

Business Analysis Improving Business Experience¹

By Angelica Larios, DSL, MBA, PMP

Business analysis has become essential in doing business and helping executives and directors improve decision-making. "Analytics promises to provide better facts and facilitate better analytics-based decision making" (Bartlett, 2013, p.6). Through running projects and implementing business analysis, project managers are helping, directly and indirectly, to improve the business experience and help executives improve the decision-making process.

"Business decisions are based on questions about the current situation and how that situation can be improved. Those are called strategic business questions." (Carter, 2014, p.37). Thinking of the right questions about how to improve the current way of doing business. Improving the particular process, reducing costs or increasing income, becoming the first election for our customers, employees, partners, etcetera are essential aspects that need data to respond correctly to those business questions. When you find business questions worth answering and invest money in them, gathering and analyzing data will help answer the questions.

According to Tom Davenport, there are three analytical categories:

1. Descriptive analytics,
2. Predictive analytics and
3. Prescriptive analytics.

Descriptive analytics digs into the past and tries to explain what could happen, while predictive analytics pretends to model a possible reality where the user can determine the different variables, see the results, and choose a plan of action. On the other hand, prescriptive analytics shows a possible way of action based on the trends and previous experience and the predictive analytics. Ideally, all B.I.'s implementation projects should be prescriptive for several business aspects and decisions.

Companies are in a different stage in using these types of analytical tools. "Though big data enhances classic models' prediction power and decision effectiveness by expanding their variables and feature space." For example, using predictive and prescriptive analytics, "significant contributions to management science research should emphasize how available information provided by data may invoke novel ways of modeling and analysis, leading to new managerial insights, policies, opportunities, and implications." (Nazerzadeh & Shanthikumar, 2018, p.64).

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Business Analytics is a relevant new discipline that helps to connect "previously disconnected tactical and logistic information management systems." Still, it is essential not to forget that Business Analytics is a tool "its power and transformative capacity lie in its deployment and usage in innovation processes." (George, 2017, p. 17). The business and corporate world are moving into a technological era that should represent a benefit to enhance the current way of doing business or improve the business experience by leveraging the technology. Project managers have a tremendous opportunity to lead this type of project in the digital era, learning about the benefits from the technological and business points of view. These projects have become more common and essential for several organizations, and the investment in those projects is the top trend for investment in the years to come. It becomes crucial for the PM to succeed on these critical projects.

"Companies commonly implement business intelligence (B.I.) systems on top of their enterprise resource planning (ERP) systems" as a manner of improving "the utilization of the wealth of information stored in ERP systems." It can be said that B.I. systems "have emerged to solve the problem of providing flexibility of use" while ensuring the integration of data. (Huikku, 2017). However, over time, the use of Business Intelligence and Analytics has proved to benefit in other ways to the business and has become a common practice.

Corporate performance management (CPM) or Enterprise performance management (EPM) is "an umbrella term that describes the methodologies, metrics, processes, and systems used to monitor and manage the business performance of an enterprise." (Geishecker, 2001). This set of computer systems is considered "enterprise-level business intelligence" (Bose, 2006). Reconciliation of these viewpoints suggests that a "CPM system" comprises a combination of performance management practices and business intelligence (B.I.) technologies that help managers set better and monitor business-performance metrics and know what is happening in the organization why it is happening. Considering this combination as predictive analytics. (Yeoh, 2014)

Thus, analytics can help organizations adapt at a faster rate by trialing new products or internal processes to enhance efficiency or performance. "Analytics is not only information technology, but it is also an enabler of an organization's innovation processes, organization design, strategy formulation, scenario planning, and risk mitigation, and performance efficiencies in manufacturing and service delivery." Business Analytics obtains "status and changes within and outside of an organization; it can also provide real-time and predictive insight, where previously decision-makers could only look backward with historical data." (George, 2017, p. 17). The benefit of modeling and integrating artificial intelligence into current systems help organizations to improve the decision-making process by getting close to reality. However, other aspects must be considered while adopting this type of technology and "in preference have teams of human a computers diligently following sets of rules" and implement procedures that help executives better do their jobs. (Bartlett, 2013, p.234).

Decisions have a high value either for individuals or organizations; data sustains all decisions. The job as a consultant is to recommend our clients develop leadership and

management skills to the current and potential analytical executives that could improve the use of business analysis and decision-making process.

However, it is mandatory to take into consideration that business analysis is a relative new career, and there is an Institute that provides best practices and a book of knowledge: "The International Institute of Business Analysis (IIBA) is the leading organization in the world for business analysis." (About IIBA, 2016). This institute could also be a guide for recommendations to our customers. According to the IIBA, "Business analysis enables change in an organizational context by defining needs and recommending solutions that deliver value to stakeholders (Business Analysis, 2016). One of the IIBA's stated goals is to serve professionals "in a broad range of roles - business analysis, systems analysis, requirements analysis or management, project management, consulting, process improvement and more" (About IIBA, 2016) (Cappel, 2018). We, as PM are quite familiar to the PMI and the body of knowledge, in similar manner BA has organized their knowledge and share with other professionals.

The "emergent digital era governance: enacting the role of the institutional entrepreneur in transformational change" (Tassabehji, 2016) suggests several roles adapt better to the technological changes identifying the part of the CIO as the entrepreneur for the digital era transformation.

CIOs revealed how they and other I.T. decision-makers had to behave when their actions were determined by the institutional environment in which they participate. In talking of their individual experiences, this was firmly enveloped in the mobilization of resources, including the development of alliances and cooperation between exceptionally professional experts and agents, which is core to an institutional entrepreneur. (Tassabehji, 2016).

As a consultant and implementor of analytical solutions for companies in Mexico and Central America, I have witnessed several benefits for industries, companies, and people using descriptive and predictive models. From financial planning and budgeting, financial consolidation, and Business Analytics projects, I have helped my customers model the business and enabled them to improve the decision-making process. I have had the opportunity to model different scenarios, versions, and considerations to analytical modeling specific to sales and marketing modeling to review what products are more profitable or what customers buy more or have more discounts. Another type of B.I.'s implementation is modeling the workforce, capex, profitability, tax management, project financial planning, etc., focusing on evaluating different business aspects and values.

Conclusion

In the digital era, solutions for business intelligence, data warehouse, big data, and similar are the top investment projects for CFOs worldwide. More and more, these types of solutions are regulated by institutions such as the mentioned IIBA, among others that search to create and compile the book of knowledge for the projects to come.

As we all know, project managers are needed everywhere. They are crucial in the innovation and digitalization efforts of the organizations to help them stay focused, on track, on time, on scope, and cost. Being involved in these initiatives help the profession of project management to stay closer to the top executives and be a factor of change for the organizations.

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Angelica Larios, DSL, MBA, PMP, is a project manager with more than 20 years of experience in implementing software projects related to business intelligence, planning and budgeting, and financial consolidation solutions based on software applications to support the business decision process. She is the owner of ALACONTEC, an I.T. consulting company founded in Latin America. She has held several professional positions in private and public organizations, such as the Health Ministry in Mexico as an I.T. director and a business manager for several Mexican firms.

She holds a master's degree in business administration and a bachelor's degree in computer science from the National University of Mexico (UNAM), in addition to her studies in project management and her Project Management Professional (PMP)® certification, which have helped her to consolidate her career and have a better understanding of what businesses and projects need nowadays. She is a doctor in strategic leadership at Regent University, VA; she has been a volunteer since 2007, starting in the local Mexico chapter, being Past President, and in several positions within PMI (CMAG, VBAC, EMAG) that support the PMI Global Operations. Angelica has been elected as a member of BOD of the ILA (International Leadership Association) (2021-2024).

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