



Business Analysis

Leading Organizations
to Better Outcomes

Executive Summary

For many organizations, effective business analysis is not an integral part of their project work. However, driven by the rise in project complexity, we see that business analysis is a key competency to project success.

According to our 2014 report, *Requirements Management: A Core Competency for Project and Program Success*, poor performance occurs when organizations lack maturity in significant business analysis processes and fail to recognize the value it provides. Business analysis involves identifying needs; recommending solutions; and eliciting, documenting, and managing requirements to deliver expected benefits.

When business analysis is properly accounted for and executed on projects and programs, high-quality requirements are produced; stakeholders are more engaged; the solution delivers intended value; and projects are more likely to be delivered on time, within scope, and within budget. For many organizations, effective business analysis is not an integral part of their project work. That contributes to projects not delivering the intended value. In fact, according to the 2017 PMI *Pulse of the Profession*[®] report, inaccurate requirements is the second leading cause of project failure (39%), second only to changes in an organization's priorities (41%).



Business analysis professionals within highly mature organizations spend **83%** of their time working and applying business analysis to projects and programs

Further discussion is needed to understand how the business analysis profession can contribute to organizational success. While the focus of the project manager is on the scope of the project, the focus of the business analyst is on the scope of the product, which is the solution to be delivered by the project. Confusion often exists between the project manager and business analyst because of a perceived overlap but they both serve in critical leadership roles on projects and programs. Yet each must work together to build successful outcomes and relationships because, as our research confirms, business analysis activities are indeed focused on projects and programs. In fact, 83% of the work in highly mature organizations is in support of projects and programs.

To gain deeper insight into how business analysis activities contribute toward the implementation of strategic initiatives, we surveyed over 730 senior business analysis professionals with an average tenure of nine years. To delve further into the issues, we compared responses from two subsets of the survey sample—those who say their organizations are *optimized for continuous improvement* and *established* with business analysis capabilities (high maturity) and those who consider their companies *getting started* and *ad hoc* (low maturity). This report outlines what these highly mature leaders do, including:

Building Relationships and Collaborating on Projects and Programs

- Highly mature organizations encourage high levels of collaboration between both the project, program, or portfolio manager and business analyst
- 91% of respondents at organizations with mature business analysis practices indicate the business analysis role is valued by their management, sponsors, and stakeholders (versus 53% with low maturity)

Measuring and Realizing Value by Effectively Planning BA Activities and Utilizing BA Resources

- Business analysis professionals within highly mature organizations spend 83% of their time working and applying business analysis on projects and programs

Aligning BA to Strategy and Focusing On Key Organizational Success Metrics

- Organizations with high alignment of their business analysis work to their organization's strategic initiatives are nearly twice as likely to be successful in implementing their strategies (88% versus 48% with low maturity).
- Organizations with high business analysis maturity report above average performance across all key organizational success metrics—including financial performance (69% versus 45%), strategy implementation (66% versus 21%), organizational agility (40% versus 14%), and management of individual projects (62% versus 29%).

Collaborating on Projects and Programs

Regardless of their organization's business analysis maturity, business analysts spend 73% of their time performing various business analysis activities on projects and programs (83% for highly mature organizations). The remaining time is spent on overhead tasks and activities, such as internal training and staff meetings. (For more information, see *How Business Analysts Spend Their Time*, page 5.)

Also, we found organizations that allocate sufficient time to effectively plan for and perform business analysis achieved better outcomes, compared with companies that failed to recognize the importance of these activities. A higher proportion (63%) perform business analysis better compared with their peers when allocating time for business analysis-related activities, compared with only 24% having success when not allocating sufficient time for business analysis activities.

Successful projects require a high level of collaboration between both the project, program, or portfolio manager and business analyst. Risks are minimized and project and product success rates improve when these critical roles are aligned and operate in partnership. When this alignment is missing, project performance, customer satisfaction, team morale, and the end product will be adversely impacted.

When projects and programs allocate the roles of project manager and business analyst, success often depends on how well these individuals collaborate. We asked respondents how important project manager and business analyst collaboration is within their organizations and found the majority are highly collaborative—56%.

In addition, 91% of respondents at organizations with mature business analysis practices stated that the role was valued by their management, sponsors, and stakeholders. This was in comparison to 53% from those working for organizations with less mature practices. When senior management values business analysis, it sets a precedence. Project teams may champion and support business analysis, but support at the tactical level is not enough. When senior managers truly understand the untapped potential that a highly mature business analysis practice can provide their organization, process changes can be made that ensure business analysis is incorporated into activities inside and outside of the project life cycle.

The leadership at NASCO, a healthcare payer, value business analysis and its effect on organizational performance. "We clearly differentiate between the project management and business analysis roles. We expect business analysts to spend the majority of their time performing business analysis work," said Jennifer Gardner, NASCO's Senior Manager, Business Service Delivery Unit.

How Business Analysts Spend Their Time

While organizations implement roles in a variety of forms, it is far more effective to define what business analysis is than to specify what comprises the role. Business analysis tasks may include:

- Pre-project strategy work, also known as needs assessment
- Business analysis planning
- Elicitation
- Analysis
- Monitoring and control
- Solution evaluation

Overall, respondents indicated they spend almost one-third of their time (31%) performing needs assessment and business analysis planning, and 41% of their time performing elicitation and analysis.

"Business analysts from both high- and low-maturity organizations agreed that it is critically important to use models to assist with elicitation and analysis activities."

In low-maturity organizations, business analysts' time is often not focused on business analysis tasks. In fact, professionals at low-maturity organizations spend nearly one-fourth of their time doing non-business analysis work and are often asked to fulfill many roles where they are limited in the amount of time they have to elicit and prioritize requirements. "The focus," said Lisa G. Meek, Director PM/BA Practice at Ciber, "is often on getting the requirements documented versus analyzing the requirements and ensuring they are properly understood and correctly prioritized."

Establishing Business Analysis Maturity

Business analysis maturity is about the levels of capability and efficiency an organization demonstrates across its people, processes, and tools when performing business analysis activities. It is achieved by continuously monitoring capabilities, identifying areas for improvement, and implementing changes to the business analysis process to ensure optimal performance.

To achieve repeatable project success, Matthew W. Leach, Senior Director, Business Analysis Practice at NTT Data, Inc. feels organizations need to focus their attention on making business analysis efforts and outcomes consistent and predictable. “Improving business analysis maturity accomplishes this goal,” he said.

When asked to assess the level of maturity of business analysis processes within their organizations, 18% indicate their organizations are *optimized for continuous improvement* and *established* with business analysis capabilities—those we classify as high maturity. On the other hand, 46% consider their companies *getting started* and *ad hoc*—those we classify as low maturity (see **Figure 1**).

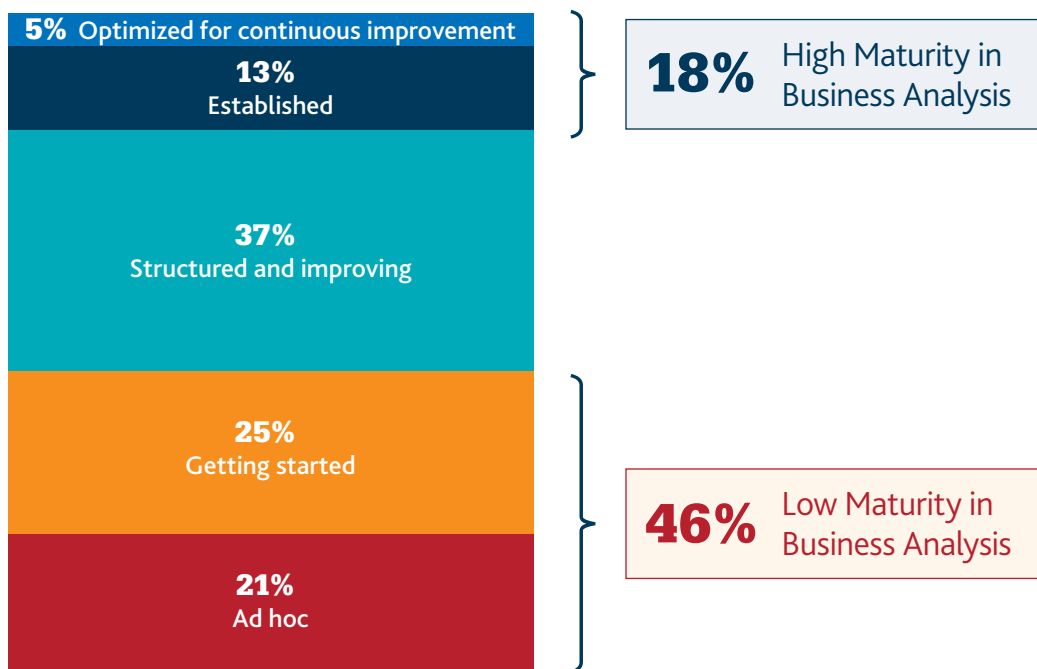


Figure 1: High Versus Low Maturity in Business Analysis

Delivering Value: Strategic Alignment, Organizational Performance, and Business Analysis Maturity

Organizations are beginning to recognize how to use business analysis to ensure sufficient pre-project analysis is performed to align project, program, and portfolio investments to the strategy, goals, and objectives of the organization. Organizations with high-performing business analysis processes also experience more strategic alignment and better organizational performance. When respondents were asked about business analysis and organizational performance, the findings revealed that business analysts who work in organizations with high maturity attributed their company’s success to business analysis.

Highly mature organizations also experience above average performance across all the key organizational success metrics (see **Figure 2**). This was especially true with regard to strategy implementation, where the business analysts working in organizations with mature processes were three times more likely to identify strategy implementation as an area where their organizations performed well (66% versus 21%).

“We believe focusing on our business requirements processes enables us to deliver efficient, high-quality solutions for our customers that provide a competitive advantage,”

~ Jennifer Gardner, Senior Manager, Business Service Delivery Unit, NASCO

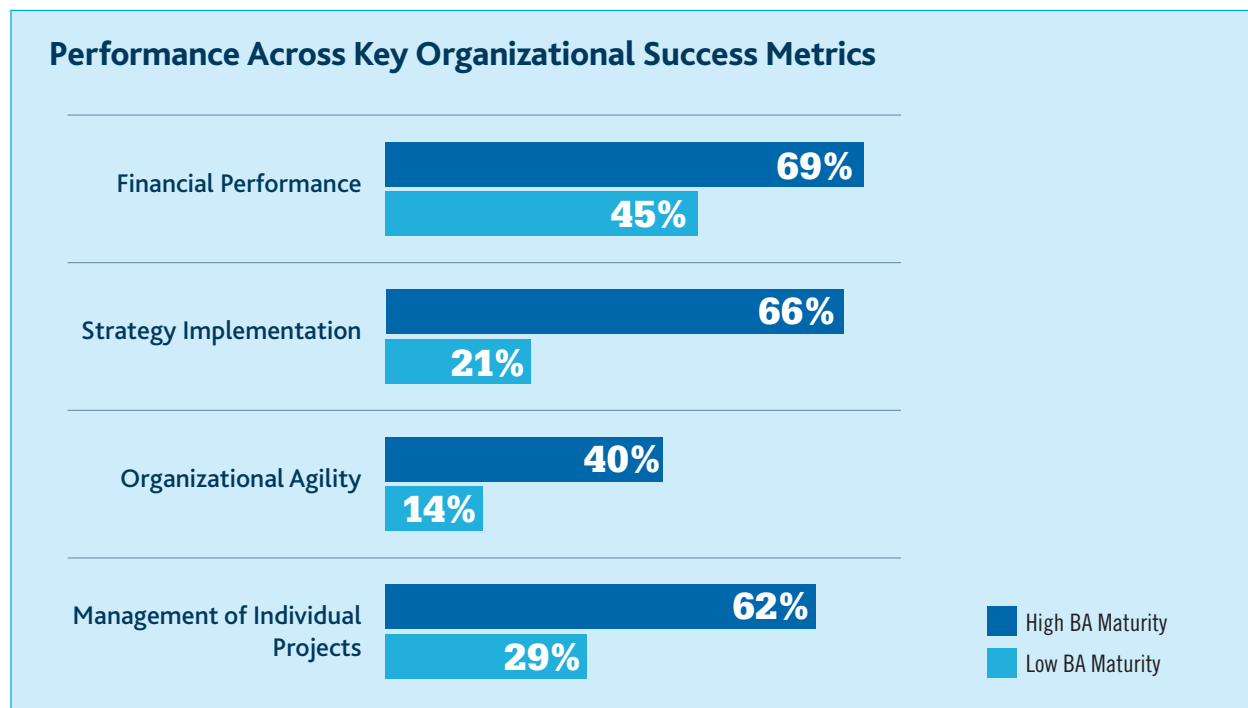


Figure 2

Of the respondents who rated their practices as highly mature, 82% stated that business analysis provides their organization with a competitive advantage, compared to only 58% from organizations working in organizations with low maturity. And, 81% of business analysts whose organizations display a high level of maturity considered the role to be a greater contributor to obtaining a competitive advantage compared to five years ago—versus 58% from their low-maturity counterparts (see **Figure 3**). “Business analysis connects an organization’s strategy and objectives with tactics and execution, ensuring business value is realized from the solutions delivered during program and project execution,” added NTT’s Mr. Leach.

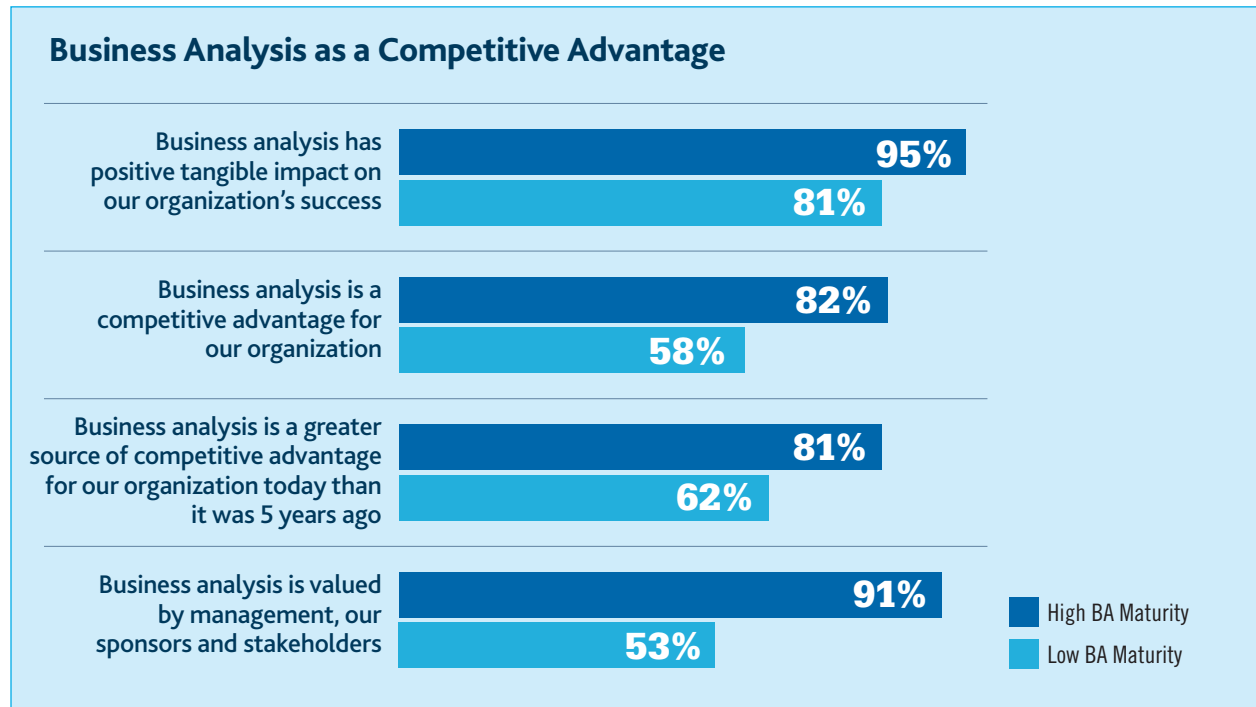


Figure 3

Achieving Strategic Initiatives with Mature BA Practices

Organizational strategies are achieved through the successful completion of projects and programs, and business analysis ensures this success. Business analysis guides the organization toward solving the right problem or pursuing the right opportunity. It ensures the best solution is pursued through proper analysis.

We asked respondents to assess the extent that business analysis directly aligned to their organization's strategic initiatives. The results show significant differences:

- Eighty-six percent of business analysis in highly mature organizations stated their work on projects and programs is extremely/very well-aligned versus 57% in the less mature organizations.
- Organizations whose business analysis is highly aligned to strategic initiatives are nearly twice as likely as those with low alignment to experience successful strategic implementation (88% versus 48%).

Mature organizations are also achieving higher success rates from their projects and programs by ensuring the development of business cases. Business analysis activities involve developing a business case to:

- Communicate the rationale for funding a project or program
- Present the viable options for addressing the business need
- Emphasize the value the organization seeks from the investment

The business case is a tool that drives the product team and key stakeholders to have discussions about these factors and, ultimately, to communicate the decisions to be made. The process to develop a business case is an important opportunity for the strategic resources—including portfolio and program managers—to collaborate with the business analyst to work through the definition of the business need and viable options.

Conclusion

Organizations can utilize business analysis to positively affect projects and programs in order to realize stated objectives and achieve expected results. Simply assigning resources to perform business analysis activities is not enough. Business analysis is a foundational competency that enables successful outcomes in project, program, and portfolio management. While the project may deliver the solution on time and on budget, there is a high probability the solution will not address the business need or deliver the intended value when business analysis is not embraced.

Organizations can attain more value from the solutions they invest in when business analysis:

- **Activities are aligned to the organizational strategy**
- **Practices are highly mature**
- **Resources are properly allocated to projects and programs**
- **Strong collaboration is established with program and project managers**
- **Upper level managers lend support and value the discipline**

About this Report

In 2016, leading up to the creation of *The PMI® Guide to Business Analysis (Includes The Standard for Business Analysis)* to be published in 2017, PMI conducted additional research to explore the relationship between organizational success and business analysis. In this research, we asked how successful organizations perform business analysis and the influence of business analysis maturity.

For this research, we surveyed a global audience of 730 senior business analysis professionals. The participants possess an average of nine years of experience and perform business analysis as the majority of their job functions. Respondents work across numerous industries and perform their work directly with a single organization. Trainers and consultants were excluded from this study to ensure a clear representation of organizational performance and business analysis practices.

About PMI

Project Management Institute (PMI) is the world's leading association for those who consider project, program or portfolio management their profession. Founded in 1969, PMI delivers value for more than three million professionals working in nearly every country in the world through global advocacy, collaboration, education and research. We advance careers, improve organizational success and further mature the project management profession through globally-recognized standards, certifications, communities, resources, tools, academic research, publications, professional development courses and networking opportunities. As part of the PMI family, ProjectManagement.com creates online global communities that deliver more resources, better tools, larger networks and broader perspectives. Visit us at PMI.org, ProjectManagement.com, Facebook.com/PMIInstitute and on Twitter [@PMIInstitute](https://Twitter.com/PMIInstitute).



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PMI.org

Project Management Institute
Global Operations Center
14 Campus Blvd
Newtown Square, PA 19073-3299 USA
Tel: +1 610 356 4600

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