The Business of Business Analysis

Project Management and Business Analysis: The Dynamic Duo

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Abstract

Project Management and Business Analysis are in fact two disciplines that are becoming more and more strategic for many companies. Project Management focuses on the creation of the "product, service, or result" of the project in order to meet its objectives. Business Analysis aims at understanding the needs of the business stakeholders and at defining the characteristics of the solution to meet those needs. Through the integration of these two disciplines, the organizations can achieve superior project performances, both from the standpoint of the realization of project deliverables, as from that of the creation of business value.

This paper wants to explore how to integrate in a virtuous cycle the Project Management and Business Analysis disciplines, starting from the PMI® standard, the *PMBOK® Guide* (A Guide to the Project Management Body of Knowledge®) and the International Institute of Business Analysis (IIBA) standard, *A Guide to the Business Analysis Body of Knowledge®* (*BABOK® Guide*).

Recently, in Italy, we have been experiencing that some companies are moving in this direction, and they are beginning to define a new generation of Project Managers called "Project Business Managers", i.e. professionals who are able to integrate both Project Management and Business Analysis competences. Also some Project Management Offices begin to feel the necessity to develop internally superior Business Analysis skills.

Foreword

Some years ago I was called to a project for creating a new product line and I was given the responsibility for preparing the business case. Both the creation of a business case according to "best practices" and the product line under study were new to the company I was working for. The creation of the business case involved several business functions, and brought out "strengths" and "weaknesses" of the organization.

After the approval of the business case, I was asked to set up the project for the realization of the new product line. By following the *PMBOK® Guide* principles, I began to prepare the Project Charter and develop the Project Management Plan. I noticed that the planning process for this project was smooth, and in comparison to other similar projects the effort required for planning was minor. Certainly the preparation of the business case had facilitated this process. But the point was not that. By reflecting on how I was building the Project Charter and the Project Management Plan I wondered: "*If I were not directly involved in the preparation of the business case, would I have planned the project as I was doing?*" And the answer I gave was: "*No, not as I was doing.*"

Some years later I came across IIBA® and discovered the existence of the *BABOK® Guide*, which provides guidelines on the Business Requirements Elicitation Process (called "Enterprise Analysis") and the topic of the business case. When I started reading these guidelines, I realized that they could help in improving my project management skills. The interest for this new discipline was so strong that after some time I was convinced to achieve the Certified Business Analysis Professional™ (CBAP®)

certification.

Business and Projects

The motto of PMI® states: "*Making project management indispensable for business results.®*". This statement stresses the link between project and business value.

Every project initiates as a response to a *Business Need* that, according to the *BABOK® Guide*, "*describes a problem that the organization is (or is likely to) face or an opportunity that it has not taken, and the desired outcome. The business need will guide the identification and definition of possible solutions.*" (*BABOK® Guide*, *Version 2.0*, p. 85). And the purpose of the task *Define Business Need* is to "*Identify and define why a change to systems or organizational capabilities is required.*" (*BABOK® Guide, Version 2.0*, p. 81). To summarize this concept, we can say that from the Business Need arises a request for changing the organization capabilities, and this change should deliver benefits to the business.

Organizations should develop both Project Management and Business Analysis skills, for a project to deliver value to the business, as this value is in fact created before, during and after the project. Project Management focuses on the implementation of the change, Business Analysis leads the project towards the understanding of the needs and the realization of business value.

But there's also another interesting point worth mentioning. The integrated use of the two disciplines, Project Management and Business Analysis, allows organizations to achieve superior Project Management capabilities.

Organizations that want to evolve toward the Engagement Project Management need to develop and integrate both Business Analysis and Project Management skills. Business Analysis aims at understanding the business needs before (through the *BABOK® Guide* "Enterprise Analysis" Knowledge Area), during and after the project (through the *BABOK® Guide* "Requirements Analysis" and "Solution Assessment and Validation" Knowledge Areas); Project Management aims at satisfying these needs.

Project Management and Business Analysis: The Dynamic Duo

Looking beyond the meaning of these two roles, Project Manager and Business Analyst, we want to highlight the importance of the two disciplines, Project Management and Business Analysis, and their integrated application, to ensure that projects are properly carried out and directed towards the creation of business value. Business Analysis provides value to Project Management through a clear understanding of the business need, the definition of the solution components and its translation into feasible project requirements, as well as ensuring the continuous involvement of the business stakeholders throughout the project (thanks to the Business Analyst who acts as a "liaison" among business and projects stakeholders). According to IIBA®, collecting requirements is not "simply" a Project Management process, but rather a profession for Business Analysis professionals. And also Business Analysis receives value from Project Management, through the proper planning and implementation of requirements to meet the business need.

In this sense we can call the integrated use of these two disciplines a "dynamic duo". Exhibit 1 describes this concept.

BUSINESS ANALYSIS

BUSINESS NEED → SCOPE

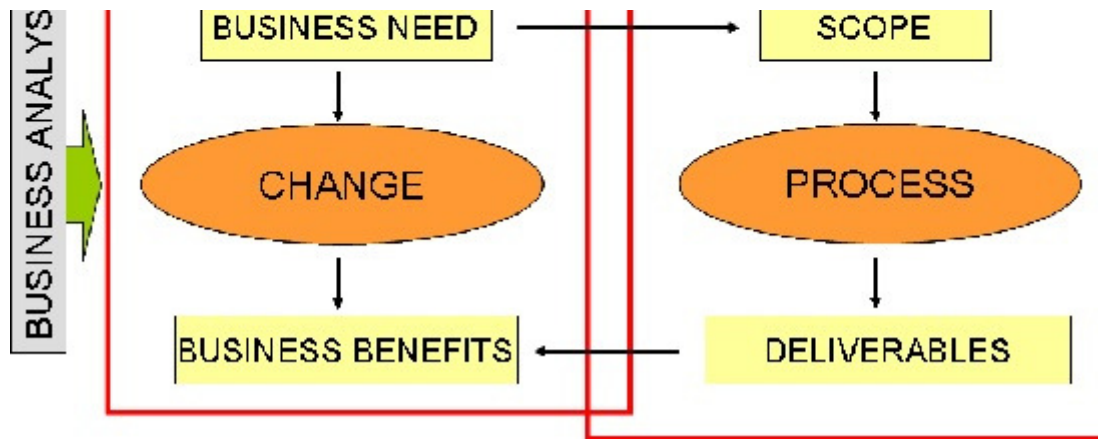CHANGE   PROCESS

BUSINESS BENEFITS ← DELIVERABLES
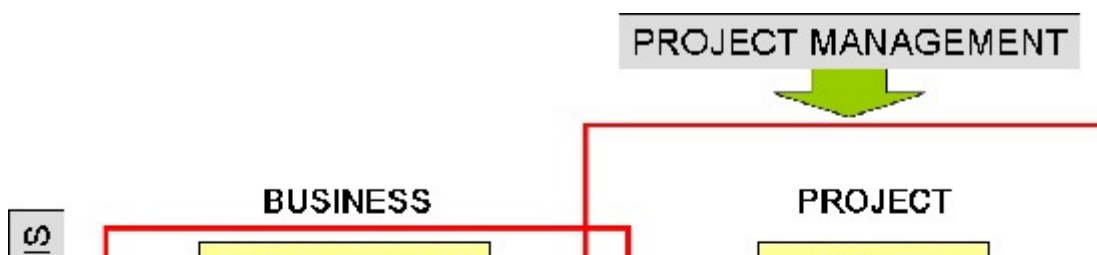
Exhibit 1 – Business and Projects: the "dynamic duo"

It is also quite understandable that the integrated application of these two disciplines might create an overlap between the two roles, Project Manager and Business Analyst, especially on common topics such as Scope definition, Communication, Risk Management. This topic has been addressed in a joint research project conducted by PMI[®] and IIBA. This research is titled "*Partnering for Success: An IIBA / PMI Joint Collaboration*, by Elizabeth Larson" and it is available on the IIBA web site (free for IIBA members); for the sake of simplicity we are reporting only the conclusions of this research: "*The PM/BA is a peer-to-peer relationship. When we started our work, most of the PMs viewed the BA as subordinate to the PM. By the time we concluded, we all agreed that both play leadership roles in the organization. Both are accountable to the sponsor—the PM for leading the team and delivering the solution and the BA for ensuring that the solution meets the business need and aligns with business and project objectives. And both roles, equally, are required for project success.*"

It must be clear that this peer-to-peer relationship should be standardized into a wider scenario that integrates both Project Management and Business Analysis guidelines, which should be tailored to the characteristics of the organization and on its needs. Anyhow, as already mentioned, this paper intends to go beyond the two roles of Project Manager and Business Analyst, and will focus on how the integration of Business Analysis and Project Management can create value for the project and the business.

Integrating the *PMBOK[®] Guide* and the *BABOK[®] Guide*

As I have already mentioned, the integration of Project Management and Business Analysis disciplines can improve the project performances and lead the organizations toward a higher maturity in Project Management. But how can Business Analysis bring Project Management toward a superior level? To clarify this concept, we want to start from the *BABOK[®] Guide* and show how this standard can reinforce the Project Management processes described in the *PMBOK[®] Guide*. Here are some insights:

1. **How the *BABOK[®] Guide*, "Elicitation" Knowledge Area can improve the PMBOK[®] Guide, Initiating, Planning and Monitoring and Controlling Process Groups**. The *PMBOK[®] Guide* states that Project Management is "*the application of knowledge, skills, tools and techniques to project activities to meet project requirements.*" (*PMBOK[®] Guide, Fourth Edition*, p. 6). The *BABOK[®] Guide* clarifies that project requirements are derived from the stakeholder's needs. These needs must first be understood and then translated into a set of project requirements for their implementation. The understanding of the stakeholders needs is a process of "elicitation", which means (*BABOK[®] Guide, Version 2.0*, p. 53):

   a. *To draw forth or bring out (something latent or potential)*
   b. *To call forth or draw out (as information or a response).*

The word "elicitation" is derived from the Latin verb "ex-ducere", today we say "educate". A requirement cannot simply be a statement of what a stakeholder says or wants (often directly the solution), but arises from the understanding of its needs, which are often hidden (latent, potential, i.e. the stakeholder does not know them, or is not able to describe them, therefore must be "elicited"). The stakeholders' needs first must be "elicited". Do you remember the importance of the business case which I described in the Foreword paragraph of this paper? I stated that the development of the business case made the *Develop Project Charter and Develop Project Management Plan* processes easier, smoother: in that example, the preparation of the business case represented an important elicitation effort; many elements of the business needs were initially hidden (some were unknown, some not clear) and came out and were clarified through this "elicitation" process. Eliciting the stakeholder needs is the most delicate part of Business Analysis, and should be done in a professional way. The *BABOK*®️ *Guide,* Version 2.0 describes the elicitation process in four steps: *Prepare for Elicitation, Conduct Elicitation Activity, Document Elicitation Results, Confirm Elicitation Results*. Without a professional elicitation effort it is nearly impossible to collect good project requirements. A good elicitation process impacts directly the *PMBOK*®️ *Guide Develop Project Charter, Collect Requirements, Define Scope*, and *Plan Quality* processes. And indirectly it provides some benefits to the Perform Integrated Change Control process. For example, think on projects that may have problems because the business need is not completely understood, though in presence of a detailed list of requirements.

2. **How the *BABOK*®️ *Guide*, "Enterprise Analysis, Requirements Analysis, Solution Assessment and Validation" Knowledge Areas can improve the *PMBOK*®️ *Guide*, Initiating, Planning and Monitoring and Controlling Process Groups**. The *PMBOK*®️ *Guide* shows that identifying project requirements is an iterative, top-down process. In the *Project Charter* the "high-level" requirements are usually listed, what the *BABOK*®️ *Guide* defines as "Business Requirements" ("*are higher-level statements of the goals, objectives, or needs of the enterprise. They describe the reasons why a project has been initiated, the objectives that the project will achieve, and the metrics that will be used to measure its success. (BABOK*®️ *Guide, Version 2.0*, p. 5)." In the *Collect Requirements* process the focus is more on the "Stakeholder Requirements" ("*are statements of the needs of a particular stakeholder or class of stakeholders. They describe the needs that a given stakeholder has and how that stakeholder will interact with a solution. Stakeholder requirements serve as a bridge between business requirements and the various classes of solution requirements (BABOK*®️ *Guide, Version 2.0*, p. 5)." In the *Define Scope* process, the Solution Scope is translated into the Project Scope. This process focuses more both on the "Solution Requirements" ("*describe the characteristics of a solution that meet business requirements and stakeholder requirements… They are divided into Functional and Non-functional Requirements (BABOK*®️ *Guide*, Version 2.0, p. 5-6)." and the "Transition Requirements" ("*describe capabilities that the solution must have in order to facilitate transition from the current state of the enterprise to a desired future state, but that will not be needed once that transition is complete (BABOK*®️ *Guide, Version 2.0*, p. 6)." And together with the Solution and Transition Requirements, also the "Assumptions and Constraints" are derived. The *BABOK*®️ *Guide* stresses that this order "Business – Stakeholder – Solution – Transition" Requirements should be followed to make project results that produce business benefits: if we want to improve the business results, the starting point of every project must be the business need, not the characteristics of the product to be delivered. And also, when writing requirements, different "grades" of language can be used: for Business and Stakeholder Requirements a "high level" language can be used, but for Solution and Transition Requirements the language must be precise, rigorous, unambiguous, as these requirements will drive the realization of the product of the project. For example, think on projects that may have problems because of ambiguous, inconsistent, incomplete solution requirements.

3. **How the *BABOK*®️ *Guide*, "Requirements Analysis, Requirements Management and Communication" Knowledge Areas can improve the *PMBOK*®️ *Guide*, Communication Knowledge Area.** In these two *BABOK*®️ *Guide* Knowledge Areas, the Stakeholder and

Knowledge Area. In these two *BABOK® Guide* Knowledge Areas, the Stakeholder and Solution Requirements are modeled and specified, and grouped together into complete "requirement packages" "*to ensure that the requirements are effectively communicated to, understood by, and usable by a stakeholder group or groups. (BABOK® Guide, Version 2.0*, p. 72)." These Knowledge Areas directly support all *Project Communications Management* processes, above all the *Manage Stakeholder Expectations* process.

4. **How the *BABOK® Guide,* "Techniques" can improve the *PMBOK® Guide*, Planning and Executing Process Groups.** Collecting requirements through interviews is certainly useful and also the most common approach, but the *BABOK® Guide* shows a variety of techniques to be used in different project contexts, depending on the characteristics of the stakeholders (some of these techniques are Benchmarking, Brainstorming, Focus Groups, Observation, Workshops, Survey, etc.). The application of these elicitation techniques can reduce the effort of identification and documentation of requirements, as well as increase its effectiveness (i.e. a Group Task Analysis approach can reduce up to six times the effort for a process reengineering analysis). The *PMBOK® Guide* calls the process of maximizing the value of project activities as a *Perform Quality Assurance* process. Besides, the proper use of these techniques can improve the *Collect Requirements* process by increasing the stakeholder involvement. For example, think of how many projects focus the *Collect Requirements* process on a subset of stakeholders not properly identified and analyzed, especially when a large number of stakeholders are involved, as this would make the requirements gathering process too time consuming and expensive. The *BABOK® Guide* shows how to use different techniques in different contexts to maximize the effectiveness and efficiency for the *Collect Requirements* process.

5. **How the *BABOK® Guide,* "Requirements Management and Communication" Knowledge Area can improve the *PMBOK® Guide*, Initiating, Planning, Monitoring and Controlling and Closing Process Groups**. The ability of the Business Analyst to manage conflicts arising during the requirements approval process (sig-off) helps to keep the project tight linked to the business needs and to keep the business stakeholders involved in the project. Also the definition of a *Requirements Traceability Matrix* creates a relationship between all categories of requirements (Business, Stakeholder, Solution, and Transition) and supports the *impact analysis* which is performed by the *Perform Integrated Change Control* process, as well as the *coverage analysis* (did we collect all Stakeholder requirements? Are there only partially analyzed Business Requirements?) for improving the *Risk Management*, *Collect Requirements* and *Verify Scope* processes. The Requirements Management and Communication Knowledge Area also shows how to maintain requirements for future use, which reduce the analysis effort for future projects. For example, think of projects that may have problems during the *Verify Scope* process because of partially elicited requirements, although with a list of requirements approved by the stakeholders. And think also on projects that must spend a big effort during the *Collect Requirements* process because of a lack of documentation about already implemented requirements. Or project requirements changes which are approved or rejected with a weak impact analysis.

6. **How the *BABOK® Guide,* "Enterprise Analysis" Knowledge Area can improve the *PMBOK® Guide*, Initiating Process Groups.** The proper definition of the Business Need (and the Desired Outcome), the identification of capability gaps, the definition of the solution approach and solution scope, and the setup of the business case are all Enterprise Analysis tasks that give the project the proper start and the right direction. Actually, the way the Business Need is stated can completely change the objectives of a project. Some projects are started without a business case or, even worse, without having identified the Business Need. They might actually have a Need stated, but not expressed in terms of business problems or opportunities, only at an intermediate or lower level (for example – "We have data inconsistency; so we need a new data warehouse"). The Business Analyst must be able to address any problem at a business need level (in the example above – "What is the impact of this data inconsistency on the business? Will the benefit of a new data warehouse justify the costs for this project? Are there any other solutions that might better satisfy the business need?"). When a project is started without understanding and describing the business need, it cannot be properly budgeted for and the return on investment is often incorrectly estimated;

7. **How the *BABOK® Guide*, "Solution Assessment and Validation" Knowledge Area can improve the *PMBOK® Guide*, Planning, Executing and Monitoring and Controlling Process Groups**. This *BABOK® Guide* knowledge area focuses on assessing the proposed solutions ("*in order to determine how closely they meet Stakeholder and Solution requirements*"), as well as on allocating the requirements on the designed solution components for maximizing the business value. It improves the *Manage Stakeholders Expectations* process, especially during the execution phase of the project when the Project Manager is more involved in solving the project issues and the Implementation Team has to make decisions that will influence the result of the project from a business perspective. Furthermore, the Solution Assessment and Validation Knowledge Area analyzes the impacts of the solution on the organization, and helps plan the effort and manage the risks for changing the organization. For example, think of projects that may have problems because the impact and risk analysis for changes in the organization is overlooked.

8. **How the *BABOK® Guide*, "Business Analysis Planning and Monitoring" Knowledge Area can improve the *PMBOK® Guide*, Planning, Monitoring and Controlling, and Closing Process Groups**. This Knowledge Area describes the planning and monitoring tasks carried out by the Business Analyst on the Business Analysis activities. This knowledge area provides important input to the *Develop Project Plan* process (in particular the procedures for approving and prioritizing the requirements), the *Plan Communications* process (the Business Analysis Communication Plan), the *Define Scope* process (tailoring the Business Analysis deliverables and activities), the *Risk Management* processes (identifying and analyzing risks). And this Knowledge Area also contributes to improving the *Monitoring and Controlling* processes, as well as documenting the Business Analysis lessons learned for future projects.

The concepts described in this paragraph represent only some contributions (the most evident ones) that Business Analysis can give to Project Management. Other considerations will emerge through a more consistent and mature application of both disciplines by the Project Manager and Business Analyst in a "dynamic duo" scenario.

Final Words

For "*Making project management indispensable for business results.®*", Project Management and Business Analysis must be integrated into a "dynamic duo". The *BABOK® Guide* describes the Business Analysis guidelines *"…used to work as a liaison among stakeholders in order to understand the structure, policies, and operations of an organization, and to recommend solutions that enable the organization to achieve its goals.*" These guidelines are useful for understanding and documenting the business needs at the beginning of the project, to keep the project linked to the business during its execution, and to assess the performances of the implemented solution in order to catch the limits and the opportunities for creating business value. The *PMBOK® Guide* describes the Project Management guidelines that should be applied "*to project activities to meet the project requirements.*" Through the integration of these two disciplines, Project Management and Business Analysis, the organizations can achieve superior project performances, both from the standpoint of the realization of project deliverables, and from that of the creation business value.

This continuous research for new competences in order to create business value is the primary responsibility of every professional, Project Managers and Business Analysts above all.

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