

# **Measuring BA Performance – A white paper on recommended best practice**

## **Introduction**

When assessing aspects of Business Analyst (BA) performance, well embedded frameworks are available to support the assessment and development of skills and behaviours (e.g., SFIA Plus, IIBA). Similarly robust methodologies exist to support the assessment of successful project outcomes (e.g., Prince2, PMI). However, there appear few reliable sources of information to support the assessment and measurement of BA outputs.

A recent survey of approximately 100 companies conducted by the BA Managers Forum (BAMF) found that, whilst all organisations conduct some degree of performance measurement for employee BAs, fewer than 40% of respondents include metrics relating to BA outputs as part of their measurement. For contractor BAs, fewer than 10% of companies set any kind of performance target to which the contractor is held to account.

This paper aims to provide a core set of metrics that can be used to assess the effectiveness of individual BAs, whether employed or contract. The measures are designed to reflect best practice among practicing BA managers and are intended to be a starting point to be used with organisational-wide performance management frameworks.

## **Measurement Approach – The Balanced Business Scorecard**

The Balanced Business Scorecard (BBS), developed by Kaplan and Norton (1986), provides a framework for establishing metrics that can be used to measure the performance of all or part of an organisation. The BBS approach contains four elements: Financial, Customer, Internal and Innovation (or learning and growth). This structure of four elements has been used to suggest the metrics for measuring BA performance. Each element is considered in detail in the following Appendices: Appendix 1 – Financial; Appendix 2 – Customer; Appendix 3 – Internal; Appendix 4 – Innovation.

## **Process Adopted**

This initiative was launched at a meeting of the BAMF on January 16<sup>th</sup> 2015. This was followed by a workshop which was held on March 26<sup>th</sup> 2015 where much of the content of this paper was developed. The workshop was attended by twenty senior BAs and BA practice managers. The organisations represented included Nationwide, Skandia, Financial Times, The Home Office, Vodafone, Heathrow Airport, University of Nottingham, Zurich Insurance, National Grid, BUPA, Sopra Steria, Asos, TFL, Thomson Travel, Shroders, E&Y, Diligenta, HSBC, Talbot Underwriting & Visa Europe.

The workshop split into four groups in line with the elements of the BBS. Each group was facilitated by a leader as follows:

- Financial: Craig Rollason (National Grid)
- Customer: John Dalton (BUPA), Michelle Shakesheff (Zurich Insurance)

- Internal: Eleanor Crosskey (Heathrow Airport).
- Innovation: Alison Pierce (University of Nottingham)

Discussion was structured using the BBS and the appropriate measures were discussed within each of the four elements. It was accepted that there are overlaps between the four elements of the BBS and this may be reflected in the results provided by the four groups.

## **Workshop findings**

The following points were raised and discussed within the workshop.

### ***Key principles***

The workshop identified some key principles to underpin any approach to measuring BA performance. These principles are as follows:

- It is important to be clear on what needs to be measured and measure what matters.
- The effort required to measure performance must be justified by the value of having the measures.
- Any measures adopted must align with the structure, maturity and culture of a particular practice so that all measures are relevant and complete.
- Measures should reflect the breadth of services provided by the BAs within an organisation and the organisation's understanding of the BA role. For example, a newly established BA practice might need to spend significant effort quantifying and communicating the value to be delivered whereas a longer established BA team in which the organisation "knows what to expect" may not need to be measured against such criteria.
- The person or group responsible for the performance measures will depend on the context for the BA work but may include practice leaders, project leaders, business sponsors or third party suppliers.
- Measurements may require interpretation and may not be absolute, instead providing an indication of performance
- BA performance measures must reflect where within the lifecycle the BA is engaged and which lifecycle or approach is in use. For example, greater influence on organisational performance will accrue where the BAs are engaged early in the lifecycle of projects; there are significant differences between waterfall and agile approaches that may dictate the performance measurement approach required.
- Consideration should be given to the level of process that BAs need to follow depending upon their different levels of seniority.
- There may be a need for BAs to have discretion regarding the performance measurement approach.

### ***Gathering and interpreting performance data***

Significant effort can be required when gathering and interpreting the data for many of the quality measures; this should not be underestimated. Surveys were widely reported to provide both ongoing and immediate feedback; the use of surveys is explored where relevant to particular measures in the Appendices. Surveys may also be used to create a baseline from which to measure. Surveys should be frequent and timely; in particular it was considered desirable that surveys are

timed to avoid the annual appraisal related peaks in feedback activity (which were generally considered to be ineffective).

Managers stressed that any feedback on performance is handled sensitively and is taken at face value; requiring justification from stakeholders was reported to discourage frank and open exchanges of information. It is the responsibility of managers and senior BAs to ensuring that feedback on performance is obtained and utilised with integrity and care.

## **Next steps**

This paper provides a basis for further discussion and development on measuring BA performance. These initial findings will be presented at the BA Manager Forum event on 15<sup>th</sup> May 2015 following which, the paper will be circulated to the wider BA Manager Forum community for further feedback and review.

This paper does not provide detailed objectives as they will necessarily be set on an organisation by organisation basis. Example SMART objectives and suggested survey questions are provided under Appendix 2.

The hope is that Forum members will make use of this content and relay case study examples of where this baseline information has been used to build specific metrics of performance.

The final white paper will be published in July 2015.

## Appendix 1 - Financial measures

This appendix considers the financial aspects of BA performance measurement.

### Overview

- BAs undertake many activities in projects which are hard to measure in terms of financial value e.g. stakeholder management that requires ongoing effort to yield success. The importance of time invested in such work must be understood by the wider organisation.
- The balance of discussions during the workshop focused on the BA role reducing costs rather than adding value.
- Few of the BA Managers run teams with targeted financial performance measures. For example, find a way of saving 10% of operational costs. Most BA's are positioned on projects to deliver specified outputs or deliverables.
- The role that the BA plays in delivering financial benefits will vary and needs to be agreed within the individual organisation. For example, identification of benefits vs ownership of benefit delivery require different levels of responsibility and accountability.

### Suggested measures

Potential CSFs	Potential KPIs	Comments observations
Financial management for deploying the BAs	% utilisation time on projects (charged) % non-utilisation time	Timesheet systems and reports may be used.
BA contribution to lower costs of providing solutions	£xx avoided cost resulting from BA activity £xx avoided cost resulting from previous project experience £xx avoided cost resulting from reduced use of external consultants (because of internal BA activity)	By documenting and publicising the savings in analysis deliverables such as feasibility reports, proposals, business case options.
BA Achievements to lower costs of solutions	% reduction in defects or change requests (resulting in reduced change budget or solution development/maintenance costs)	Illustrated in project or maintenance budgets savings
BA Achievements to lower costs of solutions	% reduction in cost of solution delivery (resulting from using a new BA technique or approach) % reduction of costs or time against project estimates X number of projects in the organisation that re-use the approach or solution	

Potential CSFs	Potential KPIs	Comments observations
BA Achievements that increase the value delivered by solutions	X number of new growth opportunities for the organisation £xx further benefits (not predicted) due to business analysis activity % financial cost avoidance due to business analysis activity	Documented in analysis deliverables plus measurement of changes to bottom line business metrics (e.g. sales volumes, operating costs etc.) as a result of work.
BA Achievements that optimise the quality of the business case	X number of business cases accepted over a given period % stakeholders agree or strongly agree that there has been better selection of solution option through good analysis enabling lower costs and higher value of delivered solutions	Through options analysis reports or business proposals and recording of key situations where the business case was challenged and successfully argued the case for a particular course of action.
BA Achievements that lead to further sales (prevalent in IT service providers/consultancies)	X number of sales leads resulting from business analysis activities	

## **Appendix 2 – Customer element**

This appendix considers the customer aspects of BA performance measurement.

### ***Overview***

- There are several ways in which individual BA's contribute to the growth and success of their practice. For example, by generating future revenue, contributing to their employer's preferred supplier status, or reducing reliance on external consultants in favour of in-house consultancy services. These measures need further exploration within an organisational context the extent to which individual BA's could be held to account in these areas varies significantly between organisations.
- Measures with regard to the customer element will be subjective and a short survey completed by a small selection of stakeholders/customers is considered the best means of collecting performance data. The extent to which the BA is successful in motivating stakeholders to give feedback was in itself seen as an indicator of the BA's ability to influence stakeholders.
- Some organisations use tools such as Spotify to gather short, frequent feedback on performance.
- Stakeholders/customers from whom feedback will be sought should be agreed at the commencement of the project; Project Managers and line managers should have some input to ensure feedback is balanced.
- Customer advocacy ("Would you recommend this BA to your colleagues") is a highly contentious issue. Few managers are comfortable with this question despite feeling that having a BA requested by name was a good indicator of BA performance. Requests for named resources were considered to be undesirable from a resourcing perspective. Recommendations may be on the basis of a BA being overly-compliant and this may be the reason for a BA's popularity, rather than the delivered performance.
- There are challenges in communicating expected performance levels. Many stakeholders cannot or do not understand differences in seniority/salary etc. and expect all BAs to offer the same level of performance. It is a minority of organisations where job title or fee rate would be sufficient to communicate the expected level of performance.
- Short feedback surveys are relevant when gathering feedback on both permanent and contract BA's

### ***Suggested measures***

Data would be collected using a survey with the following recommended survey attributes:

- An online medium (Spotify, Survey Monkey) should be used if possible.
- Question numbers should be limited to a maximum of 5 questions.
- Responses should be captured using a Likert type scale i.e. Strongly disagree, Disagree, Neither agree nor disagree, Agree, Strongly agree.

- There should be no requests for justification or examples, nor should free text space be given.

The five most consistent areas recommended for stakeholder feedback are shown below. The KPIs would be assessed on the basis of a five-point Likert scale (Strongly Agree....Strongly Disagree). The performance target to be achieved would be agreed on an organisational and individual basis.

Potential CSFs	Potential KPIs	Comments/observations
Communication	The method and frequency of communication were agreed at the start of the project, and were maintained	Strong performers will tailor their communication approach to meet individual stakeholder needs, rather than adopt a “one size fits all” approach
Commitment	The BA was committed to a successful project outcome	Strong performers are concerned with the project as a whole, not just their own deliverables
Knowledge	The BA understands my business and what is important to me	Strong performers seek to understand multiple business viewpoints and represent stakeholder interests
Value	The BA produced outputs that were valuable to me	Strong performers produce artefacts that are seen as useful to the stakeholder
Teamwork	The BA encouraged collaboration within the project team	Strong performers engage others and foster collaborative working

### **Example SMART objectives**

Example SMART objectives and survey questions are below. Specific objectives will have to be designed to suit the particular context of each organisation. Below is a suggested worked example.

SMART Objectives	
1	Achieves a rating of “Agree” or higher from <80%> stakeholders surveyed in the last <quarter>
2	Achieves a survey response rate of <50%> or higher from stakeholders invited to give feedback, within the last <quarter>

### Example survey relating to the customer element

Suggested Survey Questions	Strongly Disagree	Disagree	Neither Agree / Disagree	Agree	Strongly Agree	Rationale for question inclusion
The method and frequency of communication were agreed with me at the start of the project, and were maintained						<i>Strong performers will tailor their communication approach to meet individual stakeholder needs, rather than adopt a "one size fits all" approach</i>
The BA was committed to a successful project outcome						<i>Strong performers are concerned with the project as a whole, not just their own deliverables</i>
The BA understands my business and what is important to me						<i>Strong performers seek to understand multiple business viewpoints and represent stakeholder interests</i>
The BA produced outputs that were valuable to me						<i>Strong performers produce artefacts that are seen as useful to the stakeholder</i>
The BA encouraged collaboration within the project team						<i>Strong performers engage others and foster collaborative working</i>

### Appendix 3 – Internal element

This appendix considers the internal aspects of BA performance measurement, including measuring the quality of deliverables, processes followed, planning and execution, and reuse of products and templates.

#### Suggested measures

Potential CFSS	Potential KPIs	Comments/Observations
Quality of BA deliverables	<p>% of agree or strongly agree comments enabling Assessment of feedback based on amount, severity, level of understanding of reviewer of content; aggregate to achieve effectiveness score</p> <p>Number of versions / review cycles required with regard to specified deliverables (assesses ability of BA to get it right first time)</p>	<p>Stakeholder reviews Peer reviews Expert BA reviews</p> <p>Consider the complexity of subject matter/number of stakeholders.</p>



Potential CFSs	Potential KPIs	Comments/Observations
Readiness of Deliverables to go to next stage	<p>% of deliverables ready for gateway reviews on time &amp; aligned with gateway requirements.</p> <p>% requirements that are fully prioritized</p>	Generic scorecard that can be used for all BA deliverables (readability, completeness, usability, concise, etc.)
Quality of Requirements Management	<p>% completion of traceability matrix (demonstrates maintained hierarchy of requirements) &amp; requirements with defined owners / sources</p> <p>% requirements where it is possible to track resolution of requirements at the end of the project</p> <p>% requirements where it is possible to link to business case</p> <p>% requirements with defined justification</p> <p>% traceability from delivery of expected benefits to requirements</p> <p>Number of defects in solution due to requirements</p> <p>Number of change requests for a given project</p> <p>% developers / testers agree or strongly agree that requirements are fit for purpose</p>	<p>Can be hard to attribute and data gathering can be onerous</p> <p>Depends on lifecycle – less relevant to agile. Need to understand context for change.</p> <p>Need to be clear on remit of development to sign off requirements – should be that fit to work from</p>

Potential CFSS	Potential KPIs	Comments/Observations
Quality of plan for business analysis activity	<p>% of quality plans given expert review of planned approach and timeline</p> <p>Number of reviews of plan</p> <p>Manager's perception of BA's willingness to innovate and try new tools or different approaches</p>	<p>Depends how BAs are expected to work:</p> <p>Fixed process and set of deliverables</p> <ul style="list-style-type: none"> <li>- Framework with some discretion for BAs to adapt how they work</li> </ul>
Planned versus actuals for BA plan	<p>Manager's perception of whether BA follows plan:</p> <ul style="list-style-type: none"> <li>- % occasions when delivers mandatory products</li> <li>- % occasions when delivers products against timeline in BA plan</li> <li>- % occasions when estimates of effort agree with actual effort</li> </ul> <p>Manager's perception of whether quality of plans and delivery to plan improves over time</p> <ul style="list-style-type: none"> <li>- % improvement in quality of estimates (linked to previous KPI)</li> <li>- % reduction in time to produce deliverables (BAs get faster as learn to apply new techniques)</li> </ul>	
Ability of BA to manage role effectively	% time spent on projects / project performing BA activity (depending on granularity of time recording done)	<p>Tendency of BAs to go outside role to get the job done – may not be the wrong behaviour but should be done transparently and consciously</p> <p>Needs right culture especially to support more junior BAs</p>

Potential CFSS	Potential KPIs	Comments/Observations
Credibility of BAs	<p>Number of situations escalated during a project</p> <p>Number of repeat requests for BA</p> <p>Number of requests for broader business role to be adopted by BA</p>	Tendency for escalations where lack credibility with stakeholders
Risk Management	Number of audit failures (target = none)	
Reuse of BA content and templates	<p>Manager's perception of intelligent, tailored reuse of NFRs</p> <p>% deliverables produced using available templates</p> <p>Number of improvement comments on templates</p>	<p>May depend on how repeatable projects are</p> <p>Requirements tools can help reuse and measuring reuse</p>

## Appendix 4 Innovation (or learning and growth)

This appendix considers the innovation aspects of BA performance measurement.

### Overview

- The ultimate goal of personal development/learning and growth is to improve/influence project delivery and this in turn leads to uplift in stakeholder confidence and potential improved business engagement.
- One theme that was consistent for this area is to approach it using Baseline, Mature, and Measure.
- As part of base lining, gauging the general 'feel' of the B.A. community can be managed through the use of a questionnaire focussed possibly on:
  - o How is it going?
  - o How's line management going?
  - o How's training progressing?
- Rotation can help to accelerate learning – this supports self-learning and rapid feedback (monthly). This approach helps in the application of BA skills rather than relying on business/system knowledge.
- Some organisations enforce a 100% utilisation rate and do not offer an allowance for personal development time. In these organisations BAs may need to do any personal development work in their own time. An alternative example of a breakdown of time allocation is an allowance of 10% formal training, 20% mentoring from Senior B.A.s and 70% of learning by doing. Another alternative is to allocate time specifically for personal development, for example:
  - o 15 hours per year of training embedded into performance plan.
  - o Development days booked in the diary 4 times/year. Enforced (i.e. no-one can book over them). Objectives set for the time (each day) and then measured.
- Consideration needs to be given to: if reward and/or promotion aren't possible how do you motivate people to grow?
- A formal role definition can constrain development or the motivation to operate outside a given remit.
- Growing practice knowledge leads to innovation and innovation can be linked to talent management considerations.
- Metrics have the potential to stifle innovation.

## Suggested measures

Potential CSFs	Potential KPIs	Comments/observations
<b>Training &amp; Skills Growth</b>		
Clearly defined training programme base lined from a training needs analysis	<ul style="list-style-type: none"> <li>• Number of B.A.s in formal training</li> <li>• Number of courses attended</li> <li>• % success rate in exams</li> <li>• % of BAs fully trained</li> </ul>	<p>This area relies on a firm baseline and regular monitoring:</p> <ol style="list-style-type: none"> <li>1. Monitor progress of B.A. after x months and also ask the B.A. to self-assess: <ul style="list-style-type: none"> <li>• What didn't I learn?</li> <li>• What 3 things did I learn that I will apply?</li> <li>• By when?</li> </ul> </li> <li>2. Success may show as an Impact on utilisation rate (improvement) and could also be measured through use of new skills used in future project work.</li> <li>3. There was some discussion around what 'fully' meant as it may be wider than the technical BA skillset e.g. Agile methodology or softer skills.</li> </ol>
Overall growth of the B.A. skillset	<ul style="list-style-type: none"> <li>• Number of additional skills added to the baseline in a given time period</li> <li>• Number of new skills used in projects.</li> </ul>	
<b>Business Sector/Domain Knowledge</b>		
Knowledge of business area	<ul style="list-style-type: none"> <li>• Measure at different levels. Manager's or peers' perception of: <ul style="list-style-type: none"> <li>- Does the BA know enough to survive?</li> <li>- Does the BA know enough to contribute?</li> <li>- Does the BA know enough to teach and advise?</li> </ul> </li> </ul>	Need to think around stakeholder engagement skills, business relationship management skills as well as sector knowledge.
Strength of business relationship	<p>Manager's or peers' perception of:</p> <ul style="list-style-type: none"> <li>- Number of BA's trusted advisor relationships</li> </ul>	More difficult to measure, possibly through 360° feedback

Potential CSFs	Potential KPIs	Comments/observations
	<ul style="list-style-type: none"> <li>- BA's ability to go into new business areas and impact</li> <li>- BA's ability to influence</li> </ul>	
<b>Community maturity &amp; growth</b>		
Health/progress of Internal BA Community:	<ul style="list-style-type: none"> <li>• Number of forums run</li> <li>• % attendance at community events</li> </ul>	<ul style="list-style-type: none"> <li>- Attendance at community events can help to challenge business area engagement.</li> <li>- Baseline these measures against expected attendance levels</li> </ul>
Enduring and / or persistent coaching / leadership in a new skill and/or new knowledge gained through attendance at either training or conferences	<ul style="list-style-type: none"> <li>• Number of playbacks at forum level</li> <li>• Number of BAs being formally coached</li> </ul>	<ul style="list-style-type: none"> <li>• Are my B.A.s teaching others?</li> <li>• Softer measures can be used such as anecdotal evidence, perception or feedback</li> </ul>
BA knowledge sharing	<p>Manager's or peer's perception of leadership through knowledge sharing:</p> <ul style="list-style-type: none"> <li>- Available to others to share knowledge, answer questions</li> <li>- Make expertise available via documentation</li> <li>- Keeping documents up to date</li> <li>- Make use of established knowledge bases to learn – especially if new</li> </ul> <ul style="list-style-type: none"> <li>• Number of times that present on topic, responsiveness to update when important changes</li> </ul>	
<b>Personal Development</b>		
Do all B.A.s have a personal development plan aligned to organisational goals	<ul style="list-style-type: none"> <li>• Number of BAs with an 'active' personal development plan</li> <li>• Number of achievements made against PD plan</li> </ul>	<ul style="list-style-type: none"> <li>• Question: how do we measure 'active'? Actions in the last 3 – 6 months? Actions monthly? Hence difficult to specify frequency.</li> </ul>

Potential CSFs	Potential KPIs	Comments/observations
	<ul style="list-style-type: none"> <li>• % B.A. time spent on personal development</li> <li>• Number of opportunities to 'learn on the job'</li> </ul>	<ul style="list-style-type: none"> <li>• If the PD plan doesn't reflect the goals of the business then there is a challenge to the value that it adds.</li> <li>• Willingness to flex/go into a new business area and 'learn on the job'</li> </ul>

END