Choosing the Right Model for your Business Analysis Practice

Perhaps you are a Business Analysis Manager struggling with the inconsistency of analysis methodologies and BA skillsets across your organization. Perhaps you are an executive leading several business analysis teams that can’t seem to work together. Or perhaps you’re a Business Analyst working on confidential projects, and you don’t know where to go for help internally.

This diverse set of challenges may indicate a problem with the structure of your organization’s business analysis function. The standard building block of the organization is the department, and we’ve deployed them to great success. But if this structure isn’t providing all the benefits your organization needs, it needs to be complemented.

Here we will compare the various modern models for business analysis practices and explore which model(s) can best suit your organization.

Don Hussey is a career Business Analyst and Managing Director of Advisory Services for NorwalkAberdeen. He is directly responsible for managing all business analysis activities of the firm, overseeing advisory engagements, training, and coaching. Prior to co-founding NorwalkAberdeen, he was Senior Vice President and head of the Business Analysis Center of Excellence for Citi Private Bank. Earlier in his career, he worked for Morgan Stanley and UBS. He resides in Washington, DC.
The Business Analysis Department

First, the business analysis department. This is just what it sounds like: your garden variety team of three or three hundred people joined through hierarchical line reporting relationships. The reporting structure is highly formalized, with a department head having line responsibility for the team. The team has a purpose that is primarily functional – The majority of their work will be focused on delivering business analysis services, although some amount of employee development, training, and coaching are performed in the course of doing business. I believe we are all familiar with this model.

Departments have some strengths, the greatest of which is their superior ability to execute and deliver project work. They also promote some development of business analysis capabilities. While they have a strong ability to incorporate employee strengths and weaknesses into development plans (and thereby to motivate effort), they only have a partial ability to define and develop standards for analysis work and requirements quality across the organization. Most importantly, however, departments are the status quo for organization-building.

They have their disadvantages as well. Departments sometimes compete against each other. Interdepartmental communication often is lacking. Departments usually cannot impose standards for their peers. Departments typically develop their own methods for performing work, and these methods can clash on interdepartmental work. Finally, reorganization of departments is negatively disruptive to the work of the organization and often the employee experience. In short, the department will not be going away any time soon, but it is not an ideal structure for every organizational need.
The Business Analysis Center of Excellence

Centers of excellence differ substantially from departments. COEs have a Lead, responsible for effective management of the COE’s functions (which do not typically include the delivery of analysis work products).

The typical management mandate to a COE will include at least the following:

- Coordinating organization-wide analysis activities
- Enhancement of requirements quality and timeliness
- Development, training and coaching of Business Analysts
- Coordinating BA resources across projects
- Internally (and often externally) championing the business analysis function

In the COE model, Business Analysts continue to report to their functional manager (Technology, Product, Project, Process), however with optional dotted-line matrix reports to the COE Lead.

There are numerous advantages to the COE model. It provides centralization of responsibility for business analysis meta-functions. While project work is typically managed among the departments, the COE ensures high quality, consistency and durability of that work. It also provides a stronger ability for development of, and adherence to, requirements development standards. There is little or no impact to reporting lines, and therefore they represent significantly less expense than establishment of a department. Where other COEs exist in the organization, a Business Analysis COE will easily align and interact with them.
However centers of excellence are not best-suited for every organization. The partial or complete loss of a very senior Business Analyst’s time can be an issue for some. COE Lead responsibilities, when the center is fully functional, will likely expand to completely occupy the individual’s time, which in many cases is billable. Alternatively, a COE Lead can be hired from outside, or the new Team Lead can be backfilled, and there is some expense associated with the new position.

The Business Analysis Community

The last type of organization we’ll cover is the community, and organization is perhaps too strong a word.

Communities are usually implemented in a grassroots fashion by a small group of Business Analysts who have identified a need to share information, practices and advice with others. The community slowly grows through word of mouth and often does not reach the general awareness of the organization or even management.

This is an organic, self-organizing model. There is no reporting structure holding things together, and indeed there often is not even a leader. Administrative tasks (e.g. setting up shared drives and wikis, organizing events) are typically handled on an ad hoc basis by those who feel most strongly that they should be done.

The advantages of communities are numerous. They cost little to nothing. They offer some degree of organic coaching and mentoring, in addition to sharing of best practices and lessons learned. They provide a place for Analysts to seek help and thereby promote higher employee experience.

The only true disadvantage of communities derives entirely from their organic model. They don’t provide direct support for executing upon organizational goals. It will be important for management to maintain realistic expectations of these communities, if they are to flourish.
Goals and Constraints

Your goals should drive the selection of your model.

If your goal is to truly manage the business analysis function most strongly, integrating control of all work products, it will make the most sense to centralize all the Business Analysts in a single department under a single leader.
If your goals are to evangelize the BA function, develop the capabilities of your Business Analysts, promote standards and quality and so on, the Center of Excellence model can catalyze these results without the level of disruption of a reorganization. Indeed, COEs usually are complementary to dispersed

Or is your goal simply to start building a common resource and go-to place for Business Analysts? The community model will help, especially if there is no available budget to invest.

Nonetheless, constraints will often make pursuit of any of the above models challenging. There may be political obstacles in the way of a reorganization or budgetary constraints challenging the hire of a COE Team Lead. If the constraints cannot be overcome, consider other supplemental models (e.g. COE in place of Department).

Closing Advice

My closing advice to management is two-fold. First, encourage the development of grassroots business analysis communities in all cases, but try not to get too involved. Provide support and advice when asked; otherwise let it take its own course. Also, consider the substantial ways in which a center of excellence can enhance your organization’s business analysis function and whether or not it makes sense to implement one.

I will similarly offer two pieces of advice to Business Analysts. Consider the significant benefits communities can add to your work and that of your colleagues, and start one if it makes sense. And talk with your managers about whether or not a Center of Excellence can complement your existing reporting structure.