



Measuring Business Analyst Impact

A WHITE PAPER PROVIDED TO ASPE BY TJ SEIPLE, BA CONSULTANT

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A Critical Success Factor for Future Growth

by TJ Seiple, BA Consultant



The business analyst position has seen dramatic growth over the last few years. The International Institute of Business Analysis (or IIBA, at www.theiiba.org) has fostered that growth by compiling the BA Body of Knowledge (now at version 1.6) and working hard to market well-defined standards. But simply defining a position doesn't guarantee future growth. Another factor fueling the growth is the current outsourcing/offshoring trend. But this trend's primary push is cost reduction...and as markets ebb and flow, the cost savings available now may not be there in the future.

To ensure that the business analyst position preserves strong roots within American business, a well-defined set of metrics must be established that properly documents the position's value. The BA position won't succeed if it's seen as an opportunity for cost reduction via elimination or outsourcing. But there's a problem: truly effective business analysis is more of an art than a science. So its value is hard to measure. And yet, value and positive impact must be quantified to be proven and understood.

In American business, if it can be measured, it can be monitored. If it can be monitored, it becomes important. If value can't be measured in the short-term, that's ok. You don't want to stifle innovation and growth with shortsighted adjustments. But over the long-term, if the value of something can't be measured, it's doomed to be relegated to the

"cost" pile. Currently, most business analysis positions lack standard metrics that enable value measurement. If the BA position is to gain and maintain the foothold necessary for solid IT/business alignment, standard metrics must be defined.

Measurement is Critical!

Objective, standardized measurement provides management with the ability to review performance. This ensures that inadequate analysts can be reassigned, retrained or terminated. In essence, it keeps the position's reputation strong. Without measurement, there's a very real possibility that a BA's position can become associated, rightly or wrongly, with negative "project overhead." But with proper measurement, an organization can create an "IT/business alignment" figure which accurately shows how efficiently an organization builds the IT systems they need and use. An IT/business alignment index will always prove to be a powerful management metric for any CIO.

If BA performance and value creation is measured, the position can be defended during slow times since anything measured can be defended

and adjusted. **It's critical that your BA positions not become cost centers.** With a "cost center" mentality, the position will be seen as a necessary evil in the event of outsourcing possibilities. But if measurement statistics are developed around the BA position, work tasks can be objectively shown in terms of strategic significance. If the position is viewed as a critical strategic link to IT/business alignment (which it is) then it will take root in corporate America regardless of outsourcing or off-shoring scenarios.

Measurement Options

In the project management world, the project manager has P&L, resource utilization, earned value, and schedule metrics (to name a few) by which management can review performance and value. However, business analysts don't have any established performance measurement standards. This is an area of opportunity for the IIBA and the BA community to take a leadership role. There are creative options for BA measurement; the focus must be on their own role in the creation of corporate value in information systems.

- **Evaluation Metrics:** Sample key business system users before and after a new system deployment. Their feedback on new system value and capability will give a strong indication of how well scope and requirements were defined. And there are other evaluation points that can measure important utilization aspects of a new system; a vast majority of them would be specific to an organization. The key is getting data from system users and using a standard way of defining information in a database. These metrics will show value creation of a BA based on system acceptance by users.
- **Use Metrics:** Collect data from system users on overall productivity via usage, and on their increased or decreased use of a system after deployment. Effectiveness can be measured both in decreased use, i.e. "I'm really able to do my job faster" or increased use, i.e. "Wow, I can do a lot more now that I have this system." In either case, there's an opportunity to measure productivity enhancement based on new system rollouts. If productivity increases, it's a strong indication of how well scope and requirements were defined.
- **Speed to Market, Project Time:** Utilizing project management reporting, metrics can be developed that compare project time with and without BA involvement. Speed to market and reduced project times should occur with BA involvement, and would be shown as a function of the reduction in change orders and system testing times. Of course, not only does speed to market reduce cost, but also gets a needed system into production faster.

- **Value:** Combining evaluation metrics with use metrics, a BA value figure can be developed. Use metrics as described show user acceptance based on actions. Evaluation metrics as described shows user acceptance based on words. Combining the two will produce a value creation figure for business analysts on a given project. Also, value can be tied back to revenue increases from the service the system supports when holding both marketing and sales at equal levels in the before/after model or subtracting any marketing and sales increases coming after rollout.
- **Value as a Function of Cost:** In this metric, a CIO can combine cost-saving figures from an outsourcing/offshoring push with value figures (using both use and evaluation data) to show a powerful double benefit. The double benefit is the cost reduction PLUS value creation. This signifies that the BA position not only supported cost reduction, but also enabled increased value in the business systems development. Even without outsourcing, this metric is critical because it can show that the extra costs of utilizing an effective BA provides benefit through higher return in value of the systems produced. This value comes in the form of higher productivity of system users, and increased revenue of the services/products the system supports.

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Measurement Buy-In

Currently, BA position growth is so strong that most proponents of the position don't really see concerns for future growth. In reality, they should. The outsourcing/offshoring trend should NOT be the rock on which BA future growth is based, because trends always change over time. The base future of BA growth must be built on objective measurement of the value the position creates. As the position starts to mature, there's a significant probability it will be relegated to the status of cost center unless management metrics are standardized and defined. If the position becomes a cost center, it will lose its value and slow down the much-needed push for IT/business alignment. But this alignment isn't possible without the BA position...and BAs will only remain within corporate America if their value can be measured.