

# BUSINESS ANALYSIS – PART OF STRATEGIC OR OPERATIONAL MANAGEMENT?

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## ABSTRACT

*Business analysis is one of the management sub-domains related to management consultancy and strictly related to project management theory.*

*In the past years the role of business analysis extends outside the project management team due to the specialization of the people involved in business analysis. It has been also a fact the increasing needs of knowing the own business and document it. The role of the business analyst as a internal counselor also become more important in strategic decision being the key holder of the knowledge about the simple processes and with the integrated vision on company strategic goals.*

*The business analysis tends also to exit the project team and become the internal consultancy activity used in operational decision and process improvement as well in strategic decision making at the company level.*

*The present paper is intended to show both levels – strategic and operational – and the role of business analysis in performance management of the company.*

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In recent years, more and more organizations and project teams included in their structure the business analyst role. Business analysts tend thus to become an independent profession with specific activities, procedures, rules, certifications and all the framework of a profession.

Business analyst was assigned to the project teams, especially for IT applications at the start of deployment of large scale economic information in a first stage the role was partially fulfilled by different members of the project team, then position consolidate itself with dedicated person. Business analyst role was to understand formalize and document business requirements that were to be covered by the implementation.

It appears the question of capacity to understand the details of activities that the client organization is trying to implement in, but also the capacity to understand the logically structures related to information technology and to translate it into programming documentation. At the same time business analyst must have an overall vision of the client organization's activities.

To the extent that the work of business analysis became independent, it has been established the International Associated of Business Analysts (IIBA), whose main role is to standardize information on work of business analysts, to provide certifications and to develop an institutional framework in which business analysts you activate. Following the establishment of this association was developed also the definition of business analyst:

According to IIBA:

*Business analyst is responsible for identifying, specifying and management of the business needs.*

*Business analyst identifies, analyze, validate and document business requirements at corporate and / or operational level. Solutions to identified requirements are not foreseen by the business analysis, but results are only directed to their correct specification. Solutions to business requirements consist of mostly in the implementation or development of systems or software modules, but in some cases solutions can be an optimization of processes and organizational changes. Business analyst is the key facilitator of communication within the organization, representing a bridge between the business client, policy makers and the team charged with development and implementation of the project.*

Business analyst definition expands its role in **identifying, analyzing, validating** and **documenting** business requirements both at the organizational and operational level. This shapes the strategic role of business analyst at an organizational level. Also the definition of IIBA refer to the ways of interacting with business analysts as organization by implementing solutions or software modules, which means that at the level of interaction, the subject of analysis is represented by the process and the way of formalize requirements can lead to information systems or not. Analyst role is not only to provide a snapshot of the current reality of business but to optimize activity.

From the definition of business analyst represent a crossroad between the roles that can be assigned, like a financial analyst or project manager, or responsible for quality - from the client organization. At the same time, similar roles can be assigned to a tester or a trainer or a documentary of the project implementation team of the organizations providing the implementation.

**Business analyst should not be confused with financial analyst, project manager, responsible for quality, tester and trainer or documentary.**

His role is a distinct one, presenting similarities with the respective roles but is diversified by framing in the client organization and the overall vision of business that it should have.

Not involved in any project team the business analyst is to be found in the organizational structure as an internal consultant, problem solver, quality departments but the integrated vision remain the defining the ability of the business analyst which shall be able to transpose in logical structures flows and operations inside the company and ability to use IT tools through which to shape and optimize internal processes of the organization.

Analyzing similarities and differences between a business analyst and project manager both involved in a project team to implement an IT solution it can be noted:

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**Project manager** is usually the first person assigned to the specified project

**Business analyst** is assigned after the beginning of the project

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**Project manager** planning stages of project planning and follow compliance

**Business analyst** is responsible for reducing differences in understanding between IT project members and members of customer organization

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**Project Manager** manages the change and resolve problems of implementation

**Business analyst** provides a detailed knowledge of the activities and manages changes in operational requirements

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**Project manager** ensuring communication between project sponsor and IT management  
**Business analyst** acts as the architect of the operational system

There are obvious differences in the involvement and role of business analyst comparing to project manager for a project team.

On the personal characteristics and skills required for the role fulfilled by the project manager must have a comprehensive vision of the project, to lead the project team, to leverage project activities completed on time and at budgeted costs, are driving skills, while analyst business is detail oriented, have communication skills with operational staff, to ensure that the results are in accordance with requirements.

There are also similarities between the two roles related profiles: negotiation skills, communication and ability to understand the ultimate goal of project management skills for managing customer relationship.

In an organization the role of the business analyst tends to become one specialist depending on the coverage of his activities.

Business analyst roles can be summarized at the company level in these categories:

**1. Strategic – active participant in defining strategic objectives** - been engaged in this strategic review being due to trends in business organizations to focus on strategic objectives in a more or less permanently. Business analyst specialized in analysis of business environment and strategic objectives on conciliating management decisions with their effects and their implications.

**2. Business process reengineering** - role arising from the moments in which the organization should introduce changes based on strategic analysis exposed. Analyst analyzes business objectives, processes and resources and proposed route of action - **Remodeling Process Business Processes Reengineering (BPR)** and process improvement **Business Processes Improvement (BPI)**

Skills required from a business analyst involved in such a process are focused on two directions: a good understanding of business processes and impact assessment on the one hand and design and modeling of process on the other hand. To summarize it, is based on an ability of analysis based on good knowledge of synthesis and design based on knowledge and specific tools.

Although the role of business analyst knew the technique involves good systems, BA is not treated as an IT-profile role. In connection with this set of activities identified three essential elements in business analysis

- **Effort** to redesign the main business processes
- **Ability** to use technical systems and technology in achieving the business
- Organizational **change management**.

These issues are known as "reengineering" or redesigning business processes.

**3. System analysis in correlation with the proposed change / restructuring projects.**

A broad debate inside the business world is to achieve the best results following the implementation of informatics systems, often very expensive but at the same time vital for the activities of the organization.

In this context, ICT departments / IT organizations are defining inside its structure a business analyst role, a role that brings a better understanding of business processes and contribute to formulating the requirements for ICT systems.

There are cases when the role of business analyst is accomplished by a member of the development team or a tester, the involvement of the business analyst in terms of system analysis is one scenario that occurs after the business has already been developed and the business solutions was established.

Given the three categories of roles fulfilled by the analyst of business, roles resulting from the analysis of its activity in the company stands out the need for similar analysis of business activity, with all implications arising from this activity within a company at all levels of decision - strategic and operational. The increase in complexity of the business processes can also lead to a specialization of business analyst on certain lines business inside the company (sales, marketing, supply outlets).

In this context, a business analysis method improves the efficiency of activities and functions in order to reduce costs ensure efficient utilization of resources and greater customer satisfaction. Business analysis introduces the notion of process orientation, of focusing and redesign of processes that bring added value to customers while eliminating activities and operations that do not provide added value.

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Business analysis as a management approach mainly covers the analysis of business requirements and is carried out by identifying business requirements in the context of the company's strategic objectives through changes to the organization, including changes to policies, processes and systems.

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Business analysis contains six major components:

**Organizational Analysis** - involves understanding of needs and expectations for an organization system, strategic objectives and identifying initiatives to achieve these objectives.

**Prioritizing the organization requirements and management organization action planning** - requires planning process and prioritize the requirements formulated in accordance with the objectives of the organization.

**Gathering requirements** is a set of techniques which allow the collection requirements of the initiators of a project.

**Requirements Analysis and documentation** – presenting the organization requirements in a degree of detail that permits their successful implementation by the project team.

**Communication requirements** are techniques used by business analyst to validate that all members of organizations involved in the project or projects which have direct effect on a clear understanding of requirements and their implementation in the project.

**Solution Validation** represents the method of checking that the correct solution is proposed by the project team and witch may be risks in implementing the solutions.

Summary of analysis of business objectives method is:

- Optimizing resource utilization
- Compliance times of the project plan
- Increasing efficiency
- Correctly formulating the proper requirements

Stated objectives are both subject of strategic management and operational management; because of this reason the analysis of business method transcends operational and strategic levels of management situations in the field of consultancy, and advice to internal objectives, similar with those of the organization in general.

### References

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