

## Formation of Profession “Business Analyst” in Russia

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### Abstract

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The article considers the aspects of forming and developing business analyst profession in Russia. It describes the main issues and reasons of using the analysis by Russian companies at little extent. The author reveals the significance of the analysis for managerial decision-making as well as the content of business analysis concept, basic and key terms of business analysis and their interactions. The content of business analyst profession is examined in accordance with occupational standard and international practice. The article also describes the features and differences of new business analysis concept from analysis techniques existing in Russia.

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## INTRODUCTION

In the modern world one of the most important characteristics of the development level is the quality of information and analysis provision to the business, both large and small one. In turn, it has a significant influence on the processes of the socio-economic development. The foreign experience shows the quality of information provision and analytical processing is a compulsory strategic factor that allows to raise the efficiency of business performance.

In market economy, the art of managing the business mostly puts the emphasis on using internal potential of an organization based on economically literate rationale for taking managerial decisions. As a result, it requires the application of modern analysis toolkit when processing the information. In foreign countries, the analytical examination of a business is considered as an integral part of the business, and any significant decisions are taken only after the detailed analysis within a particular issue.

In Russia, business analysis is not still applied globally. Only about 20% of large enterprises have a business analyst or an analysis department. Moreover, there is a business analyst only in 9% of small and medium enterprises. Nowadays different departments of an enterprise implement some of analytical functions that mostly result in controlling (for instance, comparing the planned and factual indexes, assessing the dynamics, benchmarking) or in holding financial analysis.

The underestimate of analysis significance is the main reason of little using the analysis in practice. This is especially the case in small and medium business despite the fact that such enterprises have the highest risk and their competitive advantages are not high enough. The next reason is the shortage of the staff qualified in accordance with international requirements as well as the lack (till recent time) of the unified normative document that provides the characteristics of the qualification and job descriptions of a business analyst, namely, the occupational standard of business analyst. As a result, managerial decisions do not draw on the

findings of business analysis and are taken only on the manager's intuition. However, the underestimate of the business analysis significance leads to decreasing the competitiveness, reducing the income volume and even to bankruptcy. Therefore, this is the reason to disclose the concept of business analysis, justify its key features and its significance when ensuring the successful development of an organization.

### Characteristic of business analysis concept

Business analysis of an organization is a new analytical concept both in Russian and foreign practice. The business analysis concept can be disclosed through understanding the essence of its conceptual framework, above all, basic and key terms and their relationships. The key conceptual model of business analysis points out six main basic concepts of business analysis:

- Changes
- Needs
- Stakeholders
- Solutions
- Contexts
- Value.

'Changes' are defined as controlled transformations of an organization implemented as a response to unsatisfied needs. For instance, upgrading the equipment is implemented to improve product quality. Such improvements are deliberate and controlled through business analysis activity.

'Need' is a stakeholder's commitment to receive some welfare with the value for them.

'Context' is a mixture of internal/external factors and conditions that may influence any aspects of the business activities. Context may involve culture, infrastructure, relationships and other areas related to business changes.

'Value' identifies the importance of an event for stakeholders within the definite context. Context is considered as an integral part of 'needs', which, in turn, has to ensure the potential value. Value can be assessed by different ways: increasing sales, reducing risks, increasing opportunities, improving productivity etc.

'Stakeholder' is a person or a group of people interested in introducing changes that can be

affected by the changes relating to needs or solutions. A business analyst should deal with them directly or indirectly.

'Solution' is a definite way of meeting one or more needs within some context. Solution meets the need by sorting out stakeholders' problem.

The conceptual framework of business analysis includes the key concepts together with the basic terms. On the one hand, the key concepts expand the basic terms, on the other hand, they intensify and interact with them. The key concepts together with the basic terms form the conceptual framework that is necessary for systematic understanding of any information concerning business analysis. Key concepts are often the representation of some basic term.

Key concepts of business analysis are:

- Requirements;
- Design;
- Plan;
- Risk.

Requirement is a submission of stakeholders' needs acceptable for practical implementation.

Design is a formal description that is essential within the context of the current task of aspects of the particular decision and its components. One can say that the solution responds to the question 'What should be done?' to meet the needs, and design responds to the question 'How should it be done?'

Plan is a program of implementing something or achieving some goal. Plans contain a set of events, their interdependence, the expected sequence of their implementation, results, necessary resources and stakeholders.

Risk is a result of the ambiguity influence to achieve the set goals. When holding business analysis the risk will be problems that may arise in future, for instance, while implementing the chosen solution.

It should be noted that the interrelations between basic and key concepts are as important as the concepts themselves within business analysis conception. The conceptual model is a system in which no single concept should be considered separately.

The interrelation between basic and key concepts of business analysis briefly can be presented as follows. During the business activity some stakeholder has a need, which should be met, that is, a problem emerges. As a rule, the need emerges when changing an internal or external condition that is Context. In other words, some changes have led to the fact that the stakeholder's need stopped being met and turned out to be obvious – the problem has emerged. A business analyst reveals this need and forms the requirement applicable for practical implementation. The action and solution implementation plan is designed to look at the reasons and decisions of the problem. During his work the business analyst should identify the true reasons for problem's emergence in order to find the solution. Based on studying the Context within the subject areas, a number of solutions are formed and presented to stakeholders in particular design to approve. The representation of solutions in particular design allows to provide more illustrative insight into the suggested solution. Some solutions are necessary as a few stakeholders are involved and each of them has their own needs, and, consequently, the requirements to meet. Therefore, it is difficult to form a single solution that will meet every stakeholder. When looking for a solution and its implementing the business analyst assesses different risks: risks of unrevealed stakeholders, insufficient requirement collection, possible consequences of introduced changes etc. Each of them may have an essential influence on analysis results. For instance, if not all obvious and hidden needs and stakeholders are identified, the designed solution may have no value as it cannot solve the initial problem, or it even creates another one. In this case, the business analyst has to start his work again. Every designed solution should have the value for the stakeholder since it should meet the need or eliminate the problem. If the solution does not meet the need, it means the work is not done qualitatively and it is necessary to repeat it in order to find the solution allowing to solve the problem. After choosing the solution which satisfies all the stakeholders the best, the business analyst initiates the introduction of changes to implement the chosen solution. After its

implementation the solution has become an integral part of the current context within the enterprise.

### **Survey of problems of forming Business analyst profession in Russia**

The modern development of the economy, processes occurring in it obviously influence successful functioning of the business that has an impact on tasks to be solved by the analysis held within the enterprise. Business analysis can be held with a particular project, during the activity of the enterprise, on the level of the industry in a whole. Business analysis ensures introducing changes in the enterprise to meet stakeholders' needs and to justify the solutions describing the possible ways of implementing the changes. It involves identifying the reasons of the emerged problems, justifying possible solutions of the problem, that is valuable for stakeholders, and designing suggestions for further successful development of the enterprise. Since business analysis is a new direction, issues connected with the features of its technique are studied in practice very little in Russia. There are different publications on this topic, however, there is no agreement concerning the business analysis concept.

The profession of business analysis has not been still formed and does not have 'clear' description. The business analyst is often referred to a system analyst, a financial analyst, also some analytical responsibilities (for example, financial analysis) are involved in the chief accountant's responsibilities. Moreover, according to the occupational standards managers of different levels have some analytical and controlling functions. Nevertheless, the world community has identified the scope of this profession. Abroad a business analyst is referred to a specialist with the competences necessary for solving the tasks of business analysis and implementing them.

Business analysis is aimed at stakeholders' needs, finding the particular ways of solving the problems that are valuable for stakeholders. In addition, it suggests introducing the changes to meet their needs. BABOK – Business Analysis Body of Knowledge – contains generally accepted practices and knowledge on business analysis.

BABOK is a set of knowledge accumulated within the frame of professional business analysis. It describes in detail current practical aspects of business analyst's activity.

Under market condition there have appeared the goals and tasks that did not exist under the conditions of planned economy. An enterprise should be competitive, economically sustainable and profitable. Due to this fact, a range of analysis tasks and analytical methods and techniques allowing to assess economic activity of an enterprise and to hold its monitoring has been expanded (Chernysheva, 2017). The analysis has started facing new tasks; nevertheless, the analysis techniques did not undergo sufficient changes. There have appeared such new directions of the analysis as innovative potential analysis, financial economic performance analysis, economic potential analysis etc. However, this has not changed the essence of the held analysis applied in the planned economy. In other words, the analysis technique formed in the time of the planned economy continues to be used nowadays (without any sufficient changes). In practice, it does not allow to give an answer how and what should be done to meet stakeholders' needs and to make business more efficient. That is one of the reasons for underestimating the significance of the analysis and its little using compared to foreign countries.

The new analytical conception – business analysis conception – was predetermined by the necessity to solve a wide range of tasks with the help of the analysis under market conditions in order to ensure successful business performance and solving the emerged problems.

## **RESULTS AND DISCUSSION**

Due to IIBA Russia Chapter's initiative the development of occupational standard 'Business analyst' was begun in Russia in 2016 (this standard was approved in September, 2018). As part of this work the proposal concerning the creation of business analyst profession was introduced to Ministry of labour and social protection of the Russian Federation. From January, 30, 2017 this profession was introduced into the Dictionary of Occupational Titles. The concept of business

analysis occupational standard and responsibilities enlisted in it match the understanding of this profession that is recognized by the world practice and reflected in BABOK.

According to the approved occupational standard 'business analyst' business analysis as a kind of professional activity involves such generalized responsibilities as

1. Work with stakeholders.
2. Providing changes in the enterprise.
3. Identifying business problems and business opportunities.
4. Justifying solutions.
5. Managing business analysis.
6. Analytical provision of developing business changes strategy.

The mentioned positions are main directions of business analyst's work. The business analyst has to synthesize and analyze the information provided by a large number of people (stakeholders), collaborating with the business (its staff, business partners, IT-specialists, managers). The business analyst is responsible for identifying real needs of stakeholders, but not their desires. In many cases the business analyst works to facilitate the communication between organizational subdivisions. Furthermore, business analysts play the main role in aligning the needs of business subdivisions with the opportunities of their implementation, including with the help of information technologies (Chernysheva & Shepelenko, 2018).

This concept of business analyst profession is new for Russian analytical practice. The concept of business analyst profession stated in the occupational standard significantly differs from those analytical functions done by the analysts at the enterprises until nowadays. First, the goal of the analysis has been changed. Furthermore, there is a difference between the analysis held earlier and business analysis, business analysis does not involve controlling function. As a rule, it starts only from emerging the unsatisfied need of the stakeholder, which presents a problem. In addition, this problem may be either obvious (the stakeholder has formed it) or hidden (the problem exists but the stakeholder cannot form it clearly or even does not realize it, while the business analyst

should identify the problem and find its solution). In case there is no problem, the business analyst identifies the opportunities that can be used to develop the organization and do business successfully, i.e. he develops a business changes strategy.

Furthermore, there are differences in information provision of business analysis. Information sources in every particular case depend on the solved problems, the spectrum of stakeholders, context. However, the data of financial accounting, that were a main information source for business analysis earlier, are not of primary importance now.

Nowadays analysis technique confirmed by world practice suggests 'flexibility', uniqueness for every particular enterprise. Every enterprise has its own special features defined by a particular range of problems, stakeholders, their requirements, its business strategy and opportunities to achieve current and prospective goals. It proves the need in the unique analysis technique. Business analysis has this quality. The business analyst chooses more appropriate technique or a set of techniques suitable for this case and depending on the revealed problem.

Based on the analysis of the occupational standard we have identified the following key features inherent to business analysis and different from the technique, analysis that is used at present time. We can point out main features based on the conceptual model of business analysis:

The goal of business analysis is to provide the opportunities to introduce changes (it results in solving problems and using opportunities). The compulsory presence of material and non-material values of analysis results for stakeholders is one of features of the efficiency of analytical work as well as it is in demand;

From the point of meeting stakeholders' needs to full extent the analysis of the suggested options, the assessment of expected value from implementing the solution, the development of methods of assessing results of business analyst's work ensure the high efficiency and the practical value of the analysis when solving every particular problem;

'Agile Perspective' suggests business analyst's intellectual (flexible) thinking, i.e. the ability to react quickly to constant changes, abilities to revise, adapt, correct priority goals, tasks, to use different methods of analysis methods dependent on the particular situation. It can be said Agile Perspective is a key feature of a business analyst.

The techniques of risk analysis should always be applied since they are both an integral part of the business under market conditions and an integral part of business analysis as business analysis suggests the presence of changes, whereas the transition to some new condition always contains elements of ambiguity and, consequently, risk (Chernysheva&Shepelenko,2018).

Business analysis suggests a new conceptual approach both to processing the information (including with a wide use of digital technologies) and to goals and features of its implementation. The development and improvement of

occupational standard "Business analyst" allowed clearly to identify the frames of this profession which will promote its further development. In turn, it will raise the analysis efficiency, its applied nature and allow the enterprises to consider the analytical research as an integral part of doing business.

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