

THE BUSINESS CASE: THE ROLE OF THE BUSINESS ANALYST

The Business Case formally documents and baselines the change project. It provides the framework within which the project manager will deliver the project, and documents the key performance indicators against which the project will be reviewed after closure.

The Business Analyst provides two key inputs to the Business Case. The first is the Business Requirements Specification, which documents *what* the project will deliver, independent of implementation. The second is the Benefits Realisation Plan, which documents the financial benefits of the project, or *why* the proposition should proceed.

Given the dynamic nature of organisations, societies, economies and the environment, the Business Case cannot be a static document. It must be updated whenever necessary to reflect the new realities of the change project, and as soon as possible, to enable effective project approval and review. Accordingly, a dynamic approach is needed to ensure that the Business Analyst can adequately support the Business Case. An effective model is to retain the basic approach of Structured Analysis over multiple iterations, and to vary the weighting of the analysis on different aspects each time.

Focus

Firstly, there is the focus. Structured Analysis documents first the "now"—the current business model—and derives the business objectives from that understanding. Then the "new"—the proposed or future state—is modeled, to resolve the problems and opportunities in the "now". The focus can be varied from being fully on the "now", through to being fully on the "new" (especially in the special case of the new business proposal), or with more or less equal weighting on them both.

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DEPTH

Secondly, there is the depth. This moves from the corporate level through the business level to the operational level.

- At the corporate level the emphasis is on scoping the proposal, and documenting the business relationships. The ideal tool for this is the Context Level Diagram.
- At the business level the emphasis shifts to the flow of the transaction. The Data Flow Diagram documents this unambiguously from the internal perspective, showing the connection between processes and persistent data stores. It may be supplemented by the State Diagram to document the external perspective and to include formal documentation of the triggers for each process.
- The operational level emphasises the detailed sequence of procedures, documented using the Flow Chart.

ACCURACY

Thirdly, the accuracy can be varied. Forecasting of benefits is increased in accuracy and sensitivity as more detailed research is undertaken.

The various aspects are interlinked to some extent. As the emphasis shifts on focus and depth, so does the possibility of accuracy increase.

- Thus, benefits can be calculated more accurately once the Data Flow Diagram is in place than at the earlier "concept" stage.
- The Data Dictionary will increase in detail and accuracy as analysis proceeds from the corporate level (with only the dataflows to external parties documented), through to the detailed documentation of all data as needed to complement the Data Flow Diagram and Flow Charts.
- This increased detail and accuracy in documentation will assist in obtaining more accurate costings.
- Conversely, more accurate calculation of benefits or costs may lead to revising earlier decisions about the attractiveness of some business models over others, and accordingly require re-development of some transactions.

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NUMBER OF ITERATIONS

A fourth aspect to be manipulated is the number of iterations, which may vary depending on the overall size and complexity of the project. Thus a small-scale project—low risk, a few weeks long, and involving a handful of people—may only require two iterations: a concept definition and a detailed proposal. At the other end of the scale, a high risk project with a large project team extending over a year or more may justify half a dozen iterations to document and manage it adequately through to development approval.

Typically, a medium risk project will fall half way between these two scenarios, with three iterations. Many project documentation models even give these three special names or labels, such as: "Concept" or "Brief", followed by "Feasibility" or "Demonstration", and then "Proposal" or "Plan". The significant risk with this labeling is that it locks in the idea of a fixed documentation path that must be followed in all cases, rather than allowing for an appropriate depth of documentation and an appropriate number of iterations to enable decisions to be made as early as possible. And if the labels are used or understood inconsistently then there will be confusion and uncertainty as well as misplaced effort¹. Accordingly, it may be more useful to use the familiar concept of version control to label them as Version 1, Version 2, etc and to use dot point numbers for change control within each iteration.

Each iteration allows the opportunity to calculate the investment of money and resources necessary to deliver the next iteration, without expectation that costs will be calculated to a high level of accuracy for full project delivery years in the future and for an uncertain project scope.

¹ The detailed document that some organisations call the Proposal or Business Case is in others called the Project Brief. Some organisations reserve the term Proposal for the Initiation document—or Brief!

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As each iteration is approved, the previous documentation—Business Case, Benefits Realisation Plan and Business Requirements Specification—are reviewed for use as a starting point.

- This reduces re-work.
- It reduces the possibility of "dropping the ball" between iterations: anything incorporated into an earlier version of the project documentation will be brought forward unless explicitly removed.
- Finally, it also enables changes and updates to be systematically incorporated into the next version.

This is a highly responsive model, allowing for variation across project, organisation, culture and environment. The emphasis can be varied on some aspects and not others.

Thus it would be feasible, for example, to vary the emphasis on the depth aspect, without varying the emphasis on the focus aspect. This would give rise to an equally detailed Context Level Diagram for both the current and future states at the first iteration, followed by equally detailed Data Flow Diagrams for both at the next iteration, and so on. For highly conservative organisations or projects implementing minimal business change, this may be very appropriate.

Equally, focus could be varied without varying depth. For a more dynamic project in a fast moving industry, documentation of the current state may be reduced at the early stages, and only detailed closer to the time of specification for rollover into the Business Requirements Specification. Of course, there will be no documentation of the current state in the "special case" of the completely new proposal, and the depth of documentation required will depend on the organisation's cultural expectations. Conversely, for audit and review purposes there will be no documentation of the proposed state, yet the highly detailed documentation of the current state will fit seamlessly into a change project commenced to resolve any problems identified.

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The Business Case for a medium risk project could develop along the following lines:

<i>Version</i>		1	2	3
Project Management				
Scope		100% agreed (no matters unresolved)	100% agreed (may differ from previous)	100% agreed (may differ from previous)
Costs		-	Request for Proposal	Request for Tender
Risk		Short Risk Analysis	Detailed Risk Analysis	Mitigation & Containment strategies in place
Business Analysis Inputs (detailed in the Benefits Realisation Plan)				
Benefits	Scenario	Short (1-2 sentences) scenarios outlined	Scenarios developed and documented	Scenarios developed into State Diagrams
	\$ benefits	-	\$ calculation	\$ confirmed
	KPIs	-		Identified
	BRRs²	-	-	Proposed
Business Analysis Inputs (detailed in the Business Requirements Specification)				
Focus		Now	Now & New	New
Depth	CLD	✓	✓	✓
	DFD		✓	✓
	FC			✓
Data	Elements	data flowing across the boundary documented	all data items flowing into the business activity defined	all data items, including derived data for reports, etc, defined
	Stores	-	unnormalised data stores documented	datastores attributed and normalised

² BRR: Benefits Realisation Review. the schedule for these reviews are documented in the Benefits Realisation Plan, along with the assumptions, research data and detailed calculations.

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The iterative approach outlined here differs significantly from the "all-in-one" approach commonly taken to developing a single Business Requirements Specification.

- Analysis paralysis is avoided.
- Only where success is more likely is more effort applied.
- This also allows decisions to be made rapidly and with minimal analysis effort, thus enabling resources to be re-directed onto more productive projects as quickly as possible.
- It enables agile responses to a dynamic environment, by allowing changes to be incorporated easily and rapidly.