

European Research Studies Journal
Volume XXI, Special Issue 1, 2018

pp. 86-94

The New Profession of “Business Analyst” and the New Occupational Standards: The Case of Russia

Chernysheva Yu.G.,¹ Shepelenko G.I.²

Abstract:

The article looks at the essence of business analyst profession both in international and Russian practice. It studies the stages of establishing and developing business analysis, its main concepts in accordance with the Business Analysis Body of Knowledge (BABOK).

The authors point out and justify key features of business analysis conception which are different from the conception of enterprise performance analysis in Russian analytical practice. Also, they examine the structure of forming occupational standard “Business analyst” based on the conception of business analysis in accordance with the international practice.

There is the justification of using key concepts and provisions of international Business analysis body of knowledge while forming business analysts’ competences during their education.

Keywords: *Business analysis, establishing and developing business analysis in international and Russian practice, key features of business analysis.*

JEL Classification Codes: *G 28, G32, G31, G38, H70.*

¹*D.Sc. in Economics, Professor, Department of business performance analysis and forecasting, Rostov State University of Economics, E-mail: julia282001@mail.ru*

²*D.Sc. in Economics, Professor, Department of Innovative management and entrepreneurship, Rostov State University of Economics.*

1. Introduction

At the beginning of the XXI century there were great changes in conditions where a business may develop successfully. That was the consequence of main economic development trends, i.e. globalization, consolidated influence of “megarisks” on the financial economic activity of economic subjects. In addition, material economy has already transferred to intangible one which is expressed in a big share of intangible assets both on macro and microlevels. As a result, the needs of employers have changes on the labor market and, consequently, in the sphere of education and personnel training (Gorina, 2016).

Nowadays information is playing an important role in business. It is considered as a specific good and unique intangible asset defining the competitiveness of a business. Its presence or lack could be crucial during business negotiations or bargains. Moreover, the acquisition of the information is the first stage followed by the analysis and the retrieval of necessary data. Due to all this the analysis has become a creative type of governance. Its functions are spread in all the spheres and business processes: marketing, quality control system, merchandise programs, investments, personnel management, production and financial management. That is the reason why accurate analytical information processing is becoming of great importance. It enables to identify (or not to make) problems, find the ways of their solution as well as it promotes successful business and allows to forecast its results.

As it is known in practice analytical information processing suggests such interrelated parts as operative analytical processing and data mining which precede decision-making. International companies have considered the analysis as an integral part of business for a long time, and all significant solutions are made only after the detailed examination of a problem.

2. The role of analytical information in the enterprise performance

In Russia using the analysis is significantly less distributed. Without mentioning small and medium businesses even large enterprises do not have an analyst (or analytical department) among their personnel. According to the occupation rating in Russia, held by the journal “Applicant”, 20% of large enterprises has a business analyst among their staff, and there is only 9% in small and medium business. In an organization different departments fulfill some analytical functions, however, in practice it often turns into controlling functions (to compare planned indexes with indexes in the reporting year, to assess the dynamics of indexes for several years), or into holding the analysis of financial position.

In Russia the reasons for the insufficient level of using analysis opportunities are the underestimate of analysis value for business, particularly, it is common for small and

medium businesses, despite the fact that these enterprises have the highest risks and their competitive advantages are not high enough; the lack of required number of qualified analysts with analysis methods recognized in world analytical practice, the lack of the technical standard document that characterizes the qualification and labour responsibilities of a business analyst, i.e., the occupational standard of a business analyst. As a result, managerial decisions are often made due to the manager’s insight and are not justified with the findings of analytical survey of the enterprise performance. Nevertheless, the underestimate of business analysis value within an organization leads, as a rule, to decreasing its competitiveness, economic security, and even bankruptcy.

In Russia business analyst profession has not completely formed and it does not have a “clear” shape. A system analyst or a financial analyst is often called a business analyst, furthermore, a chief accountant has some analytical responsibilities (for instance, analysis of financial indexes). According to the requirements of occupational standards managers of different levels also have separate analytical and controlling responsibilities. However, the world community has already identified the profession scope clearly (Vovchenko *et al.*, 2017; Meskhi *et al.*, 2016).

3. The emergence and establishment of business analyst profession in international and Russian practice

The International Institute of Business Analysis (IIBA) was established in Toronto in 2003 and then registered in 2006. From the time of its creation the International Institute of Business Analysis became a leading association for business analysts. Currently the institute has more than 28000 members from different countries and has more 110 subsidiaries around the world, among among them is Russia since 2015.

One of the main IIBA tasks is to certify practitioners (business analysts, system analysts, specialists on requirements management, project managers) and to assist raising their professional competence. Business analysts’ certification suggests 4 levels of practice:

Level 1: Entry Certificate in Business Analysis (ECBA). It is designed for the starter level of business analysis, for instance, it can be obtained by students studying academic programs of business analysis, functional managers who are not business analysts but manage them.

Level 2: Certification of Capability in Business Analysis (CCBA). This certification is aimed at specialists who need official recognition of their expert knowledge and skills on business analysis.

Level 3: Certified Business Analysis Professional (CBAP). It certifies professional business analysts with big work experience as a business analyst.

Level 4: Certified Business Analysis Thought Leader (CBATL). It certifies a business analyst on thought leader level. This level can be obtained only by the professionals in the area of business analysis who have more than 10 years of work experience and are considered as leading analysts because their experience is highly estimated and they have made a great contribution into the development of business analysis practice.

The Institute developed an occupational standard within its activity, the Business Analysis Body of Knowledge (BABOK). BABOK is a teamwork of leading business analysts from all over the world. It describes generally accepted practices and knowledge of business analysis. The BABOK guidelines gives the description of areas of business analysis, its activities and tasks, skills necessary for their efficient fulfillment. The main aim of the Body of Knowledge is to establish borders of business analysis profession. BABOK is a conception describing methods and tasks of business analysis which should be done to understand whether this or that solution will provide benefit to the organization. The form of these tasks, succession of their fulfillment, relative significance and other aspects may differ, but every task, directly or indirectly, promotes achieving the shared goal.

Since its creation BABOK has been changing while designing the requirements to business analyst profession. Until quite recently (it was stated in the previous version of BABOK) a business analyst is considered as some kind of “analogue” of system analyst. The last version of BABOK (v3), appeared in April 2015, changed the concept of business analyst profession. It differentiates a business analyst from a system analyst, however, many terms common for this profession, are still used by business analysts. The last version of BABOK has also extended a number of applied analysis methods.

The last version of BABOK giving the definition to business analysis focuses on making changes. The concept “changes” itself is considered as a transformational activity in response to the need. The current version of BABOK points out the following tasks facing business analysts:

- to identify needs;
- to work out solutions;
- to justify changes.

Business analysis is a relatively new analytical area in Russian and foreign practice. The given analysis can be held within the frame of the exact project as well as in the process of the whole organization’s existence. It is necessary for characterizing the current condition, forecasting future development and identifying the activities which the organization must implement to achieve the desired results. Business analysts should produce and analyze information provided by a great number of people who deal with business (partners of the organization, its personnel, IT

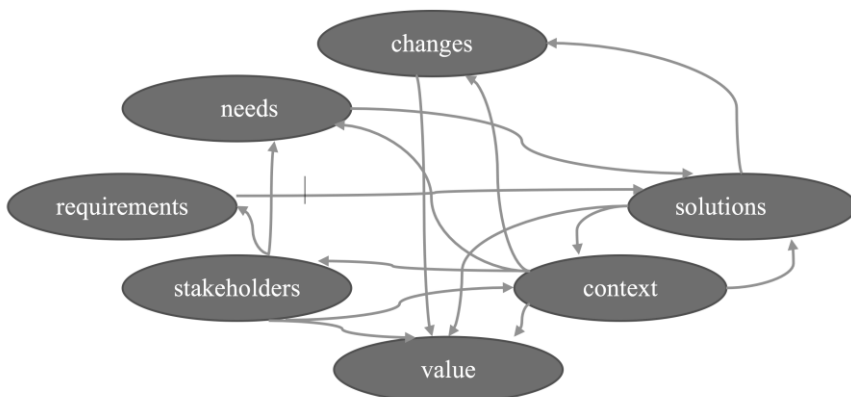
specialists, and managers). Furthermore, a business analyst is responsible for identifying needs of stakeholders, but not just their expressed desires. In many cases a business analyst works to facilitate the communication between organizational subdivisions, for instance, to correspond the needs of business subdivisions with the capabilities of their implementation with the help of information technologies.

According to the third version of BABOK the definition to business analysis suggests the activity that makes it possible to hold changes in the organization providing benefits to stakeholders within the definite context by identifying the needs and justifying solutions describing possible ways of implementing these changes. It is necessary to make changes in order to achieve set targets and meet the needs of stakeholders. Initiatives in this direction are considered as enhancements and improvements of the organization. In addition, they are deliberate and controlled by the business analyst. The definition of business analysis encompasses all its basic concepts: stakeholders, context, solutions, value and changes as follows:

- Change is a deliberate controlled transformation (improvement in response to the identified need to raise enterprise’s productivity);
- Need is a problem or opportunity that is necessary to be dealt with;
- Solution is a definite technique to satisfy one or several needs;
- Stakeholder is a person or a group concerned with changes, needs or solutions;
- Value is a cost, significance or usefulness of something for stakeholders.

Values can be tangible or intangible. Context is consequences that influence or are influenced. Consequences provide the understanding of the changes. One can say that context is everything concerned with changes which appear in the environment. The essence of business analysis can be presented in Figure 1.

Figure 1. Conceptual model (main scheme) of Business analysis



We can interpret the main scheme of business analysis in the following way. Stakeholders have a need that may exist independent on whether it has been identified or not, understood or already formulated. More often the need emerges if it stops being satisfied. Needs emerge within the definite context. It is necessary to find a solution in order to satisfy them. Nevertheless, the solution itself is not the final target. The solution and change exist within the context and should be held taking into account this context. Changes held within the single context have the value for stakeholders and completely satisfy their needs within this context, however, they may not have the value for the stakeholders and do not satisfy their needs completely within another context. The implemented solutions become a part of the context.

Except basic concepts the conceptual framework includes such key concepts as requirements, design, plan, risk, usefulness. Key concepts are not a variety of basic concepts or their constituent. Key concepts are interrelated with basic concepts and represent a new informational layer.

The core idea of Business Analysis Body of Knowledge is based on six conceptions. These are the directions which should be taken into account by the business analyst to achieve the desired result. This scheme is a basic model of business analysis. According to BABOK business analysis is characterized by flexible methods, data mining, informational technologies, business architecture, and business process management. To hold business analysis one uses about 50 methods described in BABOK, among which there are:

- Data dictionary and glossary;
- Brainstorming;
- Interviewing;
- Estimating technique;
- Business rules analysis;
- Data flow diagramming;
- Data modeling;
- Document analysis;
- Decisions analysis;
- Metrics and key productivity indexes;
- Unfunctional requirements analysis;
- Risk analysis;
- Lessons learned processing;
- Practical lessons on identifying requirements;
- Scenarios and options of their use;
- Scope modeling;
- Process modeling;
- Problem tracing.

Currently the analysis is mostly oriented at the uniqueness of every single organization since it should take into account the peculiarities of its activity as well as achieving strategic goals. The Agile approach which is an integral constituent of business analysis enables to implement it as it suggests a quick response to constant changes. The business analyst using the Agile approach should constantly revise, adapt and adjust priority tasks, tactics and analytical methods. It is required to provide constant flexibility of analytical work in case of possible changes. Analytical work cannot be fulfilled before hand but only at the definite time that ensures its efficiency (just-in-time approach).

4. Problems of forming business analyst profession in Russia and ways for their solution

Over the last years the need for forming a new profession – business analyst – has appeared in Russia. A share of organizations planning to hire a business analyst accounted for 39% in 2016. This profession is perspective. According to results of the survey it took the 6th place out of 20 most highly paid and demanded professions in Russia. Nevertheless, there is no unified requirement to the characteristics of this kind of activity, the level of professional competences and responsibilities of business analysts.

In Russia the new article 195.3 of RF Labour Code called “The order of applying occupational standards” came into force. Since more than 800 occupational standards were accepted the development of occupational standard “Business analyst” is a relevant task. The standard will reflect the requirements to the qualification which is necessary for implementing labour functions.

Due to Russian integration into the world space while developing occupational standard it is rational to take into the account those possible directions and types of activities of a business analyst which are described in BABOK (for instance, the application of Agile methods, data mining, the application of information technologies, the analytical description of business architecture and business processes management). Levels of business analyst’s qualification should depend on professional and behavioral skills, knowledge, the degree of responsibility in accordance with the complexity of solved tasks, the degree of influence and the independence.

Due to the initiative of IIBA Russia Chapter one began developing the occupational standard “Business analyst”. Within the frame of this work the profession was introduced in the Directory of occupations in Russia in January 2017. The project of the occupational standard was designed and submitted to public approval in September 2017. It should be noted that according to the project of occupational standard the concept of business analyst profession corresponds completely to the

international practices and requirements formed during the years of establishing this profession and to the International Business Analysis Body of Knowledge – BABOK.

The project of occupational standard gives the definition of main goals of this kind of occupational activity: ensuring the possibility of holding changes in an organization giving profit to stakeholders by identifying needs and justifying solutions describing possible ways of implementing changes. The following generalized labour functions are outlined:

- work with stakeholders;
- identify business problems;
- develop and justify solutions;
- hold changes;
- monitor business analysis;
- develop the strategy of implementing changes.

This concept of business analyst profession is new for Russian analytical practice. As it was noted, in modern economy analysis method should suggest “flexibility”, be unique for every single organization because it should take into account both peculiarities of its strategy and ways of its achievement, promote the solutions of current goals and tasks, but it should also be adequate to every single economic situation (problem).

Business analysis has key peculiarities different from the analytical practice established in Russia. These peculiarities allow presenting it as a new analytical conception, and include the following:

- the main goal of holding business analysis is to ensure the possibility of holding changes. Currently while analyzing this goal is not a primary one, and analyzing often suggests only the estimation of the current position, the identification of weaknesses, lost opportunities etc.;
- aiming at identified needs of stakeholders that makes the analysis method unique when solving concrete tasks within the organization;
- obligatory availability of material or intangible value of solutions for stakeholders due to the result of the analysis that makes it demanded;
- the analysis of proposed solution from the point of satisfying the need and estimation of expected usefulness, developing methods of estimating the results of the work by a business analyst that ensures the efficiency of the analysis;
- Agile perspective suggests intellectual (flexible) thinking of a business analyst that is the ability to choose, revise, adapt, adjust priority goals, tasks and analytical methods depending on the exact situation;
- compulsory application of risk analysis techniques that are an integral constituent

of business.

The development and the approval of business analyst’s occupational standards allow to formalize the requirements to its qualification in Russia, and, consequently, to overcome the gap between the requirements from organisations and the competences which students acquire in the system of higher education. As a result, it will lead to the necessity of adapting educational programs in order to form a necessary set of students’ competences in accordance with the requirements to the level of their knowledge and skills described in the list of standards. Since the basis of the occupational standard is International Business Analysis Body of Knowledge (BABOK), training specialists in the area of business analysis in Russia will correspond to accumulated international experience in full extent that will promote developing this profession, raising its demand from Russian companies.

References:

- BABOK. 2015. Business Analysis Body of Knowledge. Available online: <http://iiba.ru/chapter-1-introduction-3-babok-guide/#i-3>.
- Chernysheva, Y.G., Shepelenko, G.I., Gashenko, I.V., Orobinskaya, I.V., Zima, Y.S. 2017. Business Analysis as an Important Component of Ensuring Enterprise’s Economic Security. *European Research Studies Journal*, 20(3B), 250-259.
- Chernysheva, Yu.G. 2016. Features of business analysis. Proceedings of regional scientific and practical conference “Crucial directions of the development of accounting, analysis and audit in modern economy”, Rostov State University of Economics, Rostov-on-Don, 305-310.
- Gorina, P.A. 2016. Issues and Prospectives of the Educational Service Market Modernization. *European Research Studies Journal*, 19(3) Part B, 227-238.
- Meskhi, C.B., Izotov, A.M., Knyazeva, S.Y. and Simonyan, V.T. 2016. Formation of the System of Management of Supporting University on the Basis of Strengthening of Communication Component. *European Research Studies Journal*, 19(2), 64-70.
- Vovchenko, G.N., Albekov, U.A., Romanova, F.T., Epifanova, V.T. 2017. Study of Factor Which Facilitate Increase of Effectiveness of University Education. *International Journal of Educational Management*, 31(1), 12-20.