Tutorial Letter 000/3/2013
Business Informatics IIA

ICT2641

Semesters 1 and 2

Department of Computing

This tutorial letter contains:
Workbooks

WORKBOOKS

Following are a number of workbooks which you can work through before the examination. The questions in these workbooks pertain to Part 1 & 2 (in Tutorial Letter 102/2013) as well as the first six chapters of your prescribed textbook. DO NOT submit it. You will notice that there are solutions directly following a workbook.

PART 1: WORKBOOK EXERCISE 1

(The workbooks in Part 1 covers the content of Tutorial Letter 102, Part 1 as well as first 6 chapters of prescribed textbook)

Question 1

1.1 Why do business analysts sometimes fail in their jobs? (4)

1.2 Why would managers not disclose all the right financial information? (4)

1.3 Explain what Con-Dom means and why companies that use this method are successful. (3)

1.4 What are the key elements of Task Clarity? (5)

[16]

Question 2

2.1 When are items considered as cost-oriented measures and when as non-cost measures? (2)

2.2 Define gap analysis and describe the steps it involves. (11)

2.3 Golden Enterprises is a company trading on the stock exchange. The following financial data is available:

Number of shares issued:	15 500 ordinary shares
Share price on 31 December 2001:	R0,80
Net profit for the year ended 31 December 2001:	R106 million
Sales revenue for the year ended 31 December 2001:	R4 580 million

Calculate the following (round off your answers):

2.3.1 Earnings per share {2}

2.3.2 Total market capitalisation {2}

2.3.3 Return on sales as a percentage {2}

(6)

[19]

Question 3

3.1 Explain what a balance sheet and an income statement are. (2)

3.2 Differentiate between assets, liabilities and owner's equity. (6)

3.3 The following figures were taken from the statements of Clark's Upholsteries:

Owner's equity:	R1 200 000
Long-term loans:	R600 000 @ 15% interest
Current liabilities (creditors plus overdraft):	R1 400 000
Fixed assets (land, buildings, plant & equipment):	R1 200 000
Current assets (stock plus debtors):	R2 000 000
Annual sales:	R1 700 000
Cost of sales:	R1 000 000
Operating expenses:	R350 000
Tax rate:	40%
Owner expects 25% on his investment	

Compile a simple balance sheet and income statement (queue for cash). (11)

[19]

Question 4

4.1 Why do we need to concentrate on COS when reducing cost and expenses? (2)

4.2 How can you increase sales or reduce assets? (2)

4.3 Take the financial statements that you compiled in question 3.3 and calculate ATO #, ROS % and ROAM. From these calculations and the financial statements, identify at least three opportunities that you can turn into projects that will improve the ROAM of the company. (6)

[10]

Question 5

5.1 Describe the three different types of decisions that managers make. (16)

5.2 List the factors governing the style of systems to use. (9)

5.3 Briefly describe the three aspects of IT&S strategy. (6)

5.4 List at least five possible questions to use in determining whether a project was successful or unsuccessful. (5)

[36]

Total: 100

SOLUTION TO WORKBOOK EXERCISE 1

Question 1

1.1

- An IT consultant uses technical terms that the client does not understand.
- An IT 'solution' only causes other organisational problems.
- A person is placed in the job of business analyst because he/she did his/her previous job as systems analyst well … without any focused training on what the new job requires.
- The business analyst who has to prescribe the 'business case' for a new information system is a technical expert without a feeling for the dynamics of the specific business.

1 mark each (4)

1.2

- The information that managers need so as to make the right decisions is usually not the information that the receiver of revenue needs.
- A company does not want to disclose its strategy to its competitors through its financial reports.
- The accounting system used by the company influences how financial data is reported.
- Different kinds of businesses will report different things in their financial statements.

1 mark each (4)

1.3

Concentrate to dominate, and you'll be nice and safe on attack or defence – occupying a low-risk, high-return position on the battlefield.

Companies that win constantly:

- concentrate their resources and effort on a very narrow front
- dominate their chosen sector of the market

1 mark for explaining what Con-Dom is

2 marks for reasons why companies that use this method are successful (3)

1.4

The key elements of Task Clarity are as follows:

- ***Expectations*** *– Brains feed on them. Harness brainpower. Paint an exciting picture of what 'could be' in the minds of your people.*
- ***Information*** *– Are the expected standards simple and clear? No confusion? Does the information guide, or do people have to rely on memory?*
- ***Tools and facilities*** *– Do your people have the resources they need to hit the standards and make expectations a reality? Or, does the workplace hold them back with bad processes and procedures?*
- ***Measurement and feedback*** *– Is this tied to performance they control? Is it fast and frequent? Visual? Does it alert them? Can they 'trouble-shoot' with it?*
- ***Incentives*** *– Can employees tune into* WII-FM *– 'What's in it for me?'*

1 mark each (5)

[16]

Question 2

2.1

Items on which you can place a rand value are cost-oriented measures, for example marketing costs and distribution costs. Non-cost measures are items that are

measurable but not in rand terms, for example quality of products/service and complaints and returns.

1 mark each (2)

2.2

Gap analysis is the study of the customers' satisfaction with the business's product or service compared to their expectations. It involves three steps:

1. **Determining the gap:** You need to determine if there is a gap between the expectations and perceptions of the customers by communicating with the customers. Determine what the expectations of the customers really are and not what the managers think their expectations are.

2. **Identifying sources and causes of gaps:** This step requires a deeper study to determine the sources and the causes of the gap. Incorrect expectations, poor design, inadequate performance, or inadequate follow-up may cause gaps between expectations and perceived performance. It is important for managers to identify the source, as each one requires a different kind of corrective action.

   Sources of gaps:

   - In some cases gaps are caused by incorrect expectations. The business could have communicated inappropriate expectations to the customers.
   - The design and manufacture of a product or the development of a service may be a source of gaps. This means that customer expectations are assessed correctly but the design team develops a totally different product.
   - Actual performance in producing a product, providing a service or providing after-sale service is the third source of gaps. Poorly trained employees, poor internal communications, supplier problems, inappropriate delivery systems or insufficient co-ordination between various groups within the business can cause it.
   - Inadequate follow-up is also a source of gaps. Managers should consult with their customers periodically to assess how well the warranties are meeting the customer's needs.

3. Taking corrective action

Managers should be committed to solving problems. Some gaps between expectations and performance may have developed accidentally, and most customers do accept that businesses can make mistakes occasionally.

Communication is very important in removing gaps. Managers should communicate every day with their customers, employees and other stakeholders. Then if a gap does occur, everybody feels comfortable about discussing the problems and solutions.

Finally, managers should reassess performance and expectations continuously.

1 mark for definition

2 marks each for steps

4 marks for sources of gaps (11)

2.3

2.3.1 106 000 000 + 15 500 = R6 839 {2}

2.3.2 15 500 x 0,80 = R12 400 {2}

2.3.3 106 000 000 + 4 580 000 000 x 100 = 2% {2}
(6)

[19]

Question 3

3.1

- The balance sheet tells us where the money came from with which the owner bought assets, and which assets were bought.
- The income statement, also known as the profit and loss statement, shows the business's bottom line – i.e. profit after costs, expenses and taxes. It summarises all the resources (called revenue) that have come into the business from operating activities, money resources that were used up, expense incurred in

doing business, and what resources were left after all costs and expenses were paid, including taxes.

1 mark each (2)

3.2

- Assets are economic resources owned by a business. Assets include tangible items (such as equipment, buildings, land, furniture, fixtures and vehicles that help to generate income) and intangible items (such as patents and copyright).
- What the business owes to others is called liabilities.
- Equity equals assets minus liabilities.

2 marks each (6)

3.3

Balance sheet
Clark's Upholsteries

Cash resources in:	R
Owners (equity)	1 200 000
Lenders (loans)	600 000
Total cash in	1 800 000
Productivity capacity:	
Fixed assets	1 200 000
Raw material & work in process (WIP)	2 000 000
Total assets managed	3 200 000
Cash owed to suppliers	(1 400 000)
Total cash out	1 800 000

Income statement
Clark's Upholsteries

R

Sales-in-cash banked	1 700 000
The queue:	
1. 'Ready-for-sale' costs (COGS)	(1 000 000)
Gross profit =	700 000
2. Wages, salaries & services (OPEX)	(350 000)
Earnings before interest & tax (EBIT) =	350 000
3. Lenders	(90 000)
Profit before tax (PBT) =	260 000
4. Receiver of revenue	(104 000)
Profit after tax (PAT) =	156 000
5. Owner's expected return	(300 000)
Wealth created/(destroyed)	(144 000)

(11)

[19]

Question 4

4.1

COS is likely to have a bigger effect on productivity than expense items.

2 marks (2)

4.2 One can increase sales or reduce assets by either increasing the numerator or reducing the denominator.

2 marks (2)

4.3

ATO # = Sales / Total assets

= 1 700 000 / 3 200 000

= 0,53

ROS % = EBIT / Sales * 100

= 350 000 / 1 700 000 * 100

= 20,59%

ROAM= ATO * ROS

= 0,53 * 20,59

= 10,91

(6)

[10]

Question 5

5.1

The different decisions require different types of information, at different times and in different formats.

Strategic decisions

Strategic decisions influence the direction and strategy of the business. These decisions are often carefully considered and may involve millions of rands of investment.

Strategic decisions include:

- whether to acquire or merge with a competitor
- whether to enter a new local or global market
- whether to diversify products or services
- whether to decentralise the business

Strategic decisions have the following characteristics:

- They have long range impact.
- They require careful analysis of the business and its environment.
- They are often the result of a strategic planning process.

- They may involve millions of rands.
- They are designed to capture opportunities or offset competitive weaknesses.
- They involve top management, including the board of directors.

Although others in the business may provide input, the magnitude of decisions dictates that the managers at the highest level will be involved. Strategic decisions consider as much information as can possibly be gained. After careful study, these decisions are made slowly.

Operational decisions

In contrast to strategic decisions, operational decisions are shorter-term and relate to the planning, co-ordinating, monitoring and control of the day-to-day activities of a business. They concern aspects such as the following:

- How many units to make today, tomorrow, next week
- The number of customers orders to process today
- Sales target for the month
- What to do about outstanding debtors over 60 days

Operational decisions have the following characteristics:

- They may or may not involve large amounts of capital.
- They deal with specific situations within the business.
- They are made by experienced managers in the area affected by the decision.
- They often have standard operating procedures available to guide decisions.
- They require less analysis than strategic decisions do.

Problem-solving decisions

Problem-solving decisions are aimed at correcting adverse situations that have developed – at fixing something that is wrong.

Problem-solving decisions have the following characteristics:

- The situation concerned is a deviation from normal operations.
- The situation may be minor or of crisis proportions.

- Often quick decisions are needed to find solutions acceptable to all involved.
- There may be no easy solution.

7 marks for strategic decisions
6 marks for operational decisions
3 marks for problem-solving decisions (16)

5.2

The factors governing the style of system to use are as follows:

- Type of business or industry
- Growth stage of the business or industry
- Size of the business
- Geographical spread
- Nature of markets
- Current state of technology
- Business processes and organisation structures
- Organisation culture and management style
- Political and economic influences

1 mark each (9)

5.3

There are three different aspects of information technology and systems strategy:

- **Strategic business planning:** This considers how new technology will impact on the business.
- **Strategic IT&S planning:** This considers how the information and systems infrastructure will evolve and develop.
- **Strategic data planning:** This creates stable **data models** that are independent of changes in technology.

2 marks each (6)

5.4

Any five of the following:

- Did you make use of a business analyst (BA) in the project?
- Did you describe the business analyst's approach to the project (and if there was no business analyst, the approach of the person who translated the requirements)?
- Do you think that the business analyst really understood the business?
- How well and how often did the BA communicate with management?
- Was the BA involved throughout the whole implementation process, or did he/she submit a report and move on?
- Did the project contribute to bottom-line results?
- Did you draw a diagram of your business as a system, showing external influences using arrows. Where in this system did the project feature?
- Where on the income statement or balance sheet did the project impact (assets, COS, Opex, sales)?
- Did the project contribute to customer satisfaction?
- Did the project improve the asset productivity of the business?
- What were ATO, ROS and ROAM before the project?
- What are ATO, ROS and ROAM after the project?
- Did the project contribute to improving ATO, ROS or ROAM?
- Where on the ROAM model did this project impact?
- Did the project manage to reduce the time that products or information spends in the system?
- How did the project manage to reduce the time that products or information spends in the system?
- Did you use a project team?
- How well did the team work together as a community?
- Who were represented on the team?
- Were change management issues and buy-in for the solution addressed during the project?
- How were change management issues and buy-in for the solution addressed during the project?
- Who made the decision to do the project?
- Was the project strategic or operational in nature?
- How did you decide which data the BA should collect?
- How did the BA collect the data?
- Would you regard the solution/system as simple?
- Does the solution/system fit the organisation as a system?
- Where on the Boston matrix would you plot the importance of this project?

(5)

[36]

TOTAL: 100

WORKBOOK EXERCISE 2

Question 1

1.1 Briefly outline the tasks of a management consultant. (3)

1.2 List the three outcomes that must be achieved in order for a management consulting project to be considered a success. (3)

1.3 On what assumption is conventional consulting based? (1)

1.4 "The design of most consulting projects reflects the flawed assumptions of conventional consulting." Do you think this is true? Give reasons for your answer. (3)

1.5 Briefly describe the high-impact paradigm. (5)

[15]

Question 2

Briefly describe the obstacles that many consultants face when they introduce changes that will help their clients achieve their purpose more effectively.

[15]

Question 3

3.1 Define the consulting process. (3)

3.2 Briefly discuss the differences between conventional consulting and high-impact consulting. (10)

[13]

Question 4

4.1 Why is it crucial to adopt a high-impact, result-focused strategy? (4)

4.2 Why do some consultants resist a result focus? (4)

[8]

Question 5

5.1 What does assessing client readiness mean? (2)

5.2 What does client mapping involve? (2)

5.3 Identify the key players and influencers in a project. (8)

[12]

Question 6

6.1 What is the aim in high-impact consulting? (1)

6.2 List the criteria to use in selecting the initial rapid-cycle projects. (4)

6.3 Define a rapid-cycle subproject. (2)

[7]

Total: 70

SOLUTION TO WORKBOOK EXERCISE 2

Question 1

1.1

You are a management consultant if your job is to apply unique knowledge, skills, insight, methods or technology to help managers get better results, and you lack any direct authority to require those managers to follow your advice. (3)

1.2 *Textbook, chapter 1, p. 5*

- The consultant must provide a solution or method that is new to the client.
- The client must achieve some measurable improvement in results by adopting the consultant's solution.
- The client must be able to sustain the improvement over time. (3)

1.3 *Textbook, chapter 1, p. 6*

Conventional consulting is based on the assumption that the key to progress is greater knowledge. In other words, once the client knows what to do, then the client will achieve greater success. (1)

1.4 *Textbook, chapter 1, pp. 6–7*

Most consulting projects are virtually completely dedicated to providing managers with insights and ideas about change but pay virtually no attention to helping the client effect change. Client limitations are generally not viewed as an appropriate focus for the consultant's attention. (3)

1.5 *Textbook, chapter 1, pp. 8–9*

- High-impact consulting is based on the premise that although the consultant's expert solutions are vital to the success of a consulting project, it is just as vital for consultants to help clients absorb, use and benefit from those solutions.
- In order to ensure success, each project should be constructed to produce a plan that the client is apt to be ready, willing and able to implement.
- Instead of tackling a huge project all at once, the client and consultant can carve off subprojects, each focused on a near-term goal that both parties are reasonably certain can be achieved.
- As clients experience success in the early phases of the process, they develop new skills and confidence, which help them in the overall change effort. They gradually develop the ability to attack increasingly ambitious undertakings.
- Because the strategy is designed to mobilise and exploit the client's own capabilities and to overcome the organisational barriers that often sabotage improvement, it can significantly increase clients' return on their investments in consulting.

(5)

[15]

Question 2

Textbook, chapter 2, p. 16

1. Psychological myopia
   - Feeling we are 'doing the best we can'
   - Denying or distorting reality
   - Assuming time will solve the problem
   - Avoiding risk and commitment
2. Wasteful work pattern
   - Following old, familiar routines

- Being 'too busy' to be thoughtful
- Impulsively trying one thing, then another
- Overlooking the views of others

3. Weak performance expectations
   - Having overly modest goals
   - Leaving escape hatches for those who miss goals
   - Valuing explanations as highly as results
   - Providing no real consequences for performance levels
4. Defective work management
   - Having too many goals
   - Having vague or immeasurable goals
   - Lacking clear accountability
   - Having weak or non-existent work plans
   - Conducting infrequent or ineffectual progress reviews
5. Cultural barriers
   - Allowing confused decision-making processes
   - Letting change become a crisis, not a routine
   - Having low expectations
   - Letting each unit go its own way

1 mark for each topic

3 marks each for the descriptions of each topic **[15]**

Question 3

3.1 *Textbook, chapter 3, pp. 40 & 42*

The consulting process is a collaboration between consultant and client in discovering and mobilising readiness for action to improve performance, with the

desired outcome of more effective task accomplishment and relevant learning within the client organisation. (3)

3.2 *Textbook, chapter 3, p. 41*

	Conventional consulting	**High-impact consulting**
Defining the project	Project goals are defined in terms of the solutions, systems, recommendations or techniques to be provided by the consultant.	Project goals are defined in terms of measurable improvements in clients' bottom-line results.
Determining the project's scope	The project's scope is determined by the systems or technical issues to be studied.	The project's scope is determined by assessing what the client will be willing and able to absorb and implement.
Designing the project	Projects are large-scale, with long cycle times and the speed and manoeuvrability of a glacier.	Projects are divided into steps to produce rapid results and to gain the experience that enables further progress.

Working on the project	First the client passes the problem to the consultant; then the consultant does the job and passes the results back to the client.	The client and consultant work together as partners at every stage of the project.
Deploying consultants	Large consulting teams do the work, with little client involvement.	Consultants provide focused support to client teams, who take major responsibility for the project.

(10)

[13]

Question 4

4.1 *Textbook, chapter 4, p. 54*

- Concentrating on a clear, short-term goal stimulates the performance-enhancing zest factors, because the client organisation's own people are clearly accountable, with the consultant's help, for obtaining results.
- Because the client and consultant share the common goal of producing real results, they are motivated to work together.
- In a project with a sharp focus and clearly measurable outcomes, both client and consultant can ascertain what works and what does not.
- Achieving a measurable success together is a joyous and reinforcing experience for both client and consultant. (4)

4.2 *Textbook, chapter 4, pp. 62-63*

- Fear of losing
- Information addiction
- Need for an escape hatch
- The profit motive (4)

[8]

Question 5

5.1 *Textbook, chapter 5, p. 70*

Assessing client readiness means finding out while designing a project what the client is and is not likely to be willing or able to do when the time comes for decision and action. (2)

5.2 *Textbook, chapter 5, p. 84*

- Identify the full cast of characters, not merely the managers who are talking with the consultants.
- Drawing the map. Once the cast of characters is identified, it is useful to sketch a diagram that portrays the place of each of the key players and the relationship among them. (2)

5.3 *Textbook, chapter 5, p. 84*

- The client – the one person (or a clearly designated small group) with the principal accountability for achieving the targeted results, with the support of the consultants
- People who are active participants in the planning and implementation of the project
- Contributors to the project who are not involved directly in the work

- People whose job or job environment will be affected by project results: obvious winners and possible losers
- Project user groups and their representatives – such as a steering committee, a project review panel and so forth
- Senior managers, whose general support and positive views can have subtle but crucial impact
- The ultimate decision makers and budgetary authorities
- Your own categories (8)

[12]

Question 6

6.1 *Textbook, chapter 6, p. 88*

In high-impact consulting the aim is to carve off a series of rapid-cycle attacks.

(1)

6.2 *Textbook, chapter 6, p. 90*

- Short-term
- Focused on achieving measurable results
- Matched to client readiness
- Strategic (4)

6.3 *Textbook, chapter 6, pp. 93-94*

A rapid-cycle subproject moves quickly through all the phases from start to finish, at which point an actual, measurable client goal has been accomplished. (2)

[7]

TOTAL: 70

WORKBOOK EXERCISE 3

Question 1

The following figures were taken from the statements of Foreign Developers:

Owner's equity:	R1 200 000
Long-term loans:	R600 000 @ 15% interest
Current liabilities (creditors plus overdraft):	R1 400 000
Fixed assets (land, buildings, plant & equipment):	R1 200 000
Current assets (stock plus debtors):	R2 000 000
Annual sales:	R1 700 000
Cost of sales:	R1 000 000
Operating expenses:	R300 000
Tax rate:	40%
Owner expects 25% on his investment	

1.1 Compile a simple balance sheet and income statement (queue for cash).(11)

1.2 Take the financial statements that you have compiled in question 1.1 and calculate:

1.2.1 ATO # {1}

1.2.2 ROS % {1}

1.2.3 ROAM {1}

(3)

[14]

Question 2

The value of financial statement analysis depends on how complete the information about a company's strategies is. Why would some of the valuable information be undisclosed by managers to all parties concerned? [4]

Question 3

Why do IT business and system analysts rarely see themselves as change agents?

[4]

Question 4

According to Peter Bernstein (1996) it is difficult to collect and use information. What reasons does he cite for this? **[4]**

Question 5

As the business analyst, you are required to set up a comprehensive model of measurement around the vision and strategy of the business. Which areas would you consider need to be measured? **[5]**

Question 6

The ROAM model suggests that there are several levers that can be pulled to improve asset productivity. Name and discuss these levers. **[12]**

Question 7

People in productive communities share universal common values. Name and discuss these common values. **[8]**

Question 8

Problem-solving decisions are aimed at correcting adverse situations that have developed – at fixing something that is wrong. What characteristics do problem-solving decisions have? **[4]**

Question 9

Write down the number of the question and the letter of most appropriate answer. For example: *9.2 C*

9.1 The _____ manager who has a mixture of concern for productivity and people is closest to that of the business analyst.

A. production
B. engineering
C. sales and marketing
D. IT

9.2 Return on equity is calculated by dividing net profit _____.

A. by total investment
B. into total investment
C. by total assets

D. into total assets

9.3 If an owner wants to set up a business, the cash that he/she needs to get it going is shown in the _____.

A. income statement
B. balance sheet
C. cash flow sheet
D. statement of value added

9.4 The most important measure in the ROAM model is _____.

A. ATO
B. ROS
C. ROAM
D. EBIT

9.5 Organisational renewal is necessary because _____.

A. without renewal the organisation will decline
B. the environment asks for it
C. it helps the company reposition itself
D. it doesn't belong on the S-curve

9.6 Which statement is wrong? People resist change, because _____.

A. they often fear failure
B. they want to sabotage the business
C. they do not really understand the change and its implications

D. they may have low tolerance for change

[6]

Question 10

10.1 Explain how the conventional consulting process proceeds. (5)

10.2 "Making measurable results the primary, immediate goal of a consulting project is the first and most radical shift traditional consultants and their clients must make in adopting a high-impact, results-focused strategy, but it is also the most critical."

Discuss the above statement by referring to the reasons why it is critical.(8)

10.3 A readiness assessment checklist is used by the consultant to determine the scope of a project. What major components should this readiness assessment checklist contain? (9)

10.4 Name and discuss the four criteria that you might use in selecting the initial rapid-cycle projects. (8)

10.5 What are the five fatal flaws of conventional consulting? (5)

10.6 "One of the obstacles to a focus on results is client roadblocks in which a client plays a significant role in perpetuating activities-focused consulting rather than a results-driven project."

Discuss the above statement by referring to the obstacles that the client presents to the consultant. (12)

[47]

Total: 108

SOLUTION TO WORKBOOK EXERCISE 3

Question 1

1.1

Balance sheet

Foreign Developers

Cash resources in:	R
Owners (equity)	1 200 000
Lenders (loans)	600 000
Total cash in	1 800 000
Productivity capacity :	
Fixed assets	1 200 000
Raw material & work in process (WIP)	2 000 000
Total assets managed	3 200 000
Cash owed to suppliers	(1 400 000)
Total cash out	1 800 000

Income statement

Foreign Developers

	R
Sales-in-cash banked	1 700 000
The queue:	
1. "Ready-for-sale" costs (COGS)	(1 000 000)
Gross profit =	700 000
2. Wages, salaries & services (OPEX)	(300 000)
Earnings before interest & tax (EBIT) =	400 000
3. Lenders	(90 000)
Profit before tax (PBT) =	310 000
4. Taxman	(124 000)
Profit after tax (PAT) =	186 000
5. Owner's expected return	(300 000)
Wealth created/(destroyed)	(114 000)

(11)

1.2

1.2.1 ATO #= Sales / Total assets

= 1 700 000 / 3 200 000

= 0,53 {1}

1.2.2 ROS % = EBIT / Sales * 100

= 350 000 / 1 700 000 * 100

= 20,59% {1}

1.2.3 ROAM = ATO * ROS

= 0,53 * 20,59

= 10,91 {1}

(3)

[14]

Question 2

- Information that managers need for making the right decisions is usually not the information that the taxman wants.
- A company does not want to disclose its strategy to its competitors through its financial reports.
- The accounting system used by the company influences how financial data is reported.
- Different kinds of businesses will report different things in their financial statements.

[4]

Question 3

- The role takes them out of their comfort zones.
- Being a change agent means that you are in the people business. IT consultants generally don't see themselves as in the people business.
- It is much easier to supply general 'drop-in' solutions to business problems – whether the solutions are the right ones or not.

[4]

Question 4

- The information you have (½) is not the information you want (½).
- The information you want (½) is not the information you need (½).
- The information you need (½) is not the information you can obtain (½).
- The information you can obtain costs (½) more than you want to pay (½).

[4]

Question 5

- Financial perspective

- Customer perspective
- Quality perspective
- Innovation and creativity perspective
- Employee perspective

[5]

Question 6

- Increase sales
  - Increase sales volume or throughput, increase production, reduce waste
  - Increase sales price, improve quality, change product mix to sell more higher-value products
- Reduce assets
  - Get rid of redundant equipment
  - Rent where you can
  - Reduce stock
  - Reduce debtors
- Reduce costs and expenses
  - Get cheaper raw material
  - Reduce waste
  - Cut expenses where possible

[12]

Question 7

- Loyalty. We all have personal goals to achieve but the community's come first.
- Process. You can't spend your life chasing a number. It becomes very costly in many unexpected ways. In the end, how you get it matters more than the result.

- Productivity. A sustainable productivity ratio is the measure of growth and strength of the community. You use the number to keep everyone honest. That's the reason why numbers are so important.
- Personal growth. A primary goal is growth in your competence and ability to perform.

[8]

Question 8

- Situations are a deviation from normal operations.
- They may be minor or of crisis proportions.
- Often quick decisions are needed to find solutions acceptable to all involved.
- There may be no easy solution. **[4]**

Question 9

9.1 C

9.2 A

9.3 B

9.4 A

9.5 D

9.6 B **[6]**

Question 10

10.1 *Textbook, page 17*

- First, a manager describes the client's need to the consultant.

- Responsibility for the project shifts to the consultant, who takes over and prepares a proposal outlining the work that his or her team will perform and the consulting products they will produce.
- Once the client gives the go-ahead, the consultants carry out their work: researching the problem, conducting interviews, analysing the organisation, designing new systems, developing new processes or recommendations for change.
- Once the consultants have delivered their recommendations or completed the new systems specified in their proposal, they are considered to have fulfilled their commitment. Now it is the client's responsibility to exploit the consultant's products and (with or without additional consulting support) achieve the improvements that were the client's initial goal, the reason for hiring the consultant.

(5)

10.2 *Textbook, page 54*

- Concentrating on a clear, short-term goal stimulates the performance-enhancing zest factors, because the client organisation's own people are clearly accountable, with the consultant's help, for obtaining results.
- Because the client and consultant share the common goal of producing real results, they are motivated to work together. A partnership mode is encouraged, in contrast to the conventional approach of having the consultant do the studies and the client then attempt to produce the results.
- In a project with a sharp focus and clearly measurable outcomes, both client and consultant can ascertain what works and what does not.
- Achieving measurable success together is a joyous and reinforcing experience for both client and consultant. This is quite different from a typical conventional

project, in which the consultant labours long and hard and then dumps a massive implementation task in the client's lap.

2 marks each x 4 (8)

10.3 *Textbook, page 74*

- Overall motivation and drive
- Resource allocation and commitment level
- Climate for change
- Client's technical capacity and change management skills
- Client's view of the consultants
- Client's understanding of the project
- Scope and pace of project
- Other success factors
- Historical perspective

(9)

10.4 *Textbook, page 90*

1. Short term. It should be possible to achieve measurable progress within ten or fifteen weeks.
2. Focused on achieving measurable results. The goal must be defined in bottom-line terms, and it must be something the client can measure.
3. Matched to client-readiness. While the goal should be a real stretch for the people who have to achieve it, they should feel both able and willing to achieve it.
4. Strategic. The goal should clearly be a logical step toward achieving the client's overall goals. This makes certain that immediate progress will contribute to longer-term change and not simply win a momentary tactical advantage.

(8)

10.5 *Textbook, page 26*

1. Project defined in terms of consultant's products (not in terms of client results to be achieved)
2. Project scope based on subject matter logic (not on client readiness for change)
3. One big solution (rather than incremental successes)
4. Hand-offs back and forth (instead of client–consultant partnerships)
5. Labour-intensive use of consultants (instead of leveraged use)

(5)

10.6 *Textbook, pages 63–65*

- Risk avoidance. When a senior manager hires a consultant to do a typical activities-focused project, he/she takes a very modest risk. If the project works out, he/she can claim credit for it. If there are no results, he/she can blame the consultant's work.
- Sticking in the mode. Most senior managers who supervise internal consultants or engage consulting firms are so used to the conventional consulting paradigm that they don't even question it. They don't expect consultants to commit to more than doing the consulting work and carrying out their programmes.
- Reassurance. There is something reassuring to impatient managers about having seemingly competent, confident consultants bustling about their organisation. As these consultants go about their work, they cite previous successes.

(12)

[47]

TOTAL: 108

WORKBOOK EXERCISE 4

Question 1

"Different businesses need different systems." Discuss this statement by referring to the factors that govern the style of system that is going to be used. **[9]**

Question 2

2.1 Compare conventional consulting to high-impact consulting. (15)

2.2 There are five flaws (organisational obstacles) that derail the consulting process. Name and discuss the obstacles, giving examples. (26)

[41]

Question 3

You can determine the quality of the product or service only if you compare it to others. What quality indicators would you utilise? **[8]**

Question 4

How do you reverse the five fatal flaws of conventional consulting and transmute them into techniques that reduce risks and enhance returns? **[10]**

Question 5

5.1 What are the two most important measures of financial success in a business?

(2)

5.2 People in productive communities share common values. Name and discuss the universal values that are being referred to. (8)

[10]

Question 6

Employees resist change. What would be their reasons for resisting the changes?

[10]

Question 7

If you study the ROAM model, it indicates a number of levers which could be utilised to improve asset productivity. Name the levers that are referred to. **[12]**

Total: 100

SOLUTION TO WORKBOOK EXERCISE 4

Question 1

Page 122

- Type of business or industry
- Growth stage of the business or industry
- Size of the business
- Geographical spread
- Nature of markets
- Current state of technology
- Business processes and organisation structures
- Organisational culture and management style
- Political and economic influences **[9]**

Question 2

2.1 *High-impact consulting textbook, page 41*

	Conventional consulting	**High-impact consulting**
Defining the project	Project goals are defined in terms of the solutions, systems, recommendations or techniques to be provided by the consultant.	Project goals are defined in terms of measurable improvements in clients' bottom-line results.

Determining the project's scope	The project's scope is determined by the systems or technical issues to be studied.	The project's scope is determined by assessing what the client will be willing and able to absorb and implement.
Designing the project	Projects are large-scale, with long cycle times and the speed and manoeuvrability of a glacier.	Projects are divided into steps to produce rapid results and to gain the experience that enables further progress.
Working on the project	First the client passes the problem to the consultant; then the consultant does the job and passes the results back to the client.	The client and consultant work together as partners at every stage of the project.
Deploying consultants	Large consulting teams do the work, with little client involvement.	Consultants provide focused support to client teams, who take major responsibility for the project.

(15)

2.2 *Pages 18–26*

1. The project is defined in terms of the consultant's expertise or products, not in terms of specific client results to be achieved.✓

No matter what goals the client may have in mind when engaging a consultant, it is unlikely that the consulting project will be defined in terms of achieving those goals. ✓ Rather, the project will be defined in terms of the work the consultant will do and the products the consultant will deliver. ✓ Of course, the assumption always is that the consultant's deliverables will eventually be translated into the client's desired results. ✓ But that is only an assumption; it is rarely part of the contract.

A mark was given for your example.

2. The project's scope is determined solely by the subject to be studied or the problem to be solved, ignoring the client's readiness for change. ✓

   When consultants are asked to recommend changes to some aspect of a client's organisation, they begin by focusing on the system ✓or process they have been asked to deal with: How is it working now? What is working well? What is not working well? How do the elements fit together? What might a changed or improved system look like? ✓ Such questions result in projects that are almost always designed completely around the subject to be studied, the problem to be solved or the system to be installed, with the assumption that the consultant, applying his/her expertise in a particular area, will uncover the best way to handle it. ✓ Rarely do consultants, in designing a project, consider questions like these: What kinds of changes might we recommend on completion of this study? How likely is it that our client will want to carry out those recommendations? Will the client be capable of making those changes successfully? ✓ Only at the end of a project, when the consultants are ready to make their recommendations, do the client's motivations and capabilities suddenly become a matter of concern. ✓ At this point, dozens of factors hindering implementation might suddenly become apparent, thwarting the success of even the most competently designed solution. ✓

3. The project aims for one big solution rather than incremental successes. ✓

   Once a need or problem is defined by the client, most consultants are geared to studying it in its totality and offering a complete remedy. ✓ The aim is to go as far as possible toward having the problem completely diagnosed and solved or a complete new system in place at the end of the project. ✓ This stems from the view of the consultant as a heavy hitter who provides answers and solutions but somehow is not responsible for execution. ✓ Projects are generally seen as an all-or-nothing process, with the consultant expected to study as much as possible of the issue at hand and arrive at the most complete solution possible. ✓ Many projects end up taking many months from the time they begin until the consultant delivers his/her recommendations and the client attempts to implement them. ✓

4. The project entails a sharp division of responsibility between client and consultant; there is no partnership between them. ✓

   Once a need is defined, the consultants take over and go to work. The consultants conduct hundreds of interviews and discuss them informally with one another, developing some important insights into the buying patterns of their client company's customers. ✓ They clarify the nature of the relationships between various kinds of customers and the company's salespeople. They uncover a number of serious problems. They devise a number of possible solutions and explore each of them thoroughly. ✓ Eventually they narrow their solutions down to a few possibilities that seem very exciting to them. But none of the client company's people are directly involved in this creative process. ✓

5. The project makes labour-intensive use of consultants, instead of leveraged use. ✓

   A team of 12 consultants work for over 18 months to develop a comprehensive but indigestible set of recommendations. ✓ Such labour-intensive use of consultants

illustrates the fifth flaw of conventional consulting. ✓ It is an inevitable consequence of the other four flaws. When the goal is to arrive at the best answer, and the client and consultants agree that this will require a comprehensive study, and it is understood that the consultants will do the bulk of the work, then it is not surprising if the project involves a large group of consultants working long hours.✓ When consultants work on project tasks by themselves, without transferring knowledge to client personnel and without engaging client personnel in the work of the project, that is the essence of labour-intensive consulting. ✓ It overlooks the gains that are possible if consulting effort is leveraged by having client people learn from the consultants and take over an increasing amount of the work of the projects. ✓ (26)

[41]

Question 3

- Overall performance
- Unique features of the product or service
- Reliability
- Durability
- Serviceability
- Response time
- Aesthetics
- Overall reputation **[8]**

Question 4

Textbook, page 30

1. Instead of defining projects in terms of the consultant's expertise or the products the consultant will deliver, high-impact consulting defines projects in terms of specific performance goals that will be attained.

2. Instead of determining a project's scope in terms of the subject to be studied, high-impact consulting determines the project's scope based on an assessment of what the client is likely to be willing and able to do.
3. Instead of aiming for 'one big solution' that will require a long cycle time and huge up-front investment, high-impact consulting divides projects into increments, with rapid cycle times, for quicker results.
4. Instead of passing responsibility back and forth between clients and consultants, high-impact consulting encourages both parties to work and learn together, in full partnership mode, through every stage of the project.
5. Instead of making labour-intensive use of teams of consultants, high-impact consulting makes leveraged use of consulting inputs.

[10]

Question 5

5.1

1. How well do my assets generate sales? (On the left of the model is the ATO which tells you how well your assets generate sales.)
2. How well do we control the costs and expenses? (ROS on the right of the model tells you how well you control costs and expenses.)

(2)

5.2

- Loyalty. We all have personal goals to achieve but the community's come first.
- Process. You can't spend your life chasing a number. It becomes very costly in many unexpected ways. In the end, how you get it matters more than the result.
- Productivity. A sustainable productivity ratio is the measure of growth and strength of the community. You use the number to keep everyone honest. That's the reason why numbers are so important.
- Personal growth. A primary goal is growth in your competence and ability to perform.

(8)

[10]

Question 6

- They are not convinced of the need for change. The change does not make sense to them, and in many cases they are not aware of it since they are not involved in the process of change.
- They do not want to lose something of value. This may include their current job status, known work or even security.
- They do not really understand the change and its implications, so they assume that they will be much more badly off as a result of the change. This happens when they are not given enough relevant information to understand what is really going on.
- Many people fear failure. They may be afraid that they will not be able to develop the skills and behaviours that are required by the change.
- Some people have low tolerance for change. They thrive on consistency, order and structure and find flexibility and uncertainty discomforting.

[10]

Question 7

- Increase sales
  - Increase sales volume or throughput, increase production, reduce waste
  - Increase sales price, improve quality, change product mix to sell more higher-value products
- Reduce assets
  - Get rid of redundant equipment
  - Rent where you can
  - Reduce stock
  - Reduce debtors
- Reduce costs and expenses
  - Get cheaper raw material
  - Reduce waste
  - Cut expenses where possible

[12]

TOTAL: 100

3. PART 2: EXERCISES AND SOLUTIONS

(These workbooks covers the content of Tutorial Letter 102, Part 2)

WORKBOOK EXERCISE 1

INTRODUCTION

Assignment 1 is based on the first four chapters of Part 2. The purpose of the assignment is not to test knowledge. Rather, its aim is to develop and assess in-depth understanding of and insight into modern business analysis. The following will assist you to complete the assignment successfully:

1. Use Part 2 and textbooks as reference material.
2. Be in a practical frame of mind.
3. Develop an answer framework or map on one page to serve as a high-level summary of your response.
4. Write a first draft answer and ask a senior manager or an experienced business professional to comment on it. If you are not employed, take the initiative and approach any business of your choice.

FIRST CHALLENGE: PRACTICAL ASSIGNMENT

You have recently been appointed as a business analyst in a new company. You have very little background information about the business, its products and technologies. You report to the director of IT, and your main job is to modernise business analysis in the company.

The IT director has granted you two weeks in which to settle in. During this time he would like you to perform the following tasks, as they appear in the questions:

QUESTION 1

Develop your own job description. Describe clearly how you would approach business analysis in the company. You should also explain how your approach is unique to or different from traditional business analysis. (See the guidelines offered on the next page.) **[25]**

GUIDELINES FOR ANSWERING QUESTION 1

1. Consult chapters 1 and 2 of Part 2 of Tutorial Letter 102.
2. Start the job description with how things are changing in the business world (chapter 1). You may call this 'context' or 'background'.
3. Next explain how traditional business analysis functioned (chapter 1).
4. Now describe the mission of your job as a business analyst (chapter 2). By 'mission' is meant the core purpose of what you ought to do – for example, to identify performance improvement opportunities and to develop business cases.
5. You may call the next part of the job description task 'roles and activities' (chapter 2). State your business and technology roles in clear terms. Furthermore, explain what activities you will perform, for example research business and technology strategy.
6. Conclude the job description by stating your consulting role, namely that of a business partner (chapter 2). Draw a clear distinction between your role and that of expert, assistant and facilitator.

QUESTION 2

Develop a plan of how you would familiarise yourself with the business.

Your plan should include the following:

1. What areas in the business would you investigate and why?
2. How would you conduct the investigation? Explain in detail.
3. What questions would you ask people and why?

[25]

GUIDELINES FOR ANSWERING QUESTION 2

1. Consult chapter 3 of Part 2 of Tutorial Letter 102.
2. The areas to investigate are summarised at the end of the chapter. Consider the following in your answer:

    - Business ownership
    - Nature of the business
    - Business and technology strategy
    - Business model and type
    - Financial centres
    - Organisational structure
    - Demographics
    - Critical success factors

3. Consider all possible investigation methods – for example, arranging meetings with managers, and working with an operational team for a week to observe what they do.
4. Many examples of questions to ask are provided in chapter 3. Develop your own questions.

SECOND CHALLENGE: THEORETICAL ASSIGNMENT

QUESTION 1

A client has asked for a meeting with you to discuss a business problem. Explain the process that you would follow with the client to clarify the need, contract a project and analyse readiness. Use the analyst consulting process model in chapter 4 as a reference. Also consider the need clarification form at the end of the chapter.

[30]

QUESTION 2

A client has asked you for a guideline for identifying all the role players that should be involved in a particular project. Who are the typical role players in any project? Use 'Who is the client?' in chapter 4 as a guideline. **[20]**

TOTAL: 100

SOLUTION TO WORKBOOK EXERCISE 1

FRAMEWORK FOR EVALUATING ANSWERS

Task 1: Job description (25 marks)

1. How things are changing in business (3 marks)
    - Globalisation
    - Boundaryless 'structures'
    - Technological integration
    - Information as a competitive edge
    - Focus on value
    - Change as a norm
2. Traditional business analysis (2 marks)
    - Technical inclination
    - Activity-based
    - Readiness ignored
    - Lack of business ownership
3. Mission of job (5 marks)
    - Identify performance improvement opportunities
    - Develop business cases
    - Find technology solutions
    - Results-driven implementation
    - Three shifts
4. Task roles of job (5 marks)
    - Business role
    - Technology role
    - Six main business analysis activities
5. High-impact business analysis (10 marks)

- Detailed outline of business partnership role

Task 2: Investigation of business (25 marks)

1. Investigation areas (10 marks)
    - Ownership
    - Nature of business
    - Business and technology strategy
    - Business model and type
    - Financial obligations
    - Organisational structure
    - Demographics
    - Critical success factors

2. Investigation approach (5 marks)
    - Methods
    - Interviews
    - Focus groups
    - Surveys
    - Process mapping
    - Documentation
    - Observation
    - Management levels
    - Power and influence
    - Line vs staff

3. Investigation questions (10 marks)
    - Strategy: Vision, mission, priorities, goals, values, finances, business plans and high-level technology requirements

- Business model: Private or public, profit or non-profit, services and/or products
- Organisational level: Top to bottom organisational structure
- Business demographics: Size, history, culture, geography
- Critical success factors: Factors essential for survival

Task 3: Theoretical assignment: Consulting process (30 marks)

The following depicts the flow of the analyst consulting process:

Analyst consulting process

Stage 1	*Stage 2*	*Stage 3*
CONTRACTING IMPLEMENTING →	**ANALYSING** →	
Clarifying the need	Assessing readiness	Designing and planning a project
Reaching an agreement		Executing a project
		Tracking progress
		Expanding the Effort

- **Contracting stage:** The purpose of this stage is to define the client's **need** and to **contract** a solution and implementation approach.

- **Analysing stage:** The aim of this stage is to test whether the client is **ready**, **willing** and **able** to implement the contracted solution. It is furthermore an opportunity to assess whether there are any **blind spots** that you have missed in initial meetings.

Task 4: Theoretical assignment: Project role players (20 marks)

Who is the client?

The concept “client” is an all-inclusive term. Who the business analyst's client is depends on the nature of the problem or project and the organisational level (see chapter 3). It is, however, critical for the analyst to distinguish between the following types of clients in a consulting process:

- **Ultimate client.** The ultimate client is the stakeholder whose interest should always be protected even if he/she is not in direct contact with the business analyst. The ultimate client, also referred to as the power client, is the ultimate decision maker. Ultimate clients are typically managing directors, chairpersons, boards, shareholders, owners and executive committees.

- **Primary client.** The primary client is the person who is accountable to the ultimate client for solving a problem or implementing projects. The primary client is a person with authority who owns a problem. This client would contract a consultant, set project objectives, approve any action to be taken and evaluate the results. Primary clients are typically senior managers, general managers in charge of business units or heads of departments/functions. Your primary client and ultimate client could be the same person or group of people, depending on the project’s level in the business.

- **Users.** Users are those people who are closest to the problem or working with it each and every day. Users are the people who often know what the root cause of a problem is and

the best solution for it. Furthermore, the users are those who will be most directly affected by an intended change. Among the users are opinion leaders and informal influencers. The support of informal leaders is vital in order to win the support of the masses.

- **Other key interested parties.** Some projects impact directly or indirectly across functions or more widely than a business's immediate boundaries. A change in one area might create a need for a change in another area. A project to reduce quality defects, for example, might impact directly on suppliers. These people, in other areas, are referred to as other key interested parties.

- **Specialist advisors.** Internal specialists with proven experience are valuable resources for projects. A specialist would serve a clearly defined purpose on a project – for example, a systems engineer would perform design work, and a developer would build software applications.

WORKBOOK EXERCISE 2

INTRODUCTION

Workbook exercise 2 is based on chapters 5, 6 and 7 of Part 2 of Tutorial Letter 102. The purpose of the assignment is not to test knowledge. Rather, its aim is to develop and assess in-depth understanding of and insight into modern business analysis. The following will assist you to complete the assignment successfully:

1. Use Tutorial Letter 102 and textbooks as reference material.
2. Be in a practical frame of mind.
3. Develop an answer framework or map on one page to serve as a high-level summary of your assignment response.

4. Write a first draft answer and ask an experienced project manager to comment on it. If you are not employed, take the initiative and approach any business of your choice.

FIRST CHALLENGE: PRACTICAL ASSIGNMENT

You have settled into your new job and successfully completed the first two tasks the IT director assigned you (refer to Assignment 1).

The managing director of the company called you in today to discuss a serious problem. He is concerned that IT projects in the company do not deliver the expected results. He has asked you to prepare the following for him, as set out in the questions:

QUESTION 1

Develop a **proposal** on how projects should be **designed** differently to ensure that business results are improved. Also suggest how to deal with the potential resistance to the new project management approach.

[25]

GUIDELINES FOR ANSWERING QUESTION 1

1. Consult chapters 5 and 7 of Part 2 of Tutorial Letter 102.
2. First explain why projects, generally speaking, fail to deliver results.
3. Provide further context by describing what a crisis reveals in terms of hidden capacity.
4. Now outline how the client can select and design IT projects by applying Breakthrough Strategy© principles.
5. Next state how the zest factors could be used as project design criteria.
6. Conclude the proposal by explaining how you would use change readiness to manage resistance.

QUESTION 2

Develop a **practical user manual** for all project managers on how a project should be run **step by step** from beginning to end.

[25]

GUIDELINES FOR ANSWERING QUESTION 2

1. Consult chapter 6 of Part 2 of Tutorial Letter 102.
2. A user manual is a 'how to' guide, for example a manual to operate a CD player. Keep it simple and step-by-step.
3. Explain what each step means and how it is done.
4. Offer examples, such as how a project goal is formulated: "Increase network availability by 20% in 4 weeks."
5. The following steps should be included:
    - Project design
    - Project planning
    - Project execution and tracking
    - Project sustainability and expansion

SECOND CHALLENGE: THEORETICAL ASSIGNMENT

QUESTION 1

You have received the following email message from a client: "I'm currently struggling to design an IT project. Are there different types or categories of projects? Please forward your thoughts at your earliest convenience." Answer the client by referring to chapter 5 of the Part 2 of Tutorial Letter 102. **[30]**

QUESTION 2

You have been invited to make a presentation at a management workshop. You received the following brief from the management committee: "One of our core weaknesses is expanding project initiatives. What project expansion options do we have as a company?" Write your reply, using chapter 5 of Part 2 Tutorial Letter 102 as a guideline.

[20]

TOTAL: 100

SOLUTION TO WORKBOOK EXERCISE 2

FRAMEWORK FOR EVALUATING ANSWERS

Task 1: Proposal on project design and resistance (25 marks)

1. Why projects go wrong
2. Breakthrough Strategy© as method
3. Five design rules
4. Hidden capacity
5. Five zest factors
6. Four-step test for zest
7. Zest and project design specifications
8. Change readiness as resistance management tool

Task 2: Project manual (25 marks)

- Task one: Project **design**:
  - Build the implementation approach
  - Define the goal
  - Identify the implementation teams

- Task two: Project **planning**:
  - Detailed action steps
  - Project deliverables
  - Milestones
  - Accountability
  - Resources

- Task three: Project **execution** and **tracking**:
  - Implementation of action steps
  - Daily measurement
  - Review meetings
  - Progress communication

- Task four: Project **sustainability** and **expansion**:
  - Project completion
  - Final evaluation
  - Sustainability planning
  - Designing of next project

Task 3: Types of projects (30 marks)

There are six different types of Breakthrough projects. The selection of the appropriate type depends on the client's **need** and **readiness**.

- **Model week project.** This is a small-scale project in which people are challenged to maintain a certain level of performance for seven days or less. Learning points are consolidated at the end of the week and improvement decisions are made. For example, a logistics group of a large manufacturing company was challenged by senior management to deliver 100% of customer orders on time for seven days – from an average of 65% on-time deliveries. The goal was achieved and the logistics group learned that electronic links to customer procurement systems would enable them to deliver 98% of orders on time, all the time. The internal IT unit was then instructed to assist their client to achieve the 98%.

- **Pilot experiment.** This is also a small-scale project in which an improvement initiative is taken in one area of a business and expanded thereafter. A large bank had a problem with the frequent unavailability of automatic teller machines (ATMs). A pilot project was

structured to reduce the ATM downtime of one branch from seven hours a day to one hour a day. The project team discovered very early in the project that a small programming error had caused the downtime. The error was fixed and downtime for the pilot site was reduced by 96%. The solution was then expanded nationally and had the same result in a matter of weeks.

- **Performance improvement project.** This type focuses on an on-the-job performance issue to be improved in 12 weeks or less. A plant maintenance group was challenged by their production client to reduce manufacturing downtime on two lines by 50% in eight weeks. The downtime was caused by the poor performance of the maintenance group. After a preventive maintenance approach, a proactive communication procedure and an electronic measurement system were put in place, and downtime was reduced by almost 80% – an enormous improvement in on-the-job performance.

- **Process improvement project.** This project aims at improving process effectiveness and efficiency in a short period of time. A networks company successfully reduced the time it took to install 100 active network points by 60% in 90 days. The company analysed each step in the installation process and removed non-value-adding tasks. They quickly learned that the long cycle-time of the process was caused by an ineffective procurement system. The system was redesigned and an application was developed to enable electronic commerce to be conducted with their main supplier.

- **Strategic experiments.** Big strategic ideas are tested on a small scale before their comprehensive implementation. A strategic priority of a retail bank was to penetrate a new geographical market segment with a brand-new financial product. They targeted one town in the geographical area with the aim of achieving R1 million in sales within 12 weeks. A new marketing and sales approach was created and a customer database was developed. They achieved the target and also gained new insights into how to penetrate the market. The next step was to duplicate the effort in 20 towns.

- **Multiple projects.** A series of projects are launched concurrently in one business – in some cases 10 to 15 projects involving 150 to 200 people. An example is a telecom company that launched 12 Breakthrough© projects, one in each department. The projects ranged from model week challenges to the implementation of strategic ideas. The project teams had to question policies, work processes and procedures, systems and support technology, and basic management discipline. Some of the projects worked across departments and also involved suppliers and clients.

Task 4: Expansion options (20 marks)

Expansion of pilot projects

The biggest challenge for a business analyst after a pilot project is to help a client to multiply or expand the effort. There are six 'multiplication routes' for moving from the first success to the next and then on to others.

- **Extend the scope of the original project.** In the case of the ATM downtime project, the extended scope entailed expanding the project to all branches and reducing downtime to zero during peak hours. The project therefore grew significantly in size.

- **Organise a series of new, related projects.** New, related projects were designed around the original ATM project, focusing on reducing calculation errors and eliminating incorrect client information on statements. The project grew from one improvement to another.

- **Move up and down the line.** As successes are achieved at one level of the organisation (see chapter 3), they can be spread upward and downward in the organisational structure. The ATM project started at shop floor level and expanded to management level, where the performance improvement opportunity was reaction time to client complaints.

- **Cross-functional projects.** Some projects involve several Parts and departments. The first ATM project involved operations, IT production, IT development and client care management. However, most first Breakthrough© projects focus only on one area where it is easier to mobilise the resources necessary to have a success.

- **Migration to new sites.** When successes have been achieved in one major unit of a business, it is natural for senior management to start the process in other locations. In the ERP example, management decided to start with one plant. After a successful implementation, management expanded the effort to three other plants.

- **Moving beyond external boundaries.** The experimental, low-risk nature of the Breakthrough Strategy© encourages businesses to reach out and engage customers, suppliers and distributors in joint projects. In the ERP case, three customers and one supplier were involved in the first project.

It is best that business analysts meet with clients after initial pilot projects and jointly map the expansion route. The expansion route will reflect the client's **change readiness**.

WORKBOOK EXERCISE 3

SECTION 1

Write down the number of the question and the most appropriate answer. For example, 1.1 b.

1.1 What are two main task roles of business analysts?

a. Technology and research

b. Technology and analysis
c. Business and technology
d. Business and strategy

1.2 What characterises conventional consulting?

a. Results
b. Client readiness
c. Activities
d. Incremental steps

1.3 A business analyst who diagnoses problems and recommends solutions is …

a. an assistant.
b. an expert.
c. a facilitator.
d. a business partner.

1.4 A business partner is an analyst who …

a. implements client instructions.
b. facilitates workshops.
c. designs solutions.
d. provides expert input and facilitates.

1.5 It is important to analyse a business from the perspective of the …

a. IT department.
b. business manager.
c. owner.
d. customer.

1.6 Strategy is a …

a. financial statement.
b. plan about the future.
c. statement about business values.
d. project work plan.

1.7 A government department operates as …

a. a profit centre.
b. an overhead centre.
c. a cost centre.
d. None of the above.

1.8 Organisational level refers to the organisational …

a. structure.
b. processes.
c. systems.
d. policies.

1.9 Which of the following is not a step in project design?

a. Define the goal.
b. Select team members.
c. Plan the implementation.
d. Build the implementation approach.

1.10 Which one of the following forms part of a project plan?

a. Action steps
b. Sustainability measures
c. Expansion options

d. Learning points

[10]

SECTION 2

Define the following concepts:

2.1 Conventional business analysis (2)

2.2 High-impact business analysis (2)

2.3 Critical success factor (2)

2.4 Consulting process (2)

2.5 Zest factor (2)

2.6 Pilot project (2)

2.7 Performance improvement project (2)

2.8 Multiple projects (2)

2.9 Project expansion by extending scope (2)

2.10 Pilot migration to new sites (2)

[20]

SECTION 3

Discuss the following comprehensively:

3.1 The project implementation process, the execution steps and the components of each step (40)

3.2 The high-impact consulting mode and the four consulting roles (30)

[70]

TOTAL: 100

SOLUTION TO WORKBOOK EXERCISE 3

SECTION 1

Multiple-choice answers:

1.1 c
1.2 c
1.3 b
1.4 d
1.5 c
1.6 b
1.7 b
1.8 a
1.9 c
1.10 a

SECTION 2

Definitions of concepts:

2.1 Conventional business analysis

- IT projects are defined in technological terms, not in terms of specific results to be achieved.
- Projects are based on logic or the technical ideal, not on what the client is ready to implement.
- One big solution is designed, not incremental successes.

- Client and consultant work hands-off back and forth, not in a partnership mode.
- A big consulting team is employed, and not the leveraged use of consulting input.

[At least 4 for full marks]

2.2 High-impact business analysis

- Define IT projects in terms of measurable results, not technology.
- Base the IT project on what the client is ready to implement, not the technical ideal.
- Divide IT projects into rapid cycle steps, instead of the 'big bang' all-or-nothing approach.
- Design the IT project so that the client and business analyst can work and learn together; do not use the hands-off approach.
- Make the client ultimately accountable for the results, with the business analyst providing unique and focused input.

[At least 4 for full marks]

2.3 Critical success factor: A CSF is that one thing that a business has to do well to survive (1) … the one thing that, if it is not there, will cause the business to die (1).

2.4 Consulting process: A consulting process guides the business analyst in facilitating the client relationship from the initiation of a project through to its completion. It serves as a compass and roadmap, assisting the client and analyst on their journey. A consulting process is therefore a practical step-by-step work procedure (1) that guides the analyst from the first meeting with a client where the business need is discussed right through to the final project review meeting (1). It is similar to the logical work procedure a mechanic follows when servicing a car.

2.5 Zest factor

- Success is near and clear: Process cycle time has to be improved by 40% in 12 weeks.
- It is a challenge: The goal is simple to understand but not simple to achieve.
- There is a sense of urgency: It is a 'must do' situation.
- It is exciting: It is game-like and spirits are high.
- Stakes are high: By not achieving the goal, the existence of the business is placed at risk.

[At least 4 for full marks]

2.6 **Pilot project:** This is a small-scale project in which an improvement initiative is taken in one area of a business and expanded thereafter (2). A large bank had a problem with the frequent unavailability of automatic teller machines (ATMs). A pilot project was structured to reduce the ATM downtime of one branch from seven hours a day to one hour a day. The project team discovered very early in the project that a small programming error had caused the downtime. The error was fixed and downtime for the pilot site was reduced by 96%. The solution was then expanded nationally and had the same result in a matter of weeks.

2.7 **Performance improvement project:** This focuses on an on-the-job performance issue to be improved in 12 weeks or less (2). A plant maintenance group was challenged by their production client to reduce manufacturing downtime on two lines by 50% in eight weeks. The downtime was caused by the poor performance of the maintenance group. After a preventive maintenance approach, a proactive communication procedure and an electronic measurement system were put in place, and downtime was reduced by almost 80% – an enormous improvement in on-the-job performance.

2.8 **Multiple projects:** These involve the concurrent launching of a series of projects in one business – in some cases 10 to 15 projects involving 150 to 200 people (2). An example is a telecom company that launched 12 Breakthrough© projects, one in each department.

The projects ranged from model week challenges to the implementation of strategic ideas. The project teams had to question policies, work processes and procedures, systems and support technology, and basic management discipline. Some of the projects worked across departments and also involved suppliers and clients.

2.9 Project expansion by extending scope: In the case of the ATM downtime project, an extended scope entailed expanding the project to all branches and reducing downtime to zero during peak hours. The project therefore grew significantly in size (2).

2.10 Pilot migration to new sites: When successes have been achieved in one major unit of a business, it is natural for senior management to start the process in other locations (2). In the ERP example, management decided to start with one plant. After a successful implementation, management expanded the effort to three other plants.

SECTION 3

Discussion:

3.1 The project implementation process, execution steps and components

As outlined in chapter 4, the analyst consulting process consists of three stages, namely contracting, analysing and implementing. You have reached the implementation stage in the analyst consultation process when the client is ready to tackle a specific performance improvement opportunity. The four most critical consulting tasks during implementation are as follows:

- Task one: Project **design**: (1)
  - Build the implementation approach (1)
  - Define the goal (1)

- Identify the implementation teams (1)

- Task two: Project **planning**: (1)
  - Detailed action steps (1)
  - Project deliverables (1)
  - Milestones (1)
  - Accountability (1)
  - Resources (1)

- Task three: Project **execution** and **tracking**: (1)
  - Implementation of action steps (1)
  - Daily measurement (1)
  - Review meetings (1)
  - Progress communication (1)

- Task four: Project **sustainability** and **expansion**: (1)
  - Project completion (1)
  - Final evaluation (1)
  - Sustainability planning (1)
  - Designing of next project (1)

A frequently asked question: Should a business analyst understand the details of project management?

Yes. The trend is that business analysts become responsible for the complete consulting process from start to finish. Even in the case where a specialist project manager is appointed, the business analyst still needs to fully understand project management in order to exercise some form of control as a business representative. (Also see chapter 1 for the changing role of business analysts and new business analysis competencies.)

Next, look at what each implementation task entails.

Task one: Project design

1. Build the implementation approach.

A frequently asked question: What does 'build the implementation approach' mean from a business analysis perspective?

The implementation approach refers to the high-level execution strategy (1), meaning the kind of Breakthrough© project you are implementing and the expansion strategy (see chapter 5). Are you doing a pilot project or a strategic project? Are you going to implement the pilot in one region and then expand to other regions? (1) You might, for example, adopt the following high-level execution strategy for an IT project:

- 1st: Develop the IT solution.
- 2nd: Pilot the project in one region (*type of Breakthrough*).
- 3rd: Evaluate the results of the pilot.
- 4th: Refine the project.
- 5th: Do another pilot with broader scope in the same region (*expansion strategy*).
- 6th: Evaluate the results.
- 7th: Package the solution.
- 8th: Implement in every region (*expansion strategy*).

2. Define the goal.

Carve a results-driven goal from the change or improvement opportunity (1).

Example 1 **(1+1)**

From *opportunity*: Grow market share by 35% in 3 years.

To *goal*: Increase electronic sales of accounting applications in the corporate sector by R10 million within 12 weeks.

Example 2

From *opportunity*: Improve customer satisfaction.

To *goal*: Improve call centre reaction time by 50% in 60 days.

A frequently asked question: What guidelines should be followed to formulate a results-driven project goal?

Avoid the following pitfalls when formulating a goal:

- Don't define the goal in terms of an **activity**, such as conducting a systems analysis or installing a market intelligence database. WHAT IS THE END RESULT?
- Don't omit a **measure** from your goal. For example, if you are to expand sales in the small business portfolio, BY WHAT MARGIN SHOULD SALES BE EXPANDED?
- Don't define a goal without a specific **timeline**. For example, if you are to increase systems availability by 10%, BY WHEN SHOULD THIS HAPPEN?
- Don't state what should be **changed** in vague terms. For example, instead of “improve systems reliability” state “reduce systems downtime by 2 hours per day”.
- Don't start with a goal that is too **ambitious**. For example, instead of “increase sales by 40% in all regions in 100 days” state “increase sales by 20% in one region in 100 days”.

3. Identify the people to make it happen.

Use this checklist to identify a small project team and a larger execution group to drive the implementation process:

- Who is the person with ultimate power in the business, region or department who should act as the project **sponsor**? (1)
- Who is a leader in the business with formal and informal credibility that should be the project **champion**? (1)
- Who are the few formal and informal influencers in the area targeted for change that should become members of the **core implementation team**? (1)
- Which **specialist advisors** should serve on the core team? (1)
- Who are the **people** who will be **most affected** by the change who should participate in the execution of the project? (1)
- Are there any other **stakeholders** that should be involved? (1)

A frequently asked question: Who plays what role during implementation?

The **business analyst** provides project management expertise, business focus, analytical techniques and facilitation methods in a consulting capacity. The **sponsor** is usually the managing director or head of a business unit that gives strategic direction to the project. The **champion** acts as the project manager – which could either be a business manager, a business analyst or a specialist IT project manager. Members of the **core team** are responsible for problem solving and allocated deliverables. The core team is also called the project team. **Affected staff members** execute project actions. These staff members may work in a number of small teams, each with a specific mission to accomplish – depending on the size of the project. Other **stakeholders**, for example customers or suppliers, are asked for input by the project

team where required. **Specialist advisors**, for example systems designers, have very focused expert roles.

As a business analyst in collaboration with the business client, you have at this stage of the implementation decided on the implementation approach, formulated the project goal and identified all the people who will be part of the project.

Task two: Project planning

The implementation is now at a stage where the business analyst involves the business client and the project team to finalise an implementation plan (1). The plan should include detailed action steps, clear project deliverables, deadlines, responsibility for execution and finances needed to implement each step (1).

Follow this process to formulate a good plan:

- Start the planning process with an explanation of the project opportunity and goal. Allow people to ask questions. Also make provision for extra time so that data may be collected for the planning session.
- List all the issues that have to be addressed (in any order, as they come to mind) to achieve the goal.
- Categorise all the issues, for example work processes, billing system, financial system and technology supplier.
- Now take each category separately and list all the actions that fall under each specific issue. Define the deliverables of each action step, for example 'a systems analysis report is submitted'.
- Determine the sequence of the action steps, for example what happens first, second and third. Also identify the action steps that could be implemented in parallel.
- Allocate a specific deadline by when each action step should be completed.

- Determine with the project team and client the finances required to implement the action steps.
- For each action step, write down which team member is accountable for its completion.
- Formulate ground rules for the project team. Examples are:
  - The goal is non-negotiable.
  - Experimentation is allowed.
  - When uncertain ask for help.
  - Deadlines will not be missed.
  - We disagree openly.
- Develop a plan to communicate the project to all relevant parties.

A frequently asked question: Is the plan 'cast in stone'?

The goal is cast in stone. You can be versatile about the schedule and plan, but the goal cannot be lowered. A flexible plan encourages innovation and experimentation.

Below is an example of a sheet that project teams use for planning.

Example: Sample planning sheet

Action steps	Deliverable	Deadline	Owner and helpers	Finances	Status report

The project team is ready to execute the implementation plan at this point in the process.

Task three: Project execution and tracking

The primary focus at this stage is to implement the project plan. The job of the business analyst is to see to it that all parties keep to their commitments as agreed and that the focus is maintained to deliver business results (1).

The business analyst could use the following questions to test the success of the implementation and to track results:

- Do we have regular and productive project review meetings? Are the meetings well structured? Does everyone attend the meetings?
- Apart from communication at our formal meetings, do we as project team members communicate often? Should we revise our communication approach?
- Is the project proceeding according to plan? Are we delivering what we intended to deliver, and are we delivering it on time and within budget?
- Are things coming to light that should cause us to consider changing the assumptions around which the project was designed? Are there any blind spots that we missed prior to implementation with regard to technical matters or change-readiness issues?
- How do we feel about how we are working together as a project team? What is working well? What is working less well? Should we test a few different ways of working together?
- Looking forward, do we still keep to the timetable and goal(s) initially set? Are we still confident that we will achieve the results we said we would achieve? Could we achieve the results more quickly or achieve more in the same time frame?
- Are there people who need to be brought up to speed on the project? Are there any people who need to be consulted on how to proceed?
- Are we successful in involving the people most affected by the change?
- How could we protect and ensure the success of the next phase of the project? (The project team could use the template below to answer this question fully.)

Proactive project management matrix

Project element	What is likely to go wrong?	How and when will we know?	What will we do about it?	When will we do it?	How will we do it?
Quality					
Cost					
Timetable					
Project staff					
Client area Readiness					
Results					
Other					

It is important that the business analyst review the progress of the implementation on a weekly basis to ensure its success (1).

Task four: Project sustainability and expansion

The final task in project management includes the following four steps:

- Check whether the project is fully completed. (1)
- Evaluate the final results. (1)
- Plan for sustainability. (1)
- Decide on an expansion strategy. (1)

A frequently asked question: What is meant by sustainability?

Sustainability refers to how you, as a business analyst, will ensure that the improvement in business results achieved is maintained and that no fallback occurs (1).

The four steps outlined above are usually addressed in a final project review meeting, also called a project consolidation meeting. Business analysts could use the following questions during a final meeting:

- Are all the project stakeholders present in the final review meeting?
- What is the final result we achieved? Why?
- What have we learned during the course of implementation with regard to technical matters and change readiness?
- Would we handle the same or a similar project differently in the future? Why and how?
- Have we stumbled over other improvement opportunities?
- What do we need to do to sustain the improvement we have achieved?
- What sustainability measures do we need to put in place?
- Who would take ownership of the measures?
- How would the sustainability measurement data be communicated, to whom would it be communicated and how regularly would it be communicated?
- What would we do if the sustainability data called for corrective action?
- What are the most potentially useful projects for the next step? Why? (See chapter 5 regarding expansion options.)
- What steps do we need to take to launch the next project?
- How can we communicate the success to all interested parties?
- What would be the most appropriate way to celebrate the success and to reward the people who made it happen?

The project is completed, sustainability measures are selected and the expansion project has been identified. A further implementation cycle starts.

3.2 High-impact consulting role

Business analysts could play four distinctly different consulting roles. Three of the roles are played mostly by analysts, leading to endless consulting problems. These consulting roles are designed to implement projects in a conventional way (1). On the other hand, one role is high-impact consulting, called the **business partnership role** (1). The following explains the conventional roles as well as the partnership role:

(1) First conventional analyst role: Personal assistant **(1)**

The characteristics of this role:

- The client analyses the problem and causes. (1)
- The client selects the appropriate actions. (1)
- The client instructs the business analyst on what needs to be done. (1)
- The business analyst is responsible for the doing. (1)
- The client evaluates the performance of the business analyst. (1)

Advantages and disadvantages

Positives	Negatives
Action is taken quickly.	Client's diagnosis may be incorrect.
	Collaboration between client and business analyst is limited.

	Client is passive during implementation.
	Business analyst is blamed when the project fails.

Example: Personal assistant in action

Client to business analyst: "Our inventory management is out of control. We don't have a proper system. I need you to design and implement a system according to my list of requirements and specifications. It is important that you complete the project by the end of this month. Please keep me posted."

The assistant role is common in practice. The negative effect of this role is that a partnership is never formed with the client (1).

(2) Second conventional analyst role: Expert or technologist **(1)**

The characteristics of this role:

- The client has a problem that is not clearly defined. (1)
- The business analyst conducts a study and analyses the problem. (1)
- The analyst submits a report to the client. (1)
- The client reviews the recommendations and makes a decision. (1)
- The business analyst implements the solutions. (1)

Advantages and disadvantages

Positives	***Negatives***
Business analyst is in control.	Client does not own the process.
Business analyst learns in the process.	Client's learning is limited.
	Collaboration between client and analyst is limited.
	Client does not use the analyst's solutions fully.
	Analyst is blamed when the project fails.

Example: Technologist in action

Doctor (analyst) to client: "I need to form a clearer picture of your problem. I propose a survey of your situation, after which I will provide you with my insights. The survey will highlight what we need to do. My team and I can then implement the technology solution."

The expert or technologist role is most common in IT. The business analyst is like a medical specialist, and the client like the patient. The analyst diagnoses the illness and provides the client with a technology prescription (1). The main problem with this role is that the client does not take ownership of the solutions. The projects are owned by IT. This role on its own is disadvantageous (1).

(3) Third conventional analyst role: Process consultant or facilitator **(1)**

The characteristics of this role:

- The client has a problem to be solved or a need to be addressed. (1)

- A workshop is arranged to do problem solving. (1)
- The facilitator or business analyst conducts the workshop, applying facilitation techniques. (1)
- The client group provides the content to be discussed. (1)

Advantages and disadvantages

Positives	Negatives
Facilitation is objective and neutral.	Facilitation usually encourages talking, not doing.
Client feels in control of the content.	It is time-consuming.
Client owns the outcome.	The facilitator provides no expert input.
People participate in the process.	Facilitator does not necessarily understand the extent of the client's problem – that is, the content.
Facilitation works towards consensus.	No actual implementation support is provided.

Example: Facilitator in action

Client to facilitator: "We need to talk to my sales team about the idea of a new customer database. I'd like you to facilitate the meeting. I want the group to clearly state their expectations and requirements. What technique can we use to structure the meeting?"

The role of process consultant or facilitator could be used with great effect by the business analyst to involve users in a project. However, the role on its own, like the expert role, is not high-impact (1). Let's see why not.

(4) High-impact business analysis: Business partnership role **(1)**

The characteristics of this role:

- The client has a business need. (1)
- The client and business analyst jointly explore the issue. (1)
- The client and analyst formulate the way forward jointly. (1)
- The client and analyst work and learn in full collaboration to implement the solutions. (1)
- The analyst acts as facilitator and provides specialist input as the situation demands. (1)

Advantages and disadvantages

Positives	***Negatives***
Both client and analyst are learning.	It takes time and energy to build a partnership.
The client and analyst share accountability.	Not all clients want to collaborate.
Consulting input is focused and leveraged.	
The client owns implementation.	

Sustainability is properly addressed.	
A long-term client/consultant relationship is established.	

A frequently asked question: What do I do if a client is not willing to collaborate as a partner?

This is an indication that the relationship with the client needs to be developed further. The only way to develop the relationship is to spend time with the client.

Example: Business partner in action

Client: "Our market share is shrinking because of increased competition."
Analyst: "Why are customers buying from the competition?"
Client: "We are not price-competitive. Our cost of sales is too high, especially on the production side."
Analyst: "I'd really like to work with you on this. Would it be of any value to you if we got a team together to identify opportunities for improvement and actions we can take now?"
Client: "Sounds good to me …"
Analyst: "In our collaboration we might also discover how technology can help us to reduce costs."
Client: "It's about time that we streamline our production processes. Technology might be the answer. Let's see what the team thinks."

This role enables both client and business analyst to collaborate like partners in a small business. In a partnership mode, they identify improvement opportunities, formulate goals from a business perspective and jointly implement solutions. Note that the business partnership role requires flexibility on the part of the business analyst.

Flexibility means that the business analyst facilitates and provides expert input as the situation demands. Furthermore, flexibility implies that the business analyst needs multiple competencies as discussed in chapter 1. (1)

WORKBOOK EXERCISE 4

QUESTION 1

The role of the business analyst is directly influenced by changes in the business environment. What significant changes are currently taking place in the business world?

[20]

QUESTION 2

In the past, business analysts relied mainly on their technical competence, but currently multiple competencies are required for a business analyst to be successful. Why do business analysts need multiple competencies?

[4]

QUESTION 3

Below are a few examples of conventional project definitions. Interpret each conventional project definition and write a high-impact project definition for each one:

3.1 Develop a point-of-sale software application.

3.2 Design and develop a safety incident tracking system.

3.3 Implement a production line control (PLC) system at line 42.

3.4 Install a new passport processing system in the embassy.

3.5 Redesign the billing system. [5]

QUESTION 4

Business analysts could play four distinctly different consulting roles. One of the roles is that of expert or technologist. Discuss the expert/technologist by referring to the following:

4.1 Characteristics (5)

4.2 Advantages (2)

4.3 Disadvantages (5)

[12]

QUESTION 5

Discuss the critical elements of a business that a business analyst must understand in order for him/her to be successful.

[6]

QUESTION 6

"One vital aspect of understanding the client's business is the 'business demographics'."

List and discuss the demographic factors that are referred to above.

[20]

QUESTION 7

To implement the three consulting stages successfully, the business analyst has to be aware of the design characteristics of the process each step of the way. List and discuss the most distinctive qualities of the analyst consultation process.

[8]

QUESTION 8

The concept 'client' is an all-inclusive one. What different types of clients does the analyst encounter in the consulting process?

[5]

QUESTION 9

Evaluate the following case. Determine whether it is a Breakthrough or conventional project. Give reasons for your answer.

A vehicle manufacturer started an e-commerce project. The aim of this project was to link all plants with suppliers. Another aim was to allow customers to order customised vehicles via the Internet. A project management committee was set up. The project duration was 12 months, but customers were still not able to order customised vehicles.

[5]

QUESTION 10

Identify the implementation stage(s) in the examples below:

10.1 The new PCs in marketing must be installed by 10 September 2008.

10.2 Peter Blake is accountable for the finalisation of the PC installation.

10.3 Increase electronic sales of accounting applications in the corporate sector by R10 million within 12 weeks.

10.4 A project review meeting was held on 9 July 2008, and all team members attended.

10.5 The project will be expanded into all branches of the company.

[5]

QUESTION 11

There are five main change barriers that surface during a project. Explain one of them, namely **weak performance expectations**.

[10]

TOTAL: 100

SOLUTION TO WORKBOOK EXERCISE 4

QUESTION 1

- **Businesses are going global.**✓ Small firms, medium-sized private companies and large corporates are going truly global. Internet-based technologies are making all of this possible. ✓ This means that a small South African firm can market and sell African arts online anywhere in the world in real time. ✓ A large American corporate can buy red wine supplies electronically from a South African supplier, resell it electronically in Europe and arrange shipping electronically with almost any distribution company. ✓ Suppliers of goods, service providers, competitors, customers, clients and all business stakeholders are linked like never before. This shift requires new business models and different technology strategies. ✓

- **Boundaryless businesses.** ✓ 21st century businesses are becoming boundaryless as a result of technological advances as well as through the increasing rate of mergers and acquisitions. ✓ Ron Askenas et al. (2002) distinguish between four boundary types:

- **Vertical boundaries:** These refer to the hierarchy or levels of management and supervision.
- **Horizontal boundaries:** These refer to business units, divisions, functions, departments, sections and work teams.
- **External boundaries:** These refer to interaction between suppliers, customers and stakeholders in a certain geographical area.
- **Geographical boundaries:** These imply interaction between businesses across borders and time zones.

A new economy business cannot allow boundaries to interfere with its operations. Speed and flexibility are required to survive in the new world. New age information systems across boundaries are necessary to enable businesses to respond quickly and flexibly. In the following example, consider what the impact would be on a business when boundaries interfere.

Example: Boundaryless behaviour

A European motor manufacturer based in Germany receives an order for 1 000 4x4 vehicles to be delivered to a company in Australia within 60 days. The manufacturing of the 4x4 vehicles takes place in three countries across the world. Some of the parts are manufactured in the USA, other parts are manufactured in South Africa, and the vehicles are assembled in India and shipped. Imagine the chaos if management politics and rank were to interfere (**vertical boundary**), or if turf became a barrier between business units (**horizontal boundary**), or if the communication between the South African factory and a local steel supplier were poor (**external boundary**), or if the technological co-ordination and integration between the global units, their suppliers and the Australian customer failed (**geographical boundary**).

- **From internal to external integration.** ✓ In the 1980s and 1990s many organisations focused on the creation and integration of internal business and operating systems – hence the enterprise resource planning [ERP] (e.g. SAP/R3) revolution. ✓ Boundarylessness is forcing businesses to focus externally and to create links with global business units, suppliers and customers across boundaries, i.e. electronic commerce. ✓ Pick 'n Pay's virtual shops serve as an example. Massive external integration will be required in the future. Major shifts in IT strategy are therefore inevitable.
  Example: From internal to external integration

  In the late 1980s a South African consumer goods producer started to develop computerised systems for each area of its operation. Applications were developed for sales, production, warehousing, distribution and finance. As the business grew in the 1990s a need developed to standardise the various internal operating systems. Specified applications of SAP/R3 were implemented to accomplish internal integration. In the late 1990s competition became fierce and more emphasis was placed on effectiveness and efficiency. Electronic links with local suppliers and customers were established through Internet portals, and the existing supply chain system was modified to ensure external integration. On the agenda now is to expand the portal concept to reach overseas markets.

- **Information as the competitive advantage.** ✓ Businesses rely on information to make strategic and operational business decisions. ✓ Businesses should be able to manage stock just-in-time, predict consumer trends accurately in advance, capture and spread knowledge in the organisation (in a secure way) in order to facilitate continuous and rapid performance improvement, and utilise the information with speed and ease across boundaries. ✓ Management information systems and data warehouses are entering a boundaryless era.

- **From service or product sales to value creation.** ✓ In the 21st century, many customers and clients see products and services merely as commodities. Increasingly, however, customers and clients are demanding that products and services improve business results significantly and measurably – and that the improvement be sustained over a long time. ✓ Customers and clients are asking suppliers or providers three questions: (1) How will your product or service help me to save money? (2) How will your product or service help me to make more money? (3) How will your product help me to add more value to my customers and clients? ✓ These questions are transforming the business world. Companies are gearing for mass customisation, i.e. products are being made to customer specification at lightning speed. An example is where an individual can order a uniquely individualised motor vehicle from the factory floor. Moreover, there is expansion in the service industry where intellectual 'products' are sold to bring more value to clients. ✓

- **From change as a crisis to change as ongoing.** ✓ Not too long ago many businesses responded to change in the environment as a crisis. ✓ This is changing – in some cases faster than in others. Top business managers realise today that competitive advantage means the ability to anticipate change, the capability to respond quickly and proactively, and the willingness to reinvent the business continuously. One of the major change drivers is technology. It is vital in the new economy that technology analysts proactively anticipate the technology needs of business and strategise accordingly. ✓

QUESTION 2

- Clients' problems and needs are more complex.
- Many projects require a multidisciplinary approach – for example, the implementation of a new IT business system could include business analysis, systems analysis, process redesign, restructuring, change management, training and project management.

- The consulting industry is far more competitive. Clients can choose between a variety of internal and external consultants or a combination of them.
- To help a client to improve results means that we have to understand the client's situation beyond our technical expertise. We need to understand the client's business.

QUESTION 3

3.1 Grow local sales by R2 million in 100 days.
3.2 Reduce head injuries among maintenance personnel to zero in 90 days.
3.3 Increase the throughput on line 42 from 31 tons per run to 51 tons per run in 60 days.
3.4 Reduce the backlog of passports from 100 000 to 30 000 in 12 weeks.
3.5 Reduce debtors days from 120 days per cycle to 60 days per cycle in 100 days.

For each of the above, the following needed to be included in the answer:

** What? Local sales*
** Amount? R2 million*
** Time frame? 100 days*

QUESTION 4

4.1

- The client has a problem that is not clearly defined.
- The business analyst conducts a study and analyses the problem.
- The analyst submits a report to the client.
- The client reviews the recommendations and makes a decision.
- The business analyst implements the solutions.

4.2 The business analyst is in control.

The business analyst learns in the process.

4.3 The client does not own the process.
The client's learning is limited.
Collaboration between the client and analyst is limited.
The client does not use the analyst's solutions fully.
The analyst is blamed when the project fails.

QUESTION 5

- Where the business is going (vision)
- What kind of business it is
- What kind of product or service the business supplies
- The critical success factors (CSFs) of the business
- The strategy of the business
- The main processes and support technology in the business

QUESTION 6

- **Size of the business.** This includes number of employees, annual sales turnover, number of business units, and amount invested in plant and equipment.
- **Age of the business.** The history and age of the organisation will tell you a lot about its ability to weather storms, its culture and its ways of doing things.
- **Market life cycle.** Businesses, like products, have a life cycle that flows from pioneering days to maturity, and in some cases to decline.
- **Products and services.** What products does the business make and/or what services are rendered to clients?

- **Customers/clients.** Who are the customers/clients? What do they buy and where are they based?
- **Geographic location.** Does the business have more than one office in different locations? Has it moved in the past? If so, why? Why is it situated where it is? What are the advantages and disadvantages of the location?
- **Technology.** Is the business capital-intensive or labour-intensive? Does it develop its own technology? Is its technology a competitive advantage? Why has it chosen the level of technology that it has?
- **Labour situation.** What is the educational level of the workforce and the level of union activity?
- **Culture.** The culture is the glue that keeps a company together and is usually determined by the style of the founders and top management of the business: How are things done in the business? What are the rules? Is there a common language?
- **Ownership.** Who owns the business? What is important to the owners?

QUESTION 7

- It is **results-driven**. The consultation process focuses on outcomes and not on events or activities. The process is therefore designed to support clients to achieve significant improvements in business results or to benefit from tangible contributions to them. (See chapters 1 and 2.)

- It is **action-oriented**. The process is geared to use client readiness as a springboard for implementation. Every task in the process works towards action. (See chapter 2.)

- It is **flexible**. The process is built upon a situational model and therefore operates on the premise that every client situation is unique. The flow of the process and solution depend on the requirements of each client situation – a truly client-focused model.

- It is **practical**. Keeping it simple is key. The process focuses on the vital few things that would add 80% or more of the value. The trivial ‘many’ are ignored.

QUESTION 8

- Ultimate client; stakeholders
- Primary client; accountable person
- Users; people closest to the problem
- Other key interested parties
- Specialist advisors

QUESTION 9

It is a conventional project.✓ ✓
It is not results-focused. ✓
The project started with a broad scope. ✓
You could ask the company if it helped them sell more vehicles. ✓

QUESTION 10

10.1 Project planning
10.2 Project planning
10.3 Project design
10.4 Project executing and tracking
10.5 Project sustainability and expansion

QUESTION 11

DEF: Avoiding risk by asking subordinates for less than is really possible, or permitting them to escape from real commitments and consequences. ✓

- Ask for too little. ✓ Managers don't ask for more. They either accept that people are already burdened enough or they feel uncomfortable expecting more. Just imagine the negative impact of this management behaviour on any project. ✓
- Leave escape hatches. ✓ Managers do not clearly assign accountability. Consequently, subordinates pass responsibility to and fro, and managers cannot pinpoint who is responsible. ✓
- Sacrifice one goal for another. ✓ Managers allow subordinates to leave tasks uncompleted – believing excuses that one goal has suddenly become more important than another. ✓
- Accept explanations. ✓ Managers compromise too often, accepting explanations for why a project could not be completed instead of demanding results. ✓
- Allow escalation. ✓ Managers let subordinates delegate tasks and these back up. Subordinates offer many creative excuses for why they cannot solve a problem, and managers accept them. Once accepted, this becomes a norm. ✓
- No consequences. ✓ Managers feel comfortable discussing the rewards of good performance with employees but not the negative consequences of non-conformance. Employees start to believe that they can get away with poor results. ✓

Maximum of 10 marks. Definition of weak performance = 1 mark; the rest = 9.