SAPIENS DECISION

Partnering for Success

INSIGHTS FOR SUCCESS

The Missing Model for Business Analyst

By Barbara von Halle and Larry Goldberg

Portions of this article are drawn from the book, The Decision Model: A Business Logic Framework Linking Business and Technology, von Halle & Goldberg, © 2009 Auerbach Publications/Taylor & Francis, LLC. This article consists, in part, of abstracts from the book; directly quoted passages, diagrams and tables are cited, and are copyright © 2009 Auerbach Publications/Taylor & Francis LLC. Reprinted with the permission of the Publisher

As a business analyst, you are a problem solver. You are skilled at tailoring an approach to a business situation with different kinds of models.

However, until now, you are missing one. Worthy of its own model, there is an important dimension left behind. It lies buried, capable of wreaking havoc. It made its presence known in the global economic panic of 2008:

"...regulators, managers of banks, and insurance company executives placed blind faith in computer models ... The lesson... is not to accept the output from automated systems as having value unless the **business logic** in those systems is known, understood, tested to be correct, and is able to be adjusted quickly to reflect changing conditions......It is time that the **business logic** in business systems is given recognition as something worth managing well." (von Halle and Goldberg, 2009)

What was this business logic? Did we fail to know it, understand it, and adjust it for changing circumstances? Is it the role of the business analyst to assist? We explore 10 questions, beginning with the most obvious.

What is Business Logic?

"Business logic is simply a set of business rules represented as atomic elements of conditions leading to conclusions. As such, business logic represents business thinking about the way important business decisions are made." (von Halle and Goldberg, 2009).

Business decisions are everywhere. Some examples include:

- Determine a Claim's Payment Eligibility
- Determine an Insurance Policy's Renewal Method
- Determine a Mortgage Application's Approval

How Do We Capture Business Rules as Business Logic Today?

If you believe that the business should know, understand, and adjust business rules, you separate them:

Write them with rule authoring tools

Express them in templates

Store them in databases, modeling or requirements tools and

Attach them to other deliverables (use cases, process maps)

How well does this work? One organization delivered 20,000 rules in a BRMS, but business people felt the rules were still lost. Another decided early that managing 1500 rules was too daunting. Still, another gave up managing only 600. Regardless, the rules live on, silently driving business decisions despite becoming invisible, until we try again.

How Do We Rethink This Situation?

A question arises. Is business rule management worthy of sustained business attention - Is the concept of a business rule at the right level of business interest? Or, is there something greater - something executive management cares very much about, can use for business advantage, strategize about, and which remains tangible and agile from inception to deployment? What about the business decision, not the business rule? "It is the notion of business decision that elevates business logic to its highest business value."(von Halle and Goldberg, 2009).

What is a Business Decision?

A business decision is "a **conclusion** that a business arrives at through business logic and which the business is interested in managing." It may guide a manual or automated process, or a strategic one.
The values for the conclusion of the business decision to Determine a Claim's Payment Eligibility may be "eligible for payment," "deny for payment," and "request research." Managing the business decision is more meaningful than managing any one business rule behind it. Managing it means knowing, understanding, and adjusting all of its conditions and interim conclusions as a holistic business asset. Do you have a model for this?

What are we Missing?

Decades ago, the Relational Model changed the way we manage data. With it, we go beyond simply separating data, we leverage it as an organizational asset.

To manage business decisions, we need a model to do the same for business logic. It must separate and establish business logic, like data, as having its own existence, independent of how executed, where executed, and whether or not implemented in automated systems. A list of business rules, like a list of data elements, no longer suffices. This is what the Decision Model is.

What is the Decision Model?

"The Decision Model brings to the world of business rules a well-defined structure based on the inherent nature of logic, extended with integrity and normalization principles..... Capturing business logic, from conditions to conclusions, and refining it until it is atomic, precise, unambiguous, and aligned with business objectives is what the Decision Model and its principles are all about." (von Halle and Goldberg, 2009)

Does It Replace Current Practices?

The Decision Model need not replace current practices. It simply fills a gap. After all, it is not concerned with how best to articulate business rules, rather how we group them in a rigorous way. Feel free to capture business rules with any business rules approach that works for you. But, now you can go one step further. You can organize them into normalized, sharable Decision Models - the pre-cursors to logical analysis and input to design. The Decision Model merely adds rigor to the good work business analysts already do. Yet it does something more - it also helps the business itself.

How Does It Help the Business?

To business leaders, Decision Models are more tangible and relevant than individual business rules. We find them scrawled on napkins in strategy meetings, for example.

Some Decision Models are more important than others are. Like any investment, each has an estimated business value and priority. Indeed, a Decision Model that will not save money, minimize risk, maximize compliance, or increase profit, is not worth creating. And one worth creating that fails to reach its business objectives is worth tuning. In this way, it becomes a business lever for business leaders, not simply a design artifact.

What is the Role of a Business Analyst?

Until now, a business analyst lacked a stand-alone universal model specifically for business rules and logic as shown in Figure 1. Without it, we cannot connect model-to-model in our requirements. Developers, coders, testers, and ultimately the business users are unable to trace business decisions' Decision Models to other kinds of models referencing them. And so, we run the risk of losing the business rules one more time, even with a diligent business rules approach. This can wreak havoc when we least expect it.
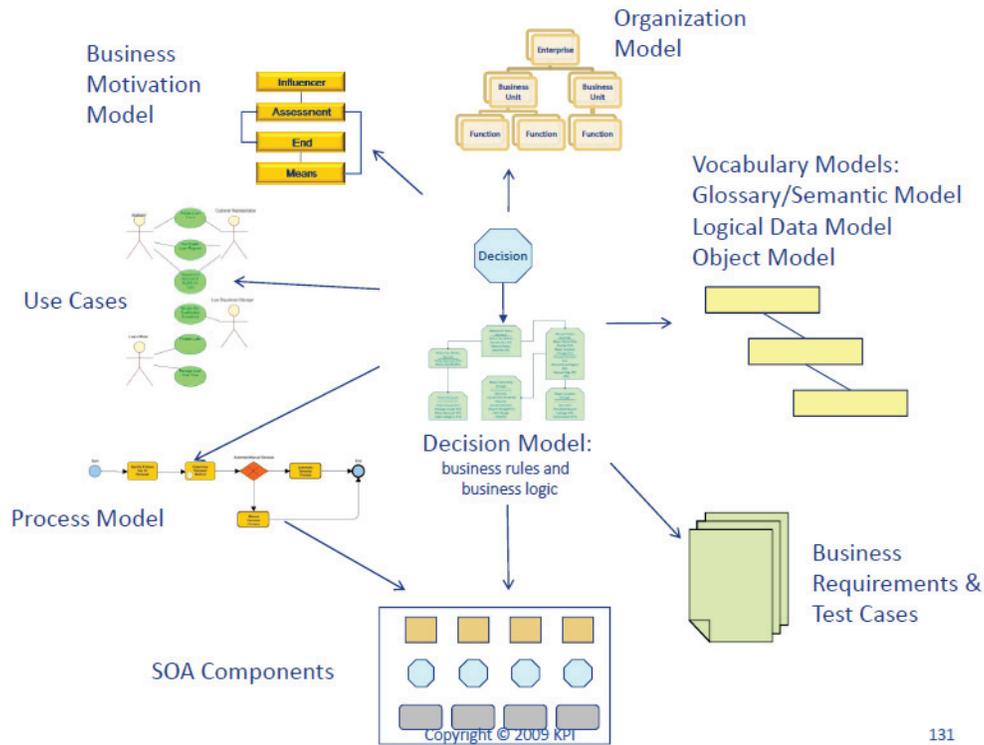
Figure 1 Decision Model with requirements deliverables

As a business analyst, you can now lead the way in identifying business decisions worthy of Decision Models. You can facilitate business leaders in improving Decision Models for static and changing times, even in crises. You, the business analyst, as problem solver, can start this new process of Business Decision Management (BDM).

Where Do We Go From Here?

The 2008 economic panic exposes the impact of poorly managed business decisions. It reminds us that the quality of a business relates not only to the quality of its business processes and software, but also to the quality of business decisions that drive both of these. The time is now for exploring the missing model and use it to make visible and manageable the business logic behind important business decisions.

If you find this interesting, we invite you to follow this column and share your Decision Model experiences.
We have created a primer on the Decision Model so you can check it out for yourself at www.TheDecisionModel.com where you can also order our book.

Larry Goldberg has over thirty years of experience in building technology based companies on three continents, and in which the focus was rules-based technologies and applications. Commercial applications in which he played a primary architectural role include such diverse domains as healthcare, supply chain, and property & casualty insurance.

Barbara von Halle is co-inventor of the Decision Model and co-author of The Decision Model: A Business Logic Framework Linking Business and Technology published by Auerbach Publications/Taylor and Francis LLC 2009.

Contact us

For more information please visit us:

www.sapiensdecision.com

info@sapiensdecision.com

+ 1-800-858-9473 (US)

+ 44 1895 464 000 (UK)

Published in: www.modernanalyst.com, October 03, 2009