Seilevel
requirements defined

Our Requirements Are Good, So Why Aren't We Delivering Value

Betsy Stockdale, Seilevel

CCR: Technical

PMI
ORANGE COUNTY CHAPTER
2016 Building Leaders for Business

Our Agenda

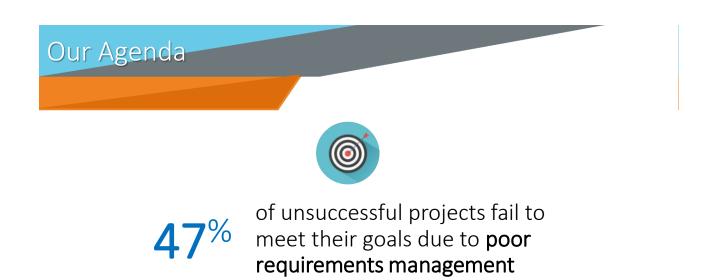| TOPIC	YOU WILL LEARN
Measuring BA Success	Ways to evaluate the effectiveness of the BA
Quantifying Business Value	How to create measurable business objectives and use them on the project
Metrics that Matter	Which metrics executives care about that also reflect your success
Our Results at Measuring Success	Examples of measuring success that you can replicate
Now What?	4 things you can do tomorrow on your own project

Seilevel
requirements defined

PMI
ORANGE COUNTY CHAPTER

Our Agenda

47% of unsuccessful projects fail to meet their goals due to **poor requirements management**

Seilevel requirements defined   PMI ORANGE COUNTY CHAPTER

Am I doing a good job?

How do I measure my BA team's performance?

Our CIO wants to cut the BA team back; how do I show our value?

Am I having any impact?

Developers don't think my requirements are very good; are they right?

Seilevel requirements defined

PMI ORANGE COUNTY CHAPTER

Discussion

How do you measure the quality of the BA's work today?

How do know if the BA is doing a good job?

How do you know if the requirements are good?

Measuring Requirements Quality

❑Well written?
❑Complete?
❑Atomic?
❑Testable?
❑No ambiguous words?
❑Coherent?
❑Verified?

❑Pass the quality checker?
❑Glossary clear?
❑Unique identifiers
❑Consistent
❑..

We are emphasizing the wrong part of this phrase…

47% of unsuccessful **projects fail to meet their goals** due to poor requirements management

Source: *PMI's Pulse of the Profession: Requirements Management — A Core Competency for Project and Program Success,* August 2014

Requirements:
A means to an end
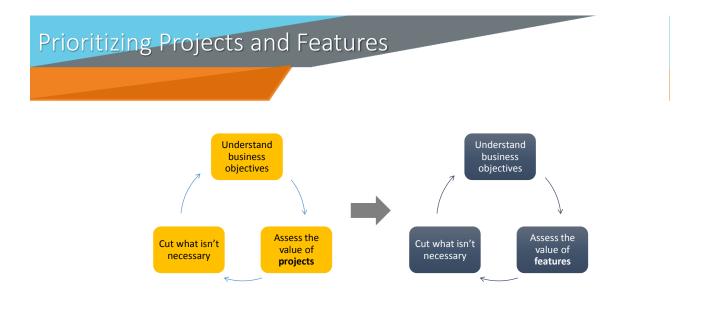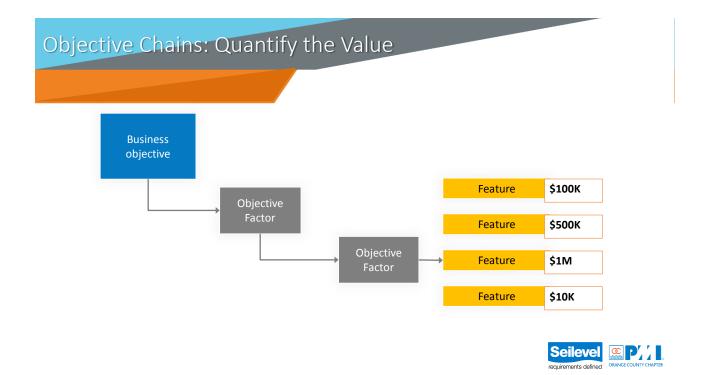
Example: Does the boat float?

Our Agenda

	TOPIC
✓	Measuring BA Success
	Quantifying Business Value
	Metrics that Matter
	Our Results at Measuring Success
	Now What?

Business Objectives Quantify the Value so we can Measure Whether we Deliver It

Business benefit that an organization expects to receive
Increase revenue or cut costs

Example
Reduce chemical purchasing expenses from 1M to 750K in the first year

Prioritizing Projects and Features

Understand business objectives

Assess the value of **projects**

Cut what isn't necessary

Understand business objectives

Assess the value of **features**

Cut what isn't necessary

Objective Chains: Quantify the Value

Business objective

Objective Factor

Objective Factor

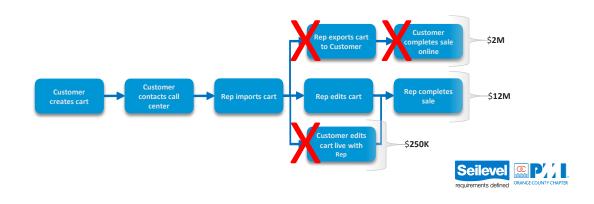| Feature | $100K |
Feature	$500K
Feature	$1M
Feature	$10K

Example: Quantify the Value of Features

Cut expenses by $250K in year 1

$200 avg/chemical x 500 chemicals/yr redundancy

$200 avg/chemical x 50 chemicals/yr mistakes

Inventory knowledge eliminates extra purchases

Images eliminate accidental purchases

$100K
Stockroom inventory recording

$10K
Chemical container images

7

Case study: Scope cut 80% to meet deadline

Target ROI = $14M

Original scope would cause missed deadline = $0M

Results: scope cut to achieve $12M ROI

```
                                                    ✗ Rep exports cart   ✗ Customer
                                                        to Customer          completes sale    $2M
                                                                             online

Customer        Customer          Rep imports cart    Rep edits cart      Rep completes    $12M
creates cart    contacts call                                             sale
                center

                                                    ✗ Customer edits
                                                        cart live with                     $250K
                                                        Rep
```

Our Agenda

	TOPIC
✓	Measuring BA Success
✓	Quantifying Business Value
	Metrics that Matter
	Our Results at Measuring Success
	Now What?

Requirements Need Executive Support

50% more projects meet goals when executives value requirements

66% of projects meet goals when executive sponsors value requirements

Only 44% meet goals when they don't

PMI's Pulse of the Profession In-Depth Report: Requirements Management, A Core Competency for Project and Program Success (2014)

Metrics Related to Reducing Missed Requirements: Are these good enough?
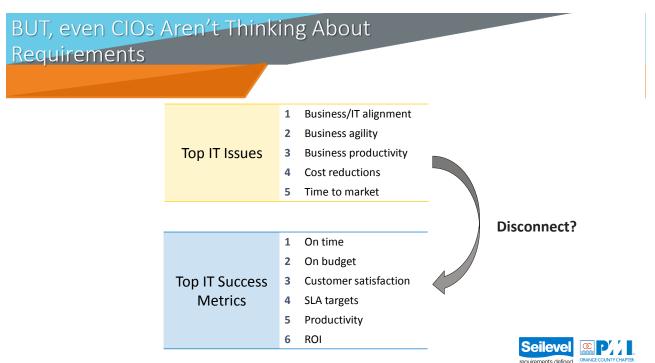
Number of missed requirements
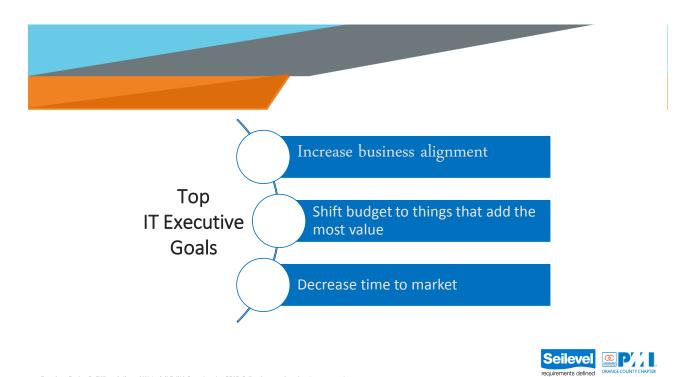
Number of requirements models used

Number of requirements mapped to models

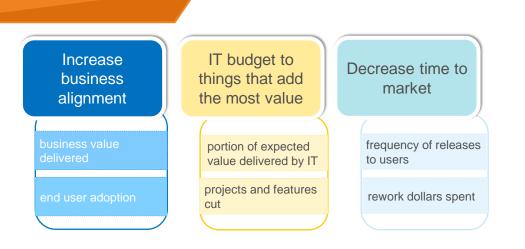Number of requirements changes after developed

BUT, even CIOs Aren't Thinking About Requirements

Top IT Issues		
	1	Business/IT alignment
	2	Business agility
	3	Business productivity
	4	Cost reductions
	5	Time to market

Top IT Success Metrics		
	1	On time
	2	On budget
	3	Customer satisfaction
	4	SLA targets
	5	Productivity
	6	ROI

Disconnect?

*2013 SIM IT Trends Study, Leon Kappelman, PhD, Primary Investigator

Seilevel
requirements defined

PMI ORANGE COUNTY CHAPTER

Top IT Executive Goals

- Increase business alignment
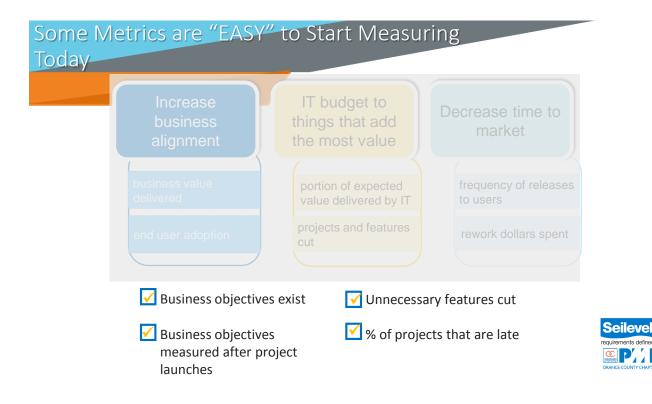- Shift budget to things that add the most value
- Decrease time to market

Based on: Borland's "When Agile and Waterfall Collide" seminar Jan 2013, Seilevel research and customer experiences

Seilevel
requirements defined

PMI ORANGE COUNTY CHAPTER

Metrics That Do Matter

Increase business alignment	IT budget to things that add the most value	Decrease time to market
business value delivered	portion of expected value delivered by IT	frequency of releases to users
end user adoption	projects and features cut	rework dollars spent

Some Metrics are "EASY" to Start Measuring Today

Increase business alignment	IT budget to things that add the most value	Decrease time to market
business value delivered	portion of expected value delivered by IT	frequency of releases to users
end user adoption	projects and features cut	rework dollars spent

☑ Business objectives exist   ☑ Unnecessary features cut

☑ Business objectives measured after project launches   ☑ % of projects that are late

Our Agenda

	TOPIC
✓	Measuring BA Success
✓	Quantifying Business Value
✓	Metrics that Matter
	Our Results at Measuring Success
	Now What?

PROJECT ANALYSIS: Examples of Use of Business Objectives

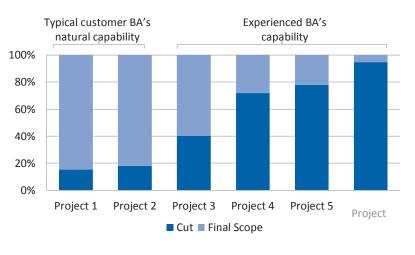|	Customer				
	1	2	3	4	5
Number of projects looked at	6	7	3	6	100+
Have business objectives	6	7	3	4	0
Measurable	4	5	3	4	0
Business objectives are related to money	2	5	1	1	0
Measured whether met business objectives	0	0	1	0	0

PROJECT ANALYSIS: Defining Success, then Using It Throughout

96% Projects have **defined end-state success**

67% Projects **use success daily** to drive activities *Out of 24 projects

Case Study: Percent of features cut

65% of features are RARELY or NEVER used

Typical customer BA's natural capability   Experienced BA's capability

Bar chart with y-axis 0% to 100%. X-axis: Project 1, Project 2, Project 3, Project 4, Project 5, Project. Legend: Cut (dark blue), Final Scope (light blue).

Our Agenda

	TOPIC
✓	Measuring BA Success
✓	Quantifying Business Value
✓	Metrics that Matter
✓	Our Results at Measuring Success
	Now What?

Seilevel requirements defined   **PMI** ORANGE COUNTY CHAPTER

Business Analysis is Core to Deliver Business Value

Explore a range of ideas to ensure we don't miss opportunities for business value

Use **strategy** to screen out projects that don't support our goals

Define **business objectives** to link problems and features

Make feature choices using **objective chains**

Seilevel requirements defined   **PMI** ORANGE COUNTY CHAPTER

Be Ready for the Challenges

1   Can't measure business value until projects are over (and teams are gone)

2   Data doesn't exist today

3   People don't want to be held accountable for actual results

What Can You Do Tomorrow?

Identify **business objectives** for your project

Cut **minimal value features** from scope

Link **requirements to business objectives**

Pick 1 metric and **measure it**

…so that YOUR projects deliver **business value!**

Key Takeaway: Requirements are a means to an end.

The requirements are perfect. But, does the boat float?

Read More

- *Visual Models for Software Requirements* (Beatty and Chen 2012)
- *Software Requirements, 3rd Edition* (Wiegers and Beatty 2013)
- Business Objective Chains White Paper www.seilevel.com/business-objective

Contact Us

betsy.stockdale@seilevel.com

www.seilevel.com

Search: Seilevel, Betsy Stockdale

@Seilevel @stoel02

www.facebook.com/Seilevel

Questions?

Our Requirements Are Good, So Why Aren't We Delivering Value

Betsy Stockdale, PMI-PBA, Seilevel

CCR: Technical

Thank You!