core CONSULTING GROUP

Project Office Specialists

Business Analysis Competency Framework

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1 Introduction

This document will give you an outline of the skills and competencies of an effective Business Analyst and why competency levels and assessments are important to any organisation.

With Business Analysis competency assessments, we can determine who has the best mix of traits and skills to be an effective Business Analyst, or the potential to become one. Competency assessments also help us identify candidates' skill area strengths and weaknesses. As a result:

- Business Analysts can be appropriately recruited.
- Business Analyst training and development programs should be more effective.
- Projects should be defined at a higher quality level.
- Hence more projects will be successful
- Hence profitability should improve.

2 Background

Today's project environment is dynamic, fast-paced and enormously complex. The need for new products and services requires companies to have execution capability that is fast, reliable and of high quality. This is driving organisations to better define the scope and feasibility of projects in order to focus them on projects which deliver business benefit while terminating or holding over projects which do not. Projects which are funded and approved benefit enormously from clearly defined objectives, benefits and requirements.

A consistent theme in the project management community is the need for clearly defined requirements and robust business cases in order to ensure project success. It is broadly accepted that improvement in definition and analysis of projects will directly correlate with project success rates and are among the most important critical success factors (Ref Levine 2004, Sommer 2004). Unlike Project Management, the profession of Business Analysis has only recently been defined and professional associations are just starting to emerge. Both professional associations with presence in Australia are only now beginning to define competencies, assessment and accreditation. Meanwhile organisations grapple with defining Business Analysis competencies without the accepted frameworks taken for granted within the Project Management community.

The following model is proposed based on the author's contribution to the Australian Business Analysis Association in defining the Business Analysis Framework along with research into what the International Institute of Business Analysis is proposing in their BABOK, draft version 1.6. It blends their ideas together with the author's experience having line managed groups of Business Analysts in the past.

3 Discussion and research

3.1 What is a Business Analyst?

Unlike Project Management, the Business Analyst role isn't as clearly defined or understood. According to the Australian Business Analysis Association, a Business Analyst is a professional who supports the evolution and implementation of business decisions via the application of specialist analytical tools, techniques and procedures. This would imply a specialist and focuses the person on supporting the needs of the business. Specialisation tends to be around the types of Business Analysis. Some Business Analysts focus on technology, sometimes referred to as Systems Analysts, they tend to focus on matching the business needs to technology outcomes.

Other streams of specialisation within the Business Analysis field are Commercial Analysts and Process Analysts. Commercial Analysts focus on the broader organisation, in particular structure, strategy, products and market opportunities. Process Analysts focus on the changes to business processes, particularly the impact on existing staff. The complexity comes with large projects which combine technology and business process change, particularly relating to deployment and staff training.

It should also be recognised that many Business Analysts have roles with blurred lines between Business Analysis and Project Management. In early stages of projects some Business Analysts are called upon to "drive" the project as well as manage stakeholders, scope and plan the project, provide estimating and even status reporting services. It is often useful to consider these as two distinct and separate roles provided by the same individual.

Some organisations have confused a "subject matter expert" as a Business Analyst, eg Billing specialist. Again the roles should be considered quite separate.

3.2 What makes a good Business Analyst ?

"Good" is in the eye of the beholder so a reasonable starting place is to consider who are a Business Analyst's stakeholders. Typically, these will include:

- Customers – the sponsor Business Unit
- Product managers, SMEs and technology staff
- Project Managers
- Line Managers, specifically the BA's line manager
- Colleagues and peers

Perception of "good" then will be based on the individual's perspective. Do they do their job well, are customers satisfied, are they "high maintenance", are they pleasant to work with ? For the purposes of this document let's consider "effective" rather than "good".

Like Project Management we could consider the "art" vs. the "science" approach. The art side requires strong communication, vision, and interpersonal skills; the science side requires detailed knowledge of methodology and tools, plus strong analysis and problem-solving skills. Business Analysts must add to this an understanding of the technology being developed as well as the business impact that the technology and business process change will bring.

Whether viewed from an executive management or team member standpoint, the competencies of an effective Business Analyst fall into five main areas:

- Their understanding of business and technology
- Their ability to facilitate, research, model and define requirements
- Their communication skills with senior management and other project team members
- Their "soft" skills in terms of motivation, flexibility, influencing skills, problem solving skills.
- Their documentation and administrative skills

We have grouped these under three headings; Business Analysis, Personal Effectiveness and Administration to align with the Project Management Competency Framework.

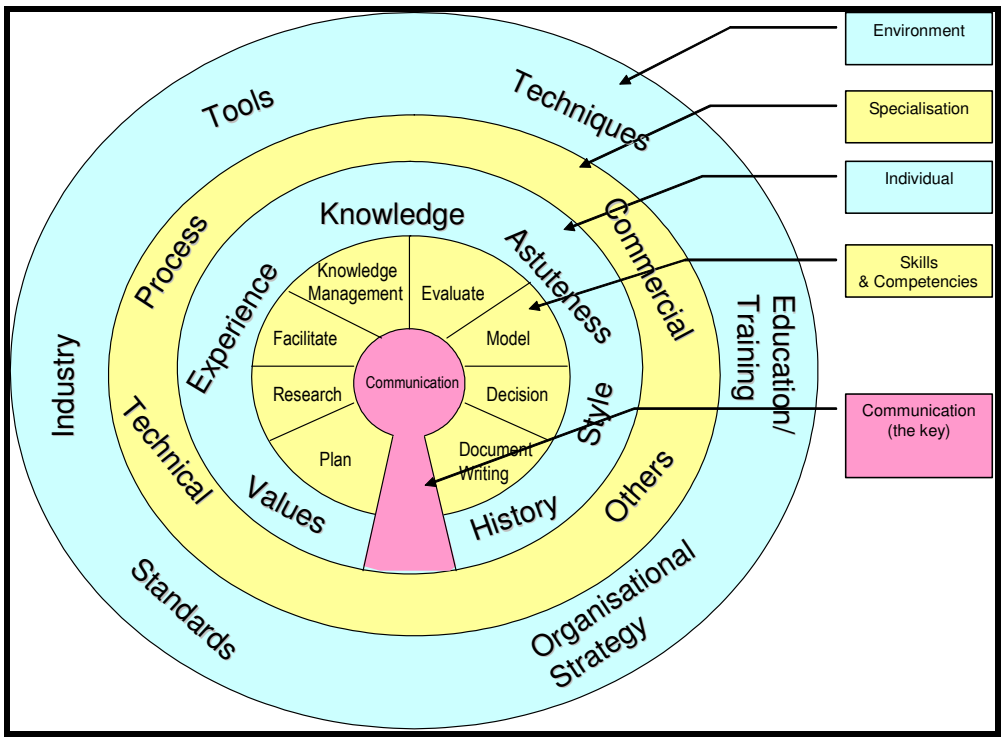
3.3 Research

According to the Webster's on line dictionary:

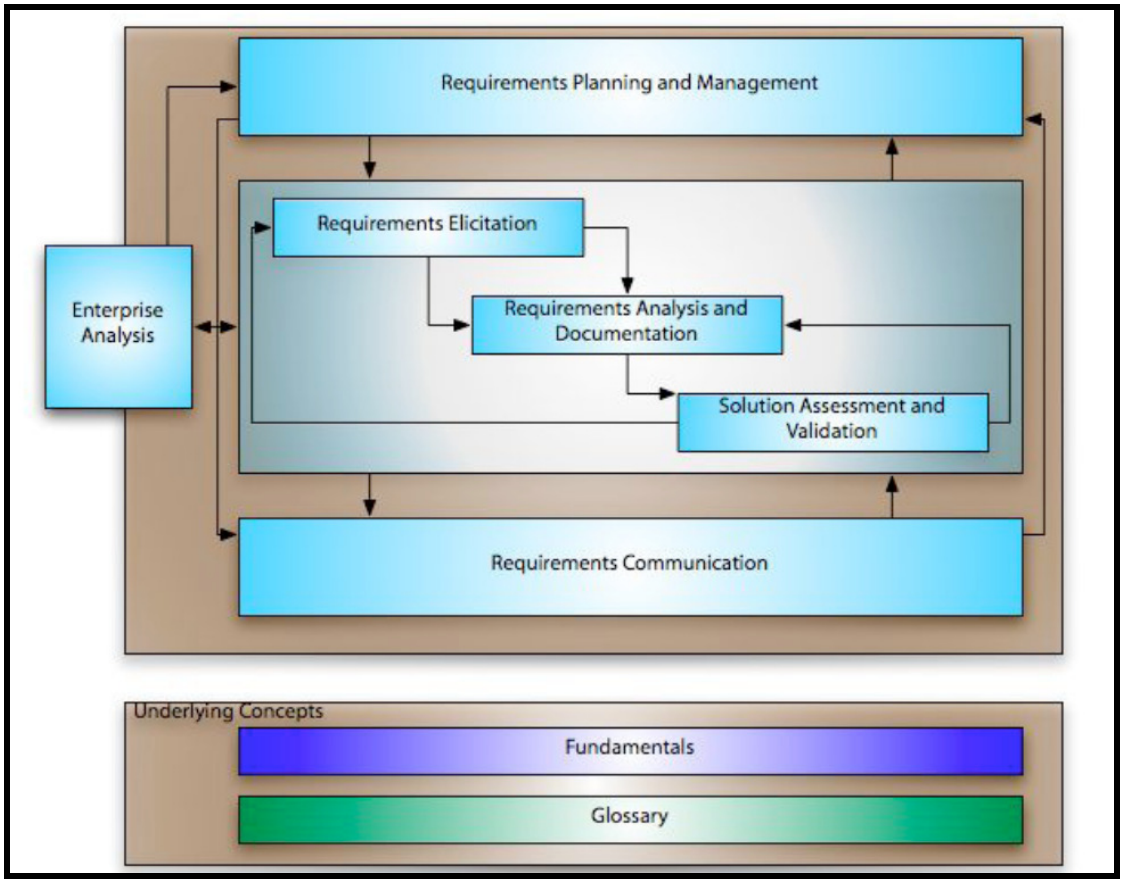
- Business is defined as "A commercial or industrial enterprise and the people who constitute it"
- Analysis is defined as "The abstract separation of a whole into its constituent parts for study"
- Competency is defined as "The quality of being adequately or well qualified physically and intellectually". Synonyms of competency from Webster's based on Roget's Thesaurus: Ability; ableness; efficacy; efficiency, productivity, expertise (skill); validity, cogency; enablement; vantage ground; influence

Businesses exist usually to provide value to shareholders. Analysis, thinking and synthesis are sometimes aligned, as are competencies and skills.

The Australian Business Analysis Association (www.abaa.org.au) have published the following context diagram which captures the competency areas, the personal attributes and the specific specialisation areas within the broader environmental context.



According to the International Institute of Business Analysis (www.theiiba.org), who have published their "Business Analysis Body of Knowledge" version 1.6 there are seven main knowledge areas. Within each of those areas they have defined the skills at a more detailed level.



BABOK Overview diagram reproduced from Version 1.6

3.4 Why do we need competencies?

By defining Business Analysis competencies business will be able to:

- Better assess candidates during the recruitment process
- Better define an individual's role and hence assess their performance and improvement against agreed key performance indicators
- Structure training and mentoring programs around those areas of competency which an individual is not yet competent and/or an organisation is generally lacking
- More efficiently predict and structure the resource pool for future projects

3.5 What can be learnt from the Project Management profession?

Competency definition in the Project Management profession has allowed assessment and accreditation of Project Managers and hence established benchmarks within the profession along with career growth opportunities.

The PMI's Project Management Competency Framework, version 2 published in 2002, identifies project management knowledge, performance criteria associated with that knowledge and personality traits as a framework for competency. Note the PMI are currently reviewing and will release version 3 in the near future.

These behaviours exhibited by project managers performing project management related activities are known as personal competency. The framework lists six areas of personal competence: action and achievement, helping and human service, impact and influence, managerial, cognitive and personal effectiveness.

The AIPM's Project Management Competency Framework, first published in 1996 and last revised in 2004, identifies competency areas based on PMBOK with levels ranging from Level 4 (Project Management support), Level 5 (Project Manager) to Level 6 (Project Director). These competencies are aligned to the National Qualification Framework used as the basis of course accreditation as well as individual Competency Accreditation managed by the Australian National Training Authority. The Project Management Competencies form a subset of the broader BSB01 Business Services competencies. This assessment is very much focused on the deliverables rather than behaviours and personality traits.

A recent review has been conducted and there is now a 2008 set of Competencies about to be published. While following a similar structure they are much broader in the skills required within the nine PMBOK areas.

3.6 Consulting considerations

A Business Analyst will often need to act in a consultative manner. Being consultative means you are giving advice, hence you need to be trusted by customers and sponsors. Important behavioural traits such as honesty, openness, energy, focus, forthrightness and confidence combined with knowledge and experience can earn one the right to engage. A good way to recognise a Business Analyst who can engage project stakeholders effectively is their ability to find an engaging topic, usually strategic business issues, topics that are near and dear to stakeholders. Discussion of this known topic builds rapport and leads to trust being built.

Once engaged, a critical consultative skill is listening. Some behavioural traits for good listeners include; avoiding interruptions, eliminating distractions, looking for non-verbal messages and asking open ended questions. They demonstrate they have listened by confirming what has been received and showing they understand the depth and magnitude of what has been discussed. A competent Business Analyst will see through emotions, not jump to conclusions and validate what has been said before identifying possible courses of action.

Business Analysts will have little authority or control over project stakeholders, they must be able to guide stakeholders with their powers of persuasion, ensuring a greater level of acceptance of project decisions and plans. On complex projects, stakeholders may well look to the Business Analyst to provide insight and recommendations based on their experience. At other times it will be up to the Business Analyst to convey the vision, priority and excitement of a customer or sponsor to others within the project team.

Business Analysts must be highly proficient with presentation of information, whether that be by written documents, pictures, statistics, graphs or presentations. They must be comfortable working one on one with all levels of management as well as addressing or facilitating a group. At times the Business Analyst will work with a Project Manager, at other times, particularly earlier on in a project, the Business Analyst may well adopt some Project Management responsibilities.

During their evaluation activity they will need to explore multiple solution scenarios and plans, forecasting the expected outcomes of each. Using their experience together with logic and instinct, they will recommend certain options over others. This may entail some risk as the provision of advice which is later found to be flawed can have serious consequences. An effective Business Analyst will quantify and communicate risk and uncertainty when providing advice.

3.7 Trusted advisor

Trust in a business relationship includes a rapport, a bond and a courtesy that is deeper than a typical business relationship. According to Maister, Green & Galford in The Trusted Advisor, to develop trustworthy relationships an advisor must be able to demonstrate their "credibility, reliability, intimacy and a low concern for self." These are very applicable to Business Analysts.

There are many benefits to being a trusted advisor including having greater visibility and recognition, being targeted for strategically important projects, greater respect and forgiveness if mistakes are made. Key aspects which influence trust include:

- Credibility – quick to understand, technically competent, reputation
- Reliability – in control, consistent and predictable
- Feelings and emotions – governed by behaviours, attitudes, integrity, openness
- Genuine care for the project and stakeholder's strategy
- Lack of self interest
- Building of a personal relationship
- Self perception and confidence

4 Business Analysis Competency Framework

4.1 Framework Summary

Three sets of competencies are seen as fundamental to success, each set is further divided into sub-sets as follows (not all may applicable to everyone):

Business Analysis	Personal Effectiveness	Administration
Business Knowledge and Expertise	Communication and Facilitation	General Office Skills
Technical Knowledge and Expertise	Influencing People	Time Management
Industry Knowledge and Expertise	Marketing Benefits	Estimating and Financial Skills
Planning	Conflict Management	Computer & Application Skills
Researching	Credibility	Configuration Management
Knowledge Management	Drive	Document Writing
Evaluation and Analysis	Flexibility	
Modelling	Innovation	
Decision Making		

Assessment for each sub-set is to be undertaken using the 0-5 scale, which follows. Evidence should be provided to underpin the assessment.

Level 0	Level 1	Level 2	Level 3	Level 4	Level 5
Meets none of the competency statements.	Partially meets less than half of the competence statements, does not meet the remainder.	Partially meets more than half of the competence statements, does not meet the remainder.	Fully meets less than half of the competence statements, partially meets the remainder.	Fully meets the majority of the competence statements, partially meets the remainder.	Fully meets all of the competence statements.
Significant formal training/ development required.	Significant formal training/ development required.	Some formal training/ development required.	Minimal formal training/ development required.	On-the-job training (skills development).	No training/ development required.

4.2 Business Analysis Framework

Business Knowledge and Expertise The ability to interpret the business in the context of the project.
• Applies detailed business operational knowledge to the benefit of the role • Operates consistently with the organisation's culture • Where possible follows standard processes • Identifies and minimises risk to the business's ongoing operations • Seeks to identify improvement opportunities within the business during the role • Understands the business organisational structure and can identify all impacted project stakeholders • Identifies customer expectations and objectives and can utilise customer's specialist and/or technical expertise
Scoring Level:
Outcome:

Technical Knowledge and Expertise (mainly for Technical BAs) The ability to identify and assess technology solutions and risks.
• Can describe the basic function of the business's core systems (typically managed by IT) • Can describe the basic elements of the system or systems affected by the project (infrastructure, network, data, applications) • Consistently identifies technology interfaces and focuses on integration aspects of projects • Actively researches technology within their area of expertise • Can describe areas of likely evolution of the next generation of technology within their area of expertise • Regularly provides guidance and advice to others within their area of technical expertise • Can describe the role of Enterprise Architecture team in systems development (if they exist) • Identifies risks and impacts associated with proposed technology solution options
Scoring Level:
Outcome:

Industry Knowledge and Expertise The ability to identify industry trends, risks and opportunities.
• Applies general industry knowledge to the benefit of the business • Actively researches competitors and markets • Feeds back industry trends and opportunities to the business • Can describe current "best practice" within their area of expertise • Actively participates in industry association events and develops informal industry networks
Scoring Level:
Outcome:

Planning The ability to think things through in advance to achieve your and customer objectives.
• Can define objectives and success criteria of the specific role • Can determine and communicate the best approach to completing the specific role • Clearly articulates customer objectives and needs • Can identify key project milestones and define project scope • Can identify and define proposed Business Benefits • Ensures a mechanism is in place to capture project Risks, Issues and Scope changes until a Project Manager is appointed • Thoroughly considers assumptions, constraints and dependencies and ensures that these are fully recorded • Ensures planning tools and techniques are applied effectively • Can derive basic project estimate and quantify uncertainty
Scoring Level:
Outcome:

Researching The ability to search for and collate facts to support the achievement of the project objectives.
• Identifies sources of existing and potential information relating to the project • Can efficiently collect and collate existing documented information required for project • Can interview individuals and accurately transfer their opinion into a

concise written form • Can workshop with a group to capture a number of independent sources of information relating to the project, gaining consensus where possible • Can validate and if necessary summarise collected information • Is able to capture areas of opposing opinion without inflaming conflict
Scoring Level:
Outcome:

Knowledge Management The ability to store, reference, collate and manage information for comparison and evaluation purposes.
• Can plan and implement a knowledge management plan for the role • Can store, reference and find information in an efficient manner appropriate to the role • Information captured is documented in a consistent manner • Changes to information are controlled and outputs are version controlled • Presentation of information is consistently designed to address the needs of the recipients of the data • Missing or inaccurate data is clearly identified • Learnings are captured and fed back to organsiation
Scoring Level:
Outcome:

Evaluation and Analysis The ability to review information, identify trends, problems and opportunities and compile these for decision makers.
• By reviewing information, can identify gaps, obvious errors and potentially inaccurate data • Follows up with individuals and/or groups to clarify or complete the identified gaps and errors • By reviewing validated data, can identify trends • By reviewing validated data, can identify risks and opportunities • Through initial analysis can propose potential solution options
Scoring Level:
Outcome:

Modelling The ability to show how a solution and/or outcomes could be achieved.
• Can identify the most appropriate modelling technique(s) required to achieve the project outcomes • Can implement and utilize modelling technique(s) appropriate to the role (see below) • Utilises models to determine and communicate solution options • Utilises models for "what if" scenarios to predict impact of change A Technical Analyst will utilize modelling techniques such as UML and Use Cases. A Commercial Analyst will utilize modelling techniques such as NPV/ROI type analysis. A Process Analyst will utilize modelling techniques such as flowcharting, cause & effect diagrams, etc.
Scoring Level:
Outcome:

Decision Making The ability to make the most appropriate solution recommendation to the customer.
• Can validate, refine and optimise solution option models • Through analysis of options, can select the option with the greatest business benefit bearing in mind the customer's objectives • Can form a recommendation or recommendations, with justification, to the decision making authority • Will accept the decision of the decision making authority, even if it conflicts with their own recommendations The decision making authority will change the business as per delegation authorities. Sometimes it rests with Divisional Steering Committees, alternatively at Group or Board level depending on cost and risk profile of the project.
Scoring Level:
Outcome:

4.3 Personal Effectiveness Framework

Communication and Facilitation The ability to match content, style and language to suit the audience and context, so maximizing understanding.
• Selects the appropriate communication method to ensure messages are understood effectively • Communicates difficult issues concisely and effectively at all levels within the organisation • Varies style and content to suit the audience • Listens to the views of others, is responsive and checks understanding • Can prepare for and conduct a workshop focused on specified outcomes • Can manage a group of individuals in a workshop setting to collect individual and group ideas • Provides feedback and follow up to meetings and workshops
Scoring Level:
Outcome:

Influencing People The ability to change people's perceptions and motivate them to support an initiative and contribute knowledge, skills and/or resources.
• Shows empathy with individuals, listens to and understands their circumstances • Identifies an individual's likely motivators • Identifies opportunities to utilise power if appropriate • Applies effective influencing strategies • Builds trust through effective and professional behaviour
Scoring Level:
Outcome:

Marketing Benefits The ability to "sell" new projects or strategies.
• Clearly articulates the vision, objectives and benefits of a new initiative • Can link the proposed benefits with an individual's context • Can pass on the sponsors passion and commitment • Inspires others through a positive "can do" attitude. • Focuses on achievements as well as problems. • Remains objective and doesn't exaggerate benefits or ignore risks
Scoring Level:
Outcome:

Conflict Management The ability to identify, handle and resolve conflict effectively.
• Identifies potential areas of conflict and works to avoid their occurrence or their impact • Identifies current areas of conflict and seeks to understand apposing points of view • Uses conflict resolution techniques effectively to resolve conflict where possible • Uses effective negotiation and influencing skills to gain consensus • Actively works to diffuse conflict and avoids passing on or inflaming conflict situations • Focuses on project outcomes during conflict situations
Scoring Level:
Outcome:

Credibility The ability to build trust through developing relationships, acting professionally and meeting customer's expectations.
• Endeavours to meet the needs of the business and it's customers • Has presence • Has a reputation for quality and timely delivery • Networks effectively, builds professional relationships • Acts ethically and professionally at all times • Owns up to mistakes and readily admits when wrong or doesn't know • Recognises and acts on what is important to the customer • Respects other people's time and responsibilities
Scoring Level:
Outcome:

Drive The passion and ability to get things done.
• Is pro-active and committed to the timely delivery of assignment objectives • Maintains a high energy level • Is enthusiastic and self-motivated • Is results driven • Takes personal responsibility • Is persistent and tenacious in overcoming adversity • Has self belief
Scoring Level:
Outcome:

Flexibility The ability to adapt to the requirements of the assignment and make appropriate changes in style.
• Tailors personal approach to suit the customer and the requirements • Is able to take fresh views and avoid rigid thought patterns • Is prepared to investigate and challenge the unknown • Applies common sense and doesn't go “over the top” • Accepts and supports senior management decisions, even if contrary to recommendations made
Scoring Level:
Outcome:

Innovation The ability to identify and develop solutions which deliver better business results.
• Has vision, sees the end goal • Thinks laterally, explores many options to solve a problem • Learns from experience, seeks advice when unsure • Is creative within the constraints of the business • Doesn't impose artificial constraints • Delivers and works with new business solutions and processes
Scoring Level:
Outcome:

4.4 Administration Framework

General Office Skills The ability to work efficiently within the constraints of the business environment.
• Identifies and works with internal administrative procedures • Supports and makes effective contributions during internal meetings • Uses technology to the best advantage of the business (email, intranet etc.) • Is not restricted to permanent office environment (works where necessary) • Identifies and works around the constraints introduced by virtual teams • Maintains an effective communication network with stakeholders • Is respectful of others in the organization, particularly junior staff
Scoring Level:
Outcome:

Time Management The ability to manage your own work and the expectations of others.
• Effectively plans and delivers assignments within the constraints agreed • Proactively ensures that the resource planning process takes due account of other commitments • Clearly escalates personal resource conflicts as soon as they are identified and works to overcome them • Works independently without direction after agreement of key deliverables and milestones • Keeps track of, and fulfils, actions and commitments made to others • Makes timely requests for help • Responds to communications from others in a timely fashion
Scoring Level:
Outcome:

Estimating & Financial Skills (mainly for Commercial BAs) The ability to contribute to the estimating, financial analysis, budgeting and forecasting processes.
• Can derive rough order of magnitude cost and benefits (cost reduction, service improvement, increased revenue) estimates. • Can derive detailed budgetary cost and benefits (cost reduction, service improvement, increased revenue) estimates • Always includes quantified risk and uncertainty allowances or notes to the contrary in estimates • From financial analysis techniques including NPV and IRR, makes recommendation to steering committees on financial viability of an initiative • Assists with the formation of agreed budgets and funding approval. Ensures correlation between Estimates, Budgets, Funding and Forecasts. • Ensures that Budgets and Estimates are as accurate and complete as possible. Raises concerns when they are not.
Scoring Level:
Outcome:

Computer and Application Skills The ability to make best use of the information technology in the organization.
• Is proficient with Microsoft Office applications, particularly Outlook, Word, Excel, Powerpoint, Visio, Project • Is proficient with the Corporate Intranet and Project tracking and reporting systems • Is proficient with other specific applications necessary for the role • Is aware of and adheres to information storage and security standards and ensures information is regularly backed up • Knows where to go and when to ask for advice
Scoring Level:
Outcome:

Configuration Management The ability to ensure that the version of the deliverables and documentation is consistent, so minimizing the chances of mistakes through change.
• Adheres to IT Change Management procedures • Ensures scope changes are defined, assessed and agreed to by the project steering committee or other authorised person prior to incorporation into project deliverables. • Ensures scope changes are fully incorporated into deliverables (incl documentation) and that traceability of requirements is maintained once they are approved. • Uses version control and controlled distribution of project related documents • Identifies and escalates any risk to the business as a result of proposed changes • Is systematic and consistent in managing change • Feeds back potential improvements to configuration management procedures
Scoring Level:
Outcome:

Document Writing The ability to convey in writing knowledge, decisions or ideas in a format which is easily understood by others.
• Is clear and concise and writes in a format which is focused on the reader, avoids unnecessary detail • Documents are presented in a professional format with good spelling and grammar, clearly identifying any missing or incomplete content. • References existing research and documentation without excessive cross referencing so document can be still be used "stand alone". • Is aware of and adheres to document format standards where possible • Uses diagrams where possible to explain complex ideas • Uses technology to facilitate document feedback and review • Clearly articulates document approval and revision status
Scoring Level:
Outcome: