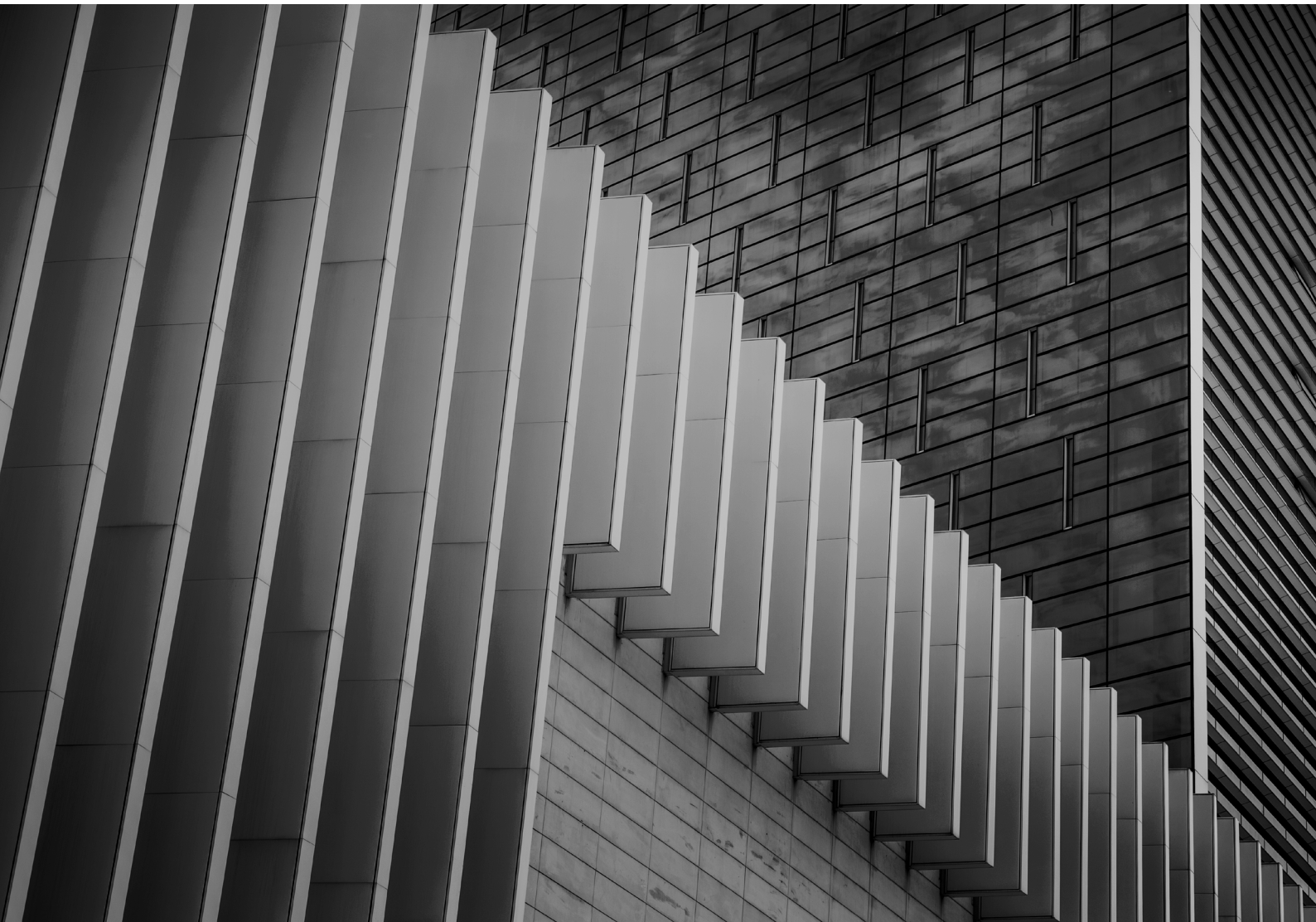
CAPCO

THE IMPORTANCE OF MICRO CREDENTIALS
FOR BUSINESS ANALYSTS IN DIGITAL TIMES



A business analyst (BA) helps guide businesses, improving processes, products, services and software using a variety of techniques. BA is a person responsible for talking to the business users or stakeholders to understand their needs. Instead of producing plans, the business analyst produces requirements which clearly state the business needs and align with business processes. The requirements are then used by the IT team or an external supplier to build or modify the current software systems or process. While the system is being built the business analyst is on hand to deal with issues and questions, and to support the business in implementing the required changes to make effective use of the new system.

Innovation is the key to success in any industry today. The lines between a tech company and an ordinary business have blurred. Firms must seize the opportunity to innovate if they want to distinguish themselves from their peers. Disruptive innovation is the new key that rules today's technology landscape. Traditional skills which were valued greatly have now become the norm and are considered as hygienic factor at best. With such fast-paced growth and out of the box thinking, it is crucial that BAs also look at current skillsets and adapt to the changing dynamics of the industry. The focus has shifted from completion of work to outcome achieved and the overall value added in the process. This paper analyzes how BAs can stay relevant and add value by acquiring newer approaches and skill sets.

THE PAST

In Waterfall project management, BAs were assigned to projects ahead of other delivery teams. This additional time is usually referred to as the requirement gathering phase, where the BA would research, discuss with stakeholders to create a detailed specification document, which is then used by the development team. Due to digital transformation, BAs had to adapt and develop an Agile approach. The Agile approach is suitable for frequently changing requirements, whenever there is uncertainty about what is the best solution, and when it is important to be able to change quickly.

Traditionally, business processes were centred around business stakeholders, however in the digital world, they are centred around customers and time to market features. Previously, software requirements were driven around stakeholders and business rules. Now, the software requirements revolve around customer requirements. In financial services, business processing is archaic, inefficient and manual. As a result, there has been a shift towards automation which can increase efficiency, reduce cost and enable employees to prioritize tasks based on various parameters e.g. severity, complexity, priority etc. Now, in a constantly evolving digital age, business processes are being reimagined with an intention to deliver seamless, interactive customer experience.

But, what does all this mean in practice? The most significant change for BA is managing Agile or incremental requirements, and how these requirements are communicated to the stakeholders. The business environment is constantly evolving, and new opportunities lead to new requirements. As the project progresses, the BA can gain a better understanding of the business, enabling them to maximize the outcome with minimum input. However, in order to successfully implement change within business processes, you first need to understand the technology.

Digital transformation uses technology to create business processes that deliver a superior customer experience. As a result, BAs can no longer work in silo, they must work collaboratively with technologists to create a frictionless user experience.

THE PRESENT

The changes and uncertainties in customer needs are affecting organization's technology, requirements, resources, and time. Across all business verticals, organizations are expanding their services and solutions to cater to broader demographics. Looking at financial services, a bank is no longer just a bank – they are developing services within fintech, insurance and investment banking. Outside of the financial sector, we are seeing similar trends. For example, the days of Amazon as just an online bookseller is long gone, today it is an e-commerce, streaming and motion picture production company. Fintech is the new buzzword within the banking industry, and it is impacting the use of technology across all financial services functions. Mobility and smart phones have a big role in the fintech revolution. Through the use of smartphones, consumers now have access to an 'always on' experience with their bank and the opportunity to gain real-time insight. As apps become increasingly sophisticated, consumers are expecting intuitive banking services. Today, digital transformation within banks, coupled with mobility, has transformed the very nature of banking.

Fintech company Alibaba's affiliate, Alipay, overtook PayPal to become the world's largest mobile payments platform in 2014. Meanwhile, digital giant Tencent is offering a range of financial services through its WeChat messaging software.

Meanwhile the fitness chain Cult has expanded into food, business, health care and clothing. Another company, CureFit, began as a cross fitness training centre, but has now expanded their services and now also offers medical check-up and consultation service. Their offering is unique, combining customer experience and technology to create a platform that offers a range of products that caters to individuals and their trainers.

Although it seems unlikely, technology companies across the world will soon be giving their customers the ability to open a current account – the merging of technology and finance is inevitable.

THE FUTURE (WHEN, WHAT, WHY & HOW)

WHEN

It's already here – it's now.

WHAT

What are various analysts saying on future digital trends[1]:

- By 2021, 10 percent of new vehicles will have autonomous driving capabilities, compared with less than 1 percent in 2018.
- By 2022, at least 40 percent of new application development projects will have AI codevelopers on the team.
- By 2021, half of large industrial companies will use digital twins, resulting in a 10 percent improvement in effectiveness for those organizations.
- Through 2028, storage, computing, and advanced AI and analytics technologies will expand the capabilities of edge devices.
- By 2030, blockchain will create $3.1 trillion in business value.
- By 2022, more than 50 percent of all people collaborating in industry 4.0 ecosystems will use virtual assistants or intelligent agents to interact more naturally with their surroundings and with people.
- By 2023, 20 percent of organizations will be budgeting for quantum computing projects, compared to less than 1 percent in 2018.

WHY

In the words of our Capco India Partner, Rajiv Dalmia – to be 'future relevant'.

According to the 2018 report, The Future of Jobs[2], reskilling will be imperative for the future workforce. By 2022, more than half of the working population (54 percent) will need significant reskilling and upskilling.

A commitment to continual learning and further education is imperative for business analysts that want to remain competitive and progress in their careers.

The report also outlined that by 2022, 85 percent of companies will have adopted user and entity big data analytics, meaning that the role of a business analyst will transform in line with the change.

Increased demand for soft skills such as communication and critical thinking in the industry will become more prevalent. Although the future looks bright for the industry as by 2020, the number of job profiles for all US business analysts is set to increase from 364,000 openings to 2,720,000 as indicated by IBM[3].

Digitalization and the fintech revolution are transforming the way we work. A digital future will enable us to work smarter, increase efficiency and create new opportunities. Automation of mundane tasks and processes has led people to invest more time into challenging tasks. The fusion of people and technology will create new ways of working.

Digital strategy is key to business strategy. Digital is not only the future of business, but also business analysis. It has altered the way industries and enterprises function and changed the way business analysts work. Job roles are becoming less rigid, which creates a more unified approach to working. The divide between business and technology is diminishing in the digital world. Therefore, BAs cannot remain distant from technology, they must embrace emerging technologies in order to harness its potential.

"Digital strategy is key to business strategy. Digital is not only the future of business, but also business analysis."

The solution to a business problem focuses on providing an exceptional customer experience. It spans across multiple business domains and is a combination of more than one technology. But one BA may not be able to master all these technologies. They must work with technologists, to fuse together design thinking and technical knowledge that ensures a seamless customer experience. Strategic thinking, customer centricity, empathy, design thinking, agility, technology and continuous stakeholder engagement are now critical for business analysts to succeed in the digital world.

After all, as Gary Hamel, the American management expert says, "You can't build an adaptable organization without adaptable people - and individuals change only when they have to, or when they want to"[4].

HOW

How to make BAs future relevant?

We know that yesterday's business analysis approach, tools and techniques will not be able to keep up with innovation. So, how should business analysts prepare for a new wave of technologies?

Adapt, upskill and embrace change.

Digitalization requires a business analyst to develop a notion of a product, rather than a project. Business analysts must therefore adopt a minimum viable product (MVP) approach.

Traditional business analysis required incremental changes to business process, with an intention to automate them. In the digital world, business processes must be reimagined to deliver exceptional customer experience.

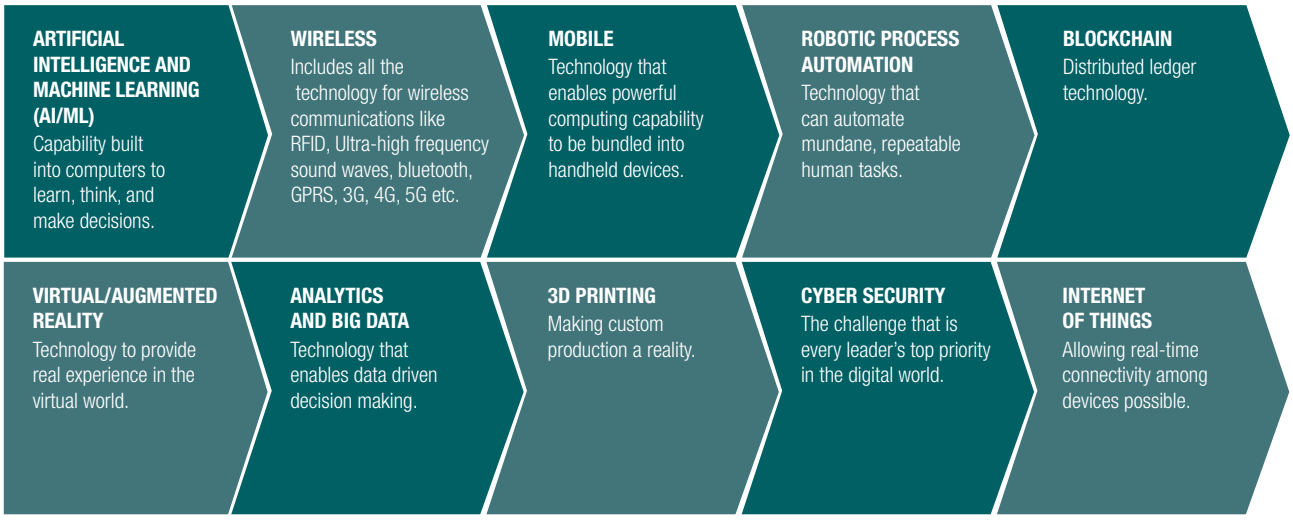
Previously, business analysts focused on the core features of business; they had a deep knowledge of business operations and principles within their industry, as well as tools for project management and soft skills like communication. Now, the emphasis on broad skill sets, technological acumen, and diverse industry awareness, is imperative within the evolving digital landscape.

The career growth prospectus for business analysts depends on their ability to adapt to digital disruption. They will be required to enhance their interpersonal skills, as complexities and uncertainties emerge. They also need the technical ability to ensure holistic business operations and functional implementation.

[1] https://www.gartner.com/smarterwithgartner/gartner-top-10-strategic-technology-trends-for-2019/
[2] http://www3.weforum.org/docs/WEF_Future_of_Jobs_2018.pdf
[3] https://www.forbes.com/sites/louiscolumbus/2017/05/13/ibm-predicts-demand-for-data-scientists-will-soar-28-by-2020/#6937ea1c7e3b
[4] Gary Hamel, What Matters Now: How to Win in a World of Relentless Change, Ferocious Competition and Unstoppable Innovation, (New Jersey: Wiley, February 2012).

An example of a good skillset to have is design thinking, where we keep the customer at the centre of all your solutions. A design thinking approach is based around core principles - user-centricity, ideation and prototyping, and a 'fail forward' attitude, i.e. a willingness to see mistakes as an integral part of the process. The end goal is to make peoples' interactions with systems more intuitive and engaging.

Every new age company is disrupting the traditional business model by investing in technology. A future business analyst either needs to master one or more of the below technologies as micro credential if they want to succeed in a competitive industry. Some of these technologies could be:



CONCLUSION

Upgradation and upskilling with micro credentials are crucial for a digital age business analyst. The unification of the digital world and the business domain, and the ever-changing technology landscape, requires us to think about business analysis differently. Adding micro credentials like technological skills and design thinking will play a major role in life of a business analyst in the ever-evolving world of business and technology. Adaptability is the key in re-defining and succeeding in the current scenario. In order to challenge the status quo, one not only needs to change the traditional approach in problem solving but also come up with new ways to solve a given problem. Combining soft skills with technological insight will allow BAs to become true architects of innovation in today's digital age.

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ABOUT CAPCO

Capco is a global technology and management consultancy dedicated to the financial services industry. Our professionals combine innovative thinking with unrivalled industry knowledge to offer our clients consulting expertise, complex technology and package integration, transformation delivery, and managed services, to move their organizations forward.

Through our collaborative and efficient approach, we help our clients successfully innovate, increase revenue, manage risk and regulatory change, reduce costs, and enhance controls. We specialize primarily in banking, capital markets, wealth and asset management and insurance. We also have an energy consulting practice in the US. We serve our clients from offices in leading financial centers across the Americas, Europe, and Asia Pacific.

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