 2024.

What's changing? Practically everything! If we analyze the insurance industry, you can see insurtech emerging through phone apps, claims acceleration, remote policy administration, and drones being used for inspections, just to name a few examples. These technology changes are rocking some insurance companies. James Maudslay revealed some interesting disruptions in the insurance industry in a CNBC interview. Gone are the days when your customers will tolerate getting tangled up in a voice response system. They are demanding more personalized coverage, improved customer response, and overall faster and better service.

Nearly ninety percent of the companies listed in the Fortune 500 in 1955 are gone or have dropped off the list. Did Blockbuster even have Netflix on their radar? Did big retailers ever think the 'bookseller' Amazon would be the Goliath it is today? Did the taxi industry ever conceive of Uber? Did the railroad companies think that a UPS or FedEx would take over most of their business? Will the current industry leading- and bleeding-edgers go by the wayside as well because of even newer technology on the horizon?

Technology is booming, and not just in technological companies. It's ubiquitous. Technology has made it easy for startups to reach millions of potential customers who aren't as brand-loyal to the 'big dogs' as they used to be. Companies who cling to old technology and have inefficient, clunky processes will be overtaken by the more agile organizations. As the providers of services and products, businesses must understand how to harness technologies that benefit and provide value to our customers and, in turn, to our organizations.

So, while agility these days seems to point to using new technologies, there are so many other things to consider for an organization to be agile.

Misconceptions about Agile

The term agile has been used, misused, and abused. Let's explore that while picking out the good pieces.

- Myth: Agile means no documented requirements. This leads to IT thinking that agile means fewer, undocumented requirements, and therefore there is no need for business analysis. The business side thinks it means that you can sprint to release a product
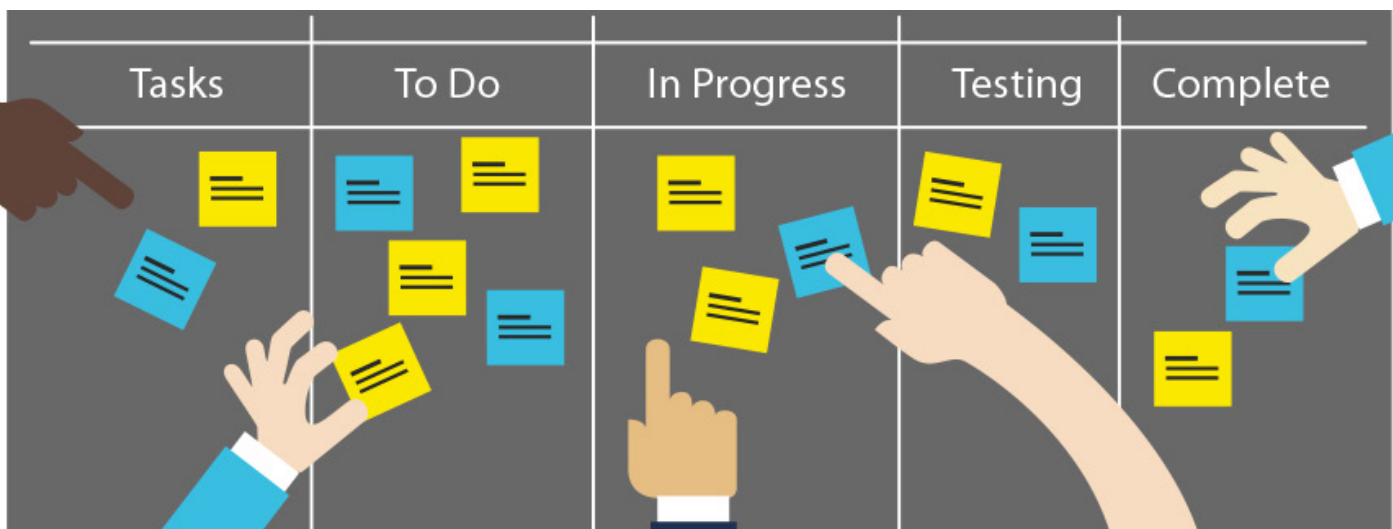
or service without verifying business value and without analyzing (and documenting) the need that will provide that value. The business side also often thinks that you can change anything at any time with no consequences.

- Myth: Agile is a methodology. It is not a prescribed set of processes; it is a framework. Doing daily standups does not make you agile. It doesn't mean that your sprints must be exactly two weeks. Two weeks may be unrealistic given the environment of the organization or specifics of the project. The concept that agile is rigid and demands certain rituals or ceremonies at prescribed intervals often adds stress and pressure that can lead to teams failing or feeling like they are failing.

- Myth: Agile means no planning. This is a big misconception. Planning is necessary. I don't know of very many businesses that will tell its development teams, "You don't have to tell me how long you'll take or how much it will cost me. Just start building and we'll see." No planning means that you aren't evaluating estimated business value. No planning means that you aren't accounting for risks. No planning means that people might not understand what they are supposed to target (or by when).

- Myth: If my teams are agile, my organization is agile. Organizations that force their development teams to 'do agile' but still want total control to come from the top are typically not agile.

IS YOUR ORGANIZATION TRULY AGILE?

- Myth: Technology will solve all my problems and make me agile. Just because you're incorporating technology into your products or processes doesn't mean you're being agile. Technology can actually create more problems if people don't understand why they are using it and how it should be used.

- Myth: Agile means a perfect product at each release. Just because we are agile and have great demos and standups, doesn't always mean we can put a product out and never have to tweak it. Eric Ries states in his book, The Lean Startup, "Failing fast doesn't mean fail and don't get better."

- Myth: User stories suffice as requirements. This myth is particularly harmful to good design and development. A user story is usually a one-sentence statement of the user need. Developers, if handed just that, have no direction on how to proceed, how to handle

decision points and exceptions, or what the data really means. Good requirements are crucial whether you run your development using waterfall, agile, or some hybrid or other methods. Good requirements are crucial whether you are developing software, digital, cloud, outsourced, or manual services and products.

What's in the Way?

Agile is not a methodology. It's an approach, a mindset, and a framework. There may be many factors that feed into why an organization is not agile. Here are some of the basic contributing factors:

1. Many organizations are still siloed. Productive collaboration or even collaboration at all between departments or lines of business is not the norm. There may even be antagonism between departments. Change is slow if everyone is fighting against each other. Strategy bumps heads with Operations.

Marketing and Sales versus Operations. For agility to kick in, collaboration is key.

2. The customer's expectations and preferences are not valued, or worse, ignored and/or dismissed. However, Gartner has found that the customer experience is seen as the way to differentiate a business from its competitors.

3. Data is decentralized. There is not one true source of data about our customers, products, services, or even our own people. Some departments don't know what others do; this is the old "left hand not knowing what the right hand is doing" problem. The lack of one true source of data about our customers, products, services, or our people is a serious barrier to making rapid business decisions.

4. Business rules conflict and/or change constantly. Business rules are often buried in the processes instead of being independent of them. When they change, it is cumbersome to properly adjust the process. This makes it difficult to recognize and resolve conflicts or be responsive to change, which will ultimately (if not immediately) frustrate our customers. Heavily regulated companies such as financial institutions, healthcare companies, insurance companies, automobile manufacturers, etc. run business risks when regulations change, and they are slow to respond. Non-adherence to regulations can mean fines, or worse.

5. Decisions are made from the top-down, often without checking with the 'bottom' or even the 'middle', which is often who really knows what's going on! According to Beau Groover, President of The Effective Syndicate, "The middle gets squeezed between demanding executives and teams/operators. They are often under coached, under supported and out-numbered." This decision-making norm means both problems and solutions are often misunderstood, resulting in poor alignment and sub-optimal results.

6. "Doing" agile without being agile. This is a weird one. Just going through the agile motions and ceremonies doesn't make you agile. Businesses that are purportedly 'doing agile' are often making themselves less agile! And if you take an agile methodology like Scrum and implement it blindly, you may observe quite the opposite effect! Chaos can ensue, causing defects in products, bad customer perception, and loss of business.
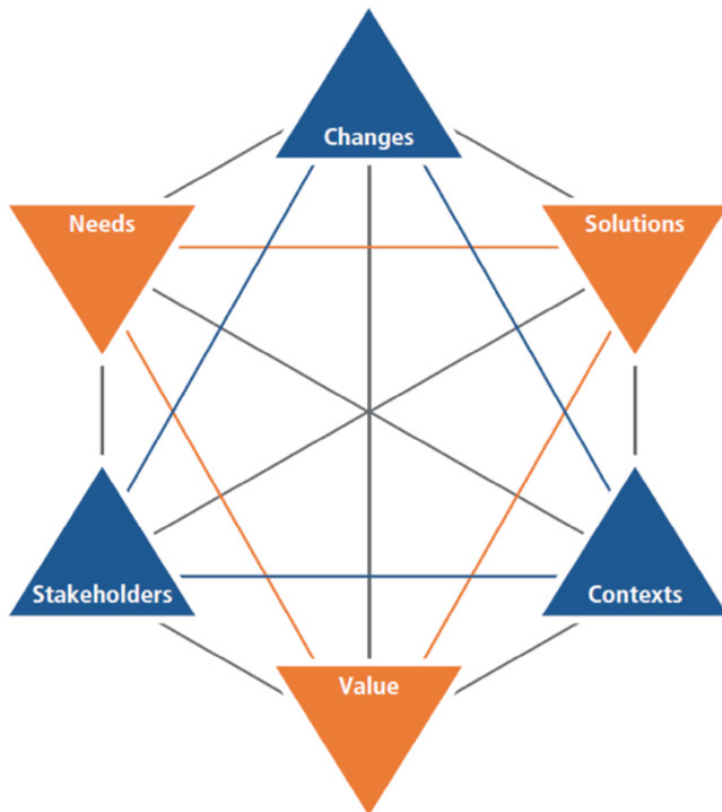
Good Business Knowledge via Good Business Analysis

How does an organization move past these myths, address the barriers, and build business agility? It begins with growing and sustaining business knowledge through business analysis. The IIBA® Business Analysis Body of Knowledge® (BABOK®) and its accompanying Agile Extension Guide help conceptualize how we can better understand the business and perpetuate beneficial change.

Let's look at the different core concepts from the BABOK and

the Agile Extension, why each concept matters, and how business analysis can help implement them:

- **Context:** To be better at what we do, we must clearly understand what we do. It starts at the top: the business needs to have a clear message about what services and products they produce and why those services and products will solve customer needs and problems. Business analysis is the key: it starts with strategy analysis. According to the BABOK, strategy defines the most effective way to apply the capabilities of an organization to reach a desired set of goals and objectives. The Strategy Analysis Knowledge Area describes how to collaborate with stakeholders to identify a need of strategic or tactical importance (the business need), enable the organization to address that need, and align the resulting strategy for the change with higher- and lower-level strategies. The key phrasing here points to

reaching goals/objectives and alignment of strategy from high level to low level. In other words, business analysis helps us understand the raisons d'être (reasons for being) and aligns those to the business strategies. Understanding our context and strategic direction helps us better understand goals and what projects need to be pursued to achieve those goals. Context helps us better understand our projects need to be pursued to achieve those goals. Context helps us better understand our customers so that we can better solve their problems and fulfill their needs.

Part of understanding context is to understand our **Business Architecture**. This is a big one! The Business Agility Manifesto states that the true measure of an agile business solution is how much business knowledge is configured into it and how easily that knowledge can be changed or reconfigured. A business architecture model is a great tool that helps the entire business gain and retain

business knowledge. Start with understanding what your business does: what services do you provide to customers, what products do you sell, what do you need internally to support those products and services? Business architecture is not just the understanding and modeling of your IT systems; it includes a deep understanding of the core business capabilities and processes that you need to succeed and bring value to your customers, and THEN ties those together with how to fulfill them (whether that includes software, hardware, outsourced services, other technical services, or manual processes). If you truly understand what you are targeting, the 'how' becomes much easier to fulfill. The BABOK defines much of what needs to be done to build a business architecture in its Requirements Analysis and Design and Techniques knowledge area and concepts.

What entails 'a deep understanding of the core business capabilities and processes'? The key lies in knowing your business rules and data involved as well as the impacted parties (stakeholders) affected by the capabilities and processes.

Business rules are key (but not the only key). Business rules are typically the most volatile piece of the business in most organizations. Regulations constantly change and may contradict each other. An organization needs to adjust pricing, product valuation, transportation costs, etc., constantly. Business rules direct your business decisions. Business rules encapsulate how

you deal with your customers. Therefore, we need to look for rules and constraints that hinder us for no good reason. Unfortunately, many business rules are misunderstood, lead to bad decisions, or are embedded in software code and are difficult to find and change. The key to adjusting to change faster is to have a good handle on our business rules and eliminate the rules and constraints that hinder you for no good reason.

Data is the other key: If you understand (and everybody understands) your business' data, you have a good understanding of the business. Data is king (or queen)! The last decade's big buzz words around data storytelling, big data, data analytics, business intelligence, and data science are really nothing new. Companies that had good data analysis practices over the years are the ones who have shone. The best way to compete with them is to follow that practice. Another key point about data is that your business rules are chock-full of data. Your business rules govern how you logically run your business and drive decision-making. If the data in those rules is misunderstood or missing, you are likely to end up with bad decisions.

- **Stakeholders:** A stakeholder is anyone related to the change or need. Everyone (the stakeholders) must collaborate and communicate well, no matter where they are positioned in the organizational hierarchy. If the top doesn't know what the bottom is doing and vice-versa, there will certainly be miscommunication and conflicts. If we don't

understand our customer, we will miss the mark on fulfilling their needs. Empathy with the customer is paramount.

A great technique for delving into the customer perspective is Design Thinking. Design Thinking entails combining empathy with the customer and experimentation to achieve innovative solutions. According to Tim Brown, CEO of IDEO, "Design thinking is a human-centered approach to innovation that draws from the designer's toolkit to integrate the needs of people, the possibilities of technology, and the requirements for business success."

Design Thinking points us to the Voice of the Customer (VoC) and Consumer Experience (CX). Listening to customers, whether they are external or internal, is crucial. Customers are more likely to view you as the solution if you actually understand their problems and address them. To market effectively to your customers, you have to understand what drives them, what would attract them to you, and what you must do to make them happy (and to NOT make them angry!). Customers will tell you how they feel if you ask them. We also must realize that what excited customers ten years ago is just an expectation now. Remember when having GPS on your phone was new and exciting? Would you buy a phone now that couldn't help you get where you want to go? We have to constantly innovate to stay ahead.

- **Solution:** To determine the correct solution to a problem, we must understand the starting point. The BABOK

discusses analyzing the current state. How do we know where we are going if we don't know where we are? It's like asking for directions but not giving a starting point. Sometimes we need to model our current state capabilities and processes in order to determine what problems are most critical, are costing us the most money, are using too many people or other resources, or that just don't work. This analysis will help an organization pinpoint the initiatives that are worth pursuing. Determining the correct solution also involves root cause analysis. Often organizations treat the symptoms of a problem because they don't understand the true root cause.

- **Value:** Creating business value for our stakeholders should be the decisive factor in decision-making within an organization. In for-profit companies, this translates typically to return on investment and customer satisfaction. In not-for-profit companies, this may translate to a measure of services provided (donations, charitable services, betterment of a segment of society) measured against the cost to provide those services. This means that organizations should look at the value provided end-to-end (value chain) and ensure that everyone involved along that chain 1) understands the business value of their role and 2) contributes to that business value. Use all the above core concepts to determine which initiatives should be undertaken and why. Run those initiatives well, i.e., deliver the greatest value with the least investment.

Agile Delivery: According to the Agile Extension to the BABOK® Guide, agile delivery is a business strategy that creates value through fast feedback and short decision cycles. Plan iteratively so that we learn from good (and bad) decisions and improve our work based on feedback from stakeholders. We need to be constantly prioritizing based on good analysis so that we can refine our work to provide maximum value with minimum effort.

How to Leverage the Business Knowledge Core Concepts

Let's look at different ways you can leverage these core concepts at different levels of the organization. Since we often need to understand the business top-down, I'll follow that order. However, realize that strategies don't necessarily just apply to just one level or the other; every level should be aware of how to be successful.

Executive Management Strategies to Achieve Business Agility

A **2015 study** done by Deloitte found "little correlation between a CIO's nature and his or her ability to successfully deliver value against a particular set of business needs. There was, though, a high degree of correlation between nurture and CIO success. Fortunately for the CIO, this means that a successful legacy is not bound by inherent nature or personality, but instead can be developed by building capabilities and teams in response to changing business needs."

Here are some strategies to reach that success:

1. **Understand your customer.** The entire organization should be geared toward a good understanding of customer expectations. 'Wow' your customers; make them feel that they are special and the most important part of your

business (which they are!). Encourage this sentiment from the top down.

2. **Support and encourage collaboration.** When an organization has good internal collaboration, it has a greater chance of being able to handle change. Collaboration makes it easier to change with customer preferences and technology. When team members feel more engaged and less solitary, they gain a feeling of comfort and strength knowing they have other team members on which to rely. It also gives the benefit of built-in peer review. Complex problems require complex collaboration and coordination. Provide your employees with the tools and training to achieve that coordination successfully.

3. **Encourage internal business knowledge-sharing.** Build the business architecture model discussed earlier. Make it available to anyone who needs or wants to fully understand

the business. The more everyone in the organization understands what capabilities you have, the better armed they are to provide value end-to-end. To further break down what needs to be included in the business architecture, consider:

a. **Data** – if people understand and can connect data concepts for your business, they will better understand the business as a whole. Ensure good data understanding by encouraging business data models. These models should be accessible by not only the technology teams, but by the business domain experts and analysts.

b. **Business Rules** – business rules help you effectively use your business data to make good decisions. The business rules should also be modeled and analyzed to see where you can optimize decision-making.

c. **Impacted employees, customers, systems, vendors** – understand who is involved in every capability, what systems and software support them, who derives value from them, and what problems are encountered in them.

As projects are being executed and the solutions implemented, ensure that the business architecture model is actualized. The current state is then available for projects to use for analysis, which makes it easier to discover optimal solutions and to understand how to transition to those solutions.

4. **Encourage constant learning and education.** Train people on collaboration and facilitation. The more people know about the techniques and tools that help facilitate collaboration, the better the whole team can work together. Train them on new technologies and on analysis techniques. Some people are natural facilitators and analysts, but even the best can benefit learning new techniques and practicing them. Implement mentors within your organization. You can do this with seasoned internal people or by bringing someone in from the outside. Don't let your people flounder without assistance. Train yourself! Learn how to be a good leader, good sponsor, effective manager.

5. **Be transparent.** Make sure everyone understands and supports the organizational vision, strategies, and initiatives. Make them visible. Explain why they are important and why they benefit the company and its customers. Ensure your employees can share knowledge. Have some dedicated knowledge-sharing platform (SharePoint, company wiki) so if someone wants to learn about a corporate capability or process, they know where to easily find it. For projects or initiatives, consider implementing a Kanban board so people can see the progress. You can get some great ideas from people if they know what is going on within the organization!

6. **Make good decisions about vendors with whom your employees will have to work.** Vet them carefully. Don't go with the vendor just because they are good at wining and dining, go with the vendor that will fulfill your needs, help solve your problem, AND that will collaborate well with your employees. There are horror stories about companies bringing in vendors for outsourcing who end up costing the company much more than promised and making the employees that work with them miserable. How do you choose good vendors? Be diligent about the up-front analysis that should take place for requests for proposals. Get the people who will have to deal with those vendors involved.

7. **If your employees are distributed across the country or the world, give them the tools to collaborate well.** The closer to co-located you can make them feel, the more likely they are to work together well. Train them on the tools and facilitation skills it takes to bring teams together.

8. **Support decision making from teams.** The people that are working on your initiatives to solve problems and pursue opportunities often have the best insight into what will work, what will not work, and why. Get input from them. Change is accepted better when the people working on that change can help identify the problems and how to solve them.

9. Understand that the goal is not agility; it IS to better serve your customers. That may mean not changing! As we say in the southern United States, 'if it ain't broke, don't fix it'. Change for change's sake is not good. Change for good is good.

Middle Management Strategies to Achieve Business Agility

Besides targeting what is discussed above for executives, there are some points that middle management (like Product, System, Process, Line of Business, and Department management) might benefit from:

1. If you have multiple teams working on initiatives, encourage and help coordinate collaboration and communication between them.

2. Implement changes in small steps. Small changes typically carry less risk, are easier to test and implement, and are less likely to be resisted than big changes.

3. Improve the workspace. Have places where people can easily collaborate and others where they can have quiet or privacy when needed.

4. Learn through piloting and experimenting. You will gain insight into solving a problem or trying something new even if the experiment fails. Henry Ford famously said, "Failure is the opportunity to begin again, this time more intelligently".

5. Learn to use people and processes effectively. In the book This is Lean by Niklas Modig and Par Ahlstrom, they discuss 'flow efficiency' as the focus on processes that add value for the customer.

Team Level Strategies to Achieve Business Agility

1. Teams mean teamwork. Once again, figure out a way to communicate well and be collaborative. Share knowledge, be transparent, strive to always be learning. If your team has problems, try to understand the root cause and attack it.

2. Strive to understand the customer viewpoint and fulfill their needs. Your solutions will be more successful if you do!

3. Don't just understand the customer, but write it down (yes, as requirements)! This doesn't necessarily mean big, fancy documents. Requirements can entail drawings on white boards, sticky notes, or napkins – just get a record of those things. Why? We need memory, but

not just in our heads. We need documentation to refer to, to have good knowledge transfer, to have corporate memory, and for reuse! Who wants to reinvent the wheel on every effort? If we don't retain the artifacts, we use to make decisions, we often end up reanalyzing the same thing over and over.

4. Understand your customer, understand your business. Understand the data used in your organization, the business rules that manipulate that data into decisions, and the processes that implement those business rules and data. The better you understand, the more likely the solutions you are building will satisfy a need, solve a problem, achieve success, and make your customers happy.

5. Don't forget the 'manual' stuff. In this age of technology, people often believe that automating something or building an app will solve every problem. Not everything can or should be automated, and if you forget about the human interactions and processes that must integrate with the technology, the technology will fail. As an example, there's the story of a large grocery chain that developed a mobile app for ordering groceries and having them delivered. The app was awesome, but the company neglected to hone the manual fulfillment and delivery processes and couldn't handle the increase in demand. The app not only ended up deterring mobile customers, but also harmed the reputation of the brick and mortar business!

6. Focus on value. Always ask "why"? A good answer to the whys will help with what you need to get done and how to achieve success.

Business Analysis and Business Agility: Good Partners

We've talked about agile, agility, and business analysis. There are many ways to 'be agile'; there's no one magic bullet, no one correct way. However, the core of success lies in good analysis practices. Good analysis is required to gain a full, deep understanding of your customer and your business. Good analysis is required to understand what will bring value and what will not. Good analysis is required to evolve with your changing environment and to understand how much you need to change with it.

Without good analysis, how are you going to be able to make the right decisions that move your business forward? Analysis is critical in this digital age. The better you understand your business through analysis, the more agile your business will be.

About the Author

Alison (Ali) Orr Cox has experience since the mid-1980s in various areas, including business analysis, project methodology development and training, systems development (mainframe, client-server, and web), and telecommunications management. Alison began her career in the financial services area, and then moved into systems development for accounting systems. She has provided consulting and training in business analysis and project management for small companies to Fortune 500 corporations worldwide and speaks Spanish fluently.

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