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Businesses Thrive When IT and Finance Communicate Effectively

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ROI Success Through Business Analysis

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Return on investment (ROI) is the key performance measurement businesses use to measure the success of a project. Underlying ROI is a myriad of other metrics, including budget, deadline, scope and stakeholder satisfaction, which contribute to the ultimate outcome of ROI. So how do you ensure the best possible project results with all these variables in the mix? Project management professionals can attest to the value of infusing business analysis into the process to enhance project management results.

Business analysis establishes the foundation to:

<!--[if !supportLists]-->o Identify project requirements;

<!--[if !supportLists]-->o <!--[endif]-->Obtain stakeholder buy-in;

<!--[if !supportLists]-->o <!--[endif]-->Avoid problems that can derail project budget and delivery.



There are five key steps you can follow to integrate business analysis into your project mix. Derived from the International Institute of Business Analysis (IIBATM) *Business Analysis Body of*

Knowledge[®] (*BABOK*[®]), they comprise a crash course in business analysis techniques, including requirements elicitation, communication and validation.

1. Determine Requirements that Support Your Business Goals: You may think you're ahead of the game by having a list of business requirements as you set out, but don't get complacent. Take this time to verify that the requirements at hand support the organization's overall business goals.

Take, for example, an organization that wants to increase its online customer service capacity by 25 percent within 18 months. First, you must determine whether the requirements for attaining this objective align with the organization's needs in terms of benefit and cost. If the requirements demand an inordinate share of time and budget relative to the benefit of the outcome, the project's validity should be questioned.

Analysts can rely on enterprise analysis (EA) to determine if requirements support the business' needs. EA is comprised of multiple perspectives that assess an organization's internal environment. These provide a comprehensive understanding of the overall business and enable the identification of ways the business can achieve its strategic objectives.

2. Understand the Process of Requirements Gathering: Within the business community, it is widely acknowledged that approximately 50 percent of troubled projects ended up that way due to inadequately defined requirements. To avoid such daunting statistical propensity for failure, it is critical at the beginning of a project to elicit thoroughly and effectively all of the requirements to ensure the potential for success. This is another key time to deploy EA; in this case to define your stakeholders by gaining a deeper understanding of the business than what is initially evident.

The three following business analysis practices are invaluable in assisting in your requirements gathering process:

- *User Profiles* provide information on the various categories of stakeholders and their relationship to the intended solution. These are to ensure that all constituents have a participatory role in the process.
- *Stakeholder Questionnaires* help identify the actual decision makers from among your various stakeholders. This is important in order to avoid time consuming and expensive backtracking in the event of a key stakeholder being left out of consideration or someone being incorrectly included.
- *RACI (Responsible, Accountable, Consulted, Informed) Charts or Diagrams* offer a means for identifying the different types of stakeholders by their roles and strategies for dealing with each.

3. Prevent Paralysis by Analysis: The next step is selecting the most effective elicitation techniques for the stakeholders you've identified. Different techniques work differently depending on the audience, so a flexible, open-minded approach is advisable. Depending on the different stage of solution development you're in — vision, definition, analysis or decision — and the project type, project size and team members' experience, the techniques you use will vary.

The following are preferred techniques which correspond to the stage of solution development:

- *Vision Stage* — brainstorming and brain writing;
- *Definition Stage* — focus groups and joint application development sessions;
- *Analysis Stage* — gap analysis, root-cause analysis and force-field analysis;
- *Decision Stage* — multi-voting, criteria-based grids and impact/effort grids.

4. Focus on Communication: According to a recent survey ESI International conducted among professionals in project management, business analysis, program/portfolio management and related disciplines, communicating effectively with team members and stakeholders is the most pressing business issue they face when defining business or project requirements. Communicating your business requirements is almost as important as developing them.

Creating a communication plan will ensure effective communication of requirements with your stakeholders. The plan should clearly articulate *who* will communicate with your stakeholders, as well as *when, how* and *what* will be said. The person who is designated as the communicator should be considered carefully. While he or she should possess solid business communication skills, the decision should in large part depend on who your stakeholders are, since you'll want to ensure that the style of the communicator is appropriate to your audience.

First, consider if your audience of stakeholders will be a homogeneous or heterogeneous group. For a homogeneous group of C-level stakeholders, for instance, it's recommended that your communicator be able to speak at a higher level of detail and not get too bogged down in specifics since these stakeholders tend to see the big picture. Otherwise, you could find yourself facing an unwanted conflict, particularly if you are trying to dissuade against a proposed solution. With a heterogeneous group, or a group of stakeholder representation from different areas of the organization, your message should be high level enough and yet detailed enough to articulate all interested parties needs. This is no small task and requires very careful consideration when developing a message.

5. Validate the Business' Needs: Upon project completion, it's time to assess and validate the delivered solution. At this stage, the primary goal is to verify that your finished product delivers on the requirements gathered and agreed upon beginning with Step 1. In many cases, simple adherence to regularity standards will aid this process. But, for projects that don't have such standards oversight, traceability matrices are useful since they map back to the original business need by creating unique identifiers for each requirement.

Traceability matrices can also help verify that no unnecessary requirements have crept into the project. For example, for a project goal to launch a successful vegetarian fast-food chain, you'll want to keep the rib sandwich off the menu, even if it is a big seller for another chain. Your original requirements should help you recognize that meat doesn't belong in your offering.

Take Steps for Success

Regardless of which project you take on, there will be challenges that increase as the size of the project does. By incorporating these five basic steps and infusing business analysis from the outset of your project through completion, you will be better positioned for meeting challenges and, ultimately, for project success.

About Glenn R. Brûlé: *Brûlé is the Director of Client Solutions for [ESI International](http://www.esi-intl.com) and Director at Large of the International Institute of Business Analysis. Brûlé has more than 18 years' experience in many facets of business, including project management, business analysis, software design and facilitation. At ESI (www.esi-intl.com), he is responsible for supporting a global team of business consultants working with Fortune 1000 organizations. As the Director at Large for the International Institute of Business Analysis (IIBA), Brûlé's primary responsibility is to form local chapters of the IIBA around the world by working with volunteers from organizations across various industries, including financial services, manufacturing, pharmaceutical, insurance and automotive, as well as government agencies.*