ENTERPRISE ANALYSIS
IN FOCUS

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Learning Objectives

- Defining Enterprise Analysis
- A simplified approach to Enterprise Analysis
- Common tools to used in Enterprise Analysis
- Understanding the different types of gaps
- Enterprise Analysis benefits and road blocks
It’s an Approach

Not a Prescription

I’m not coming down from the mountain with stone tablets in my hands after talking with the IT gods

Do what makes logical sense for your organization and situation
In a Nutshell

Enterprise Analysis (EA) is:

- Definition of the strategy, product or situation
- Completed before the start of programs and projects

This is a High level explanation for EA or Strategy Analysis. It can sometimes referred to as Situational Analysis, Strategy Analysis, Business Project Readiness.
What is it?

Enterprise Analysis

Strategy Analysis

Changed from Version 2.0 to Version 3.0
What is it?

Strategy Analysis

Changed from Version 2.0 to Version 3.0
What is it?

"This knowledge area has taken on a new name and expanded purpose. Enterprise Analysis focused on the upfront work the business analyst conducted at the start of a project. **Strategy Analysis** is broader and includes the work the business analyst conducts to understand the current state of the business, to define the desired future state, to develop a change strategy to achieve the desired business outcomes and to assess the risks inherent in the change strategy."

- BABOK 3.0 - Page 496

Have you downloaded BABOK 3.0?

Are you waiting for the cows to come home? Moooo! The cows are here - download it today - free for members. Excellent resource on this topic and many more!
Enterprise Analysis Outcome

Enterprise Analysis is creating a common understanding and agreement of:

– Business Goals
– Business Value
– Strategy
– Desired State
– Solution Approach

This Is Where You Really Need To Get Peoples Expectations Understood. If We Did So, We Would Not Waste So Much Project Time Trying To Figure Out What The Hell We Are Doing.
**EA Is or Is Not**

<table>
<thead>
<tr>
<th>IS</th>
<th>IS NOT</th>
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<tbody>
<tr>
<td>Strategic</td>
<td>Tactical</td>
</tr>
<tr>
<td>Capability</td>
<td>Project (*)</td>
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<tr>
<td>High Level</td>
<td>Detailed</td>
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<td>Long Term</td>
<td>Short Term</td>
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(*) Not a traditional project but it is planned like one

**Strategic** - Goal, vision or strategy of the organization. Broad brush strokes in the clouds

**Tactical** - task based, procedural, step by step, boots on the ground

**Capability** - something we have or want to have the ability to perform

**Project** - Not always a part of the project portfolio in your PMO. Not a traditional project but it is planned like one (schedule, costs, tasks, resources). Very difficult to plan because you are dealing with LOTS of unknowns and ambiguities.
EA Road Blocks

• We’re in a hurry...
• Too much overhead and expensive...
• We all know what the problem is...
• We don’t need a vision – we need a solution!
• Nobody knows what you are talking about...
• We’re agile - we don't need that Enterprise stuff...

Just jump into development - just forget about understanding stuff or gaining common understanding

The advantages of enterprise or situational analysis is the ability to see the entire context before the project begins

Systems are not just code – they are people and processes too
Strategic or Tactical?

- We are leaving Corporate at 3:00pm and driving the company truck to the International Marketplace in Chicago. We will drop off the materials and booth by 10:00pm. We are staying at the Westin Conference Hotel and will check in at 11:00pm.

**TACTICAL** - it's a plan of tasks to get somewhere and doesn't talk clearly about WHY we are going there
Strategic or Tactical?

- Chicago is our biggest sales event of the year and generates 40% of our overall sales. The Chicago sales event is critical to meeting our goal to increasing sales 17% over the next 3 years.

**STRATEGIC** - There are no specific tasks or steps but rather an overall rationale and reason for going to Chicago. There is no HOW mentioned. Strategy is the “What” and “Why” - NOT the “How”.
Overview Diagram

Current State - how it's done today

Is there always a current state? What if you are creating a brand new product that never existed before? YES - the current state can be market analysis or what your competitors are doing.

Desired State - what is desired or the vision

Environment Analysis - looking at what we have and what is available to bring about the desired state - tool comparison - inventories of tools or solutions - lay of the land

Future State - Gap analysis, closing the gaps

ROM - rough order of magnitude estimate - really high level estimate - work with PM

Sometimes things overlap - its and pieces in each of the phases are gathered at the same time - that’s okay.

Gather data and present it at a 40,000 foot level view - not focused on detail

All this work is done before the start of the project - imagine that - you can start projects faster and with more confidence
Stopping Points

Setup check point meetings after each phase or at regular intervals

About every 30 days is best – Don’t go too long – you’ll be forgotten

It’s good to level set where you are and what to expect next

Key business stakeholders and business sponsors.

You’re not going to get 100% agreement, but you should get something that can be signed off by sponsors and key stakeholders
Define the current **business systems and processes** in plain business language that is **NOT** solution focused

What a minute – you said business – what about **technology**? You may need to bring technology into the conversation but set the expectation they are not there to solve a problem but rather to explain the current state.

Technologists like to solve problems - but this phase is about understanding the current situation **NOT** solving it

- How does it work today?
- What are the current issues we are facing?
- What is the root cause or real problem we are trying to solve?
Typically these are the things that are needed for current state analysis but there are lots more techniques that can be used.

BABOK 3.0 anyone? There's a whole section on techniques. Plan and use the techniques that makes sense to the effort.
“You can’t innovate new solutions if you are unwilling to embrace the challenge of understanding where you are and where you are going clearly.”

-Paul Crosby, Chief Paper Pusher

To create the future - you must understand the past.
Current State Pitfalls

• We'll make that solution fit
• Our documented process says this but I really do it another way
• Not understanding upstream and downstream integrations
• Nothing needs to change

Shoe horn that software package into the business!

GEMBA - walk through and observe the current state process - see how it's actually being done.

Everything is connected in this world - know your connections upstream and downstream.

DENIAL - we don't have a problem. Current state means the current conditions and problems are understood and agreed upon.
How do you know you are done with the current state analysis?

- When everyone agrees that pigeons and index cards are a great eco-friendly solution – for payroll!
- When key stakeholders and sponsors have a common understanding of the current state **globally** and **strategically**
- A signature on the page isn't a bad thing - remember those Check Points
Where are we going?
What is our future vision?

It's all unicorns, rainbows and glitter!

It doesn't take into consideration reality - reality can limit your discovery of what is really needed. It shuts down creativity!
“We create the *illusion* that we are making progress by quickly starting to build something – but confusion and frustration are quickly encountered because a clear goal is lacking or not widely understood.”

- Paul Crosby, Chief Paper Pusher

**Clear goal lacking** - doesn't have enough detail or meaning to be useful

**Widely understood** - everyone is in agreement with the desired state or vision - where we want to go
Here are a few things to include in your desired state analysis

Start from your current state and ask “what would I change about this?”
Desired State Pitfalls

• Choosing the Tool First
• Unclear Business Value
• Focus on the Technology **NOT** the Business

Organizational change – is the organization ready to embrace a new way of doing business?
All our desires are in this beautiful box - all your problems will be resolved in the next release
Technology does **NOT** drive the vision – business drives it
What are some components you might see in a desired state document?

Components:
1. Capabilities List
2. Product Analysis
3. Market Studies
4. Context Diagram
5. Domain Model
6. Stakeholder Analysis
7. Process Flow
8. Organizational Change Planning – Identify potential organizational changes
9. Service Levels / Performance
10. Architecture Diagram (Not TOGAF)
11. User Interface Mockup
12. Report Mockup
13. Data Exports / Imports Layouts
14. Data Dictionary
Understand the current tools, OTS or vendor based solutions available and compare them to the desired state to identify gaps in plain business language that is not technical.

OTS - Off the Shelf

Organizational System standards – MS Office, Oracle - identify and understand the tool standards

Who can help us build our vision? Who is available internally and externally?

What tools are available? What is available internally and externally?
Environmental Checklist

- Organization’s Desire for Change
- Potential **internal** solutions that exist in the organization
- Potential **external** solution (OTS or vendor solutions)
- Prototype or Conference Room Pilot
- How the potential solutions measure up to the future vision capabilities – pros and cons
- Selection of a solution approach

External solution costs should be gathered at a high level to ensure it’s not cost prohibitive

ENVIRONMENTAL SCAN DOCUMENT OR THE NEW BUSINESS VALUE TECHNIQUE FROM BABOK V3

Prototyping or conference room pilots - NOT building but demonstrating how a tool could possibly meet the desired state capabilities
Environmental Pitfalls

- Organizational Change Willingness
- Only Looking at One Tool
- Not looking at tools outside of the organization
- Focusing on the Latest Technology

Limiting your choices - it's about being broad not narrow

Swift is a great new development language wouldn't it be great if we used it?
What do we need to do to create the desired state within the constraints of our environment? This is the difference between what you desire and what is possible.

Which tool best meets our desired capabilities?

Now the question is what gaps are not filled by the tool or tools we selected? What capabilities are not going to be met because we chose this solution?

Mind the gaps - clearly communication to key stakeholders and sponsors.
* **How it’s Documented** – how the current business process and solution is documented – this is what everyone believes is being followed

* **Actually Done** – this is what is actually happening. “I do this short cut to make it easier – it’s not documented but it makes my life easier”. This is the observed state of the business solution. GEMBA!

* **Future Possibilities** – it’s our hopes and dreams for the business solution - but there should be a system that does this!

* **Potential Solutions** – what’s out there in our organization that is already in use or is available off the shelf (OTS). Could also be software as a service or in the cloud.

**Mind the Gaps**

* **Reality** – because you documented it that way then everyone is following that documentation.

* **Utopia** – it’s the gap between the reality and the future vision. Lots of hopes and desires but little understanding of how the tool will fit into the organization or solution

* **Perfection** – all these desires but no tool will ever do it all - nothing will fulfill your hope and dreams 100% - nothing is good enough

* **Blind** – it’s the gap between what we “Believe” is being done and that new fancy tool that will solve all our problems.

Where you need to be – the yellow dot!

Understand where someone is speaking from to pull them into the center.
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Understand where someone is speaking from to pull them into the center.
How would you visualize the “Utopia Gap”?

*Hint: It’s the gap between the current state and future vision*
Future State Checklist

- Solution Context Diagram
- Solution Process Flows
- Solution Domain Model
- Operational Change Cases
- OTS Selection and Rationale
- Expected Service Levels
- Closing Gaps - Work Arounnds
- Funding Constraints
- Selected Solution Organizational Impacts

Operational Change Cases - operational user stories or events that don’t happen frequently - data must be archived every 10 years, semi-yearly or yearly maintenance tasks that are done either by the business or IT. Change cases are elaborated at a high level (never detailed) - it’s things to be aware of for the future detailed design.
Future State Pitfalls

- Skipping or Incomplete Gap Analysis
- Focusing on a Limited Amount of Potential Solutions
- Not understanding the tool selected for the solution

Not understanding which gaps are fulfilled or NOT fulfilled by the recommended solution or tool.
Well that depends - Typically is very high level and a broad brush stroke. This allows your sponsor to get funding and prioritization against other projects in the organization. High level analysis or the 30,000 foot view is acceptable to get funding in most organizations. Before development starts another round of analysis would be needed at a detailed level.

Sponsors sometimes already have budget targets they need to hit - be sure to understand them in advance before designing the solution as it may contain your solution.
Roughly speaking and with a low level of confidence, what would it take to implement or build the solution selected?

PM Involvement

ROM - Rough Order of Magnitude is a high level estimate with low level of confidence. Some organizations have standards for these types of estimates - plus or minus 50% as an example or plus 100% and minus 50% in other cases.

Some organizations say plus or minus 100% - how is that possible? You might NOT have the desire to move forward with the project. Minus 100% is basically ZERO funding.

1) Identify Skills and Resources Needed
2) Elaborate High Level Tasks
3) Elaborate Summarized Schedule
ROM Checklist

- Determine the Skills Needed for the Solution
- Don’t forget about training or facilities
- Review the Design with the Team
- Set the expectation a ROM is a high level estimate NOT detailed
- A Project Manager or Release Manager May Lead This Phase
ROM Pitfalls

- Estimators don’t understand the solution
- Stakeholders and Sponsors don’t understand the confidence factor is LOW
It's typically 20-30%. Ask the resources making the estimate about the assumptions they are making. Those assumptions should be documented. It's basically says: here's the stuff we don't know yet and our best guess.

ROM estimates are typically done for prioritization and funding requests. When development is approved to start a detailed estimate should be pursued by the project manager that will have a higher level of confidence (70-80% confidence level).

Not all projects are estimated just once or even twice. Some projects due to their complexity can be estimated multiple times throughout the project. An example would be completing a ROM estimate and then a detailed estimate for each release.
Now Where Does It Go?

- Input into the Business Case
- Project Prioritization or Approval to Start Project Development
- Portfolio Management
Getting Into EA

How could your organization use EA?

How could you use EA?

• Volunteer to use enterprise analysis to prioritize projects in your department or organization

• Volunteer for a non-profit. You get CDUs / PDUs, it’s a huge resume builder, and your helping your community.
About the Speaker

Paul Crosby, PMP is currently working as an essentialist at Trissential, is a past president of the IIBA MSP Chapter and chief paper pusher at Bob the BA - The League of Analysts Inc.

Paul has presented at several conferences on the topics of process improvement, Kaizen, DMAIC, and business analysis topics.

Paul has over 25 years experience is IT systems in a variety of industries in portfolio management, process improvement, program management, project management and is a huge supporter of talented business analysts and project managers like you.