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Analysis  
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Community*

# STRATEGY ANALYSIS BABOK® v3 SERIES, EP 4

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## WHY ARE YOU HERE?

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Perhaps you are:

- ❖ A new BA having recently joined the profession
- ❖ Considering becoming a BA
- ❖ Actively undertaking an IIBA certification, or considering doing this
- ❖ Overwhelmed when you pick up the BABOK guide, unsure where to start, feeling like its too big to understand?
- ❖ Wanting to improve your knowledge of some specific topics such as planning business analysis activities or solution evaluation
- ❖ Just keen to refresh your knowledge

## Effective Communication with Executives

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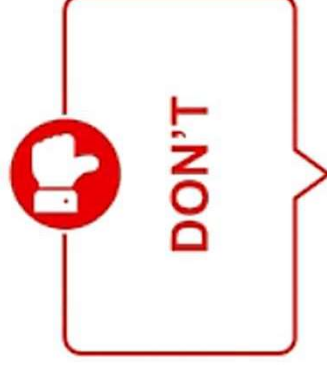
- ❖ Know the communication preferences of your audience
- ❖ Consider the learning style of your audience
- ❖ Take into account cultural differences
- ❖ Take into account the nature of the executive's workday
- ❖ Respect their time | Be confident and enthusiastic
- ❖ Define the level of knowledge they have
- ❖ Be clear about the aim of the communication
- ❖ Keep it short and clear | Smile
- ❖ Be open to feedback | Manage Emotions
- ❖ Provide solutions and alternatives
- ❖ Transmit a concise and complete message
- ❖ Ask confirming questions to ensure the message is transmitted properly

Do's

## Effective Communication with Executives

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- ❖ Assume they're actively listening
- ❖ Assume that the executive has plenty of time
- ❖ Assume that complaining will solve the problem
- ❖ Assume the executive is familiar with all the terms and specific details
- ❖ Use generic words like "I hope" or "as soon as possible"
- ❖ Make quick judgments
- ❖ Assume the body language is not an important aspect of the communication
- ❖ Underestimate the time and the place of the communication
- ❖ Forget to follow-up



## STRATEGY

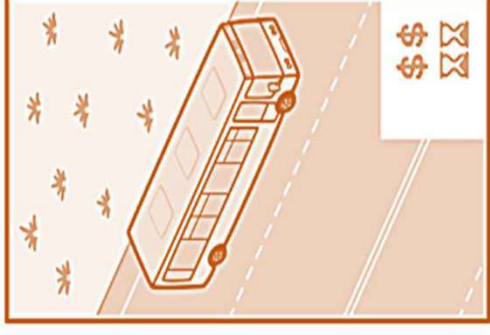
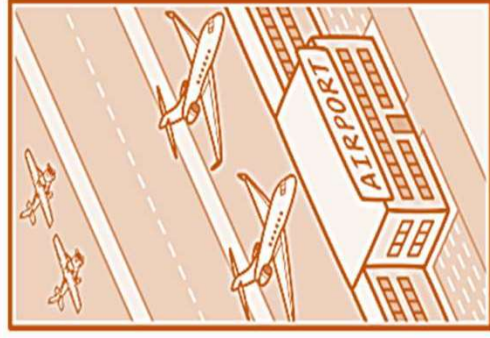
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Strategy defines the most effective way to apply the capabilities of an enterprise in order to reach a desired set of goals and objectives. Strategies may exist for the entire enterprise, for a division, department or region, and for a product, project, or iteration.



## STRATEGY

The Strategy Analysis knowledge area describes the business analysis work that must be performed to collaborate with stakeholders to identify a need of strategic or tactical importance (the business need), enable the enterprise to address that need and align the resulting strategy for the change with higher- and lower-level strategies



## STRATEGY ANALYSIS?

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- ❖ Strategy analysis focuses on defining the future and transition states needed to address the business need, and the work required is determined both by that need and the scope of the solution space

It covers strategic thinking in business analysis, as well as the discovery or imagining of possible solutions that will enable the enterprise to create greater value for stakeholders, and/or capture more value for itself. A strategy may be captured in a strategic plan, product vision, business case, product roadmap, or other artifacts.

## STRATEGY ANALYSIS?

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When performing strategy analysis, **business analysts** must consider the **context** in which they are working, and how predictable the range of possible outcomes is (**Solution**). When a change will have a predictable outcome, the future state and possible transition states can typically be clearly defined, and a clear strategy can be planned out.

If the outcome of a change is difficult to predict, the strategy may need to focus more on mitigating risk, testing assumptions, and changing course until a strategy that will succeed in reaching the business goals can be identified or until the initiative has ended.



## Strategy Analysis knowledge area Tasks

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### ❖ Analyze Current State

Understand the business need and how it relates to the way the enterprise functions. Sets a baseline and context for change.

### ❖ Define Future State

Defines goals and objectives that will demonstrate that the business need has been satisfied and defines what parts of the enterprise need to change in order to meet those goals and objectives.

## Strategy Analysis Tasks

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### ❖ Assess Risks

Understand the uncertainties around the change, consider the effect those uncertainties may have on the ability to deliver value through a change, and recommend actions to address risks where appropriate.

### ❖ Define Change Strategy

Performs a gap analysis between the current and future state, assesses options for achieving the future state, and recommends the highest value approach for reaching the future state including any transition states that may be required along the way.

# Concept Model in Strategy Analysis

**Change:** the act of transformation in response to a need.

**Need:** a problem or opportunity to be addressed.

**Solution:** a specific way of satisfying one or more needs in a context.

**Stakeholder:** a group or individual with a relationship to the change, the need, or the solution.

**Value:** the worth, importance, or usefulness of something to a stakeholder within a context.

**Context:** the circumstances that influence, are influenced by, and provide understanding of the change.

define the future state and develop a change strategy to achieve the future state.

identify needs within the current state and prioritize needs to determine the desired future state.

define the scope of a solution as part of developing a change strategy.

collaborate with stakeholders to understand the business need and to develop a change strategy and future state that will meet those needs.

examine the potential value of the solution to determine if a change is justified.

consider the context of the enterprise in developing a change strategy.

## Stakeholders

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- ❖ **Customer:** makes use of the existing solution and might have input about issues with a current solution.
- ❖ **Domain Subject Matter Expert:** has expertise in some aspects of the current state.
- ❖ **End User:** directly uses a solution and might have input about issues with a current solution.
- ❖ **Implementation Subject Matter Expert:** has expertise in some aspects of the current state.
- ❖ **Operational Support:** directly involved in supporting the operations aspects of the organization and provides information on existing solutions and issues.

## Stakeholders

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- ❖ **Project Manager:** may use the information on the current state as input to planning.
- ❖ **Regulator:** can inform interpretations of relevant regulations that apply to the current state in the form of business policies, business rules, procedures, or role responsibilities.
- ❖ **Sponsor:** might have context for the performance of existing solutions.
- ❖ **Supplier:** might be an external influencer of the current state.
- ❖ **Tester:** able to provide information about issues with any existing solutions.

## Guidelines and Tools

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- ❖ **Business Analysis Approach:** guides how the business analyst undertakes an analysis of the current state.
- ❖ **Enterprise Limitation:** used to understand the challenges that exist within the enterprise.
- ❖ **Organizational Strategy:** an organization will have a set of goals and objectives which guides operations, establishes direction, and provides a vision for the future state.
- ❖ **Solution Limitation:** used to understand the current state and the challenges of existing solutions.
- ❖ **Solution Performance Goals:** measure the current performance of an enterprise or solution, and serve as a baseline for setting future state goals and measuring improvement.
- ❖ **Solution Performance Measures:** describe the actual performance of existing solutions.
- ❖ **Stakeholder Analysis Results:** stakeholders from across the organization will contribute to an understanding and analysis of the current state.

## **Future State**

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**The future state will be defined at a level of detail that:**

- ❖ **Allows for competing strategies to achieve the future state to be identified and assessed,**
- ❖ **Provides a clear definition of the outcomes that will satisfy the business needs,**
- ❖ **Details the scope of the solution space,**
- ❖ **Allows for value associated with the future state to be assessed, and enables consensus to be achieved among key stakeholders.**

## **Future State**

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**The future state description can include any context about the proposed future state.**

**It describes the new, removed, and modified components of the enterprise.**

**It can include changes to the boundaries of the organization itself, such as entering a new market or performing a merger or acquisition.**

**The future state can also be simple changes to existing components of an organization, such as changing a step in a process or removing a feature from an existing application.**



## **Future State**

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**Change may be needed to any component of the enterprise**  
**business processes, functions, lines of business,**  
**organization structures, staff competencies, knowledge and skills,**  
**training, facilities, desktop tools,**  
**organization locations, data and information,**  
**application systems, and/or technology infrastructure.**

## **Future State**

**Describing the future state allows stakeholders to understand the potential value that can be realized from a solution, which can be used as part of the decision-making process regarding the change strategy.**

**In environments where changes result in predictable outcomes and predictable delivery of value, and where there are a large number of possible changes that can increase value, the purpose of future state analysis is to gather sufficient information to make the best possible choices among potential options.**

## **Constraints**

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**Constraints describe aspects of the current state, aspects of the planned future state that may not be changed by the solution, or mandatory elements of the design. While determining the future state, business analysts consider increased or decreased potential value from:**

- ❖ **External opportunities revealed in assessing external influences,**
- ❖ **Unknown strengths of new partners,**
- ❖ **New technologies or knowledge,**
- ❖ **Potential loss of a competitor in the market, and**
- ❖ **Mandated adoption of a change component.**

## Techniques

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**Acceptance and Evaluation Criteria:** used to identify what may make the future state acceptable and/or how options may be evaluated.

**Balanced Scorecard:** used to set targets for measuring the future state.

**Benchmarking and Market Analysis:** used to make decisions about future state business objectives.

**Brainstorming:** used to collaboratively come up with ideas for the future state.

**Business Capability Analysis:** used to prioritize capability gaps in relation to value and risk.

## Techniques

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**Business Cases:** used to capture the desired outcomes of the change initiative.

**Decision Analysis:** used to compare the different future state options and understand which is the best choice.

**Decision Modelling:** used to model complex decisions regarding future state options.

**Financial Analysis:** used to estimate the potential financial returns to be delivered by a proposed future state.

**Functional Decomposition:** used to break down complex systems within the future state for better understanding.

**Interviews:** used to talk to stakeholders to understand their desired future state, which needs they want to address, and what desired business objectives they want to meet.

## Techniques

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**Process Modelling:** used to describe how work would occur in the future state.

**Prototyping:** used to model future state options and could also help determine potential value.

**Scope Modelling:** used to define the boundaries of the enterprise in the future state.

**Survey or Questionnaire:** used to understand stakeholders' desired future state, which needs they want to address, and what desired business objectives they want to meet.

**SWOT Analysis:** used to evaluate the strengths, weaknesses, opportunities, and threats that may be exploited or mitigated by the future state.

**Vendor Assessment:** used to assess potential value provided by vendor solution options.

**Mind Mapping:** used to develop ideas for the future state and understand relationships between them.

**Organizational Modelling:** used to describe the roles, responsibilities, and reporting structures

## Outputs

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**Business Objectives:** the desired direction that the business wishes to pursue in order to achieve the future state.

**Future State Description:** the future state description includes boundaries of the proposed new, removed, and modified components of the enterprise and the potential value expected from the future state. The description might include the desired future capabilities, policies, resources, dependencies, infrastructure, external influences, and relationships between each element.

**Potential Value:** the value that may be realized by implementing the proposed future state.