



# Stage 1 Business Analysis

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IT Project Oversight and Consulting Division  
– August/September 2013**



California  
**DEPARTMENT OF TECHNOLOGY**  
IT Project Oversight and Consulting Division

# Workshop Purpose

1. Business Analysis
2. Provide instruction along with supporting materials to help develop the ideal Stage 1 Business Analysis.
3. Discuss and provide information on the contents of the evaluation criteria and scorecard and how they will be used by the Department of Technology to render decisions on Stage 1 Business Analysis.
4. What are your additional expectations for this session's overview?



# Agenda

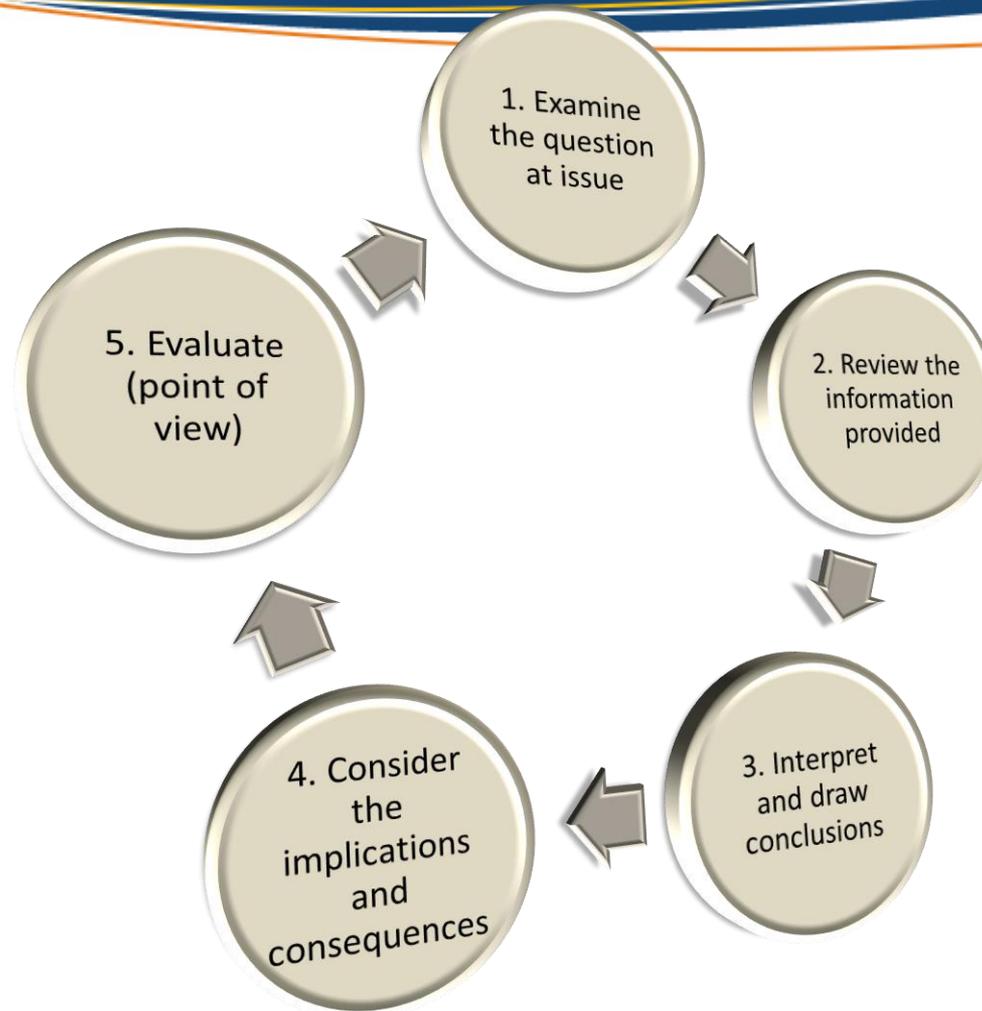
- 9:30 a.m. S1BA Components:
  - How Projects Get Started, i.e., Business Drivers.
  - What Types of Objectives Will I Come Across?
  - The Characteristics of Well Defined Objectives.
- **10:30 a.m. Ten Minute Break**
- 11:15 a.m. How Stage 1 Business Analyses will be Evaluated via Criteria / Scorecard.
- 11:30 a.m. Quiz
- 11:40 a.m. Review Answers
- 11:45 a.m. Questions and Answers
- **Noon Adjourn**



# What are the Business Analysis Knowledge Areas?

- Business Analysis skills are of paramount importance in Stage 1.
- What are the core skills of a business analyst?
  - Soft skills (i.e., critical thinking, listening, decision making, problem solving, and communication)
  - Business skills (must understand the user business environment)
  - Technical skills (relevant even in Stage 1 but more relevant in Stage 2)
- Which of these skills above are more important?

# Critical Thinking Steps



Adapted from <http://www.criticalthinking.org/ctmodel/logic-model1.htm#>

# Introduction to the Stage 1 Business Analysis Form



- Four major sections
  - General Information
  - Submittal Information
  - Business Sponsor and Key Stakeholders
  - Business Analysis
    - Business Drivers
    - Statutes or Legislation
    - Program Background and Context
    - Business Problem or Opportunity Summary
    - Business Problems or Opportunities and Objectives Table
    - Strategic Business Alignment

# General Information



## Stage 1 Business Analysis

### General Information

Agency or State Entity Name:

California Department of Residential Services

Organization Code:

0000

Name of Proposal:

Business Management Review (BMR)

Proposed Start Date:

September, 2014

Department of Technology Project Number:

# Submittal Information



## Submittal Information

Submission Date:

9/5/2013



Contact First Name:

Heath

Contact Last Name:

Williamson

Contact email:

hwilliamson@dh.ca.gov

Contact Phone:

(555) 555-5555

# Business Sponsor and Key Stakeholders

## Business Sponsor and Key Stakeholders

**Executive Sponsors**

Title	First Name	Last Name	Business Program Area
Deputy Director	Georgia	Samsom	Administrative Services Division

Insert item

**Business Owners**

Title	First Name	Last Name	Business Program Area
Division Director	Eva	Dollar	Financial Planning and Business Management
Procurement Officer	Ken	Buyer	Procurement Office
Branch Chief	Kelly	Boss	Human Resource Management

Insert item

**Key Stakeholders**

Title	First Name	Last Name	Business Program Area/Group	External
Deputy Director	Eva	Tennant	Boarding Division	<input type="checkbox"/>
Assistant Deputy Director	Chris	Holmes	Residential Operations	<input type="checkbox"/>
Deputy Director	Don	Drives	Information Technology Division	<input type="checkbox"/>
Deputy Director	Kent	Eagle	California Department of Human Services	<input checked="" type="checkbox"/>
Chief Procurement Officer	Jeff	Fleet	California Department of General Services	<input checked="" type="checkbox"/>

# Business Analysis



- 1.1 Business Drivers
- 1.2 Statutes or Legislation
- 1.3 Program Background and Context
- 1.4 Business Problem or Opportunity Summary
- 1.5 Business Problems or Opportunities and Objectives Table
- 1.6 Strategic Business Alignment

# What are the Business Drivers for Starting Projects?

- **All** projects start out as business projects.
- Business projects with IT components are initiated by many different sources for many reasons. Business people suggest projects for three broad reasons:
  - Financial Benefit: Increased revenues, cost avoidance, or cost savings
  - Mandates: Complying with regulations (State, Federal)
  - Improvements: Opportunities for improvement

Problems within the organization may also be business drivers.

# Business Drivers

A “business driver” is a resource, process, or condition that is vital for the continued success and growth of the government program(s) that the project will enable, support, and/or enhance.

## Business Analysis

### 1.1 Business Drivers

- |                    |  |
|--------------------|--|
| Financial Benefit: | <input type="checkbox"/> Increased Revenues                            |
|                    | <input checked="" type="checkbox"/> Cost Savings                       |
|                    | <input checked="" type="checkbox"/> Cost Avoidance                     |
| Mandate(s):        | <input type="checkbox"/> State   |
|                    | <input type="checkbox"/> Federal                                       |
| Improvement:       | <input type="checkbox"/> Better services to citizens                   |
|                    | <input checked="" type="checkbox"/> Efficiencies to program operations |
|                    | <input checked="" type="checkbox"/> Technology refresh                 |

# Provide Chapter and Statute in the following format:

Statutes or legislation could mandate new business solution(s) or change existing business solution(s).

## Examples:

- Chapter 404, Statutes of 2010 (AB 2408)
- SB 1592, 2012 (in process)

## 1.2 Statutes or Legislation

Statutes or Legislation:

New statutes or potential legislation

Not Applicable

Changes to existing legislation

Bill Number:

Legal Code:

Additional Information:

**Legal Code:** Cite the appropriate legal code (e.g. Government Code, Penal Code, etc...)

**Additional information:** Provide any clarifying information, including any privacy, confidentiality laws or regulations for consideration.

# Program Background and Context

- Provide a brief overview of the business program(s) within the Agency or state entity that is being, or will be, impacted by the problems or opportunities identified in Section 1.4.
- Describe how this project fits within the programs.
- Describe how all internal and external Business Sponsors and Key Stakeholders participate in the business process.
- Identify which specific part of the business was studied and will be affected by the proposal.

## 1.3 Program Background and Context

# Business Problem or Opportunity Summary

- Provide a narrative summary of the business problem or opportunity that is driving changes to the current state (environment, processes, etc.).
- Provide a brief narrative statement of the overall problem or opportunity.

## 1.4 Business Problem or Opportunity Summary



# What is a Problem?

- A problem is something that causes trouble or difficulty (*MacMillan Dictionary*)
- **A problem is a perception; it is the difference of what is versus what is expected**
  - *For example, when ordering an item online, you are promised a specific shipment date. If your product is not shipped on time, that would be a problem.*
- Well documented problems should state the what is and the expected
- Often, the expectation may be stated or unstated. Unstated expectations should be obvious.
  - *For example, it is obvious that the bill for your order should correctly reflect your purchases.*

# Common Sources of Problems

Sources of problems	Look for these explanations
Performance criteria	Too many errors Work completed slowly Work done incorrectly Work done incompletely Work not done at all
Behavior of employees	High absenteeism High job dissatisfaction High job turnover
External feedback from Vendors, Customers, Suppliers, etc.	Complaints Suggestions from improvement Lower revenues
Business needs are not addressed	The current process is not meeting the needs of the business.

# Example of a Poorly Formulated Problem

“Critical business processes are not automated and result in low employee productivity and inefficient manual tasks.”

- What is the problem?
  - Low employee productivity
- What is missing?
  - Explanation and support of “low employee productivity”
  - What is versus what is expected
- How to improve it?
  - Name each business process that has low employee productivity
  - State the mean time for each business process
  - State the expected turnaround time for each business process

# What could be an Opportunity?

- Improvements to business can be defined as changes that will result in additional benefits including:
- Efficiencies to the state business processes
  - Speeding up a process
  - Streamlining a process through the elimination of unnecessary or duplicated steps
  - Combining processes
  - Improving integration of systems and subsystems
- Provide better services to citizens
- Technology refresh

**NOTE:** Problems could also fall into these categories.

# Business Problems or Opportunities and Objectives Table

## 1.5 Business Problems or Opportunities and Objectives Table

### ID Problems and Opportunities

1 Efficiencies to program operations (**business driver**): Administrative Services Division (**business program**) manually processes and matches approximately 2,500 Residential Housing Unit (RHU) purchase orders (POs) annually which requires over 2,080 hours in overtime by staff (**impact**).

- List the negative impact(s) (problem) or the positive outcome(s) (opportunity) to all business programs.
- Include the impact of each problem or opportunity to the business program.
- Problems/opportunities must be aligned to at least one of the business drivers identified in Section 1.1,
- Problems/opportunities must relate to a business program described in Section 1.3.
- The statements should ***not*** indicate that the completion of a new system will solve the problem or achieve the opportunity.

# What is an Objective?

- Objectives underlie all planning and strategic activities. They serve as the basis for creating policy and evaluating performance. [<http://www.businessdictionary.com/definition/objective.html>]
- 1. An objective is a detailed statement which describes how an organization will accomplish its goals.
- 2. A specific result that a business program aims to achieve within a time frame and with available resources.

***Poorly Defined Objective Example (from an FSR): Reduce the number of special purpose spreadsheets.***

***Well Defined Objective Example: By May 10, 2014 the ABC LTD sales department will sell 4000 units per month, which equates to approximately 5% market share.***

# Why is Defining Objectives Important?

- Clear **Business Objectives** lead to successful projects
- “If you do not know where you are going, you might end up somewhere else”



# Why Do Clear Objectives Lead To Successful Projects?

1. Alignment with the business drivers.
2. Relation to problem(s) that the business is trying to solve.
3. Relation to opportunity(ies) that the business is hoping to realize.
4. A baseline to measure success.
5. A method for measuring that success.
6. The framework for the project scope.
7. The basis for what quality should be measured against.

**Note:** The data from the 2012 Chaos Report supports the importance of clear objectives as a project success factor.

# Types of Objectives

There are three different categories of objectives:

1. Impact objectives
2. Outcome objectives
3. Process objectives

# Impact Objectives

- Impact objectives:
  - Highlights the long term implications of not solving the problem or taking advantage of the opportunity
  - Describe the longer term impact on your target audience or organization

## Example:

- By December 31, 2015, the overall high school graduation rate for 18-20 year olds in Sacramento county will increase from 75% to 85%.

# Outcome Objectives

## ■ Outcome objectives

- Usually, several outcome objectives, cumulatively, should result in the achievement of the impact objective(s).

## Example

- By July 31, 2014, at least 75% of youth (ages 18-20) in Sacramento county high schools, will enroll in career counseling.
- By November 30, 2014, at least 50% of youth (ages 18-20) in Sacramento county high schools will be assigned a volunteer mentor.

**Note:** Both of the outcome objectives described here support the impact objective of the previous slide.

# Process Objectives

## ■ Process objectives

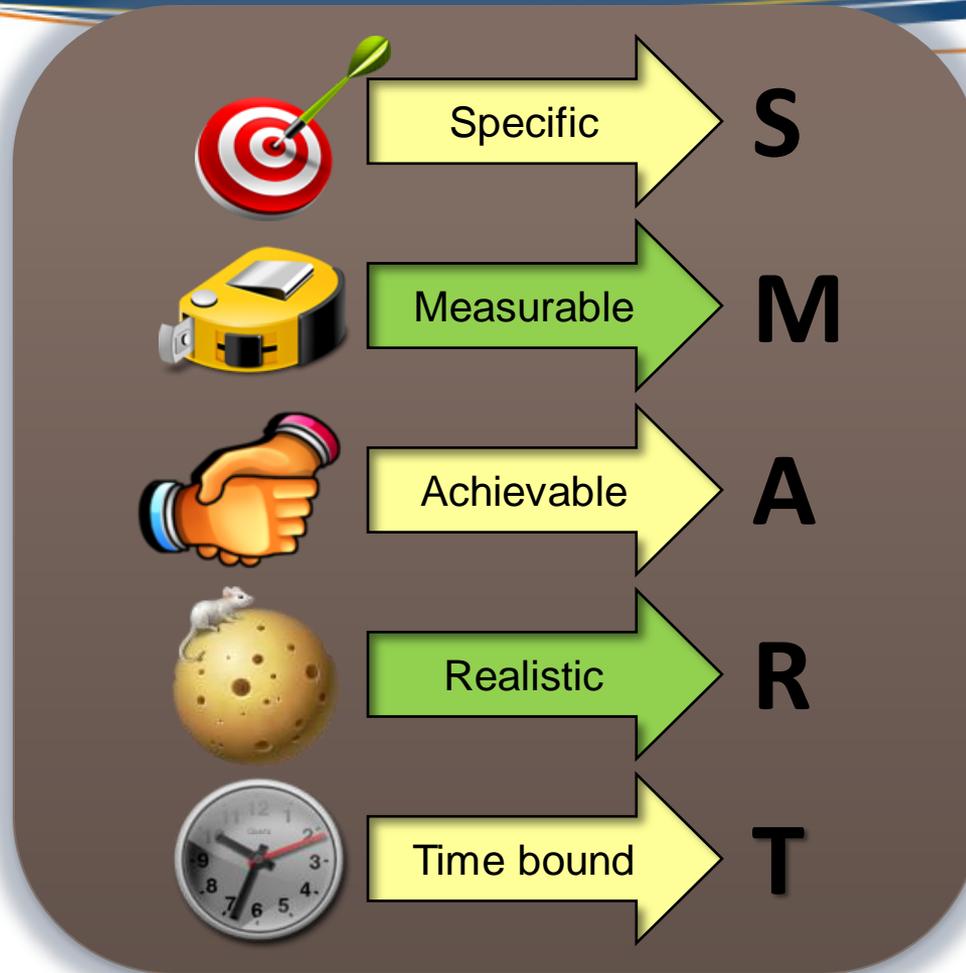
- Document the activities that are integral to accomplishing outcome objectives.
- Usually, there is more than one process objective to achieve an outcome objective.
- Usually, they document participants, interactions, and processes.

## Example

- By September 14, 2014, agency staff will conduct three focus groups with at least 50 youth (ages 18-20) from Sacramento county high schools. The purpose of the focus groups is to gather input on the most effective methods to “reach” the youth.

**Note:** The process objective described here supports the outcome objective of the previous slide.

# Characteristics of Well Defined Objectives



**Note:** SMART objectives become **SMARTer** after **Evaluation** and **Review**

# Specific Objective Characteristics

- A specific objective has a much greater chance of being accomplished than a general one. A specific objective answers the six “W” questions:
  - Who: Who is involved?
  - What: What do I want to accomplish?
  - Where: Identify a location.
  - When: Establish a time frame.
  - Which: Identify requirements and constraints.
  - Why: Specific reasons, purpose or benefits of accomplishing the goal.

**Example (not specific):** *To improve the low literacy rate of parents*

**Example (specific):** *Within six weeks (when) of running an evening family literacy program, which is aimed to improve the low literacy rate of parents (why) in each (which) of the district’s six high schools (where), survey results will indicate that 50% of families (who) have implemented reading strategies (what) at home.*

# Measurable Objective Characteristic

- Establish concrete criteria for measuring progress toward the attainment of each objective.
- To determine if your objective is measurable, ask questions such as.....How much? How many? How will I know when it is accomplished?

**Example (not measurable):** To reduce labor expense

**Example (measurable):** To reduce labor expense in our accounting department by **20%**

# Achievable Objective Characteristic

- When you identify objectives you begin to figure out ways you can achieve them. The objective needs to be achievable or attainable based on the skills and the constraints imposed.

**Example (not achievable):** By 2015, the overall high school graduation rate for 18-20 year old youth in Sacramento county will increase from 75% to **99%**.

**Example (achievable):** By 2015, the overall high school graduation rate for 18-20 year old youth in Sacramento county will increase from 75% to **85%**.

- Key question: Are you attempting to achieve too much?

# Realistic Objective Characteristic

This means choosing objectives to answer the question:

- Do you have the resources to make the objective happen?

**Example (not Realistic):** Increase license sales by 50% annually over the next five years.

**Example (Realistic):** Increase license sales by 5% annually over the next five years.

# Time Bound Objective Characteristic

- Time Bound means setting a deadlines for the achievement of the objective. Deadlines need to be both achievable and realistic. When will this objective be accomplished? Is there a stated deadline?

**Example (not time bound):** Improve the graduation rate in the Sacramento county high schools.

**Example (time bound):** By **December 31, 2015**, the overall high school graduation rate for 18-20 year old youth in Sacramento county will increase from 75% to 85%.

**Example (time bound but not date specific):** **Six months after the new program's implementation**, the overall high school graduation rate for 18-20 year old youth in Sacramento county will increase from 75% to 85%.

# SMART Objectives

- This is a good example of a problem statement and objective because it is:

Specific, Measurable, Achievable, Realistic, and Time bound

ID	Objective
1.1	Reduce staff time necessary to reconcile the RHU Purchase Orders by 25 percent within 18 months of the completion of the BMR.

Metric	Baseline	Target	Measurement Method
Average time to reconcile a single PO in minutes.	20 min	15 min	Existing PO tracking report.

- List the business objective(s) and identify expected short-term and long-term objectives that the project will address (what the project is seeking to achieve).
- Identify at least one objective for each individual business problem or opportunity.
- Identify the timeframe in which the objective will be achieved.

# What is a Goal?

- A goal is a broad statement describing targets that the organization or project is aiming to reach by specifying what they want to accomplish.
- A goal is an observable and measurable end result having one or more objectives to be achieved within a more or less fixed timeframe. [<http://www.businessdictionary.com/definition/goal.html>]

**Goal Example:** “... our separate financial systems must be tied together to allow accurate, comprehensive, and timely administrative financial information and reporting.”

**Objective Example that relates to the goal:** “... reduce entry of the same data in multiple files and multiple formats by 25%.” “... currently, it is estimated that 18,000 hours of staff time is spent on reconciliation activities due to the duplicate data entry efforts, for a cost of approximately \$515,000.”



# Strategic Business Alignment

- Strategic business goals for the Agency/state entity associated with this proposal should be identified.
- Alignment
  - Briefly describe how this proposal helps to achieve each goal. The alignment should demonstrate how the proposal fits within the Agency or state entity's broader strategic context and contributes towards the Agency or state entity's goals and objectives.
  - Describe how each of the strategic business goals align with the business problems or opportunities described in Section 1.4.

## 1.6 Strategic Business Alignment

Strategic Business Goals	Alignment

# Gate 1 Scorecard

## Evaluation Sections

- ITPOC Administrative Evaluation
- ITPOC Content Evaluation
- Critical Partner Evaluation

Supported by Evaluation  
Criteria

## Department of Technology Decision

- Approved
- Not Approved
- Approved with Conditions
- Withdrawn

# Evaluation Criteria

- Evaluation Criteria supports the following:
  - ITPOC Administrative Evaluation
    - Completeness Check
- ITPOC Content Evaluation
  - Sub-questions to the Gate 1 Scorecard questions. All “Yes” will lead to a “Meets Requirements” for that specific Gate 1 Scorecard question. Any “No” will result in a “Deficiencies” for that Gate 1 Scorecard question.

# How Do We Measure Project Success?

- Historically, projects are successful when they are:
  - ✓ On-Target
  - ✓ On-Time
  - ✓ On-Budget
- ***The true measure of success is whether the project meets the needs of the business.***

**Note:** It is possible to meet the objectives; however, not meet the needs of the business. Therefore, the need for good business objectives / business case.

# Short Quiz

**True**



**False**



# Questions?



# Thank you

1. Start with your Information Technology Project Oversight and Consulting (ITPOC) Manager:  
[http://www.cta.ca.gov/Contact\\_Us/staff\\_assignments.html](http://www.cta.ca.gov/Contact_Us/staff_assignments.html)
2. Francisco Lujano, Branch Chief, (916) 228-6656  
Francisco.Lujano@state.ca.gov
3. Lisa Murphy, ITPOC Branch Chief, (916) 403-9615  
Lisa.Murphy@state.ca.gov
4. Karan Marsh, ITPOC Section Chief, (916) 403-9605  
Karan.Marsh@state.ca.gov
5. Jennifer Chan, ITPOC Section Chief, (916) 403-9623  
Jennifer.Chan@state.ca.gov



# Background Material

# Professional Development Units (PDUs)

If you are PMP or CAPM certified, you may claim 4 PDUs for attending this session. You may claim this under Category B – Continuing Education using the following information:

PDU Category	Cat B - Continuing Education
Program/Title description	Stage 1 Business Analysis training
Provider name	California Department of Technology

Please keep a copy of the training materials and meeting invite in your PDU folder, to provide to PMI in case of an audit.

# Proposal versus Project Definitions



- A **proposal** is defined as a request for a new project. A proposal is initially submitted as a Stage 1 Business Analysis which goes through due diligence to identify the program background, strategic alignment, business drivers, business problems, opportunities and measurable objectives. The Stage 1 Business Analysis captures the intent of the project giving the sponsor, project manager, customer, and stakeholders a starting point for initiating a project. For purposes of Stage 1/Gate 1, any references to proposal will indicate that this is a new endeavor being considered which requires approval by the Department of Technology prior to it becoming a project.
- A **project** is defined as an endeavor with a defined beginning and end (usually time-constrained, and often constrained by funding or deliverables), undertaken to meet unique goals and objectives, typically to bring about beneficial change or added value. For purposes of Stage 1/Gate 1, any references to project will indicate that all project lifecycle approvals including the necessary funding and procurements have been completed.