

BUSINESS ANALYSIS TASK:

# DEFINE FUTURE STATE

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INSIGHT



## Define Future State

The “Define Future State” phase in the business analysis process aims to determine the set of necessary conditions to meet a business need. The purpose is to establish a clear vision of what the future state of the enterprise should look like and ensure it is well-defined, achievable with available resources, and supported by key stakeholders.

### Key Elements

#### Business goals and objectives

Business goals and objectives describe the ends an organization is seeking to achieve. Goals are qualitative statements of a state or condition that the organization wants to establish and maintain. Objectives are specific, measurable, achievable, relevant, and time-bound (SMART) statements derived from goals.

### Techniques

Make sure the objectives are SMART:

- **Specific.** Goals should be clear and specific, with a well-defined outcome. This helps to focus efforts and clearly define what is to be achieved.
- **Measurable.** It is important to have measurable goals so that progress can be tracked and understood. This usually involves quantifiable criteria that allow for monitoring progress.
- **Achievable.** Goals should be realistic and attainable. While they should be challenging, they should still be possible to achieve.
- **Relevant.** Goals should be relevant to the direction you want your business or personal growth to take. This ensures the goal aligns with other relevant goals and fits within your immediate and long-term plans.
- **Time-bound.** Every goal needs a target date so that there is a deadline to focus on. This part of the SMART goal framework helps to prevent everyday tasks from taking priority over longer-term goals.

## Scope of solution

The solution scope defines the range of solutions considered to meet business goals and objectives. It encompasses changes to organizational structure, culture, capabilities, processes, technology, infrastructure, policies, products, services, and relationships.

### Techniques

- **Benchmarking** and **market analysis** identify and analyze existing solutions and market trends, which can help in defining the boundaries of the solution scope
- **Brainstorming** can be used to identify improvement opportunities
- **Document analysis** elicits information needed to describe design options and elements, assisting in defining the boundaries of the solution scope

## Constraints

Constraints describe aspects of the current state or future state that may not be changed by the solution. They include budgetary, time, technology, infrastructure, policy, and other restrictions.

### Techniques

- **Benchmarking and market analysis** can help determine constraints by comparing them with industry standards and regulations
- **Solution limitation analysis** helps to understand the challenges and limitations of existing solutions, which are crucial constraints in the current state analysis process

## Organizational structure and culture

Assessing organizational structure and culture addresses formal and informal relationships within the enterprise. It helps identify changes needed to support the desired future state.

### Techniques

In addition to **document analysis**, **benchmarking**, and **market analysis**, **root cause analysis** can help in determining constraints.

- **Root cause analysis** analyzes the current state and assesses risks to identify underlying causes of problems or limitations, which can be used to define constraints for the solution
- **A SWOT analysis** analyzes the strengths, weaknesses, opportunities, and threats of a solution and helps identify and define constraints by considering limitations and challenges that need to be addressed

## Capabilities and processes

Assessing capabilities and processes related to products, services, compliance, or overall enterprise performance serves to identify new or changed activities necessary to achieve the future state.

### Techniques

- **Process analysis** focuses on analyzing and understanding the existing processes within an organization. It helps in identifying gaps, pain points, and areas for improvement in the processes.
- **Business capability analysis** is specifically designed to analyze and identify business capabilities. It helps in understanding the organization's ability to perform certain functions or activities.

## Technology and infrastructure

Defining technology and infrastructure helps address changes required to meet the business need. Considers constraints imposed by existing technology and architecture standards.

### Techniques

In addition to **document analysis**, **benchmarking**, and **market analysis**, there are several other techniques to define technology and infrastructure.

- **Inspection** is a formal technique involving reviewing the work product related to technology and infrastructure, identifying defects, and ensuring the creation of a high-quality output. It is usually performed by peers or stakeholders and helps in removing defects and improving the quality of technology and infrastructure solutions.
- **Formal walkthroughs** involve individual review and team consolidation activities. It is used for peer reviews and stakeholder reviews related to technology and infrastructure. It helps in eliciting feedback and ensuring the alignment of technology and infrastructure solutions with the desired objectives.
- **Informal walkthroughs** involve running through the draft state of the work product related to technology and infrastructure and soliciting feedback. It is a less formal approach compared to formal walkthroughs but still provides valuable insights for improving technology and infrastructure solutions.



## Policies

Defining policies helps identify changes needed in organizational policies to support the future state. Consider how policy changes may open alternative solutions.

### Techniques

In addition to **interviews**, **brainstorming**, and **document analysis**, there are several techniques to define policies.

- **Organizational modelling** is used to understand roles and responsibilities within the organization. This technique can help in defining a governance approach that involves the right stakeholders and ensures that the policies are aligned with the organizational structure.
- **Process modelling** is used to document the process or method for governing business analysis. This technique helps in defining the steps and procedures that need to be followed to implement the policies.
- **Reviews** involve reviewing the proposed governance plan with key stakeholders. This technique allows for feedback and input from stakeholders, which can help in refining and finalizing the policies.

## Business architecture

Business architecture ensures that elements of the future state support each other and contribute to meeting business goals. Integration into the overall desired future state of the enterprise is emphasized.

### Techniques

- **Reference models** are predefined architectural templates that provide viewpoints for specific industries or functions. They serve as a starting point for business architects to adapt and meet the needs of their organization.
- **ArchiMate** is an open standard modelling language that can be used to define business architecture. It provides a way to represent the structure, behaviour, and relationships of business processes and systems.
- **Business process architecture** involves modelling the processes within an organization, including interface points. It provides a holistic view of the processes and helps in understanding how they interact with each other.
- A **capability map** is a hierarchical catalog of business capabilities. It categorizes capabilities based on their strategic, core, and supporting nature, providing a clear understanding of what the business does.
- A **customer journey map** involves modelling the journey of a customer through various touchpoints and stakeholders within the organization. It helps in analyzing and designing the user experience from multiple perspectives.
- An **enterprise core diagram** models the integration and standardization of the organization. It provides a visual representation of how different components of the enterprise fit together.
- A **portfolio analysis** is used to model programs, initiatives, and portfolios to provide a holistic view of the initiatives of the organization. It helps in understanding the dependencies and responsibilities required for the organization to move from the current state to the desired state.
- A **roadmap** is a visual representation of the actions, dependencies, and responsibilities required for the organization to achieve its goals. It helps in planning and tracking the progress of the organization's initiatives.
- **Service-oriented analysis** focuses on analyzing and designing services within the organization. It helps to understand how different services interact with each other and how they contribute to overall business objectives.
- **Value mapping** involves mapping the value chain of the organization. It helps in understanding how value is created, delivered, and captured within the organization.



## Internal assets

These analyze existing and needed resources for maintaining the current state and implementing the change strategy. They consider the feasibility and resources needed for the desired future state.

### Techniques

- A **review** of the balance sheet or other financial documents can provide information on a company's financial resources
- A **business model canvas** examines the value proposition the enterprise provides to its customers
- **Data mining** is used to measure enterprise performance

## Identify assumptions

Identifying assumptions helps to acknowledge and understand the assumptions underlying the strategy. Assumptions guide decision-making and may be tested during the initiative.

### Techniques

In addition to **interviews**, **brainstorming**, **root cause analysis**, and **benchmarking and market analysis**, **perspectives** is a technique to identify assumptions.

- Considering different **perspectives** and **viewpoints** can help identify assumptions that may be influencing the analysis process. By actively seeking out diverse opinions and challenging existing assumptions, business analysis professionals can gain a more comprehensive understanding of the problem or opportunity.



## Potential value

Another aspect of defining the future state is potential value, which evaluates the net benefit of the solution, considering the expected value after accounting for operating costs. It examines opportunities for increased or decreased value associated with the future state.

### Techniques

- **Data mining** is used to generate predictive estimates of solution performance. By analyzing historical data and patterns, business analysis professionals can identify potential value and forecast the benefits that a solution can deliver.
- **Decision analysis** is used to determine the impact of acting on potential value or performance issues. It helps in evaluating different options and making informed decisions based on the expected value that each option can deliver.
- **Financial analysis** is used to assess the potential costs and benefits of a change. It involves evaluating the financial return of different options and choosing the option that offers the best return on investment.
- **Focus groups** are used to gain stakeholder input on which design options best meet the requirements and to evaluate stakeholders' value expectations. By involving stakeholders in the decision-making process, business analysis professionals can better understand the potential value of different options.
- **Surveys or questionnaires** are used to elicit stakeholder input on which design options best meet the requirements and to identify stakeholders' value expectations. They provide a structured way to collect data and insights from a larger group of stakeholders.
- A **SWOT analysis** is used to identify areas of strength and weakness that will impact the value of the solutions. By analyzing the strengths, weaknesses, opportunities, and threats associated with different options, business analysis professionals can assess their potential value.