IIBA International Institute of Business Analysis™

Business Analysis - positioning for success

The time to act is now: helping organizations navigate the new business reality

October 31, 2016

KPMG

Introduction

International Institute of Business Analysis™ (IIBA®) embarked on this transformative research and impact study to reflect the essential role of the business analyst. The study is intended to serve as a common voice for the business analysis community, deliver a critical assessment of the industry today, perceptions across key stakeholder groups and trends relating to the profession on a global scale.

IIBA engaged KPMG Canada to study how business analysis can continue delivering value to organizations. In conducting this study, we heard from global practitioners and business leaders, and augmented their insights with KPMG's 2016 CEO Outlook[1] and other proprietary research. We heard from many who feel traditional business analysis skill sets and capabilities will no longer be sufficient to add the value that their organizations need to compete.

With the next 3 years widely seen as a critical inflection point for businesses, the opportunity for the business analysis community and business leaders to work closer together to generate the insights needed to help tackle the complex problems of today and tomorrow is there for the taking. Many are already in agreement on the skill set evolution required, and this research confirms opportunities for the community to accelerate its efforts on this journey in a thoughtful, deliberate way.

Methodology
The data was collected via a global survey and interviews of IIBA members, non-members and business leaders across industries and countries. Responses were collected from 3,234 business analysis practitioners and 100 business leaders (Director-level and above).

Responses have been weighted to reflect the global employment population. We have a confidence level of at least 95% that the data is accurate, with a margin of error of 2%. All data and figures not otherwise cited come from these surveys. **See *Appendix I* for more information.**

About International Institute of Business Analysis™ (IIBA®)
International Institute of Business Analysis™ (IIBA®) is a professional association dedicated to uniting the business analysis community to create better business outcomes. Through a global network, IIBA connects with over 29,000 Members and more than 300 Corporate Members and 120 Chapters. As the recognized voice of the business analysis community, IIBA supports the recognition of the profession and discipline and works to maintain the global standard for the practice and certification.

Since IIBA was founded in 2003, the organization has been leading the community's support and essential resources needed for business and professional success, including A Guide to the Business Analysis Body of Knowledge® (*BABOK® Guide*) and the profession's certification. Around the world, IIBA recognizes and supports our Members and the BA Community through ongoing learning, education and networking opportunities. IIBA is committed to creating greater connections and engagements across the business analysis community.

For more information about IIBA, please visit iiba.org.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. KPMG LLP was engaged by IIBA to prepare this summary document.

[1]Now or Never: 2016 Global CEO Outlook; KPMG, 2016

Executive Summary

Macro business and technology trends are impacting the capabilities that organizations will need to generate better business outcomes and the discipline of business analysis is evolving to meet the requirements of organizations in our changing world.

Preparing their organizations to succeed given the pace and extent of change is top-of-mind for business leaders today. Globally, 72% of CEOs believe the next 3 years will be more critical than the last 50 years in their industry and 41% expect to be running significantly transformed companies in 3 years' time (vs. 29% last year)[1]. Many view the next 3 years as their "now or never" opportunity to do so.

Industry disruption and transformation is being driven primarily by technology, data and increasingly sophisticated consumers. These forces are upending business models, blurring industries and demanding new ways of thinking and operating. A significant majority of CEOs recognize the important need to foster a culture of innovation, respond quickly to technological opportunities and invest in new processes, as only those companies and industries accepting the challenge to transform themselves will be more competitive, gain efficiency and ensure the loyalty of customers[1].

To accelerate this shift, organizations are looking at different models and skill sets to drive more value-driven analysis

The business analysis community recognizes that the traditional view of requirements gathering / elicitation and documentation, confined in IT or finance departments and narrowly leveraged for project management is no longer sufficient. These 'traditional' skill sets are now foundational, with more strategic, enterprise-level insights still required to add the kind of value that today's organizations need to compete and win. Business analysis needs to transcend departments and functional groups to convene data and insights from within organizations and beyond. It needs to help lift the capabilities of colleagues and influence how leaders think about structuring and deploying their resources.

The community also needs to anticipate the growing presence of automated data collection and decision-making, which is already having real impact in certain sectors. Twenty percent of CEOs indicated that cognitive skills including strategic thinking and analysis, leadership and creative and innovative thinking are the top three most valuable BA skill sets they are devoting significant investment/resources to in the next 3 years, and nearly 9 in 10 are concerned with the integration of basic automated business processes with artificial intelligence and cognitive processes[1].

To drive better business outcomes, the business analysis community and business leaders need to bridge awareness and perception gaps

Leadership awareness of and trust in their business analysis capabilities is the most important factor in expanding the role and reach of the discipline. The research, however, suggests misalignment between practitioners and leaders on what business analysis skill sets really are and where they reside. **The challenge facing the community is therefore two-fold: (i) expand and elevate skill sets to tackle increasingly complex business problems; and, (ii) ensure leadership understands and leverages their full capabilities today.** Getting practitioners more comfortable promoting themselves and discussing successful outcomes directly with leadership will help with this effort.

For organizations AND the business analysis community, the opportunity to chart the future is now.

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[1]Now or Never: 2016 Global CEO Outlook; KPMG, 2016

Key Findings

Macro business and technology trends are impacting the capabilities that organizations will need to generate better business outcomes

The force and speed of innovation is creating an inflection point for the business sector. 41% of CEOs anticipate that their company will be significantly transformed over the next 3 years and 77% of CEOs say it is important to specifically include innovation in the business strategy with clear targets and objectives.

Technology & Data

Stronger computing power and more data have opened up new possibilities for generating business intelligence and insights

Sophisticated Customers

Consumers are more connected, have more information available and ultimately have more choice around the organizations they interact with
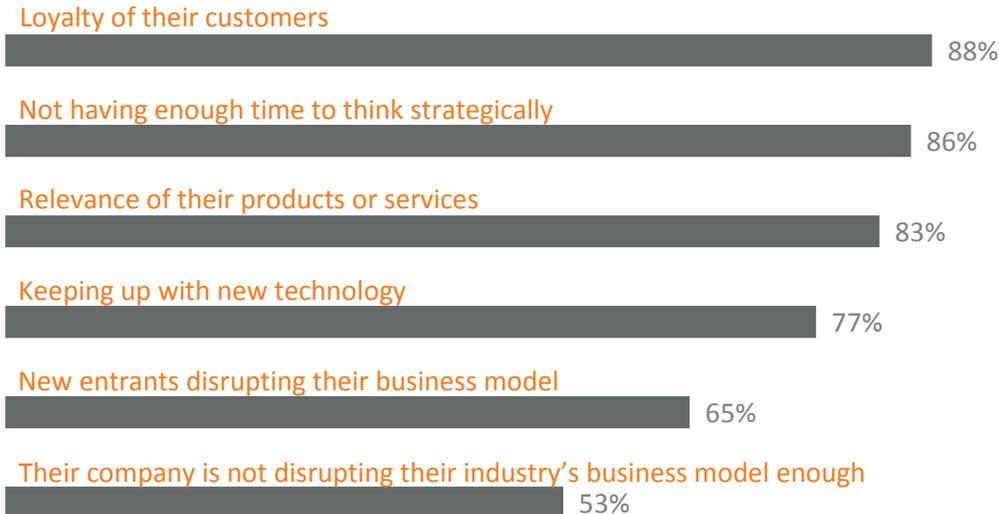
Industry Disruption

New business models with lower entry costs are challenging organizations to re-evaluate how they sustain their value proposition

Business leaders are alert to many unfolding challenges and acknowledge a growing list of top concerns, from shifting customer loyalty, to technologies that are overturning traditional business models, to not having enough time to think strategically.
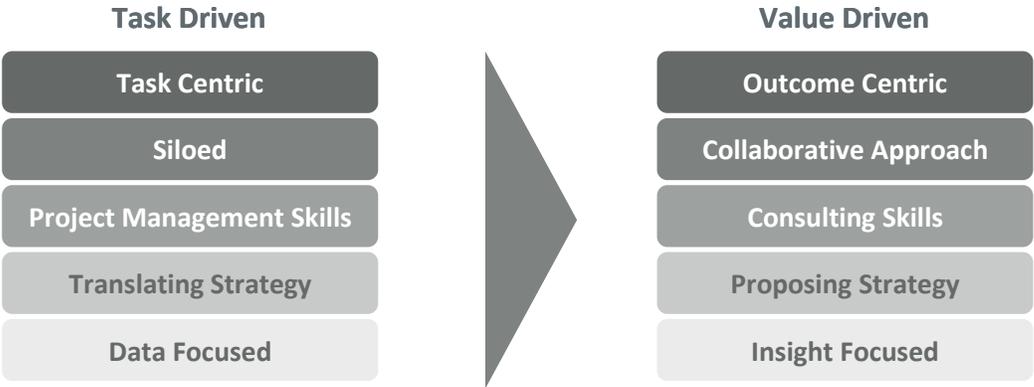
Top CEO concerns[1]

Loyalty of their customers
88%

Not having enough time to think strategically
86%

Relevance of their products or services
83%

Keeping up with new technology
77%

New entrants disrupting their business model
65%

Their company is not disrupting their industry's business model enough
53%

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These trends are impacting the business analysis capabilities that will be valuable to organizations in the years ahead and placing increasing urgency on a shift from traditional **"task-based" analysis to more "value-driven" analysis**. This shift is premised on widely-held perceptions that business analysis is a transactional function. Its practitioners are seen as:

- residing in certain parts of organizations,
- being told by others what to analyze and how to structure output,
- focused on reporting rather than interpreting
- not involved in setting or re-evaluating strategy.

The shift to value-driven analysis played out in different forms in the research – here are a few illustrative examples:

Task Driven		Value Driven
Task Centric		Outcome Centric
Siloed		Collaborative Approach
Project Management Skills		Consulting Skills
Translating Strategy		Proposing Strategy
Data Focused		Insight Focused

Organizations are expanding their expectations of their business analysis capabilities

The research shows a high degree of alignment on the types of outcomes expected from business analysis practitioners. Identifying and prioritizing new opportunities and enabling more efficient use of time and resources were both cited by 72% of respondents, with improving customer understanding and increasing project success rates not far behind.

Value of business analysis

72%	72%	63%	63%
"Identifying and prioritizing new opportunities"	"Enabling more efficient use of time / resources"	"Improve understanding, acquisition and retention of customers"	"Increase project success rates"

This data reflects the fact that organizations are no longer satisfied with just the traditional business analysis outcome of more efficient, more successful projects. Enabling more efficient use of time / resources and increasing project success rates are increasingly seen as foundational 'table stakes'; the

ability to identify and prioritize new opportunities and improve customer understanding and strategy have become the real differentiators for leading business analysis practitioners and teams.

Furthermore, when business leaders were asked to provide 3 words to describe business analysis, the most frequently cited combinations were **"smart, quick and improved decision-making"**.
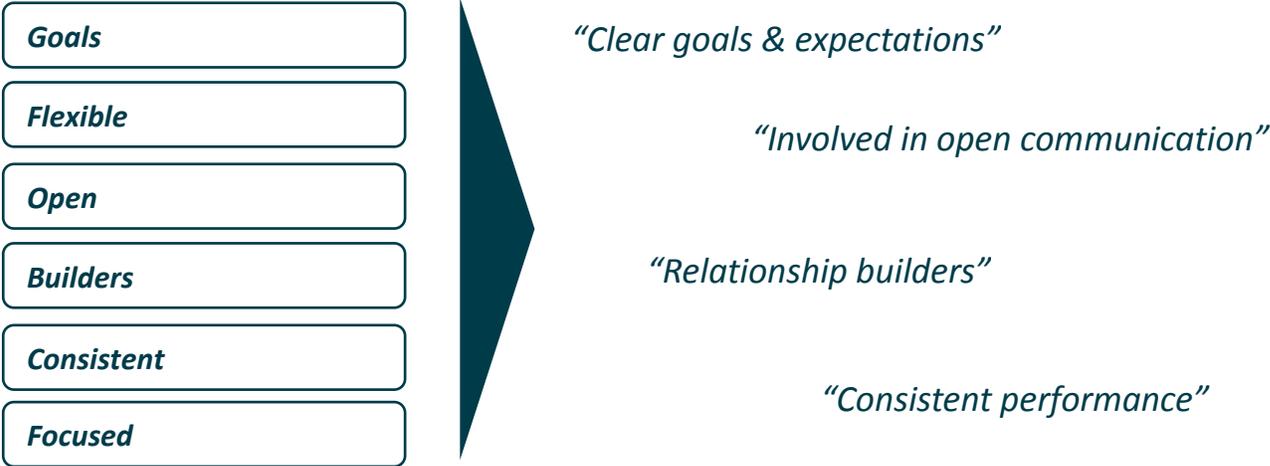
The findings indicate that leaders are looking for help navigating the ever-increasingly complex business world and expect timely insights from their business analysis resources that help with decision-making.

To provide the value-driven insights and outcomes desired, practitioners need to exhibit skill sets beyond those traditionally associated with the discipline

As organizations emphasize value-driven analysis and decision-making, the skill sets they require from their business analysis capabilities are evolving.

When probed on the specific attributes that make business analysis practitioners successful, business leaders discussed the importance of goal-oriented individuals who are consistent performers and excel at building relationships and communicating clearly:
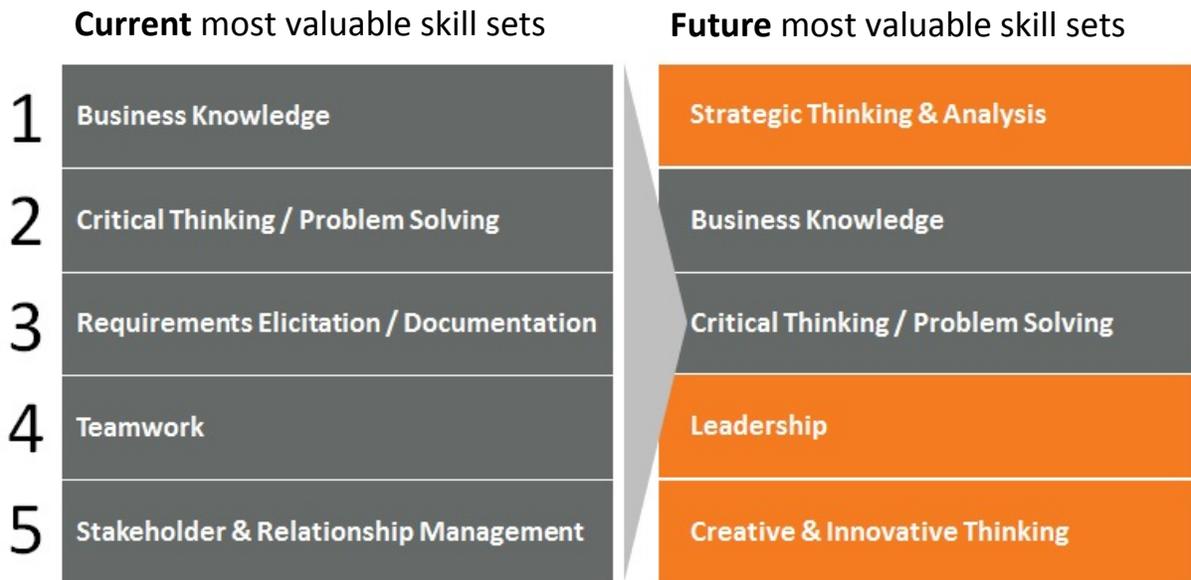
Practitioner attributes

Goals	*"Clear goals & expectations"*
Flexible	*"Involved in open communication"*
Open	
Builders	*"Relationship builders"*
Consistent	
Focused	*"Consistent performance"*

When business analysis practitioners were asked what the most valuable business analysis skill sets will be in 3-5 years, "strategic thinking and analysis", "leadership" and "creative and innovative thinking" jumped into the Top 5, joining "business knowledge" and "critical thinking and problem solving". Business leaders demonstrated similar perspective in assessing which skill sets will increase in value over time, with "strategic thinking and analysis" showing the most significant jump.

See Appendix II for the list of skill sets used to define the discipline of business analysis for the purposes of this research.

Most valuable business analysis skill sets

Current most valuable skill sets

1	Business Knowledge
2	Critical Thinking / Problem Solving
3	Requirements Elicitation / Documentation
4	Teamwork
5	Stakeholder & Relationship Management

Future most valuable skill sets

Strategic Thinking & Analysis
Business Knowledge
Critical Thinking / Problem Solving
Leadership
Creative & Innovative Thinking

Other skill sets that showed significant increases in importance in 3-5 years include "market and competitive awareness" (+26%) and "research and investigative techniques" (+18%). These results reflect that business analysis needs to contribute more holistic, enterprise-level insights that support strategic decision-making around approach to customers, new market opportunities and new processes and technologies, in addition to its traditional expectations of delivering efficiencies in project planning and execution.

To help accelerate this shift, organizations are looking at different models to drive more value-driven analysis

Business leaders and **practitioners** appear to have misaligned views on where business analysis capabilities reside in their organizations. Only 19% of practitioners felt that business analysis skill sets reside in their organization's C-Suite, compared to 68% of business leaders. Business leaders, meanwhile, see business analysis skill sets as fairly dispersed across the functional groups of their organization. The significant variances seen here is likely due to misaligned awareness and perceptions as to what actually constitutes business analysis skills. This represents an important gap for both leadership and practitioners to bridge so their organizations learn to leverage their full potential.

Location of business analysis skill sets

| Practitioners (n = 3267)		Business Leaders (n = 100)
61%	IT	27%
34%	Operations	51%
19%	C-Level	68%
	Strategy Groups	81%
17%	Finance / Accounting	49%
17%	Sales	13%

Strategy Groups & "C-Level" were separate options in the business leaders survey

Despite the lack of alignment over where the capabilities exist today, most agree on the need for them to elevate to become more strategic and insights-focused. To that end, organizations are looking to new models to generate value. From the examples and anecdotes collected, two such models have emerged as the most common:

The first model is raising the business analysis capability bar across organizational decision-makers.

In this model, organizations incorporate hiring criteria and / or provide training to ensure that employees have a certain foundation and baseline in core business analysis skills like strategic thinking, problem solving, research and analysis, working with data, etc. This model is reinforced by the fact that business leaders, by and large, plan to maintain and / or train their existing business analysis skill sets rather than hiring new ones.

Plan to build skill sets over the next 3-5 years
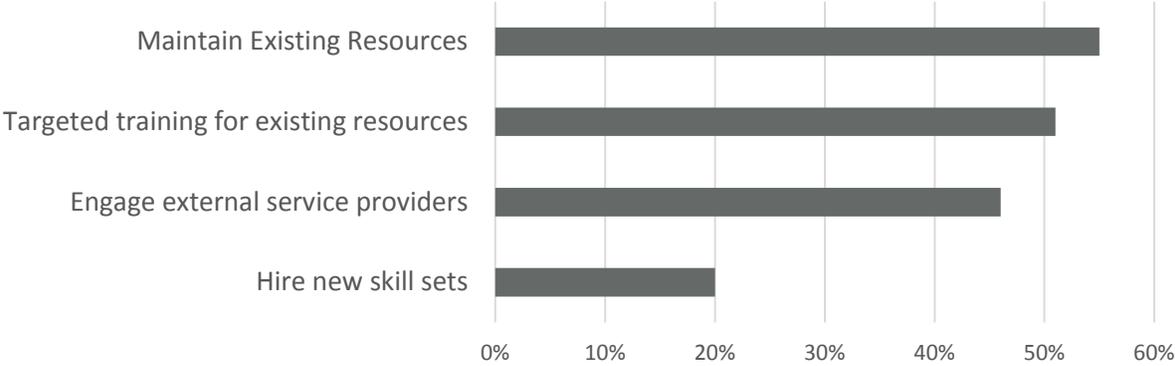
The second model is developing and deploying specialized teams with advanced business analysis capabilities to tackle problems and capitalize on opportunities facing the organization.

In this model, the organization looks for expert practitioners with specific competency-based skill sets to form 'Centres of Excellence'. This model is typically used by more sophisticated organizations whose scale and scope of activities warrant the investment in and degree of specialization of such a team.

Here are a few select examples of these models cited by survey respondents:

Model 1: Bringing CORE skill sets to more decision makers	Model 2: Deploying SPECIALIZED teams with competency based skill sets

- A leading global financial institution is **training executive leaders in core BA skills** to provide better customer experiences and financial results
- A telecommunications provider armed its HR resources with specific hiring criteria and a mandate to recruit business analysis skill sets to help with **decision-making initiatives** (e.g. new products, new market assessments, etc.)
- A large designer of digital **platforms appointed 20 business analysis leads** as project owners across development teams and workstreams, reducing product cycle time by 66%

- A professional services firm has **built a BA Design Thinking Studio** to push innovative thinking and holistic perspectives internally and with their clients
- A management consulting firm **developed a dedicated "Business Intelligence"** practice, to refine and publish standards and methods. This has led to multiple awards
- A technology company **formed a Process Action Team (PAT)** with an Enterprise BA outlook. This resulted in significant improvements in identifying problems

Both models address the need to elevate overall business analysis capabilities. Depending on the size and sophistication of the organization, a combination of both models may be appropriate, recognizing that Centre of Excellence-type groups are more practical for larger organizations.

Business leaders were also asked which organizational attributes they believe contribute most to effective business analysis. Two primary themes emerged from their responses:

1. Organizations who routinely invest in **training and development** of their people not only keep their capabilities sharp and current, but also realize better employee engagement and connection to the cause

2. Organizations who have **experienced large-scale change, innovation and transformation initiatives** are more likely to recognize the importance of value-driven business analysis, learn from past mistakes and emerge better prepared to develop and deploy these types of capabilities

Figuring out the models that maximize practitioner value today is made all the more pressing given the exponential changes already occurring in automation and cognition. At call centres, for example, cognitive systems are designed to take in information just like a human brain would, from visual images, conversations, reading books or texts and inferring intent. This enables them to perform judgment-based tasks. Some technologies are introducing emotional intelligence into the systems, to be able to detect the mood of a customer[1].
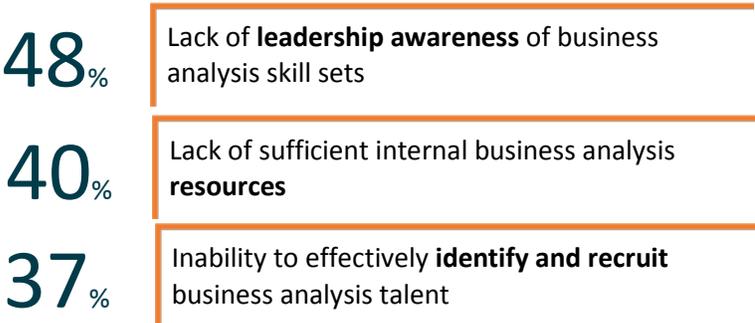
Disruptions like those we are starting to see with automation and cognition produce new opportunities. The challenge is figuring out in advance what those opportunities are and how to proactively position to capitalize on them.

To expand its role and reach, the business analysis community needs to do a better job communicating its value to organizational leaders

In order to be well-positioned for the critical years ahead, the business analysis community needs to clearly align its value proposition to the organizational needs discussed, and – crucially – articulate this alignment effectively to business leaders and decision-makers.
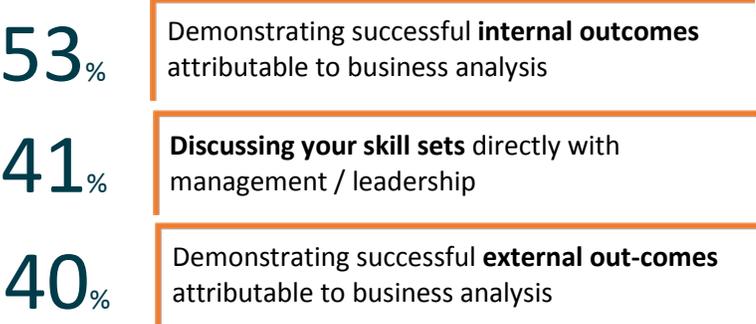
Having leadership aware of its business analysis capabilities is important in getting the opportunities and support required to deliver to its full potential. Lack of leadership awareness and trust emerged from the research as the factor most likely to prevent practitioners from expanding their role and reach.

Factors that prevent expansion of role and reach

48% — Lack of **leadership awareness** of business analysis skill sets

40% — Lack of sufficient internal business analysis **resources**

37% — Inability to effectively **identify and recruit** business analysis talent

The research suggests several tactics that the business analysis community and /or practitioners can use to ensure their leaders are sufficiently aware and informed. When asked what methods have succeeded in expanding their role and reach in organizations, "discussing skill sets directly with leadership" emerged as one of the most-cited responses. Demonstrating how business analysis has generated successful outcomes for organizations – the respondent's or otherwise – also emerged as a good way to increase role and reach.

Factors that help expand role and reach

53% — Demonstrating successful **internal outcomes** attributable to business analysis

41% — **Discussing your skill sets** directly with management / leadership

40% — Demonstrating successful **external out-comes** attributable to business analysis

The onus is on the community to ensure business leadership has sufficient awareness, understanding and appreciation of the value its practitioners can deliver. Hesitancy and modesty will not serve it well in these complex times.

Conclusion

Business leaders are acutely aware of how important the next few years are, as they are forced to navigate a rapidly changing, increasingly demanding business environment. They will not be successful alone, and will lean on those who can develop and deliver timely insights to help with difficult decision-making. Help may be closer than some of them realize, and it would be prudent of them to look closely at their existing business analysis capabilities to fully understand how to leverage them to their full potential.

The business analysis community has its own work to do to earn the awareness and trust of leadership needed to expand its role and reach through these years and beyond. Practitioners need to further develop and promote the skill sets that will generate strategic, market and customer insights to complement their more traditional business analysis capabilities. They need to clearly articulate their value to leadership and regularly demonstrate how they have delivered better business outcomes.

The opportunity for the business analysis community to expand and elevate its skill sets and ensure that leadership understands and leverages them is now. With 86% of global CEOs reporting a lack of time to think strategically about the forces of disruption and innovation shaping their company's future, this evolution cannot come soon enough.
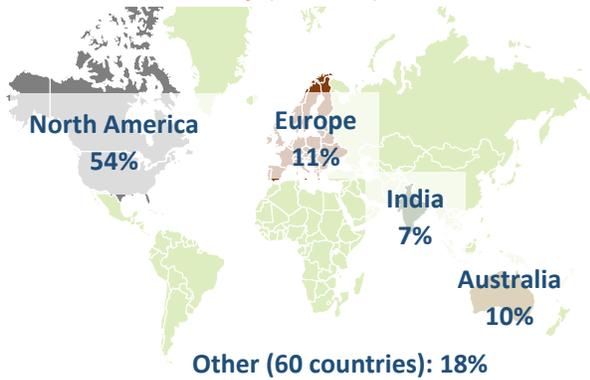
Appendix I: About the Study

The research took place April - September 2016, and was conducted via an online survey of business analysis practitioners, a telephone survey of business leaders and secondary research and analysis.
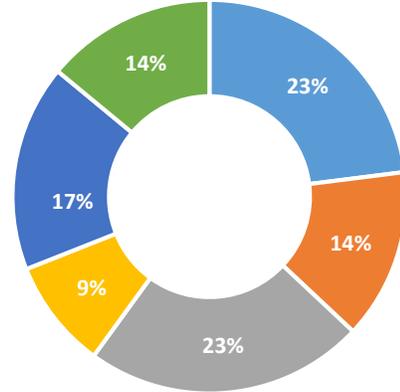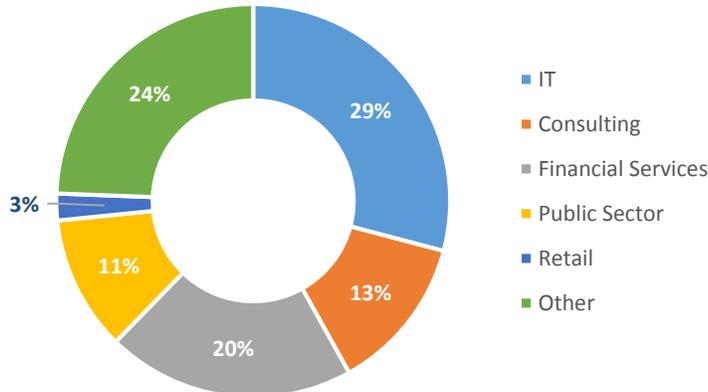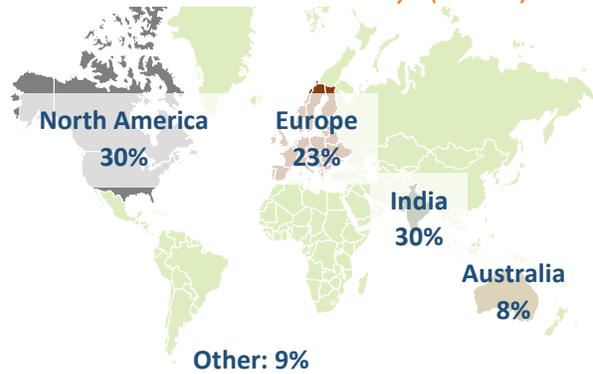
North America and India were selected as priority geographies; IT, Consulting and Financial Services were selected as priority sectors. A detailed distribution of survey respondents is shown below:

Survey Respondents

Practitioner Survey (n=3234)

North America
54%

Europe
11%

India
7%

Australia
10%

Other (60 countries): 18%

Business Leader Surveys (n=100)

North America
30%

Europe
23%

India
30%

Australia
8%

Other: 9%

24% 29% 3% 11% 20% 13%

- IT
- Consulting
- Financial Services
- Public Sector
- Retail
- Other

14% 23% 17% 9% 23% 14%

Appendix II: Business Analysis Skill Sets and Definitions

In explaining the business analysis discipline to the practitioners and business leaders we surveyed and / or interviewed, the following skill sets were shared and defined:

- **Brainstorming / Discovery**: Group creativity techniques to produce a broad set of options/conclusions through rapid and uncritical idea generation.
- **Requirements Elicitation / Documentation:** Process of probing for, obtaining and documenting information. Involves formulating and asking the right questions to understand what is needed more clearly and without any ambiguity.
- **Research / Investigative Techniques:** Systematic study of materials and sources in order to establish facts and reach new conclusions.
- **Data / Process Modeling:** Developing tools (e.g. spreadsheet) or diagrams to illustrate the relationships between data or business processes.
- **Story Telling:** Using relevant narratives and tools (i.e. graphics, charts, cartoons, personas) to convey ideas / information more effectively and simply.
- **Verbal Communications:** Effective oral expression of ideas / information that allows for emotional and other implicit cues (e.g. chair meetings, deliver presentations, active listening).
- **Written Communications:** Effective expression of ideas / information by typed or printed materials (e.g. executive summaries, proposals, business cases).
- **Facilitation:** Encouraging interactions between stakeholders in order to help them understand their common objectives and how to achieve them.
- **Teamwork:** Fostering a collaborative working environment and developing trust among team members to ensure that the combined work effort is more than the sum of its parts.
- **Stakeholder / Relationship Management:** Balancing the needs and expectations of different stakeholders and understanding how different parties will interact with initiatives / solutions. Includes the formation of strong and lasting business relationships.
- **Change Management:** Approaches to transitioning individuals, teams, and organizations using methods intended to re-direct the use of resources, business process, budget allocations, or other modes of operation that reshape a department or organization.
- **Strategic Thinking & Analysis:** Finding and developing strategic foresight capacity; exploring all possible organizational futures, and challenging conventional thinking to foster decision making today.
- **Creative / Innovative Thinking:** A way of looking at problems or situations from a fresh perspective that suggests unorthodox solutions which may look unsettling at first.
- **Critical Thinking / Problem Solving:** Effective identification of business problems, assessment of proposed solutions to those problems, understanding the situation as fully as possible, and making judgments about possible outcomes of solutions.
- **Decision Making:** The thought process of selecting a logical choice from available options, weighing the positives and negatives of each option and considering all the alternatives for a specific situation.
- **Emotional Intelligence:** The ability to identify and assess one's own feelings and those of others. Effective emotional intelligence allows an individual to manage their own emotions, as well as those of others around them.
- **Political Acumen / Conflict Management:** Ability to understand and leverage power dynamics within an organization. Includes the ability to resolve conflicts by examining the premises, assumptions, observations and expectations of those involved.
- **Leadership / Influence:** Motivating people to act in ways that enable them to work together to achieve shared goals and objectives. Understanding the individual needs and capabilities of each team member and stakeholder and how those can be most effectively channeled in order to reach the shared objectives.

- **Understanding Cultural Dynamics:** Managing the complexities of human interactions within a department / organization.
- **Reverse Engineering Techniques:** Method of working backwards from the solution to understand how the data, processes and / or business rules work.
- **Business Knowledge:** Understanding and leveraging specific organizational contexts, business models, customer expectations, regulations and compliance requirements. Understanding how to align work with strategic objectives.
- **Market / Competitive Awareness:** Understanding external business environment and competitors.
- **Technology Systems / Platforms / Data Structure:** Awareness and understanding of the technology systems and platforms supporting the business (e.g. data management software, intelligence/analytics software, requirement management systems, project/program management systems, testing and quality management platforms).

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.