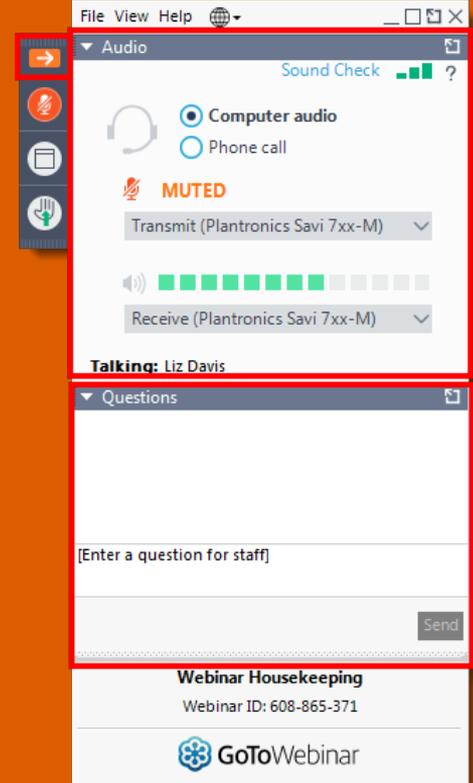


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# "Innovation in Digital Transformation - The Role of the Business Analyst"

Hosted by: Liva Randrembason, IIBA

Presented and Sponsored by: Capsifi

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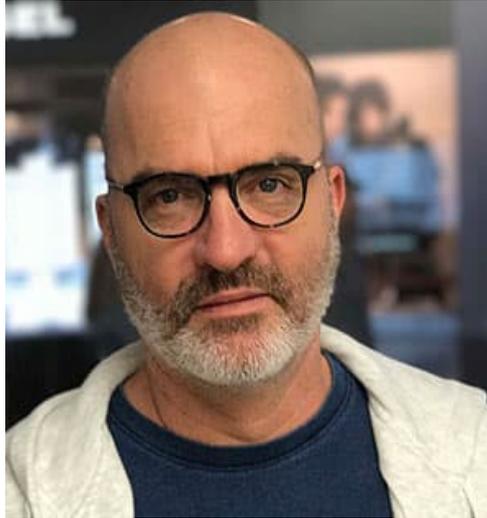
INTELLIGENT BUSINESS TRANSFORMATION

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*Supporting the Business Analysis Community*

# Today's Presenter



## Terry Roach

CEO and Founder, Capsifi

- Author of the “CAPSICUM Framework for Strategically Aligned Business Architecture”



INTELLIGENT BUSINESS TRANSFORMATION

# Business Model Innovation & Digital Transformation

## The role of the Business Analyst

Terry Roach  
*Founder & CEO*





We enable

# Business Model Innovation

elevating the  
Business Model  
as a core strategic asset

# Digital Transformation Survey

---



Go to [menti.com](https://www.menti.com) and enter code: 54 97 1

# Digital Transformation Survey

---

1. Is your organization planning/engaged in a Digital Transformation?
2. What stage of the transformation are you in:
  - Planning
  - Executing
  - Concluded
  - Other?
3. What are the key business drivers for your transformation?

Chapter 1

---

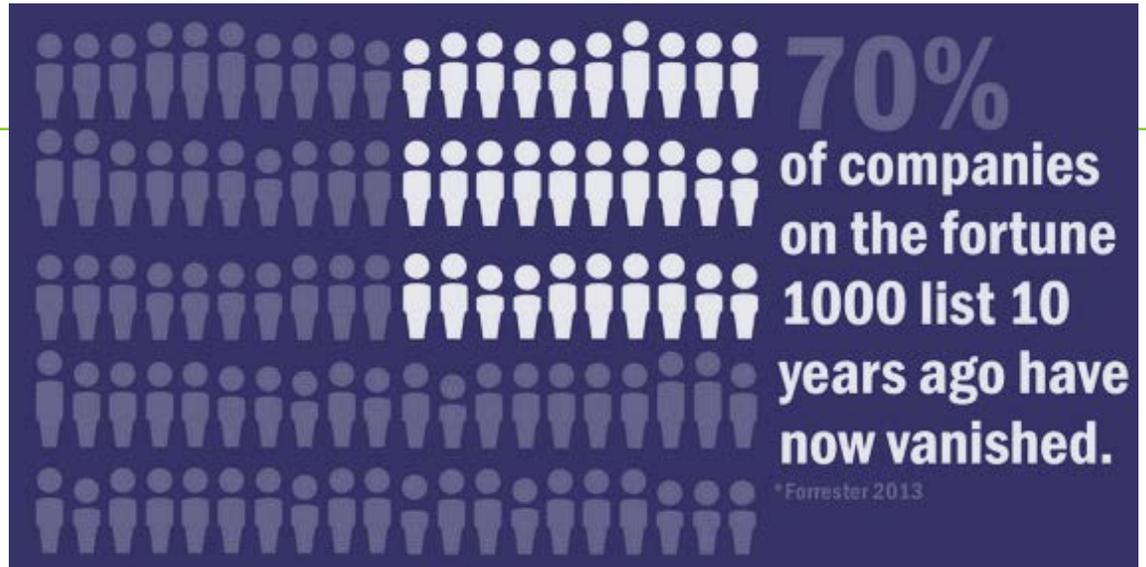
# The case for Digital Transformation

caabosif



# Indisputable Reality

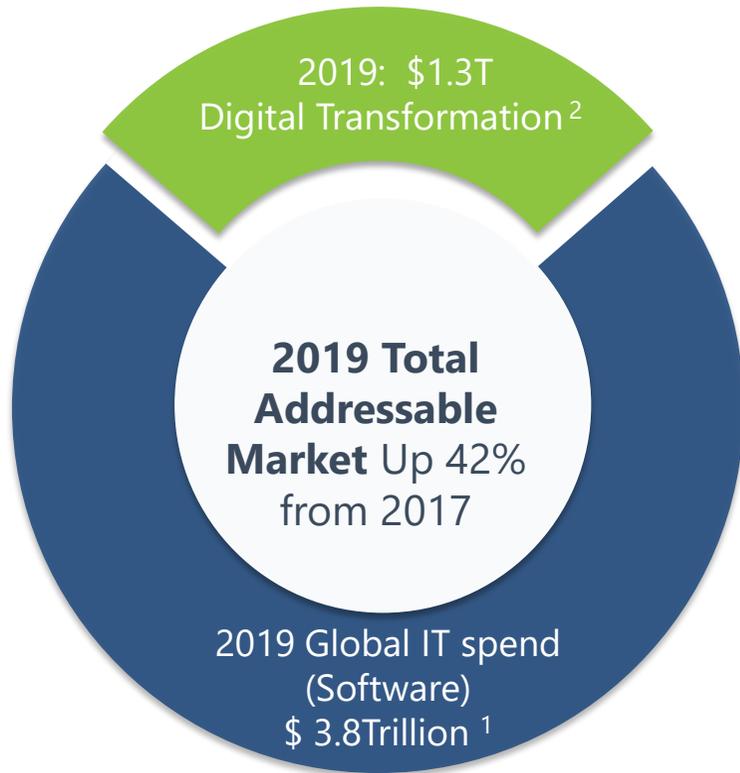
Digital Transformation  
is fueling  
the **largest investment** in  
business model innovation  
**of our times**



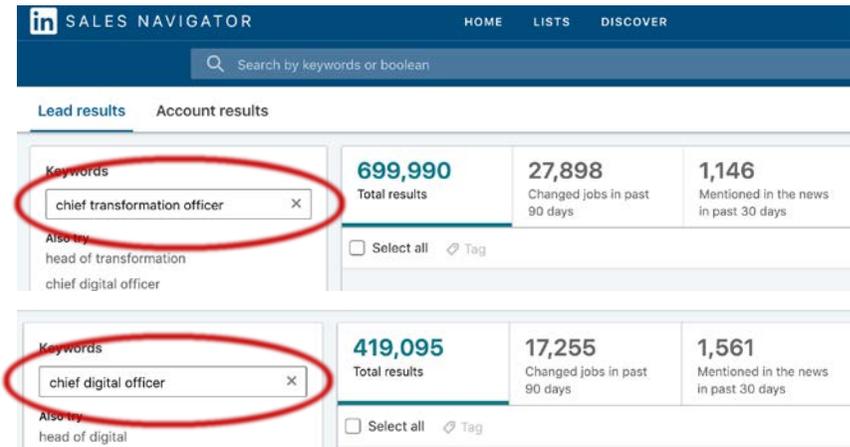
“Digital is the main reason over **half of the companies** on the Fortune 500 have **disappeared** since 2000”

Pierre Nanterme  
CEO of Accenture  
World Economic Forum - Davos

# Digital Business Market Opportunity



Over 1 million new C-Level roles have been created in this space



Source: <sup>1</sup> Gartner Market Data-book 2Q18

<sup>2</sup> IDC Worldwide Digital Transformation 2018 Predictions

Innovation is constant  
the pace of change is exponential



It's not about transforming...

...but developing the capacity to  
continuously transform



Where does your business  
model live today?





Your business model is your  
most important strategic asset



# The tyranny of legacy

All technology eventually becomes an inhibitor  
rather than an enabler of agility

**capsifi**

INTELLIGENT BUSINESS TRANSFORMATION

A close-up photograph of a butterfly with white wings and black markings, perched on a dark brown branch. The branch is wrapped with blue ties, and several brown, dried leaves are attached to it. The background is a soft, out-of-focus purple and blue.

Digital  
Transformation  
requires...

...business model innovation

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# Digital Transformation Survey

---



Go to [menti.com](https://menti.com) and enter code: 54 97 1

# Digital Transformation Survey

---

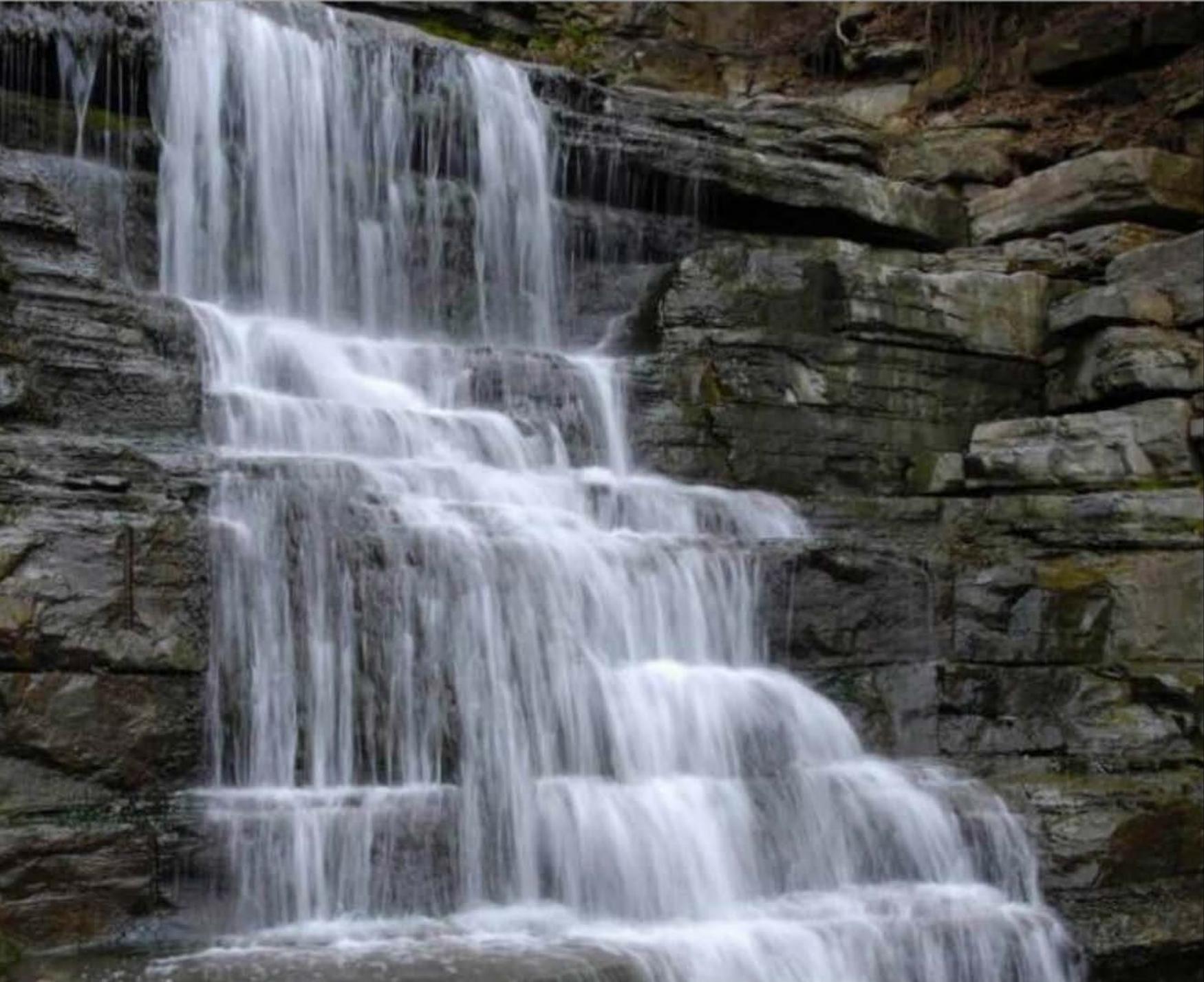
4. Did your transformation plan involve rethinking the business model?
5. What are/were the biggest challenges you face in **planning** your transformation?

Chapter 2

---

# How we do Business Innovation

caosif



The old way

55% -

75%

of technology  
projects  
fail to meet  
objectives<sup>1</sup>

<sup>1</sup> Gartner 2010



**capsifi**

INTELLIGENT BUSINESS TRANSFORMATION

Why has  
it been  
so hard?





# Since then we've had...

---

**Robotic Process  
Automation**

**Open  
API's**

**Design  
Thinking**

**Artificial  
Intelligence**

**Agile &  
DevOps**

**Machine  
Learning**

**Business  
Architecture**

**Micro  
Services**

**Digital  
Transformation**

And the role of the BA has changed dramatically

# Waterfall projects required great design & foresight



+/- 45% of Project Cost

*+/- 90% of Project Risk*

The project teams revolted and drew up a manifesto

---

## Manifesto for Agile Software Dev.

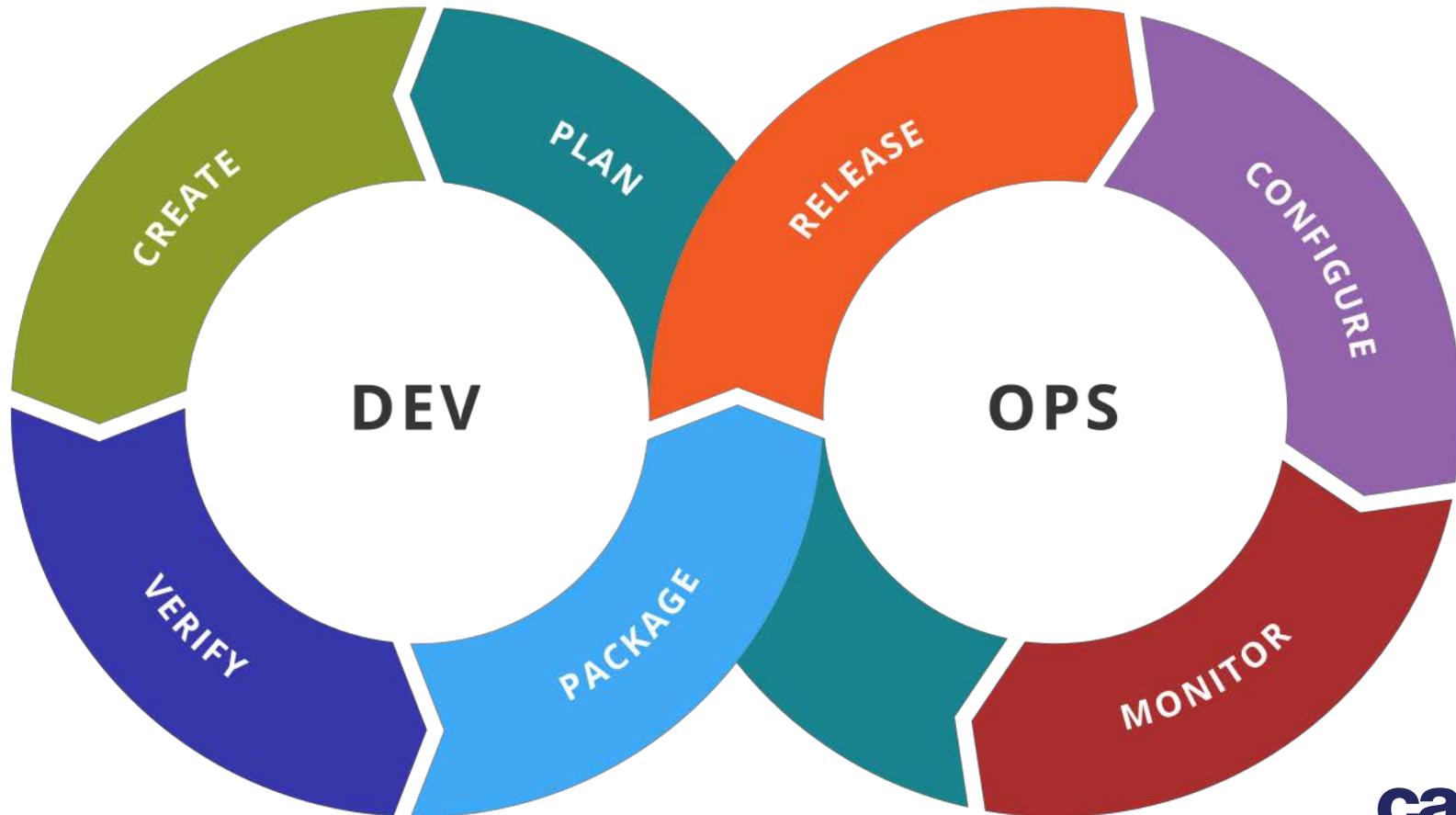
AGILE

- INDIVIDUALS AND INTERACTIONS OVER PROCESSES AND TOOLS
- WORKING SOFTWARE OVER COMPREHENSIVE DOCUMENTATION
- CUSTOMER COLLABORATION OVER CONTRACT NEGOTIATION
- RESPONDING TO CHANGE OVER FOLLOWING A PLAN

Then the downstream guys tried to sort it all out

---

## The infinite loop of DevOps

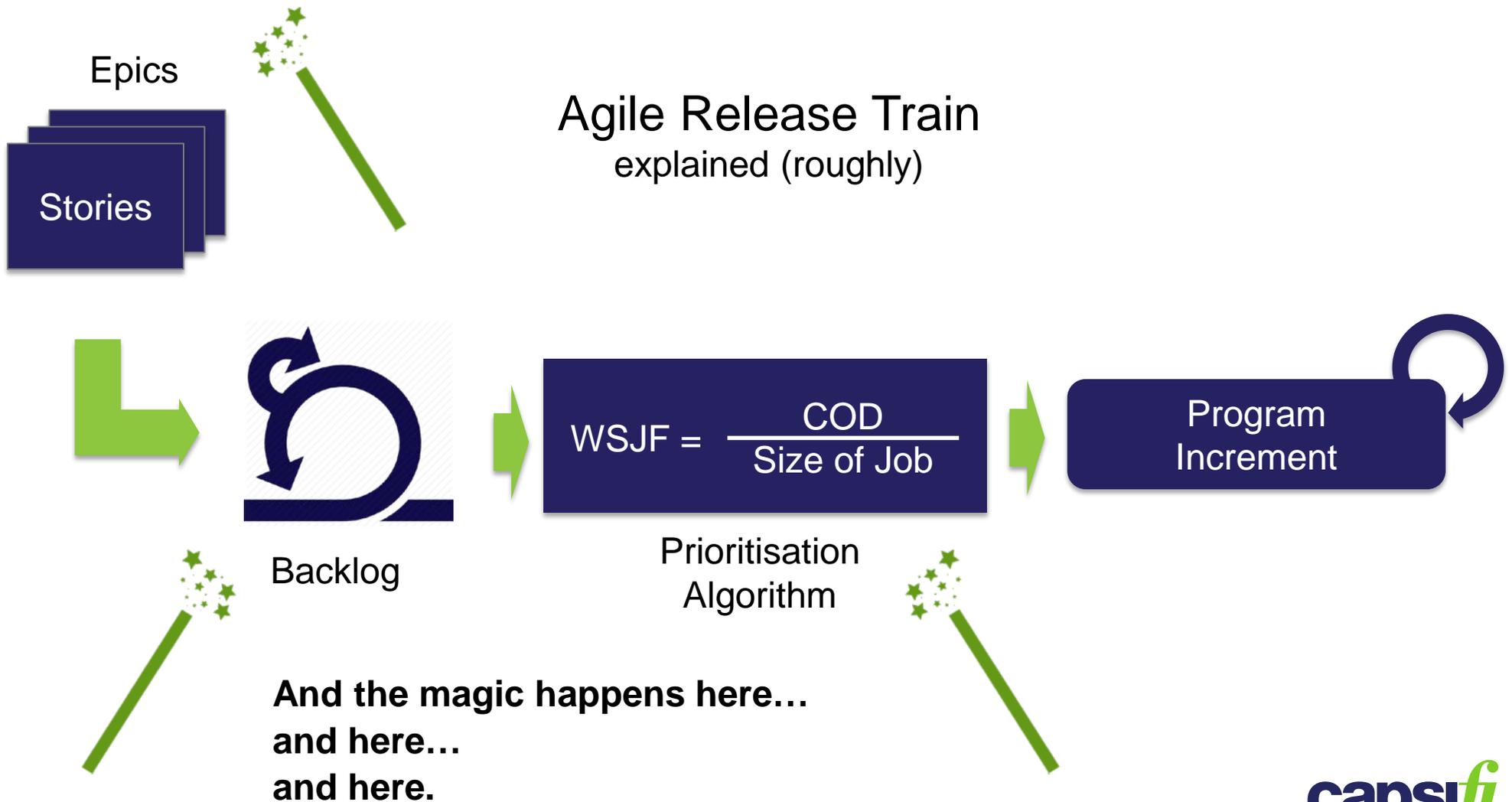


So now we've become really efficient at delivery

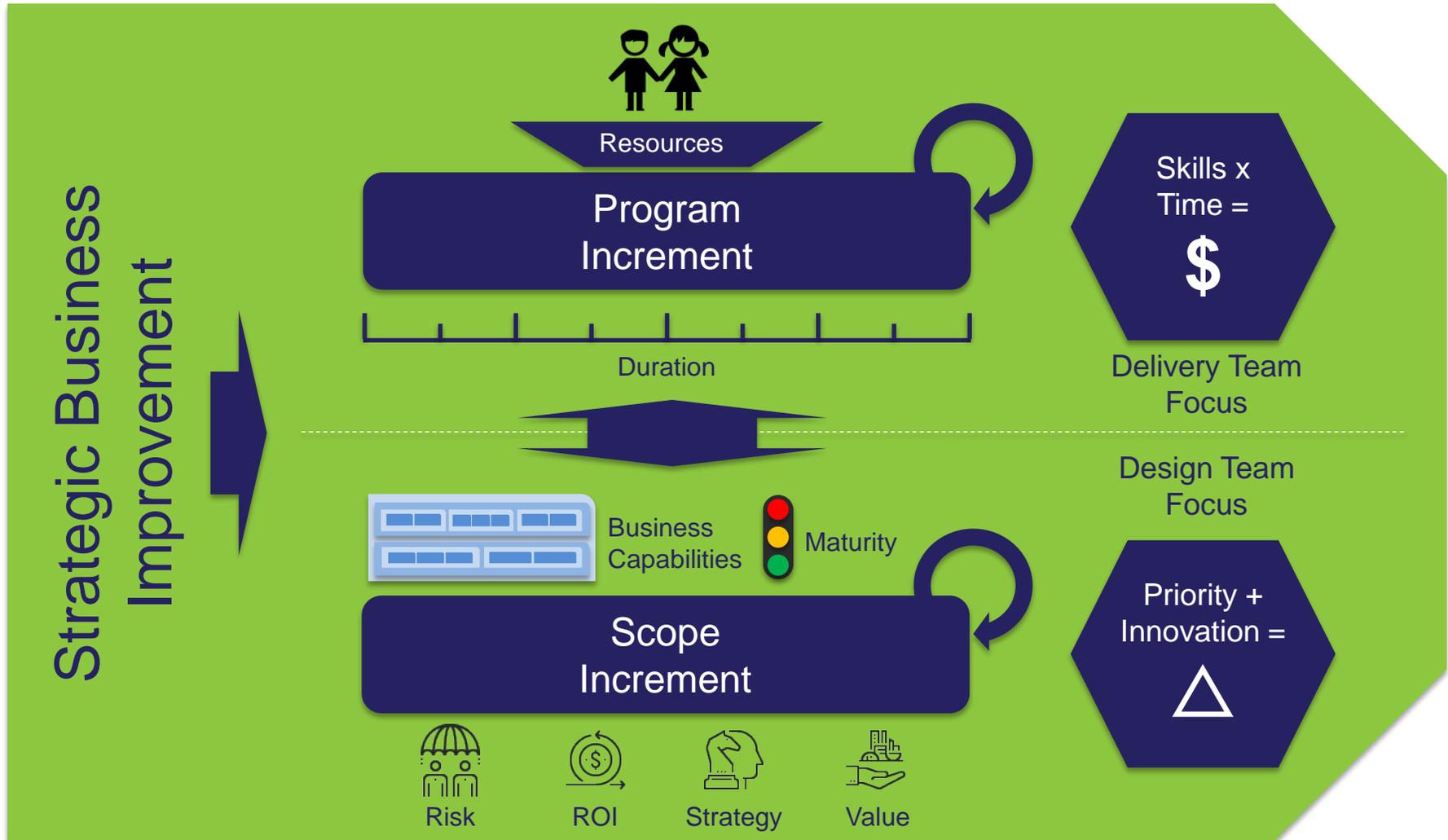
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# The anatomy of an Agile Transformation Initiative



# The anatomy of an Agile Transformation Initiative



# Digital Transformation Survey

---



Go to [menti.com](https://www.menti.com) and enter code: 54 97 1

# Digital Transformation Survey

---

6. Do/will you manage your transformation through an Agile methodology?
7. What are/were the biggest challenges you face in **executing** your transformation?

Chapter 3

---

# Shifting Left

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---

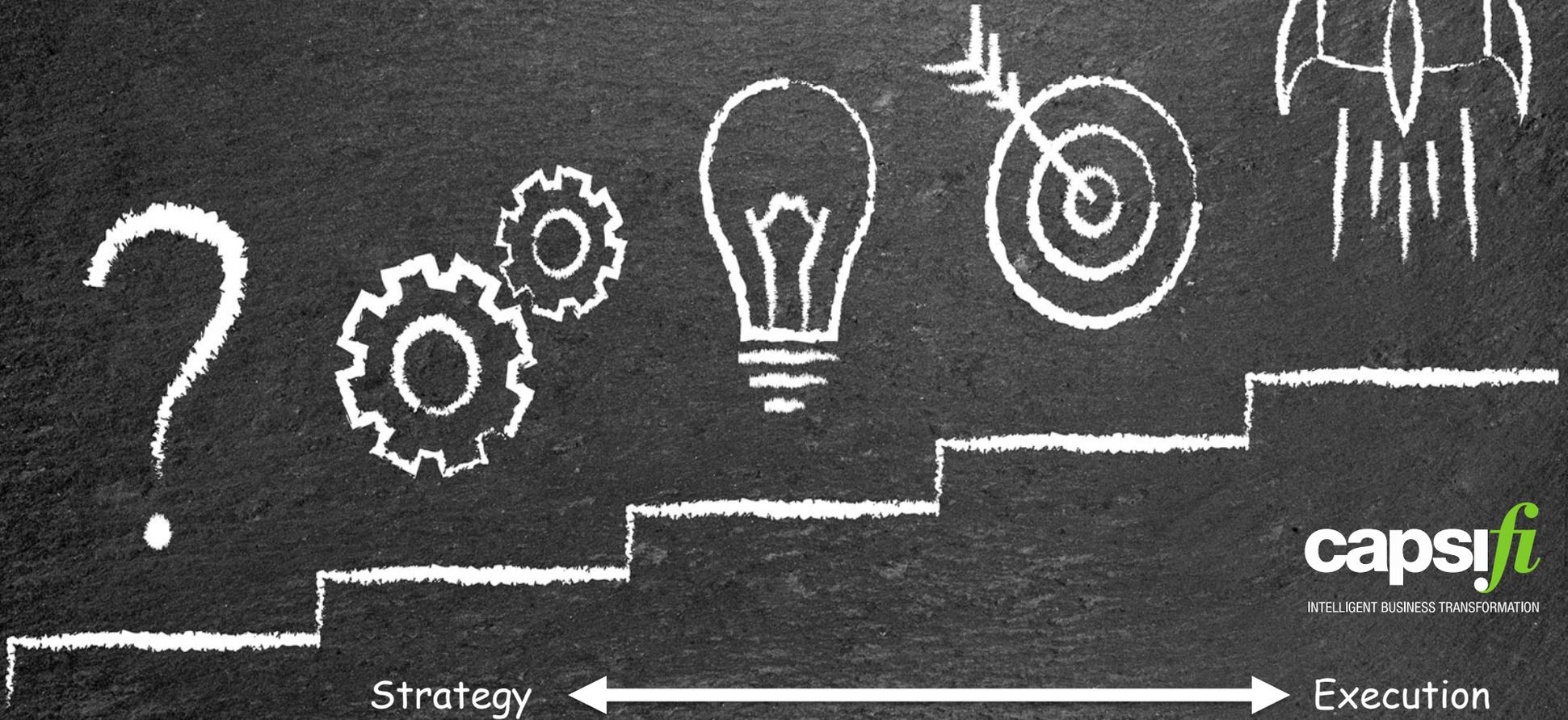
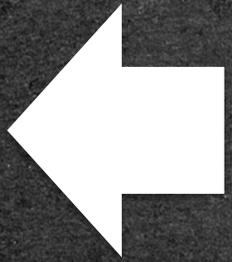
**Have we been  
focused on the  
wrong  
problem?**



You can't solve upstream problems  
downstream



# We have to Shift Left



But what's  
left of  
Strategy?



digital

# VALUE PROPOSITION

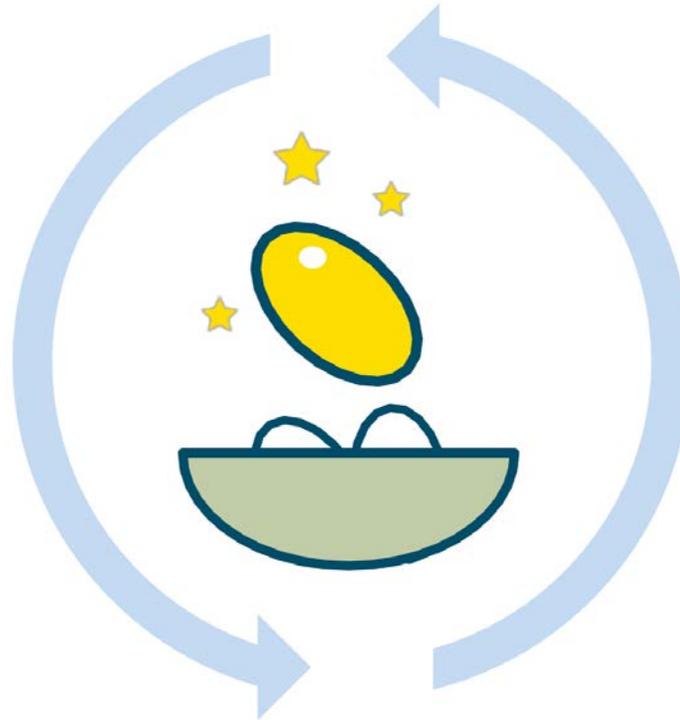


# Anatomy of a Value Proposition

Customer Segment



Value Proposition



Offering



# Targeted Offering for each Customer Segment

## Customer Segment



- Who are our customers?
- What problems do we solve?
- What are their needs?
- What are our benefits?

## Value Proposition



- What is our ValueStream?
- How does the customer experience it?
- What are the steps to deliver it?
- **What capabilities are required?**
- **How well are our capabilities performing?**

## Offering



- What is our offering?
- What features to include?
- How to promote it?
- Where to promote it?
- How to maximise value?

# Customer Segment Profile

View Model 

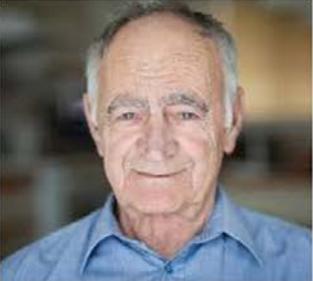
	Empty Nesters	Mid-Career Families	Single Parents
	Retirees over 60 yrs, on a pension with Seniors Benefits entitlements	Families with older children, juggling the cost of dependents with the demands of building a career	Individuals without a partner who are bringing up their children on their own.
Constraints	<ul style="list-style-type: none"><li>• Employment Status = Retired</li><li>• Pension Entitlements = Seniors Benefits</li><li>• Citizen</li><li>• Over the age of 60</li></ul>	<ul style="list-style-type: none"><li>• Children aged under 15 yrs</li><li>• Both parents employed</li><li>• Annual income within 20% of official average</li></ul>	<ul style="list-style-type: none"><li>• Children or dependents are under 18yrs</li><li>• Children live with the parent full or part time</li><li>• Marital status = single</li></ul>
Persona	John Peterson	Harry Peng	Gloria Cortez
	Select	Select	Select

	Young Families	Millennial Singles
	Families with children under the age of 10.	Young, career oriented individuals, without long term partners or dependents.
Constraints	<ul style="list-style-type: none"><li>• At least one parent is employed</li><li>• Children under age 10</li></ul>	<ul style="list-style-type: none"><li>• Not living with parents</li><li>• Citizen</li><li>• Born between 1981 and 1996</li><li>• Marital status = single</li></ul>
Persona	Kayla Anderson	Ana Sharma
	Select	Select

# Persona Detail View

View Model 



**Bio**

John is an aged pensioner who is retired from paid employment. Together with his wife, he likes to keep busy with

**Characterises Segment**

Empty Nesters

**Age**

75

---

**General Health**

As he ages John's health is starting to deteriorate. All of his health problems are age related and John consistently takes up his doctors' suggestions regarding positive lifestyle changes to delay the onset of inevitable health issues.

---

**Occupation**

Retiree

---

**Frustrations**

John gets frustrated when he needs to complete activities online. They are not always intuitive to him and he finds it much easier to speak on the phone to a person or to go into a local branch and conduct his business face to face.

---

**Goals**

John would like to remain fit and healthy for as long as possible. Not only will this allow him to enjoy his retirement with his wife but it will allow him to live independently at home for as long as he can. John does not want to become a burden to his children as he ages and would like to proactively arrange for all of his future care in advance, should he need it.

---

**Social Media**

Low

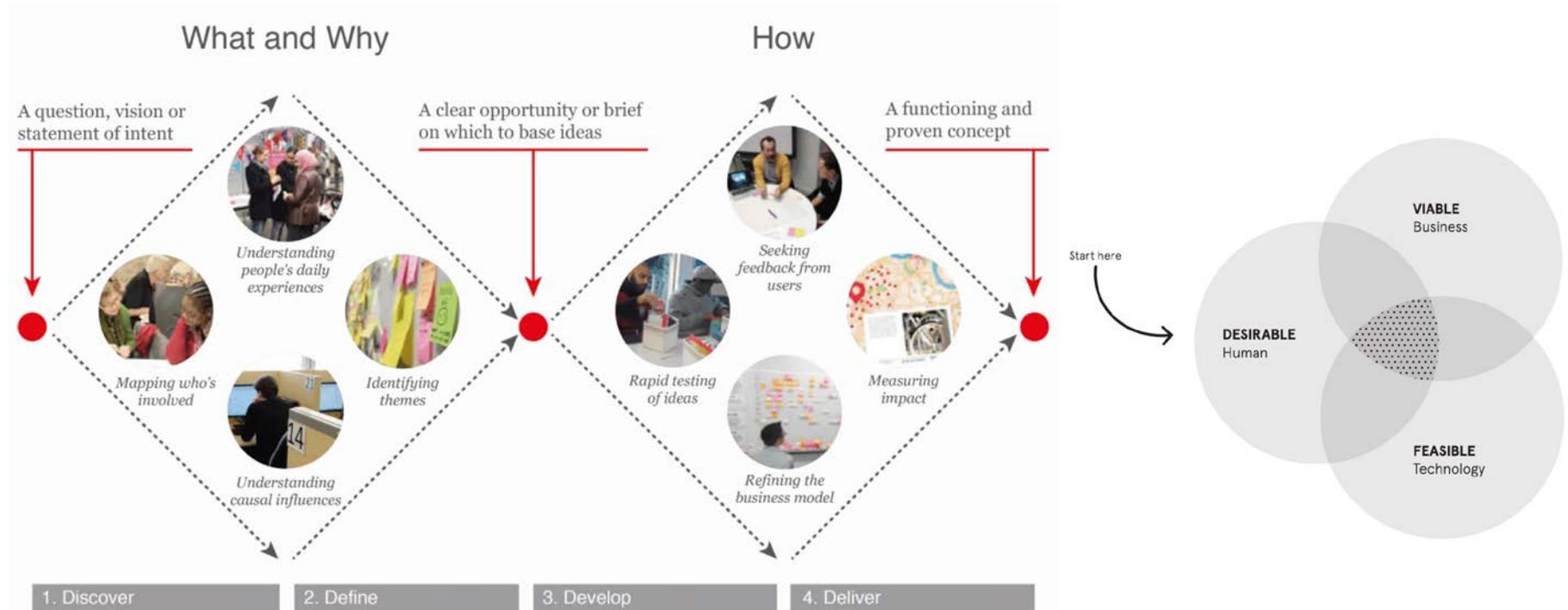
*“Engineering, medicine, business, architecture, and painting are concerned not with the necessary but with the contingent*

*- not how things are but how they might be -  
in short, with design...*

*Everyone designs who devises courses of action aimed at changing existing situations into preferred ones.”*

Herbert Alexander Simon, Nobel Prize Laureate (1969)

# Human-Centered Innovation & Design Thinking



# Value Proposition Whiteboard

Value Proposition    Manage   

Empty Nesters - Insurance Claim

Scenario

**Flexible policies**  
Flexibility in adapting and configuring policies to address changing life circumstances

**Thorough understanding of**  
For complex and/or global claims need a relationship manager, claims service focal point and with the client to ensure correct delivery of service protocols

**Expertise on ever-changing**  
Provide customised guidance on each claim issue that is specific to a client.

**Process my claims anywhere**  
Responsive and quality action enquiries via multiple channels access to experienced experts worldwide.

**Timely and quality service**  
Empower claim teams to make decisions that result in fair and timely settlement of claims

Scale:

## Claim Settlement - Empty Nesters

### Claim Settlement - Empty Nesters

Insert comment here...

Offering    Overlay Map    Detail    Traceability    Comments

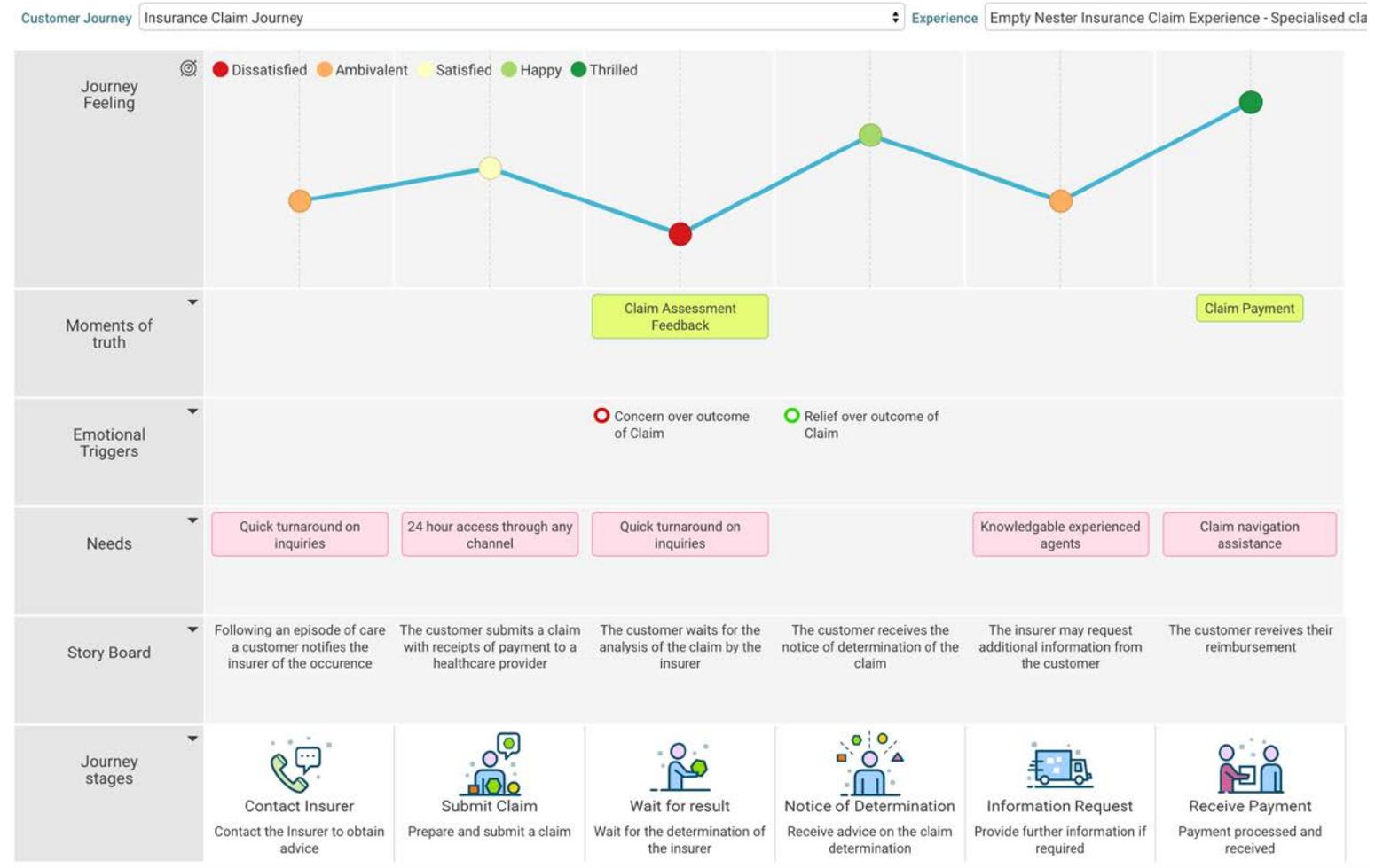
#### Need-Benefit User Stories

Stakeholder	Need	Need Type	Benefit	Benefit Type	Offering Items
Empty Nesters	Adapt policy terms as needed	Gain	Adaptable Policy Options	Gain Creator	Flexible Payments
Empty Nesters	Adapt policy terms as needed	Gain	Adaptable Policy Options	Gain Creator	Variable Premiums
Empty Nesters	24 hour access through any channel	Gain	Timely, responsive outcome through any channel in any location	Pain Reliever	OmniChannel Access
Empty Nesters	Knowledgeable experienced agents	Pain	Consistent streamlined settlements	Gain Creator	Single-Touch Settlements
Empty Nesters	Claim navigation assistance	Pain	Consistent streamlined settlements	Gain Creator	Single-Touch Settlements
Empty Nesters	24 hour access through any channel	Gain	Timely, responsive outcome through any channel in any location	Pain Reliever	Extended Hours
Empty Nesters	Knowledgeable experienced agents	Pain	Uniformity and accuracy in claims handling	Pain Reliever	Concierge
Empty Nesters	Claim navigation assistance	Pain	Uniformity and accuracy in claims handling	Pain Reliever	Concierge
Empty Nesters	Adapt policy terms as needed	Gain	Adaptable Policy Options	Gain Creator	Fixed Premiums
Empty Nesters	Quick turnaround on inquiries	Gain	Timely payment to minimise impact	Gain Creator	Real-time knowledge base

#### Products and Features

Product Feature	Description	Part of Product
Concierge	Access to an expert concierge	
Extended Hours	Provide 24 hour online chatbot	
Fixed Premiums	Lock-in rates on insurance premiums	
Flexible Payments	Allow up-front deposits and payment extension periods	
OmniChannel Access	Ability to seamlessly attend client's needs through any channel	
Real-time knowledge base	Rich library of proven solutions	
Single-Touch Settlements	Ability to settle a claim instantly with a single interaction	
Variable Premiums		

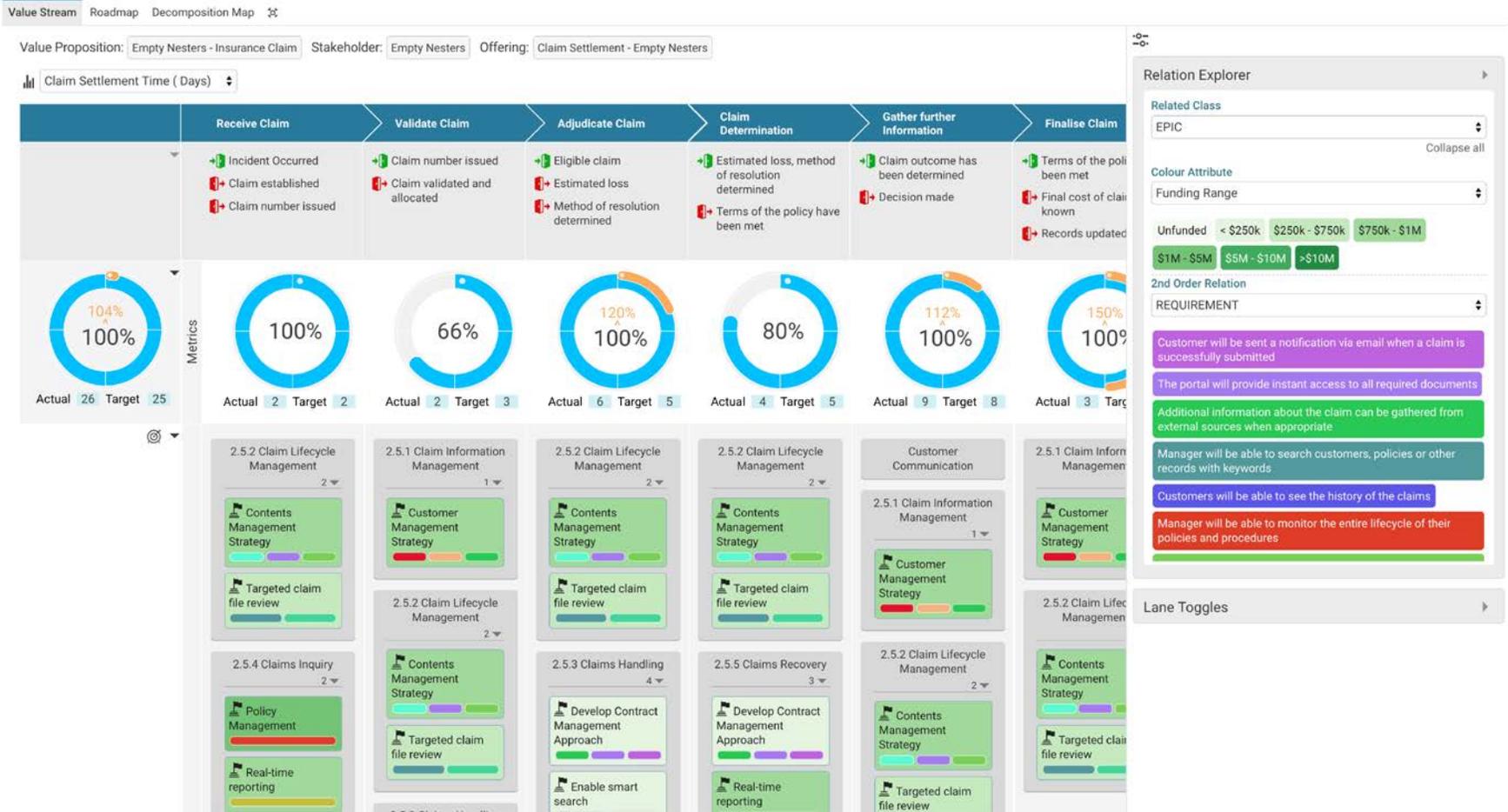
# Customer Journey



# Value Stream

## Settle Claim

The method in which a claim settlement is determined to compensate or restore an asset for a loss.



# Customer Journey/ Value Stream Analytics

*The Customer Journey & Value Stream overlay, provides end-to-end traceability of customer satisfaction issues to the underlying capabilities and beyond to the operating model elements (People, Process, Information & Technology)*



# Business Capability Maps

View Model Insight Reports

Capability Map Roadmap Value Chain Assessment Chart

## 2.5 Claim Management

**2.5.1 Claim Information Management** (1) - 85% digital tools adoption by agents

**2.5.2 Claim Lifecycle Management** (2) - 85% digital tools adoption by agents; Agent generated new customer sales +14% by 2020

**2.5.3 Claims Handling** (1) - Increase full time agents by 21% per region globally

**2.5.4 Claims Inquiry** (1) - Increase full time agents by 21% per region globally

**2.5.5 Claims Recovery** (1) - Achieve 4th consecutive MRDT by 2018

**2.5.6 Dispute Resolution** (2) - Increase full time agents by 21% per region globally; Agent generated new customer sales +14% by 2020

**2.5.7 Fraud Management** (2) - 85% digital tools adoption by agents; Increase full time agents by 21% per region globally

Depth: 5 Level: - Show Icons:

### Heatmapping

Colour Attribute: Assessment

Assessment round: Maturity Assessment Review - June 2018

Criteria: Maturity - Technology

Undeveloped Immature Mature Advanced

### Icon

Assessment round: Maturity Assessment Review - June 2018

Criteria: Business Criticality

Low Medium High Critical

### Relation Explorer

Related Class: OBJECTIVE

Colour Attribute: Time Horizon

FY 2018-2019 FY 2019-2020 FY 2020-2025

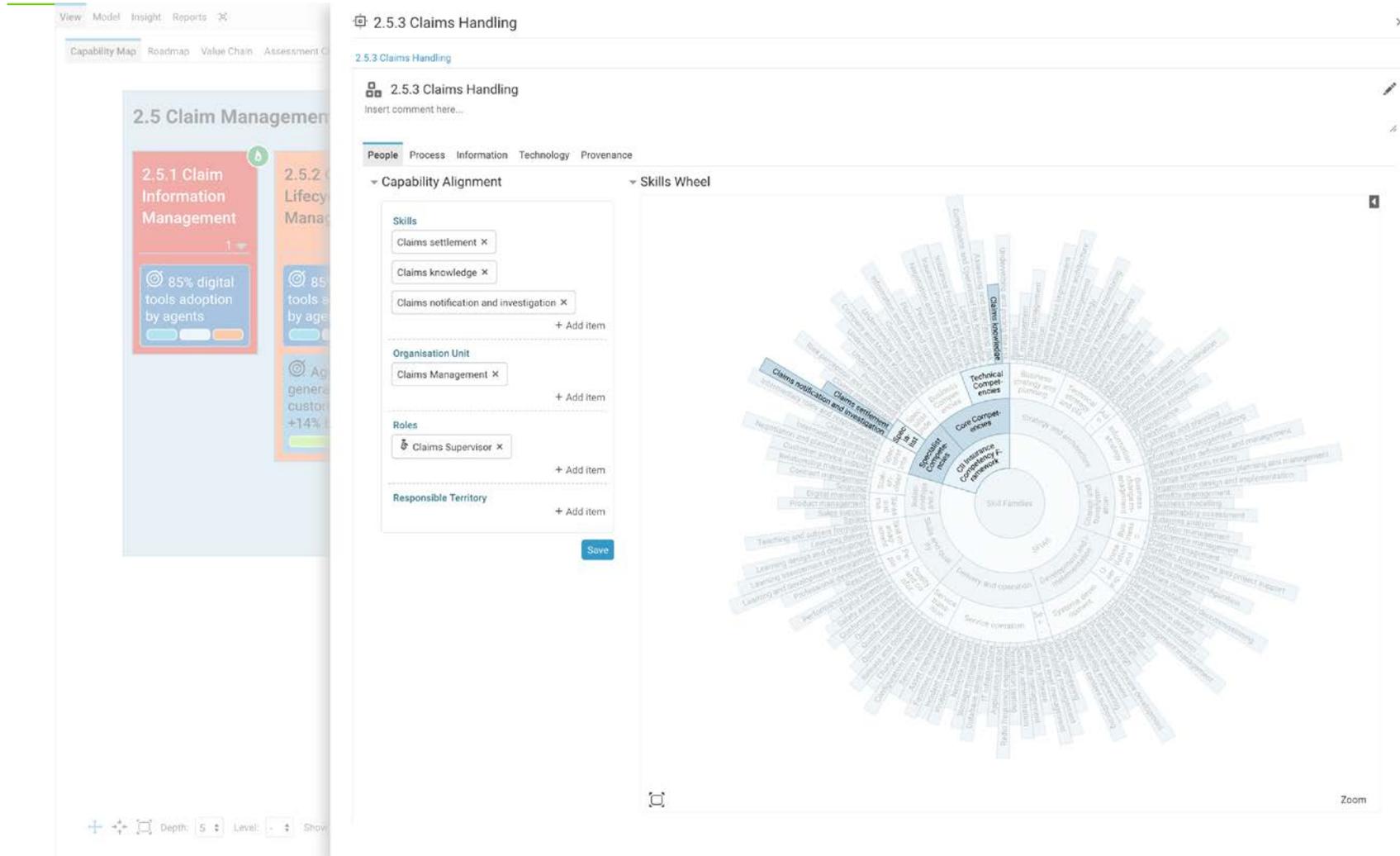
2nd Order Relation: METRIC

Claims Auto-Adjudication Rate Benefit Accuracy Rate

Claim Settlement Time Average cost per claim

Revenue per policyholder

# Business Capability Mapped to Skills (SFIA Skills Wheel)



# Business Capability Mapped to Processes

The image displays the Capsifi Business Model Workbench interface. On the left, a 'Capability Map' shows a hierarchy of business capabilities. The main focus is on '2.5 Claim Management', which includes sub-capabilities like '2.5.1 Claim Information Management' and '2.5.2 Lifecycle Management'. The '2.5.1 Claim Information Management' capability is highlighted with a red border and contains a goal: '85% digital tools adoption by agents'. Below this, another goal is visible: 'Agents generate customer +14%'. On the right, the '2.5.3 Claims Handling' process is detailed. It features a 'ValueStream Stage' section with tasks: 'Adjudicate Claim', 'Gather further Information', 'Validate Claim', and 'Adjudicate Claim'. Below this is a 'Process or Process Task' section with the task '1.4 Settle Claim'. The 'Related Processes' section shows '1.4 Settle Claim' with a dropdown menu. The central part of the interface is a BPMN diagram for the '1.4 Settle Claim' process, showing a flow from 'Start' through 'Gather Information', 'Validate Claim', and 'Adjudicate Claim' to 'Settle Claim'. The diagram includes swimlanes for 'Customer', 'Agent', and 'System'. At the bottom, there are controls for 'Add Lane' and 'Add Task', and a 'Lane Type: role' dropdown. The 'Related ValueStreams' section is currently empty.



# Business Capability Mapped to Technology (Application Portfolio)

View Model Insight Reports

Capability Map Roadmap Value Chain Assessment

## 2.5 Claim Management

### 2.5.1 Claim Information Management

85% digital tools adoption by agents

### 2.5.2 Life Cycle Management

85% digital tools adoption by agents

### 2.5.3 Claims Handling

Insert comment here...

People Process Information **Technology** Provenance

▼ Capability Alignment      ▼ Application Map

**Application Function**

- Auto/Manual claim adjudication ×
- Claims Management Application ×
- Claims Information Management ×

+ Add Item

**Uplifted by Epic**

- Develop Contract Management Approach ×
- Enable smart search ×
- Provide training to leading staff ×
- Real-time reporting ×

+ Add Item

Save

**Application Portfolio**

Insurance Application Portfolio

Core Insurance Applications

Claims Management Application

- Claims Information Management
- Claims Payment Management
- Auto/Manual claim adjudication

Depth: 5    Level:    Show Icons:

▼ Application Roadmap

Function	2018	
	Q3	Q4
Auto/Manual claim adjudication	<ul style="list-style-type: none"> <li>Enable smart search</li> <li>Real-time reporting</li> <li>Provide training to leading staff</li> </ul>	<ul style="list-style-type: none"> <li>Develop Contract Management Approach</li> </ul>
Claim analysis	<ul style="list-style-type: none"> <li>Enable smart search</li> </ul>	

Depth: 5    Level:    Show Icons:

# Capability-Based Planning

Capability Area 2.5 Claim Management

Insights and Business Alignment Identification & Assessment Capability Explorer Uplift Roadmap Transition States

## Current State Description

Claims Management is in a low state of maturity with significant manual intervention and hard-copy paperwork required in verifying claims, particularly for edge cases

## Future State Description

Claims Management will be entirely digital with 80% of claims being submitted electronically, directly by the care provider. Claims verification should be completed in less than 3 hours and 90% of claims should be processed within 24 hours

Save

### Stakeholders

Capability	Responsible	Beneficiary	Triggering	Participating
2.5.1 Claim Information Management	Claims Management	Empty Nesters	Prospective Customer	Claims Representative
	Information Management		Claims Representative	
	Information Security			
2.5.2 Claim Lifecycle Management	Claims Management	Empty Nesters	Prospective Customer	Claims Representative
	Business Manager		Claims	
	Advice			

### KPI Impacts

Capability	Objective	Metric
2.5 Claim Management		
2.5.1 Claim Information Management	Onboard XYZ bank as a strategic partner for ANZ region	Revenue per policyholder
2.5.1 Claim Information Management	85% digital tools adoption by agents	Benefit Accuracy Rate
2.5.1 Claim Information Management	85% digital tools adoption by agents	Claims Auto-Adjudication Rate
2.5.1 Claim Information Management	Onboard XYZ bank as a strategic partner for ANZ region	Claim Settlement Cycle Time
2.5.1 Claim Information	85% digital tools adoption by agents	Claim Settlement Cycle

Offering Overlay Map Tags Provenance Traceability References Comments Advanced

### Need-Benefit User Stories

Stakeholder	Need	Need Type	Benefit	Benefit Type	Offering Items
Empty Nesters	Quick turnaround on inquiries		Timely payment to minimise impact		Real-time knowledge base
Empty Nesters	Adapt policy terms as needed	Gain	Adaptable Policy Options	Gain Creator	Fixed Premiums
Empty Nesters	Claim navigation assistance		Uniformity and accuracy in claims handling		Concierge
Empty Nesters	Knowledgeable experienced agents		Uniformity and accuracy in claims handling		Concierge
Empty Nesters	24 hour access through any channel		Timely, responsive outcome through any channel in any location		Extended Hours
Empty Nesters	Claim navigation assistance		Consistent streamlined settlements		Single-Touch Settlements
Empty Nesters	Knowledgeable experienced agents		Consistent streamlined settlements		Single-Touch Settlements

## The Business Analysts Guide to Business Model Innovation

A gift for you:  
<https://innovationdx.capsifi.com>

The global business community is undergoing a rapid and extraordinary transition as digital technologies fuel an enormous investment in the restructuring of business models. McKinsey recently identified that only 8% of CEOs felt that their business model would be untouched by digital. Over 40% believed that their entire business model would need to transform within 2 years.

Digital transformation is an exercise in business model innovation. More and more companies are using capability-based-planning and business architecture as the lense through which to execute business model innovation.

Download this eBook and explore how business architecture and customer-driven design are key enablers of Business Model Innovation and learn to leverage agile analysis techniques to drive clear value propositions.

Download your guide now 

Q & A

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