To focus on the business need we need to understand the business need!

Melanie Franklin

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Melanie Franklin, speaker biography

Melanie Franklin has a track record of excellence in project, programme and portfolio planning and delivery. She is the author of 6 books about project and change management and has just completed her latest book on using agile principles to manage large scale change initiatives. She is currently working on several initiatives to build agile working practices for FTSE 250 companies.
Context

• Focus on the Business Need is one of the 8 principles of Agile PM
• Business Need is a poorly defined term that includes:
  • Improvements expected (benefits)
  • Level of quality to be delivered (acceptance criteria)
  • Features and functions (requirements)
• Business need drives prioritisation of the work
Why is business need important?

• Agile projects are benefits led, not requirements driven i.e. project team members do not simply react to the needs of users but are actively challenging users to ensure that what they think they want is going to have a beneficial improvement on their working environment

• An understanding of benefits drives the scope of the project – the innovations we need to deliver in processes, systems, data, skills and capabilities

• An understanding of these benefits helps us translate the scope into requirements and we also use benefits to help us understand the priorities for these requirements

• Therefore, all project team members need to be able to fully participate in discussions on what benefits the project should develop
Disadvantages if business need is not defined

Lack of understanding of business need means project teams adopt a requirements-led approach where they develop requirements from users into specifications, with insufficient challenge of these requirements. These leads to the following problems:

• Failure to fully investigate alternative scenarios, because the solution has already been decided

• Inappropriate influence by those with power to push forward their requirements at the expense of other ideas

• Lack of willingness to accept the complexities in implementing the requirement, viewing those who raise these concerns as ‘resisting change’

• Failure to incorporate the views of all those impacted by the change, strengthening the belief that the requirement is the best solution because there has been no opportunities for others to challenge this view

• Lack of understanding of the benefits and disbenefits associated with the requirement, leading to non-existent or poorly defined business cases justifying the requirement
Components of business need

Benefits → Systems

Data ↔ Processes

Requirements

Priorities
Components of business need

Demand-led perspective

- Role specific needs
- Understanding of business value

Benefits

Supply-led perspective

- Technical expertise
- Understanding of business value
Imbalance: demand vs. supply led

- There is an imbalance because project teams do not have the core knowledge that helps them to challenge the business and ensure that what they say they want the project to do is actually what they really mean, and is something that will lead to benefits for the organisation.

- On the user side (demand led) they have their role specific needs, but they also have an understanding of the commercial environment in which they operate that helps them to see the value of the project externally.

- On the project side (supply led) project teams have technical expertise which helps them understand if the project is likely to work and ensures that the deliverables are tested and meet quality criteria.

- What is missing is our knowledge of the business environment that helps project teams have the challenging conversations which ensures a common understanding of the expected benefits, which helps them agree relevant requirements and helps them to prioritise those requirements.
What is Business Value?

Business value is an appreciation of the perspective, usefulness and desired outcomes of the project, set in the context of:

• Users and the performance criteria against which their contribution is measured
• The desired strategic direction of the organisation
• Market expectations
• Innovations and relative strengths of the competitors
• Views of the customers
• Expectations and needs of regulators
How to identify business need?

As a consultant I work for lots of organisations and I have to be aware of the important issues in their industries. My technique is to research the challenges facing their industry and their internal objectives and expectations:

• Company website – it is surprising how many staff have no idea what information about their strategic objectives, company history, vision and plans are on the internet
• Follow links from the company website to major customers, suppliers and regulatory bodies
• Find their sites and look for white papers or testimonials that highlight key issues and achievements
• Any industry bodies/professional associations which have webinars – assess the topics covered and look for any trends or common themes
• Repeat for conference/exhibition websites relevant to the industry- review presentations from previous events and programmes for future events
• Search for analysts’ reports and media commentary
Sources of knowledge

Market awareness:
• Market demands and social trends
• Competitive pressures from existing competitors and those new to the market via start up companies or the extension of services by other organisations
• Development of products or services that have the capability to supersede what you currently product
• Political and regulatory environment
• Available technology
• Industry best practice and standard measures of success

Organisational understanding:
• Values and behaviours that the organisation is most proud of and which forms the public perception of the organisation
• Productivity and skills of staff
• Internal political support for the proposed changes
• Likely customer reactions to the proposed changes
• Level of satisfaction with current range and delivery of products and services
Sources of knowledge

S | W
---|---
S | O
T | T

KPIs

Political
Economic
Social
Technical
Legislative
Environmental
Activity:

• Decide on an industry
• Identify required information about business need
• Suggest sources of information
Results from the group activity

**Enabling** project team members who have no direct interaction with customers an opportunity to meet them by attending sales pitches and customer relationship meetings with members of the sales team.

**Sharing** research reports about the industry that your organisation operates within provided by the big consultancies and research organisations.

**Holding events** where senior executives conduct face to face meetings about why they have chosen a particular strategic direction, and their understanding of market trends and customer demands that led to these decisions.

Using **social media** to let team members know about TV & radio programmes, magazine & newspaper articles relevant to their industry so they can appreciate market trends and the innovations and strategic choices of competitors.
Conclusion

Our conclusion from the workshop was that we had lots of ideas about how to build greater appreciation of business value but we are doing very few of them, and we need to re-think how we develop our staff to build this vital skill.

To arrange an agile workshop or discuss the challenges of adopting agile workshop practices, contact me via melanie@agilechangemanagement.co.uk
Further resources

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