THE BABOK® UNTANGLED SERIES

BA BOOTCAMP

CONTEXT OF TODAY

BABOK®

Key Concepts ✓

Foundation of BABOK and the conceptual framework for business analysis BACCM.

Knowledge Areas

Knowledge areas represent areas of specific business analysis expertise that encompass several tasks.

Underlying Competencies

Knowledge, skills, behaviours, characteristics, and personal qualities that help perform the role of the business analyst.

Techniques

Techniques provide additional information on ways that a task may be performed.

Perspectives ✓

Perspectives provide focus to tasks and techniques specific to the context of the initiative

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1 Business Analysis Planning & Monitoring ✓

2 Elicitation & Collaboration ✓

3 Requirements Life Cycle Management ✓

4 Strategy Analysis ✓

5 Requirements Analysis & Design Definition ✓

6 Solution Evaluation

Task...

Task...

A task is a discrete piece of work that may be performed as part of business analysis.

Purpose	.. Why to perform
Description	.. What to perform
Inputs	.. Prerequisites
Elements	.. How to perform
Guidelines / Tools	.. Undertake action
Techniques	.. Using to perform
Stakeholders	.. People involved
Outputs	.. The result

BABOK KNOWLEDGE AREAS

Business Analysis Planning and Monitoring

Strategy Analysis

Requirements Analysis and Design Definition

Elicitation and Collaboration

Requirements Life Cycle Management

Solution Evaluation

Episode 8
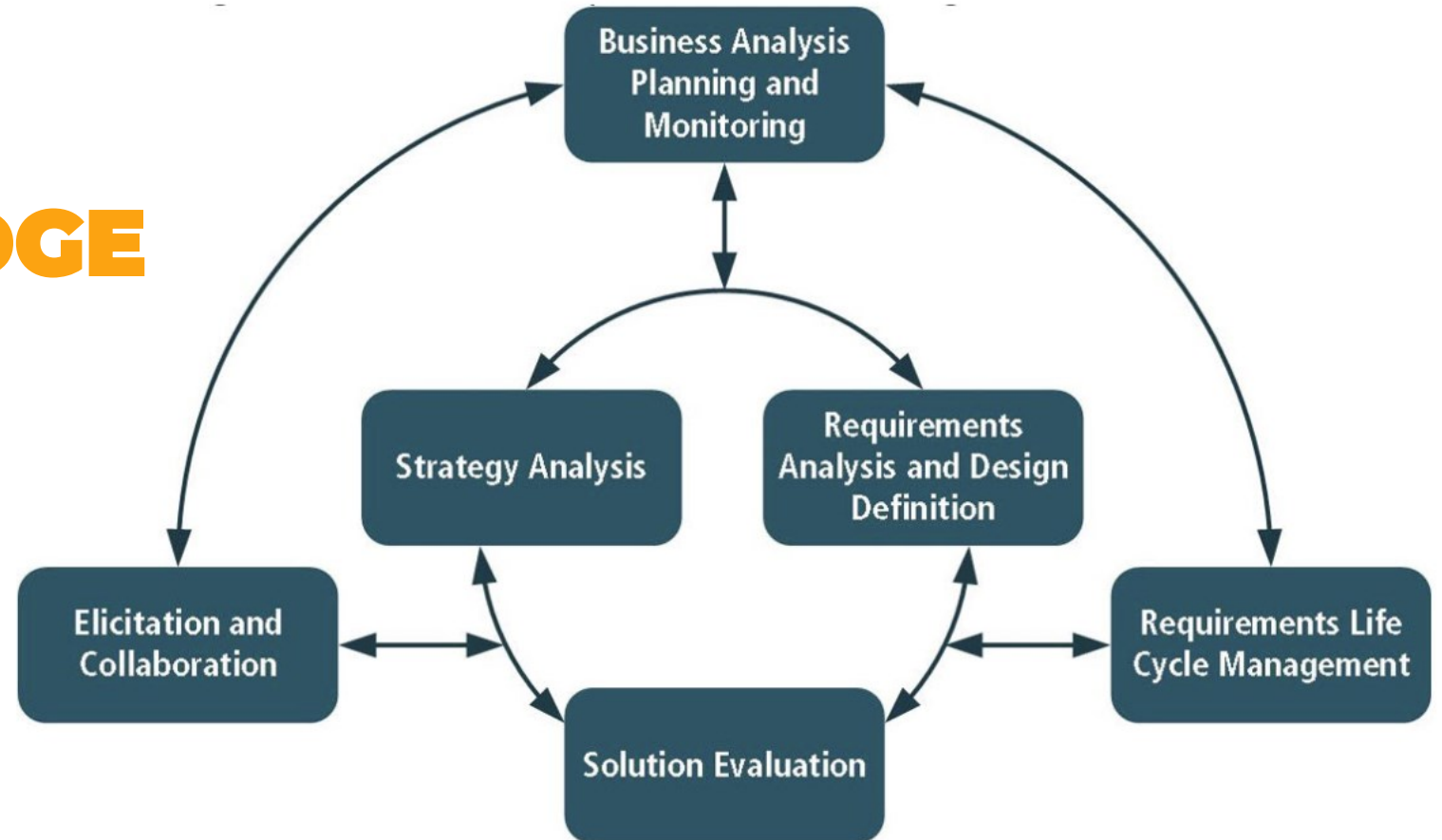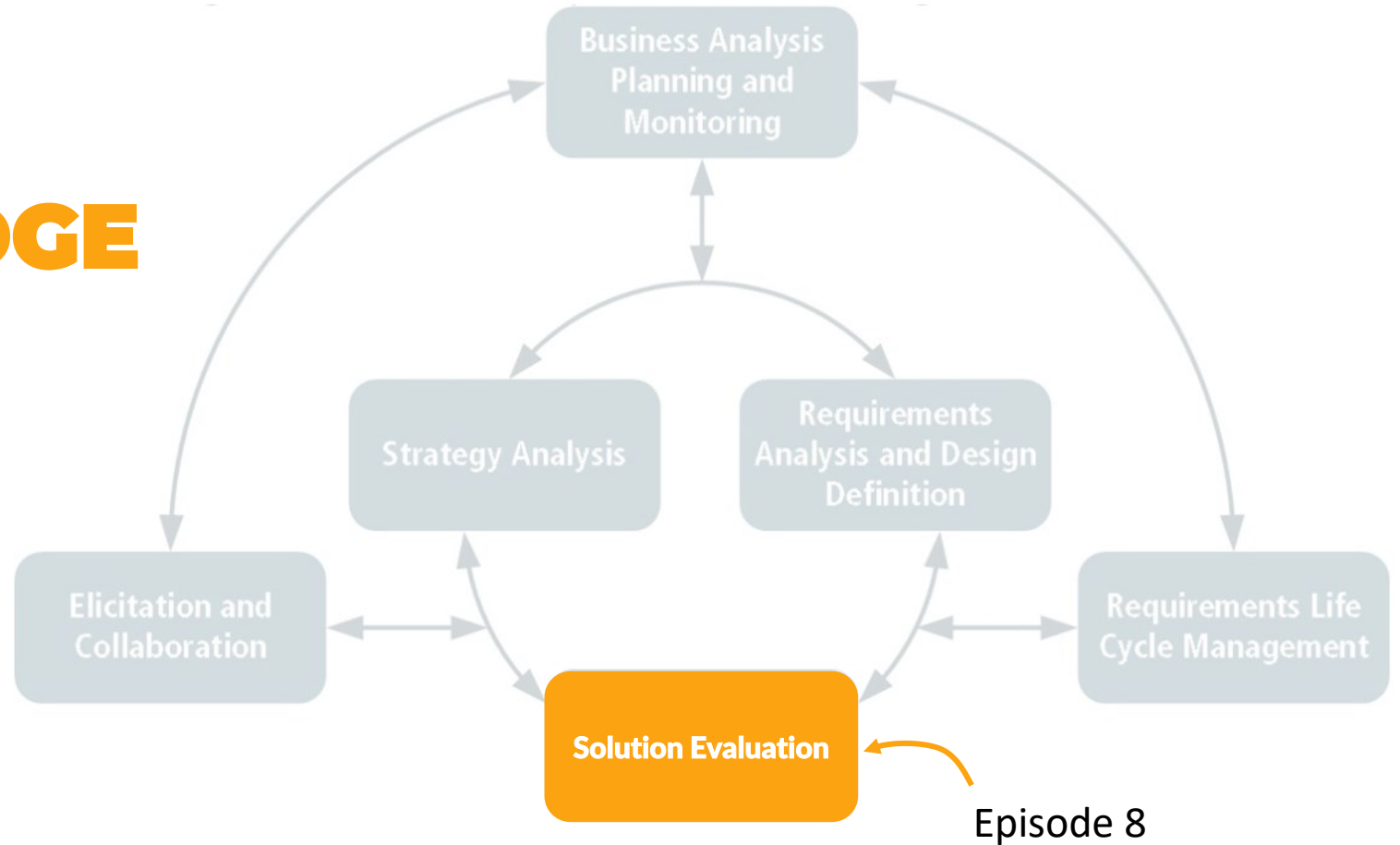
SOLUTION EVALUATION

The Solution Evaluation knowledge area describes the tasks that business analysts perform to assess the performance of and value delivered by a solution in use by the enterprise, and to recommend removal of barriers or constraints that prevent the full realization of the value.

8.1 Measure Solution Performance

8.2 Analyze Performance Measures

8.3 Assess Solution Limitations

8.4 Assess Enterprise Limitations

8.5 Recommend Actions to Increase Solution Value

Solution Evaluation in Practice

In projects

Agile

Sequence of Tasks

Input

Implemented Solution (external)	6.1 Current State Description	6.2 Business Objectives
	6.2 Potential Value	

Tasks

- 8.1 Measure Solution Performance
- 8.2 Analyze Performance Measures
- 8.3 Assess Solution Limitations
- 8.4 Assess Enterprise Limitations
- 8.5 Recommend Actions to Increase Solution Value

Output

8.1 Solution Performance Measures	8.2 Solution Performance Analysis	8.3 Solution Limitation
8.4 Enterprise Limitation	8.5 Recommend Actions	

Solution may be in varying stages of development

- **Prototypes or Proofs of Concept**: working but limited versions of a solution that demonstrate value.

- **Pilot or Beta releases**: limited implementations or versions of a solution used in order to work through problems and understand how well it actually delivers value before fully releasing the solution.

- **Operational releases:** full versions of a partial or completed solution used to achieve business objectives, execute a process, or fulfill a desired outcome.

Case Study

Due to the ongoing challenges within the airline industry, FLY-Air - a major airline company – is receiving more claims than their customer care department can handle. They evaluated options (Chapter 7) and have decided to implement a chatbot solution to help handle customer claims. They already use the Salesforce Platform for their customer care department, so therefore they started to run a pilot with the chatbot solution from Salesforce.

New

Daily Claims: 2000	Daily Claims: 4000
Service Agents 100	Service Agents 100
~20 claims per day	~20 claims per day
Average Response time 48 hours	Average Response time 96 hours
CSAT 4.8	CSAT 3.5

8.1
MEASURE SOLUTION PERFORMANCE

To define performance measures and use the data collected to evaluate the effectiveness of a solution in relation to the value it brings.

Elements:
- Define Solution Performance Measures
- Validate Performance Measures
- Collect Performance Measures

Guidelines and Tools

Change Strategy
Future State Description
Requirements (validated)
Solution Scope

Input

Implemented Solution (external)	6.2 Business Objectives

8.1
Measure Solution Performance

Output

8.1
Solution Performance Measures

Tasks Using This Output

6.1 Analyze Current State	8.2 Analyze Performance Measures

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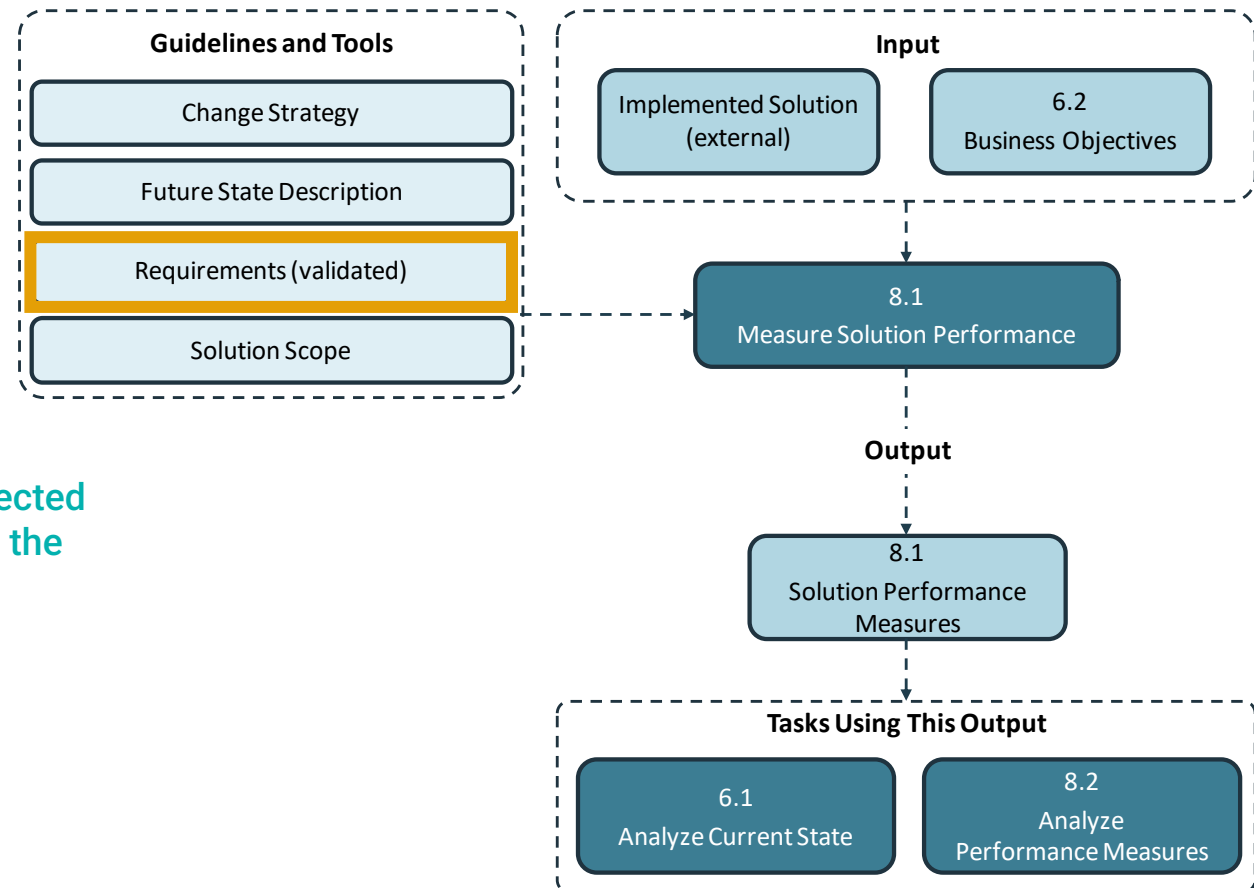
Define Solution Performance Measures

- The measures depend on the solution, the context, and how the organization defines value.

- When solutions do not have built-in performance measures, the business analyst works with stakeholders to determine and collect the measures that will best reflect the performance of a solution

- Performance may be assessed through
  - Key performance indicators (KPIs)
  - Enterprise measures
  - Goals and objectives for a project
  - Process performance targets
  - Tests for a software application

METRICS AND KEY PERFORMANCE INDICATORS (KPIs)

Purpose: measure the performance of solutions, solution components, and other matters of interest to stakeholders.

Average Response Time: *Measure the time your customers are on hold*

First Call Resolution: *Avoid customers calling back for the same issue*

Customer Churn: *Ensure your customers keep doing business with you*

Top Support Agents: *Find out who is your star agent in the team*

Number of Issues: *Monitor the number and nature of issues over time*

Customer Satisfaction: *Get insights on what your clients' think about you*

Net Promoter Score: *Evaluate the power of your referrals*

Customer Effort Score: *Get valuable feedback on the customer experience*

Customer Retention: *Evaluate how many customers are coming back*

Net Retention Rate: *Calculate how much business growth you generate*

Service Level: *See if you deliver the services as you committed to*

Support Costs vs Revenue: *Monitor support costs in percentage of revenue*

Revenue Churn: *Track how much revenue you've lost from existing customers*

MRR Growth Rate: *Keep an eye on your recurring revenue at all times*

FOCUS GROUPS

<u>Purpose:</u> means to elicit ideas and opinions about a specific product, service, or opportunity in an interactive group environment. The participants, guided by a moderator, share their impressions, preferences, and needs.

HOW A FOCUS GROUP WORKS

- Analyze the session andpresent a thorough written and/or oral report
- Determine the topic and goals of the focus group
- Conduct a 90-120 minute session lead by a trained moderator
- Identify potential participants
- Recruit 6-12 participants (who receive an incentive)
- Prepare a guide (the moderator guide or discussion guide) that outlines the focus group questions
- Choose a location for the focus group

QuestionPro

Case Study

1. **Define**

   - Quantitative Measures: Volume, Avg Response time and FCR
   - Qualitative Measures: CSaT

2. **Validate**

   - Head of Service is interested to see if actual costs will go down for claims handling.
   - Manger Service is interested to see if the customer satisfaction will remain when using a chatbot

3. **Collect**

   - System Data from our customer care department will gives us the data on volume and type of claims.
   - Customer Survey response will gives us information on the customer satisfaction.

Average Response Time

First Call Resolution

Customer Churn

Top Support Agents

Number of Issues

Customer Satisfaction

Net Promoter Score

Customer Effort Score

Customer Retention

Net Retention Rate

Service Level

Support Costs vs Revenue

Revenue Churn

MRR Growth Rate

8.2
ANALYZE PERFORMANCE MEASURES

Guidelines and Tools

- Change Strategy
- Future State Description
- Risk Analysis Results
- Solution Scope

Input

- 6.2 Potential Value
- 8.1 Solution Performance Measures

8.2 Analyze Performance Measures

Output

8.2 Solution Performance Analysis

To provide insights into the performance of a solution in relation to the value it brings.

Elements:
- Solution Performance versus Desired Value
- Risks
- Trends
- Accuracy
- Performance Variances

Tasks Using This Output

- 8.3 Assess Solution Limitations
- 8.4 Assess Enterprise Limitations
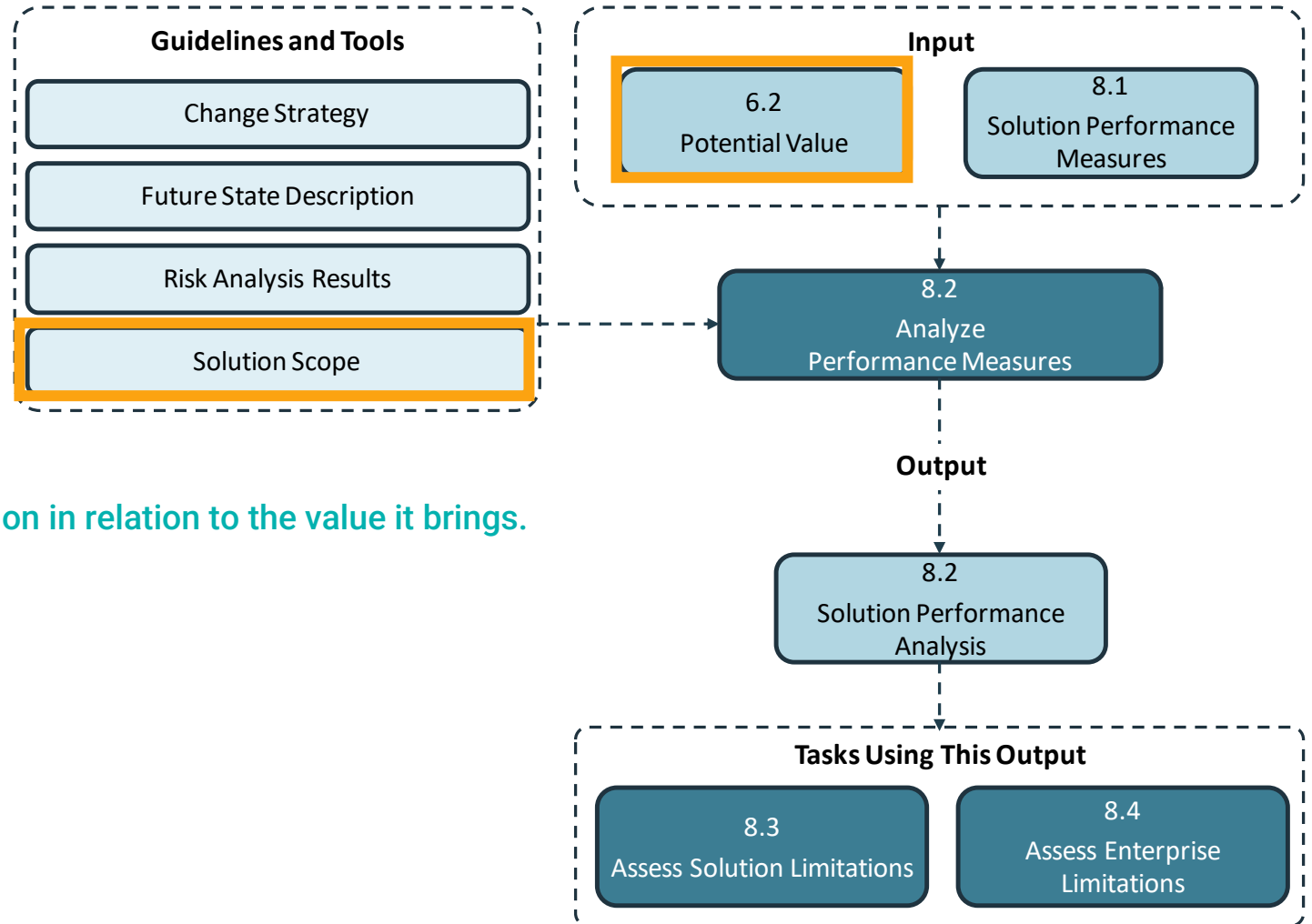
EVALUATION CRITERIA

Purpose: Data mining is used to improve decision making by finding useful patterns and insights from data.
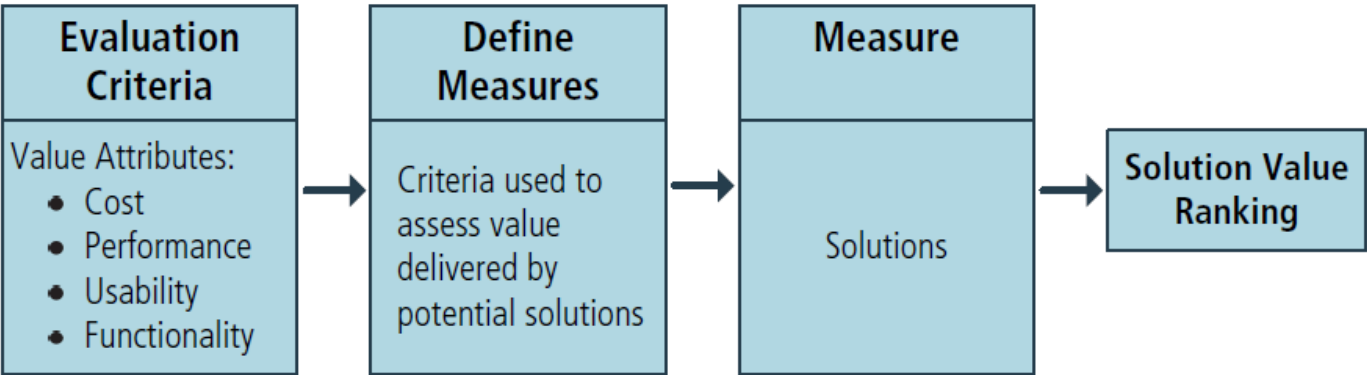
DATA MINING

<u>Purpose:</u> Data mining is used to improve decision making by finding useful patterns and insights from data.

1. **Solution Performance versus Desired Value**

   - The chatbot allows the company to do 5% of the queries where we anticipated it could do 10%

2. **Risks**

   - During the pilot we saw that the customer satisfaction went down.

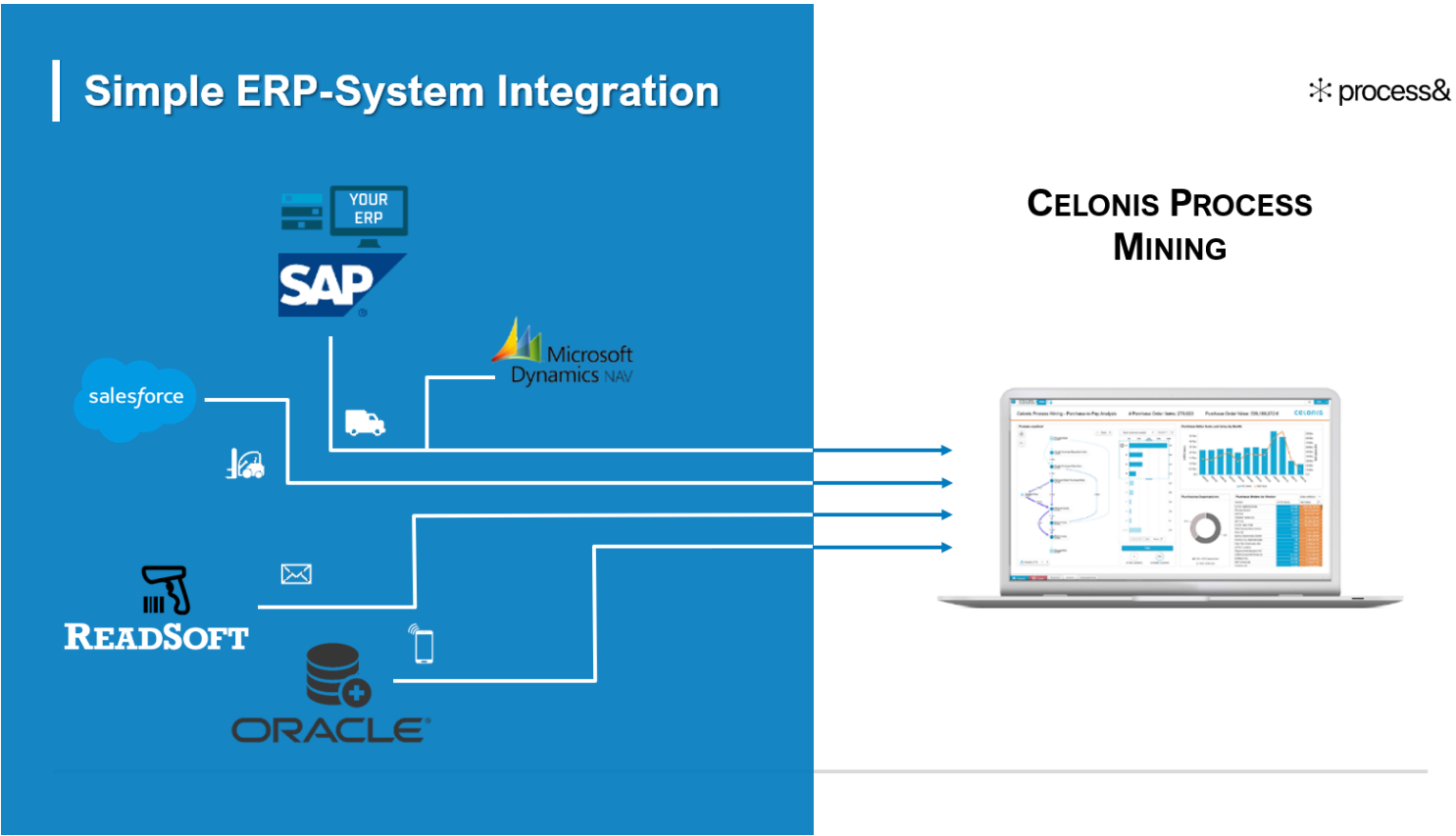3. **Trends**

   - We measured during the entire pilot time which is 3 months. Automating our reporting gave us weekly data and allows to monitor trends

4. **Accuracy**

   - High accuracy due to use of data mining (system data) and customer satisfaction surveys.

5. **Performance Variances**

   - The results show that the chatbot performance is perceived different per type of claim.

8.3
ASSESS SOLUTION LIMITATIONS

To determine the factors internal to the solution that restrict the full realization of value.

Elements:
- Identify Internal Solution Component Dependencies
- Investigate Solution Problems
- Impact Assessment

Guidelines and Tools
- Change Strategy
- Risk Analysis Results
- Solution Scope

Input
- Implemented Solution (external)
- 8.2 Solution Performance Analysis

8.3 Assess Solution Limitations

Output

8.3 Solution Limitation

Tasks Using This Output
- 6.1 Analyze Current State
- 8.5 Recommended Actions to Increase Solution Value
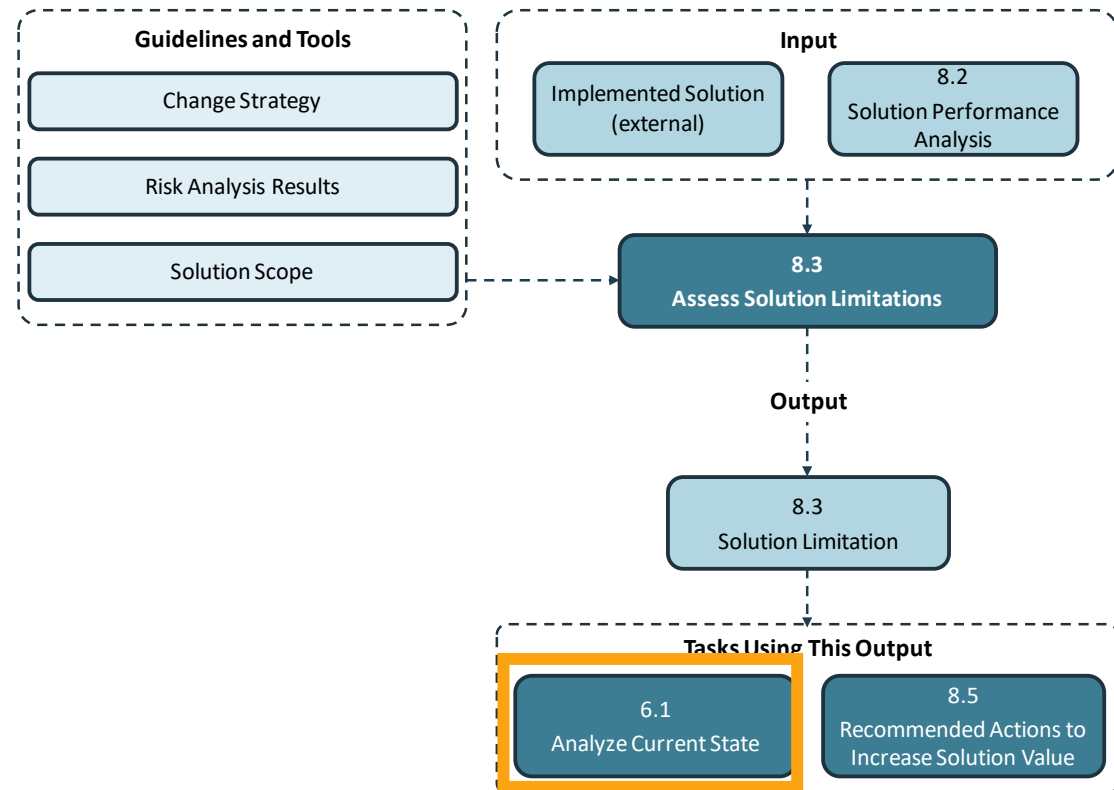
BENCHMARKING

Purpose: Used to compare organizational practices against the best-in-class practices. Best practices may be found in competitor enterprises, in government, or from industry associations.

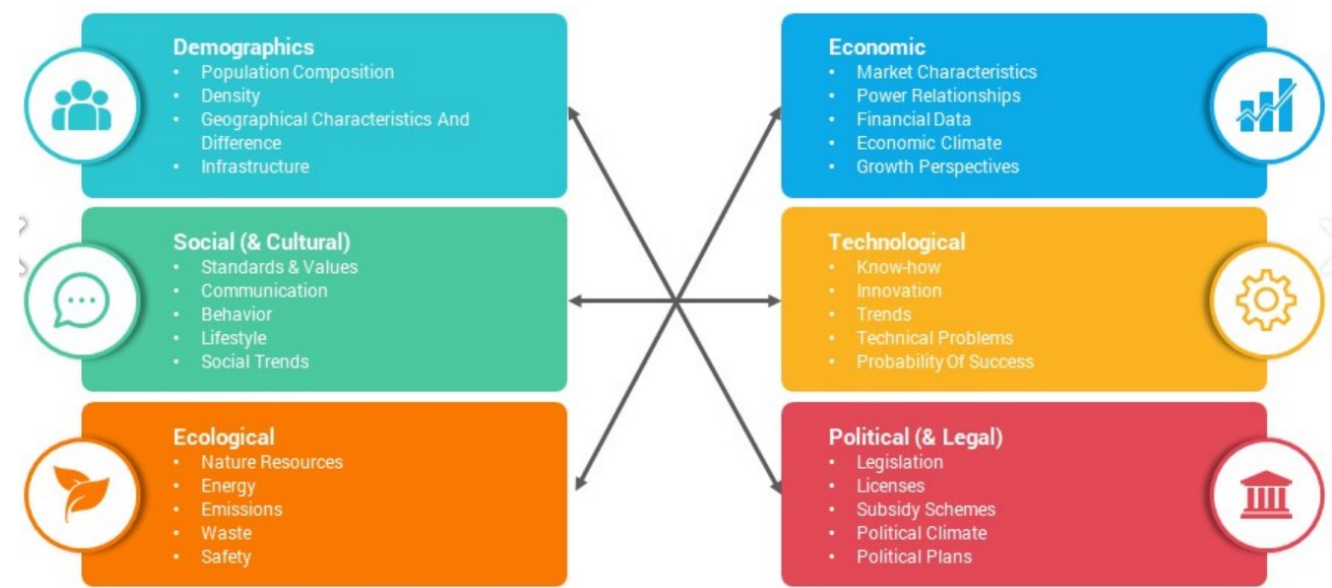| Customers who would pay more for better CX	Customers who care even more about CX post-pandemic	Companies planning to deploy AI by 2023
86%	**59%**	**90%**
PWC	**Forbes**	**Gartner**

THEORY SLIDE

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MARKET ANALYSIS

Purpose: Researching customers / market in order to determine the products and services that they need or want, the factors that influence their decisions to purchase, and the competitors that exist in the market.

A DESTEP Analysis is a framework used to understand the external environmental factors and the issues that may impact you.

- Demographic,
- Economic,
- Sociocultural,
- Technological,
- Ecological
- Political/Legal.

Demographics
- Population Composition
- Density
- Geographical Characteristics And Difference
- Infrastructure

Social (& Cultural)
- Standards & Values
- Communication
- Behavior
- Lifestyle
- Social Trends

Ecological
- Nature Resources
- Energy
- Emissions
- Waste
- Safety

Economic
- Market Characteristics
- Power Relationships
- Financial Data
- Economic Climate
- Growth Perspectives

Technological
- Know-how
- Innovation
- Trends
- Technical Problems
- Probability Of Success

Political (& Legal)
- Legislation
- Licenses
- Subsidy Schemes
- Political Climate
- Political Plans

Case Study

1. **Identify Internal Solution Component Dependencies**

   - Used a chatbot from an existing platform with limited features and cannot customize

2. **Investigate Solution Problems**

   - During analysis it became clear that some type of claims are not suited for a chatbot, and some are very effective. Therefore, doing another analysis on the process could help identify areas of improvement

3. **Impact Assessment**

   - After analysis we realized that the chatbot was paying to much compensation for claims. Therefore costs rising instead of going down.
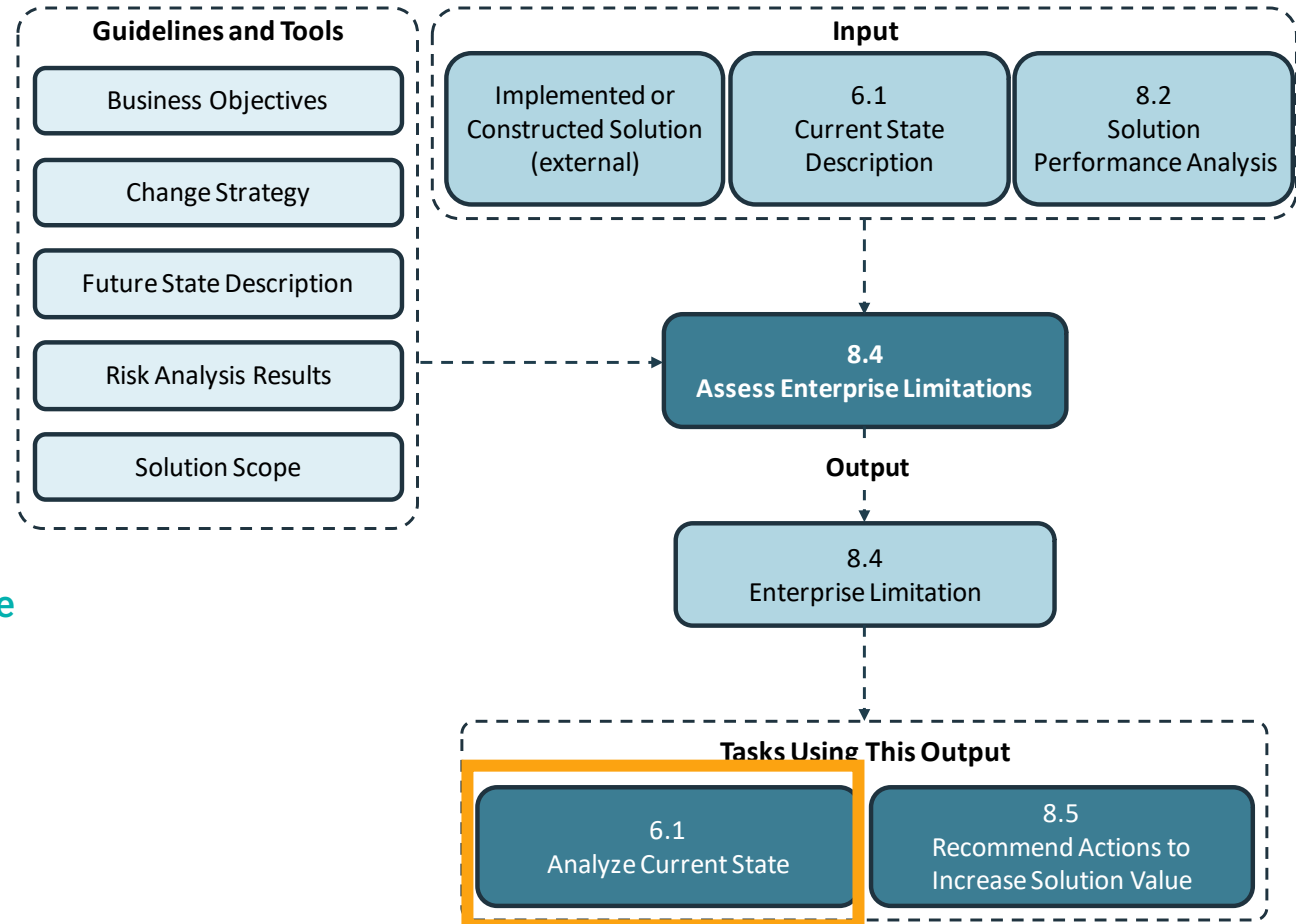
8.4

ASSESS ENTERPRISE LIMITATIONS

To determine how factors external to the solution are restricting value realization.
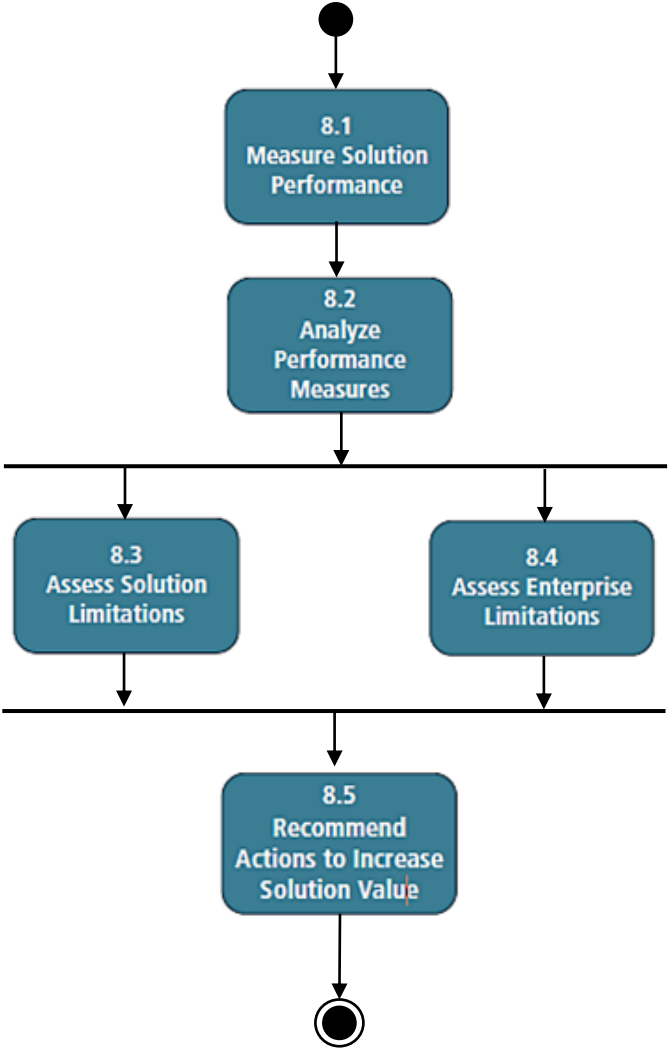
Elements:
- Enterprise Culture Assessment
- Stakeholder Impact Analysis
- Organizational Structure Changes
- Operational Assessment

Guidelines and Tools

- Business Objectives
- Change Strategy
- Future State Description
- Risk Analysis Results
- Solution Scope

Input

- Implemented or Constructed Solution (external)
- 6.1 Current State Description
- 8.2 Solution Performance Analysis

8.4 Assess Enterprise Limitations

Output

8.4 Enterprise Limitation

Tasks Using This Output

- 6.1 Analyze Current State
- 8.5 Recommend Actions to Increase Solution Value

Factors that limit value realization of solutions

- Culture; deeply rooted beliefs, values, and norms
- Operations; skills, capabilities, procedures
- Technical components; Tools and Technologies
- Stakeholder interests; functions, location, concerns
- Reporting structures;

SWOT analysis

	Opportunities • Opportunity • Opportunity • Opportunity	**Threats** • Threat • Threat • Threat
Strengths • Strength • Strength • Strength	**SO Strategies** How can the group's strength be used to exploit potential opportunities? SO strategies are fairly straightforward to implement.	**ST Strategies** How can the group use its strengths to ward off potential threats? Can the threats be turned into opportunities?
Weaknesses • Weakness • Weakness • Weakness	**WO Strategies** Can the group use an opportunity to eliminate or mitigate a weakness? Does the opportunity warrant the development of new capabilities?	**WT Strategies** Can the group restructure itself to avoid the threat? Should the group consider getting out of this market? WT strategies involve worst-case scenarios.

SCOPAFIJT

- Security
- Communication
- Organisation
- Personnel
- Administration
- Finance
- Information
- Juridical (Legal)
- Technology

Image by Modern Ekonomie

1. **Enterprise Culture Assessment**

   - There is some reluctance against chatbots, being perceived impersonal and not in line with our core values of "Personal approach".

2. **Stakeholder Impact Analysis**

   - The chatbot allows the company to do 5% of the queries where we anticipated it could do 10%

3. **Organizational Structure Changes**

   - Will the chatbot ultimately replace agents? Will the organizational structure of the service department change?

4. **Operational Assessment**

   - The chatbot allows the company to do 5% of the queries where we anticipated it could do 10%
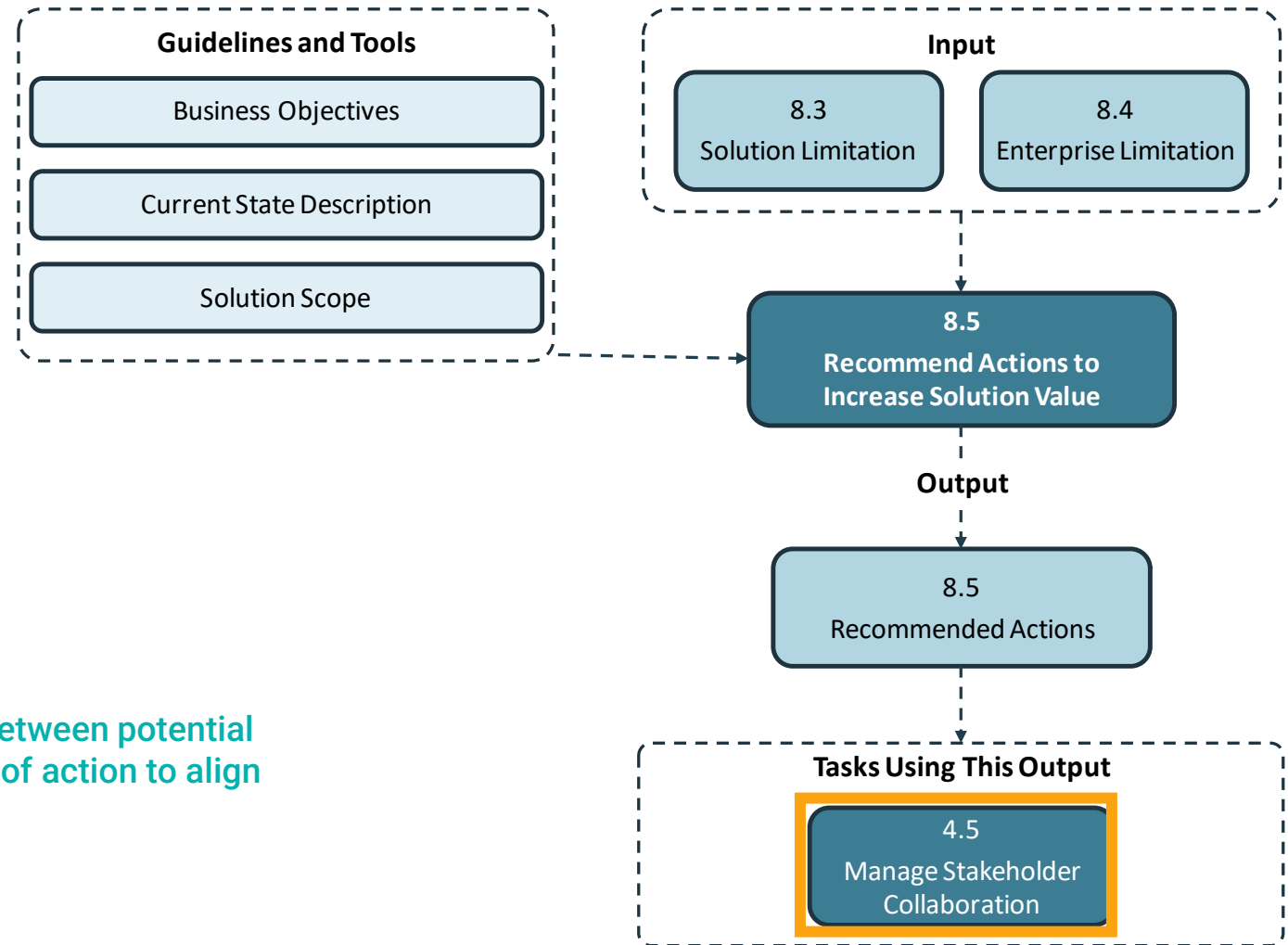
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8.5

RECOMMEND ACTIONS TO INCREASE SOLUTION VALUE

To understand the factors that create differences between potential value and actual value and to recommend a course of action to align them.

Elements:
- Adjust Solution Performance Measures
- Recommendations

Guidelines and Tools

Business Objectives

Current State Description

Solution Scope

Input

8.3
Solution Limitation

8.4
Enterprise Limitation

8.5
Recommend Actions to Increase Solution Value

Output

8.5
Recommended Actions

Tasks Using This Output

4.5
Manage Stakeholder Collaboration

EXAMPLES OF RECOMMENDATIONS

- Do nothing
- Organizational change
- Reduce complexity of interfaces
- Eliminate Redundancy
- Avoid waste
- Identify Additional Capabilities
- Retire the Solution

Additional factors:

- Ongoing costs vs Initial Investment
- Opportunity costs
- Necessity
- Sunk costs

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RISK ANALYSIS & MANAGEMENT

Purpose: identifies areas of uncertainty that could negatively affect value, analyzes and evaluates those uncertainties, and develops and manages ways of dealing with the risks.

Case Study

1. **Adjust Solution Performance Measures**

   - Instead of only looking at volumes and satisfaction, they added a KPI on Support Costs vs Revenue
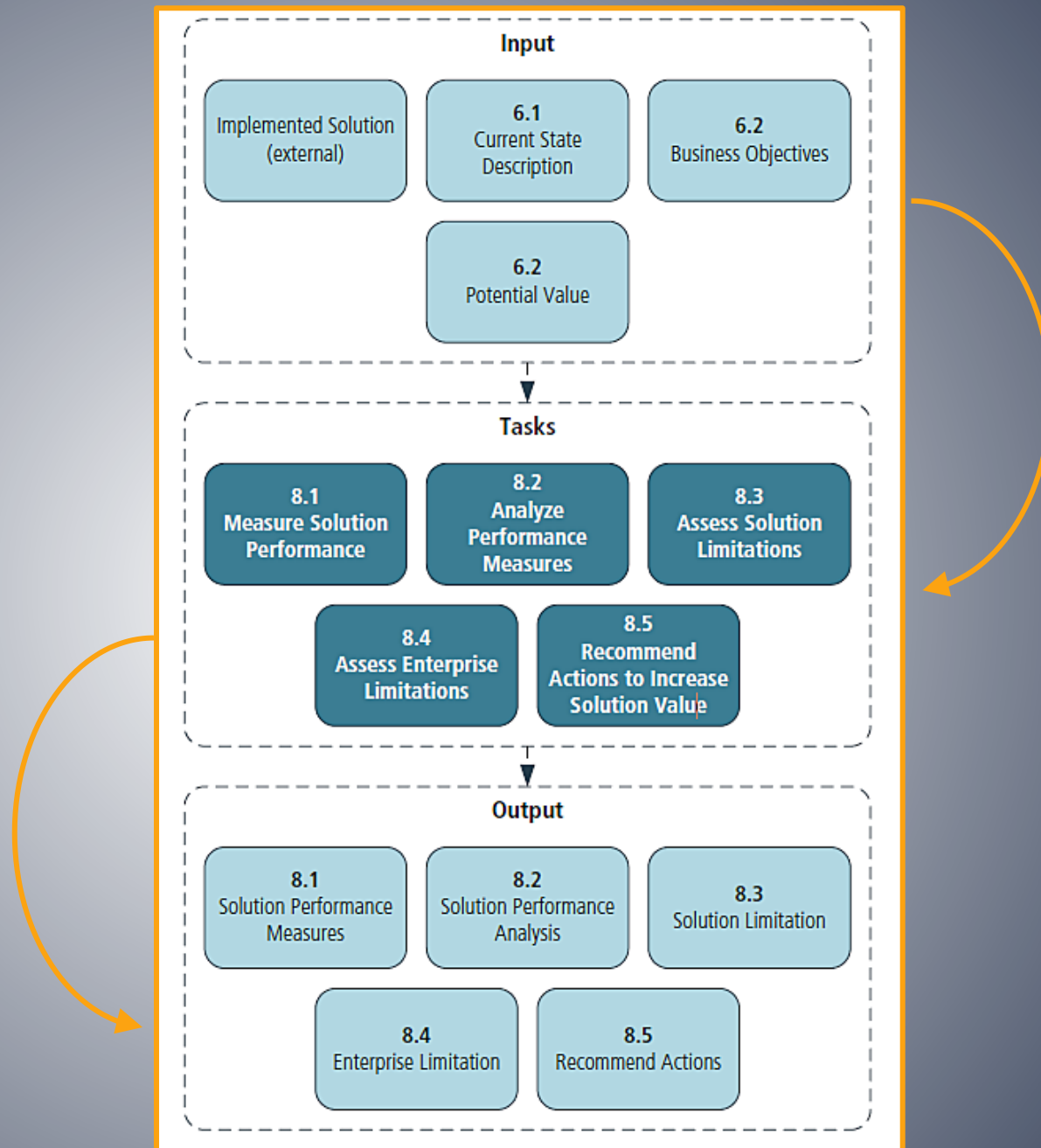
2. **Recommendations**

   - As a solution the chatbot now automatically assigns the claim to an agent for review if the amount exceeds 250,-
   - The chatbot pushes the claim towards a agent if it's not a standard claim for a delayed flight or missing baggage.