

Digital business models

Lecture 6. How do you analyze digitaltech business models

Content

- **What is business analysis ?**
- **Who is a Digital Business Analyst ?**
- **Skills of Digital Business Analyst ?**
- **How do you analyze a business model?**

What is business analysis ?

What is business analysis in simple words?

Business analysis is a professional discipline of identifying business needs and determining solutions to business problems. Solutions often include a software-systems development component, but may also consist of process improvements, organizational change or strategic planning and policy development.

What is Business Analysis ?

- **Business Analysis** can be understood as a research discipline that helps you to find the business needs and identify solutions to business problems. These solutions may include the development of a software or system component, improvements in process, organizational changes or strategic planning and policy development. The purpose of business analysis is to identify solutions that meet the need for improvement.
- Business Analysis process offers concepts and insights into the development of the initial framework for any project. It stores the key to guide stakeholders of a

project who performs business modeling in an orderly manner.

What is Business Analysis ?

- Business analysis is used to identify and articulate the need for change in how organizations work, and to facilitate that change. Business analysts identify and define the solutions that will maximize the value delivered by an organization to its stakeholders.
- Business Analysis Helps Businesses Do Business Better.

<https://fourweekmba.com/business-analysis>

What is Business Analysis?

Business Analysis is a disciplined approach for introducing and managing change to organizations, whether they are for-profit businesses, governments, or non-profits.

Business analysis is used to identify and articulate the need for change in how organizations work, and to facilitate that change.

Business Analysis Framework

Why use Business analysis?

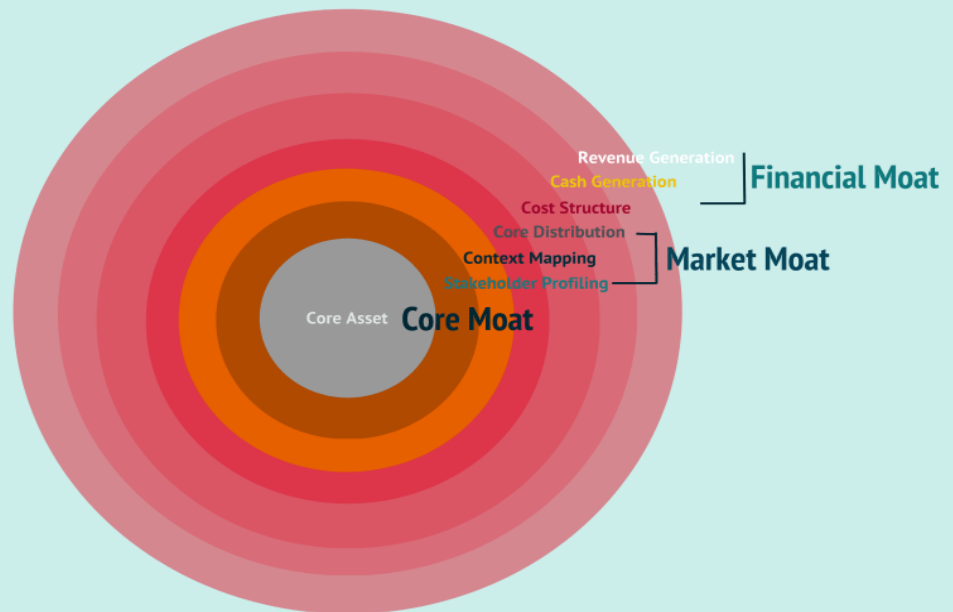
Here are important reasons for using Business analysis methods:

- It helps you to understand the structure and the dynamics of the company
- It allows you to understand current problems in the target organization.
- It helps you to identify improvement potentials and recommending solutions to enable an organization to achieve goals.
- It helps you to identify and articulate the need for change.
- To maximize the value delivered by an organization to its stakeholders.

Business Analysis Process

What is Business Analysis?

Business analysis is a research discipline that helps driving change within an organization by identifying the key elements and processes that drive value. Business analysis can also be used in Identifying new business opportunities or how to take advantage of existing business opportunities to grow your business in the marketplace.



FourWeekMBA

<https://fourweekmba.com/business-analysis>

What is business model analysis?

There are different ways of analyzing and assessing a business model. A very common approach is using the SWOT Analysis to understand the strengths, weaknesses, opportunities, and threats.

Business Analysis Framework



<https://www.janbasktraining.com/blog/business-analysis-framework/>

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Business Analysis Process



<https://www.guru99.com/business-analysis-process-techniques.html>

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What is business analysis process model ?

Simply put, a business analysis model outlines the steps a business takes to complete a specific process, such as ordering a product or onboarding a new hire. Process modeling (or mapping) is key to improving process efficiency, training, and even complying with industry regulations.

Business Analysis Framework (I)



<https://www.todaysoftmag.com/article/1032/business-analysis-framework-i>

Who is a Digital Business Analyst ?

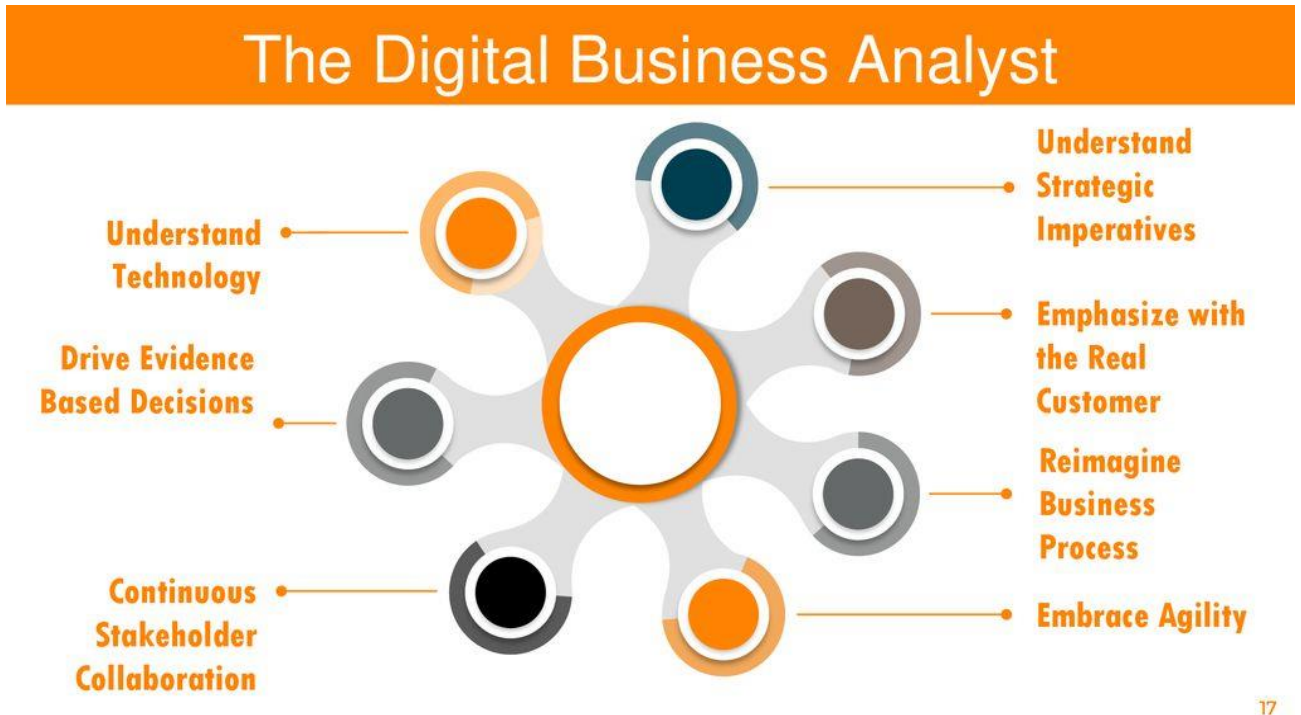
Who is a Digital Business Analyst ?

A digital business analyst leverages his/her knowledge of users' digital abilities and experiences to build products that work for those users. For example, imagine a tech team wants to build the next Uber competitor application.

What makes a digital business analyst different from a traditional business analyst ?

- The International Institute of Business Analysis (IIBA) writes, “In the digital context, BA professionals must anticipate the future needs of the customer, obsess over creating value for them, and possess the competencies to do so. That is what differentiates digital business analysis from traditional business analysis.”
- In other words, due to the quickly-changing world of digital technologies,

digital business analysts must constantly look to the future. **They must think more like strategists than traditional business analysts.**



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<https://slideplayer.com/slide/16179506/>

The role of the digital business analyst

The digital business analyst role is help a business develop improve processes to optimize the company's digital presence and performance (better processes = improved presence and performance). In most cases, this means that he/she works on digital products and projects. The vision for digital BAs is to help companies make the shift from brick-and-mortar (physical) focus to digital focus, as that's where the cash will be.

The role of the digital business analyst

The role of BAs is to guide the businesses to enhance the efficiency and value of its processes, services, products, as well as both software and hardware. Using data analysis, they will determine requirements and make appropriate data-driven recommendations to business stakeholders. They have often been referred to as agents of change, bridging the gap between IT and the business and guiding the implementation of their recommendations if approved by the business owners.

The role of the digital business analyst

The first most important role that a digital business analyst is charged with is confirming the need for change from legacy tools and processes, providing the vision, and designing a digital strategy roadmap and the scope of this change to the business stakeholders. Beyond the overall responsibility, the digital BA is also charged with the following roles.

The role of business analyst

- The business analyst is the chief organizer of the project, and a resource for other team members when they need to know how something should work.
- At the business analyst's disposal are a number of tools, methodologies, and frameworks to document a project's progress and structure the implementing team's workflow. Project documentation addresses broad questions like "what is this project about?" as well as narrower ones like "what are the steps necessary to introduce a customer loyalty feature?"
- Given the business analysts comprehensive view of the project, they're well-equipped to prioritize feature development, reducing costs and ensuring a product that is both usable at every step and open for iteration and expansion.

The job of the digital business analyst

Job titles for business analysis practitioners include not only business analyst, but also business systems analyst, systems analyst, requirements engineer, process analyst, product manager, product owner, enterprise analyst, business architect, management consultant, business intelligence analyst, data scientist, and more. Many other jobs, such as management, project management, product management, software development, quality assurance and interaction design rely heavily on business analysis skills for success.

Two types of digital business analysts

There are two types of digital business analysts.

- The first is those that focus on **digital strategy** and business outcomes.
- The second are those that **focus on technology skills** themselves.

Strategist Digital BA

Strategist Digital BA – focused on business outcomes. The economy is in a transitional phase, and many senior leaders are unsure of how to approach solving digital problems. That's why the days when business analysts simply gathered requirements are over. Today, they have to help managers decide what to do from a strategic perspective. This alone requires a strategist mindset and knowledge of the newest technologies and trends. Digital moves faster than analogue.

Specialist Digital BA

Specialist Digital BA – focused on the technical skills to reach those business

outcomes

- Robotic process automation – to be used in insurance claims filing
- Data science modeling – to be used in identifying customer, user, or employee behavioral patterns
- Performing cluster analysis with supervised machine learning – to be used in improving digital marketing

Skills for Digital Business Analysts

What is Digital Business Analysts ?

Digital Business Analysts **review business performance and look for opportunities across digital channels including websites and apps.** They are responsible for reviewing a company's online performance, creating reports and providing recommendations based on data.

Who are a Business Analysts ?

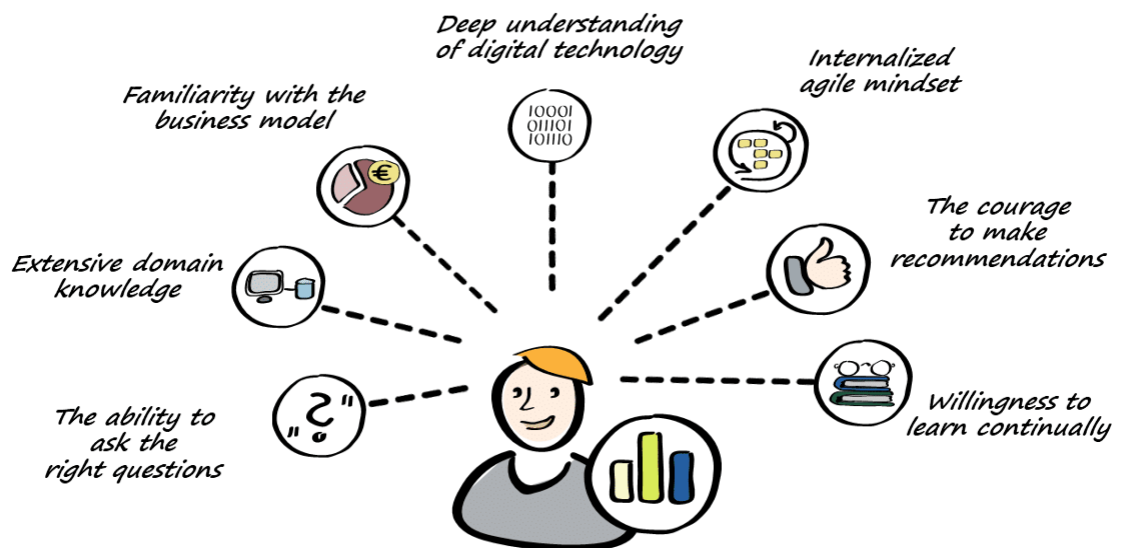
The Business Analyst is an agent of change. Business analysts, identify and define the solutions that will maximize the value delivered by an organization to its stakeholders. Business analysts work across all levels of an organization and may be involved in everything from defining strategy, to creating the enterprise architecture, to taking a leadership role by defining the goals and requirements for programs and projects or supporting continuous improvement in its technology and processes.

Main Competencies of Digital Business Analysts

- inspire empathy for customers,

- present the result
- own the product (as opposed to the project),
- practice value orientation
- make smart decisions
- keep learning
- stimulate change
- involvement.

Skills of Digital BA



<https://www.microtool.de/en/general/from-requirements-engineer-to-digital-business-analyst/>

Skills: First half

Deep Observation – paying acute attention to the landing page of the car rental website and how little changes in design affect user behavior

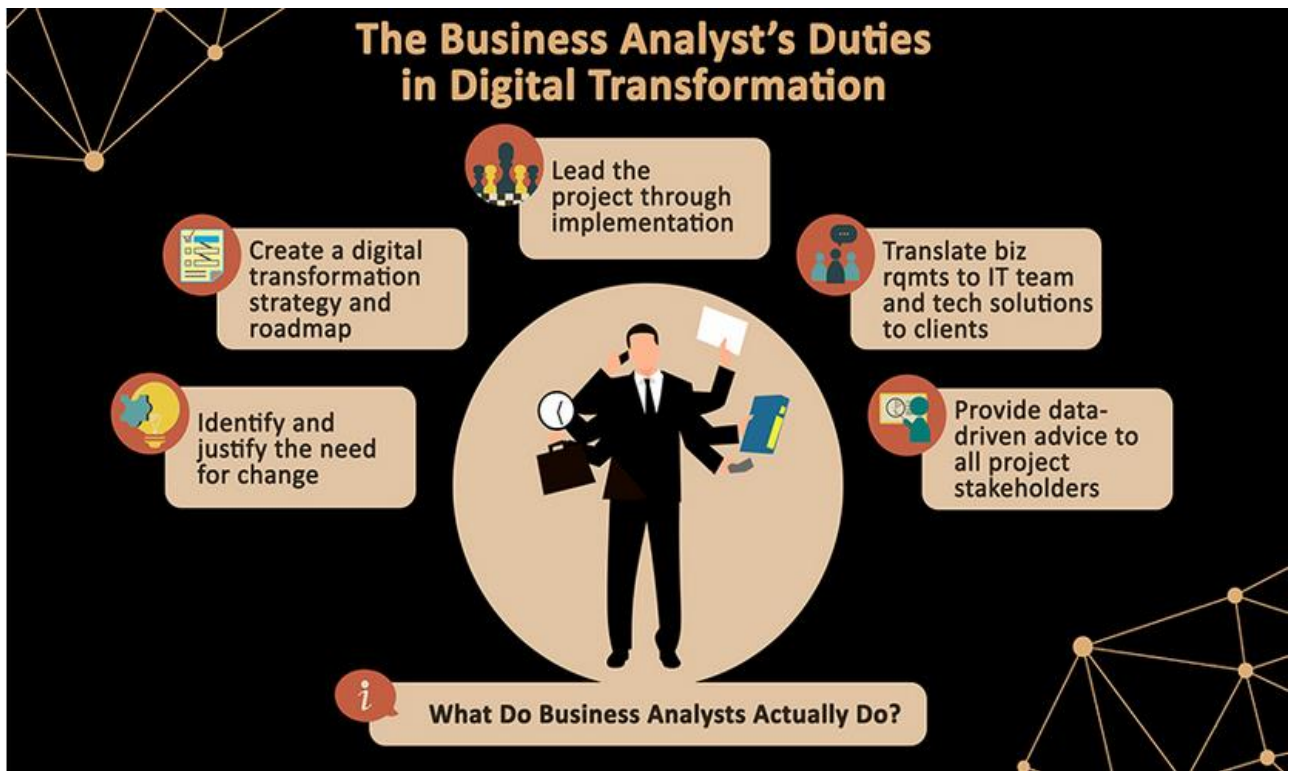
- **Emotional Intelligence** – understanding how colors, designs, and words can subtly affect the way a customer feels when landing on the website
- **Cultural Sensitivity** – always questioning whether your observations and intuitions might affect people of other cultures differently

- **Change Tolerance** – accepting that you will need to often change the website until it perfectly reflects what the **customer** wants at every step of the way
- **Strategic Thinking** – keeping in mind how every action you take affects the global image of the company, and how it compares to what current and potential competitors may do
- **Continuous Innovation Attitude** – always look for new technologies that could open new markets either directly or close to your field. An example is smart cars for short rentals in big cities
- **Design Sense** – a keen awareness of user needs in the structuring of the rental car website
- **Big Picture Thinking** – always taking a step back to ask whether what you're doing supports the strategy
- **Business Outcome Focus** – always aiming to provide value to car renters in order to make shareholders more money
- **Platform Thinking** – ask how your product performs on a platform, and on which platform? Should it be placed on social media websites, or on your own?

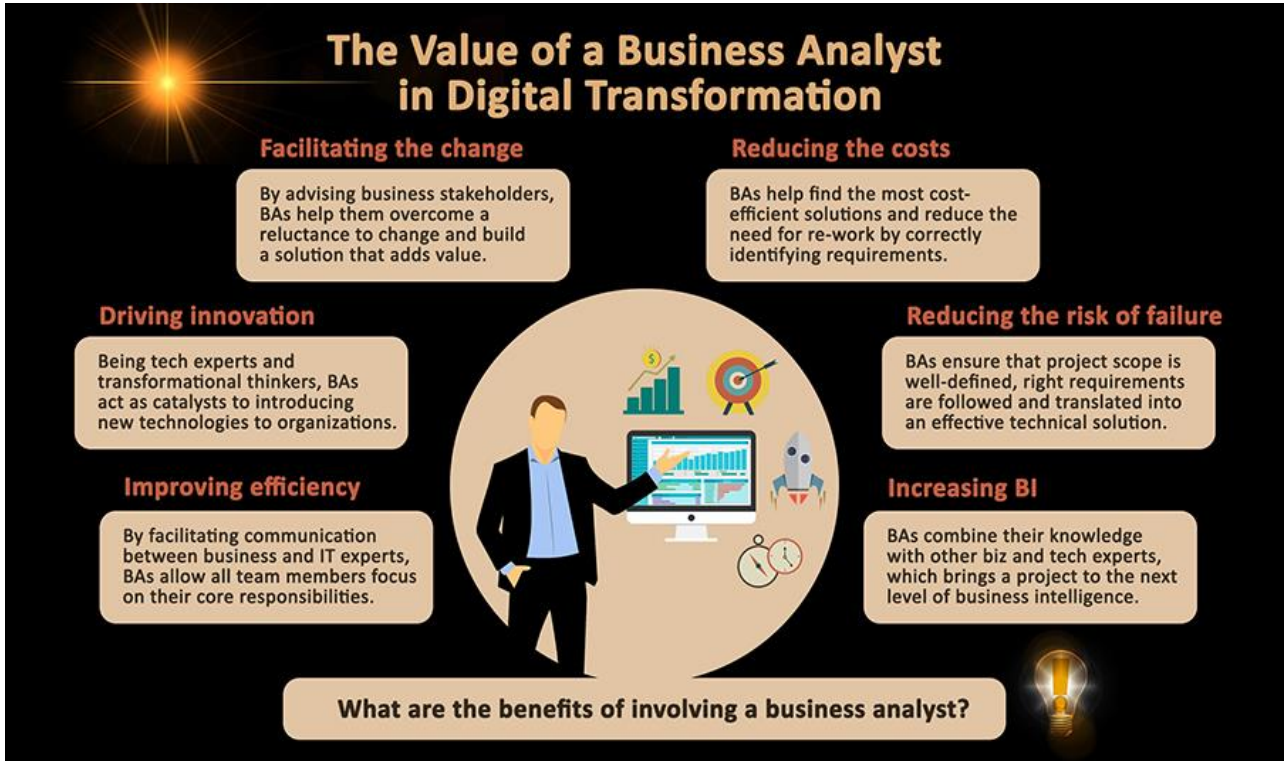
Skills: Second Half

- **Storytelling** – car renters don't buy a car. They buy an experience. Tell a story around your product to encourage that thinking.
- **Critical Thinking** – breaking ideas down into premises and conclusions, then challenging all of them
- **Risk and Impact Awareness** – you may have an innovative technology to implement on the car rental website, but it may also flop. What is chance this happens? And how bad would it be? Risk = impact * probability.

- **Logical Thinking** – as the famous logical saying goes: “All dogs have skin. Joey is a dog. So Joey has skin.” Think only in ultimate truths and eliminate ambiguous statements.
- **Data Intuition** – build up your intuition of data when you see graphs and charts. This will help make decisions. Imagine customers on the car rental website stop buying when you decrease the price of one rental, but they buy more when you increase it. Ask why? This intuitively does not make sense, so what is another explanation?
- **Lateral Thinking** – don’t try to knock the wall down. Go around it.
- **Technology Awareness** – you need to be fluent in multiple coding languages and understand the industry jargon in order to perform as a digital business analyst
- **Organizational Design Knowledge** – understand how the architecture of your products reflects the architecture of your organization, and what shortcoming that may insight
- **Research Acumen** – understand how to perform research in order to find answers to questions that ultimately better serve your customers



<https://anadea.info/blog/digital-transformation-business-analyst-role-and-value>



<https://anadea.info/blog/digital-transformation-business-analyst-role-and-value>

Skills of Digital BA

How do you analyze a business model ?

To analyze any business you can ask a few simple questions:

- Who's the key stakeholder? (stakeholder profiling)
- What player is competing for the same customer? (context mapping)
- What's the key touchpoint between the brand and the customer? (core distribution)
- How does it make money? (revenue generation)

Analysis and Valuation of Digital Business Models

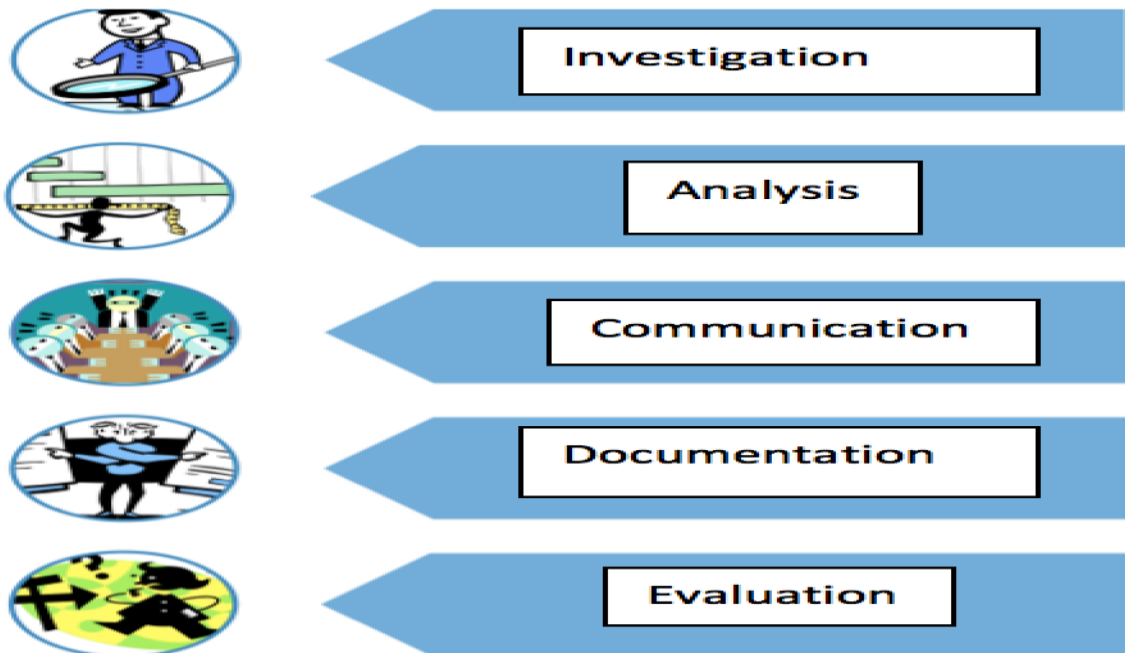
How should you conduct an analysis and valuation of digital businesses? These businesses often generate negative operating margins and cash flows, paired with double-digit revenue growth. Nevertheless, they can represent significant enterprise value because of high margins and cash flow farther out on the horizon. What are key financial and operating indicators for analysis of performance? What are best methods for estimating enterprise value?

Assessing performance and value of digital business is challenging

How do you analyze a business model ?

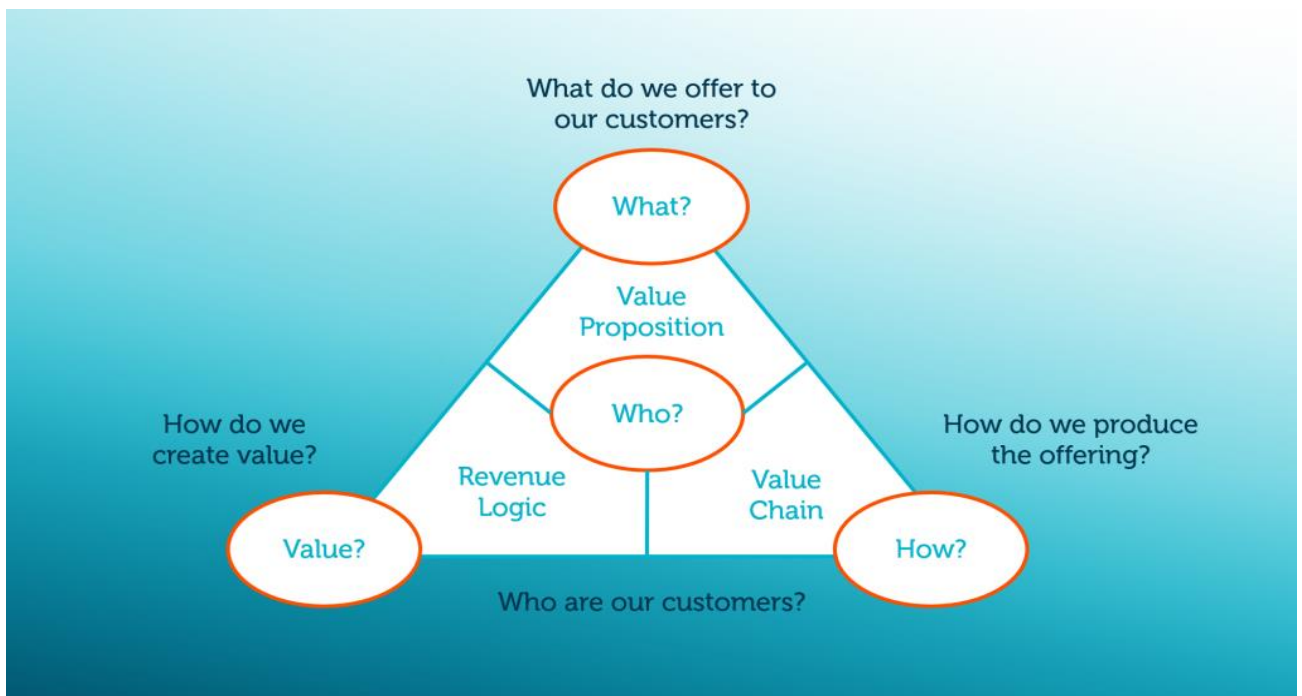
- considering investments in or acquisitions of digital business models to add to your portfolio, such as e-commerce, B2B SaaS or fintech
- assessing the performance of existing digital businesses in your portfolio
- developing initiatives to improve the value of your digital business
- estimating the current and potential enterprise value of digital business.

Elements of the business analysis framework



<https://www.todaysoftmag.com/article/1032/business-analysis-framework-i>

New business models in a digital world



<https://www.ixiade.com/new-business-models-in-a-digital-world/?lang=en>

Steps involved in Business Analysis Process

Here are the steps for Business Analysis:

- Enterprise analysis
- Requirement planning and Management
- Requirement Elicitation
- Requirement analysis and Documentation
- Requirement Communication
- Solution Evolution and Validation.

Step 1. Enterprise Analysis

- This area covers a collection of pre-project activities that leads to up to project selection guided by the Business Analyst.
- The activities are as follows:
- It helps to maintain Business Architecture
- Allows you to prepare the Business Case
- Preparing for Decision Package

Step 2. Requirement Planning & Management

In this step, you need to define the tasks and resource which are associated with the planning and management of requirements. This helps you to ensure that the set of activities that are undertaken is appropriate according to the specific project. It is also important to capture changes correctly and consistently.

Step 3. Requirement Elicitation

The requirement elicitation phase consists of researching and discovering the requirements of a system from users, customers, and other stakeholders.

Step 4. Requirements Analysis & Documentation

This stage describes how stakeholder needs to analyse, structure, and specify the design and implementation of a solution. Requirements analysis helps you define the methods and tools used to structure the raw data.

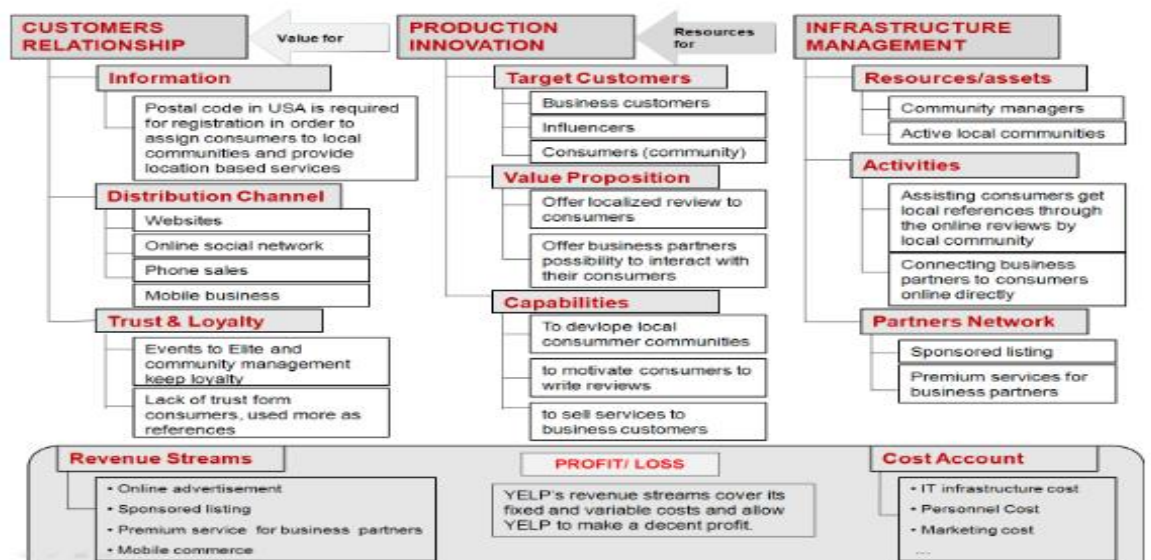
Step 5. Requirements Communication

This phase is the collection of activities for expressing the output of the requirement analysis. Moreover, every requirement needs to be packaged, evaluated, and approved before the solution is implemented.

Step 6. Solution Evaluation and Validation

This phase ensures that a solution should able to meets the stakeholder objectives.

Yelp 's business model analysis Financial aspects



<https://docplayer.net/2213825-Business-model-analysis-for-online-social-shopping-companies-case-study-runtoshop-oy.html>

Common Business Analysis Techniques

There are different ways of analyzing and assessing a business model. A very common approach is using the SWOT Analysis to understand the strengths, weaknesses, opportunities, and threats.



https://businessmodelanalyst.com/business-model/#What_is_business_model_analysis

MOST

Most is a short form of Mission, Objectives, Strategies. It allows business analysts to perform thorough internal analysis of what is the aim of an organization to achieve and how to tackle such issues.

SWOT

SWOT is a full form of Strengths, Weaknesses, Opportunities, and Threats. This technique helps you to find areas of both strength and weakness. It also allows for the proper allocation of resources.

MoSCoW

Must or Should, Could or Would process is a long-form of MosCow. This technique allows prioritization of requirements by presenting a framework in which every individual requirement should be evaluated relative to the others.

Common Business Analysis Techniques

CATWOE

CATWOE is an acronym for Customers, Actors, Transformation Process, World View, Owner, and Environmental. This technique helps you to recognize processes that may be affected by any action the business undertakes.

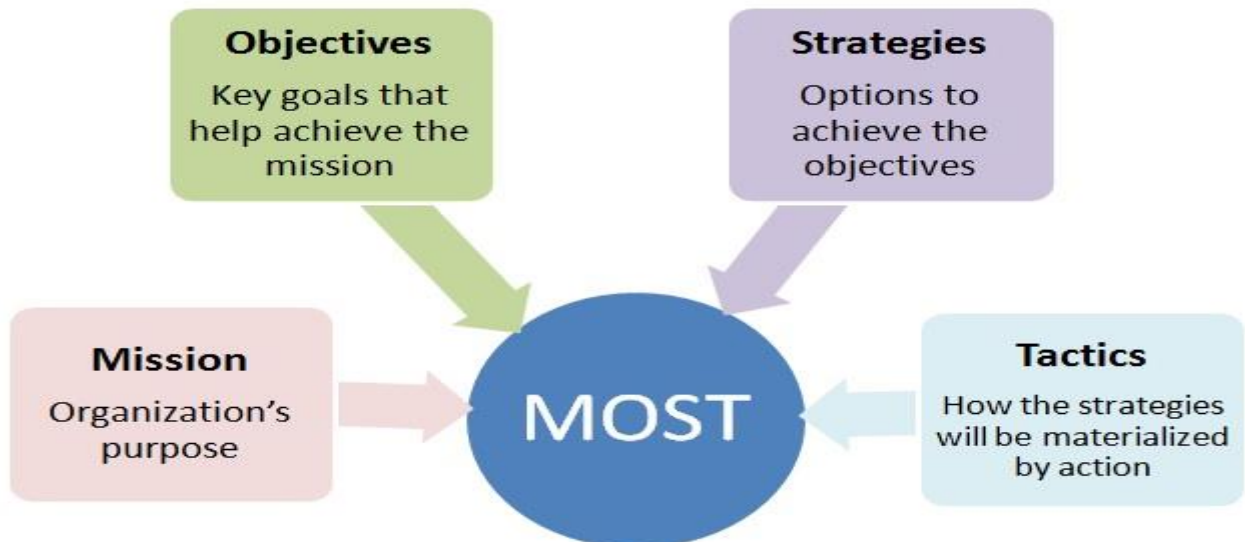
The 5 Whys

This technique is a backbone of both Six Sigma and business analysis techniques. It consists of leading questions that allow business analysts to single out the root cause of an issue by asking why such a situation arises.

Six Thinking Hats

This process helps you to consider alternate perspectives and ideas. The ‘six hats’ in a technique which his categorized as:

The MOST Techniques of Business Analysis



What is business model analysis SWOT ?

There are different ways of analyzing and assessing a business model. A very common approach is using the SWOT Analysis to understand the strengths, weaknesses, opportunities, and threats.

SWOT Analysis



<https://businessmodelanalyst.com/business-model/>

What is business model analysis method Moscow?

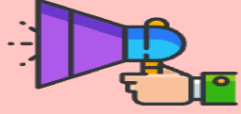



- The **Moscow method** is a prioritization technique used in management, business analysis, project management, and software development to reach a common understanding with stakeholders on the importance they place on the delivery of each requirement; it is also known as *MoSCoW prioritization* or *MoSCoW analysis*.
- The term *Moscow* itself is an acronym derived from the first letter of each of four prioritization categories: M - *Must have*, S - *Should have*, C - *Could have*,

W - *Won't have*.

- The interstitial *O*s are added to make the word pronounceable. While the *O*s are usually in lower-case to indicate that they do not stand for anything, the all-capitals *MOSCOW* is also used.^[citation needed]

MoSCoW Analysis

FOR SETTING EFFECTIVE GOALS

M	<p>Must-Have</p> <p>The absolute MUST. There is no way out and there is no shortcut.</p>	
S	<p>Should-Have</p> <p>Essential but not vital</p>	
C	<p>Could-Have</p> <p>Not a problem if it's left out but still is of significance.</p>	
W	<p>Will-Not-Have</p> <p>This is Irrelevant. Lose it. Not only for now, but for good.</p>	

<https://www.projectcubicle.com/what-is-moscow-analysis-and-moscow-method/>

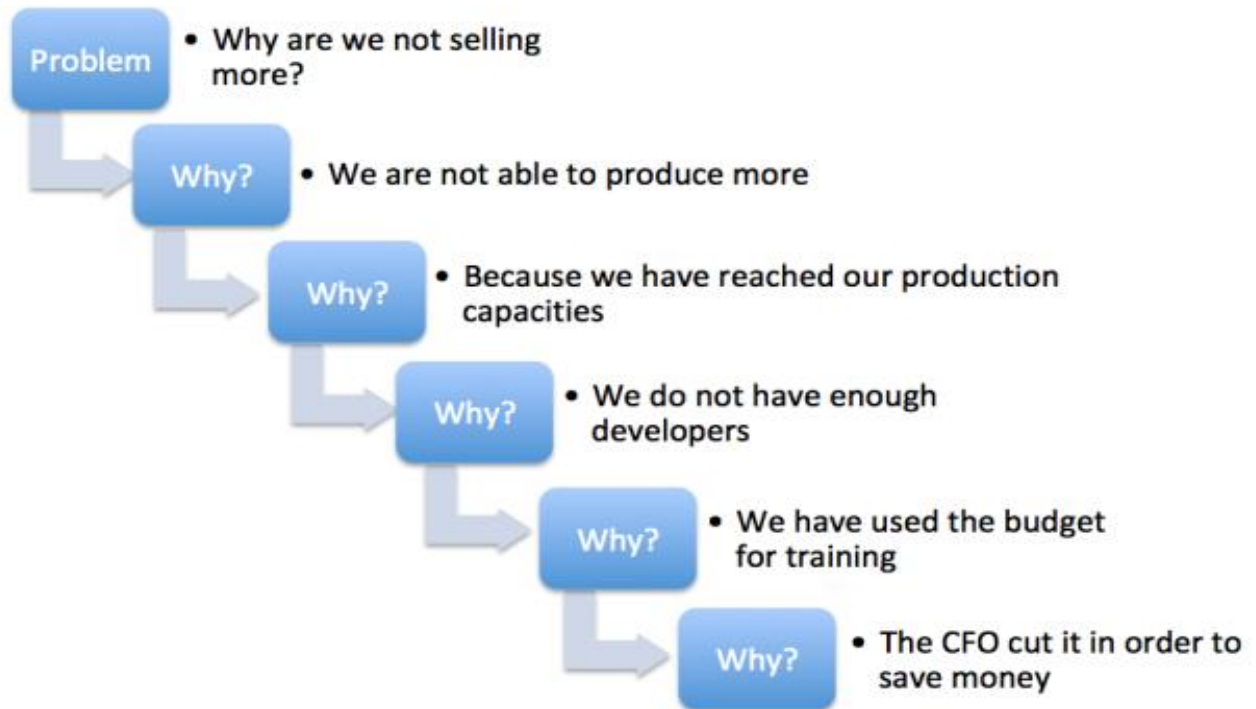
CATWOE business model analysis

C.A.T.W.O.E		 Designorate designorate.com
C	Customers	Who are the beneficiaries of the business process and how does the issue affect them?
A	Actors	Who is involved in the situation?
T	Transformation	What is the transformation that lies at the heart of the system?
W	World View	What is the big picture and what are the wider impacts of the issue?
O	Owner	Who owns the process or situation being investigated and what role will they play in the solution?
E	Environmental constraints	What are the constraints that will impact the solution and its success?

<https://www.designorate.com/catwoe-problem-solving/>

The 5 Whys business model analysis

5 Whys for Root Cause Analysis (RCA)









<https://renierbotha.com/tag/5-whys/>

Six Thinking Hats

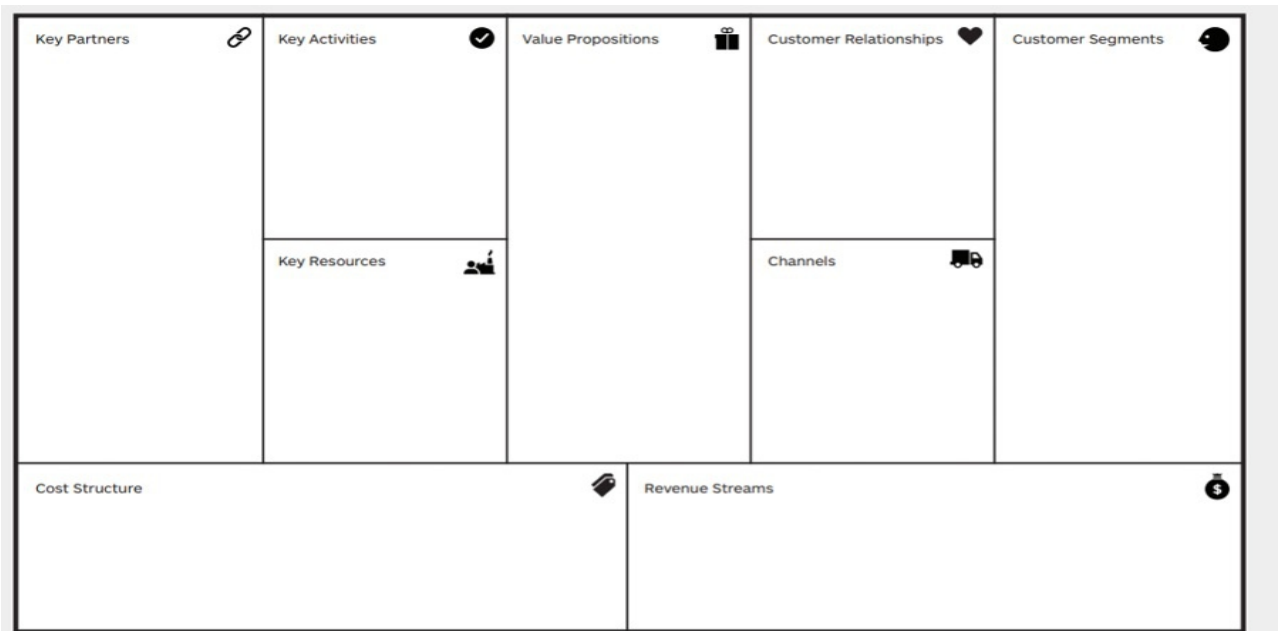
- This process helps you to consider alternate perspectives and ideas. The ‘six hats’ in a technique which his categorized as:
- Green (creative thinking)
- Blue talk about big-picture overview.
- White (logical, data-driven thinking)
- Yellow (positive thinking, which mainly focused on pros)
- Red (emotion-based reactions)
- Black (opposing thinking, which is focused on cons)

Six Thinking Hats business model analysis

COLOURED HAT	THINK OF	DETAILED DESCRIPTION
	<i>White paper</i>	The white hat is about data and information. It is used to record information that is currently available and to identify further information that may be needed.
	<i>Fire and warmth</i>	The red hat is associated with feelings, intuition, and emotion. The red hat allows people to put forward feelings without justification or prejudice.
	<i>Sunshine</i>	The yellow hat is for a positive view of things. It looks for benefits in a situation. This hat encourages a positive view even in people who are always critical.
	<i>A stern judge</i>	The black hat relates to caution. It is used for critical judgement. Sometimes it is easy to overuse the black hat.
	<i>Vegetation and rich growth</i>	The green hat is for creative thinking and generating new ideas. This is your creative thinking cap.
	<i>The sky and overview</i>	The blue hat is about process control. It is used for thinking about thinking. The blue hat asks for summaries, conclusions and decisions.

<https://www.bms.co.in/six-thinking-hats-wearem/>

**The best way to understand business model of a company is understand through
business canvas tool**



<https://thestartupmag.com/the-entrepreneur-as-designer-crafting-your-business-model-canvas/>

Business model Canvas tool

Key Resources

- What Key Resources do our Value Propositions require?
- What Key Resources do our Distribution Channels require?
- What Key Resources do our Customer Relationships require?
- What Key Resources do our Revenue Streams require?

Key Activities

- What Key Activities do our Value Propositions require?
- Our Distribution Channels?
- Customer Relationships?
- Revenue streams?

Business model Canvas tool

Key Partnerships

- Who are our Key Partners?
- Who are our key suppliers?
- Which Key Resources are we acquiring from partners?
- Which Key Activities do partners perform?

Cost Structure

- What are the most important costs inherent in our business model?
- Which Key Resources are most expensive?
- Which Key Activities are most expensive?

Revenue Streams

- For what value are our customers really willing to pay?
- For what do they currently pay?
- How are they currently paying?

Business model Canvas tool

Customer Segment

- Who are we creating value ?
- Who are our most important customers?

Value Propositions

- What value do we deliver to the customer ?
- Which one of our customer's problems are we helping to solve ?
- Which customer needs are we satisfying?
- What bundles of products and services are we offering to each Customer Segment?

Business model Canvas tool

Channels

- Through which Channels do our Customer Segments want to be reached?
- How are we reaching them now?
- How are our Channels integrated?
- Which ones work best?
- Which ones are most cost-efficient? How are we integrating them with customer routines?

Customer Relationships

- What type of relationship does each of our Customer
- Segments expect us to establish and maintain with them?
- Which ones have we established? How costly are they?
- How are they integrated with the rest of our business model?

Which business model is best?

There's no such thing as the best business model. There are plenty of successful company cases in many different business model types. But business models that use recurring revenue models such as subscription or SaaS or that uses network effects such as marketplaces and platforms are powering the most successful businesses.

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