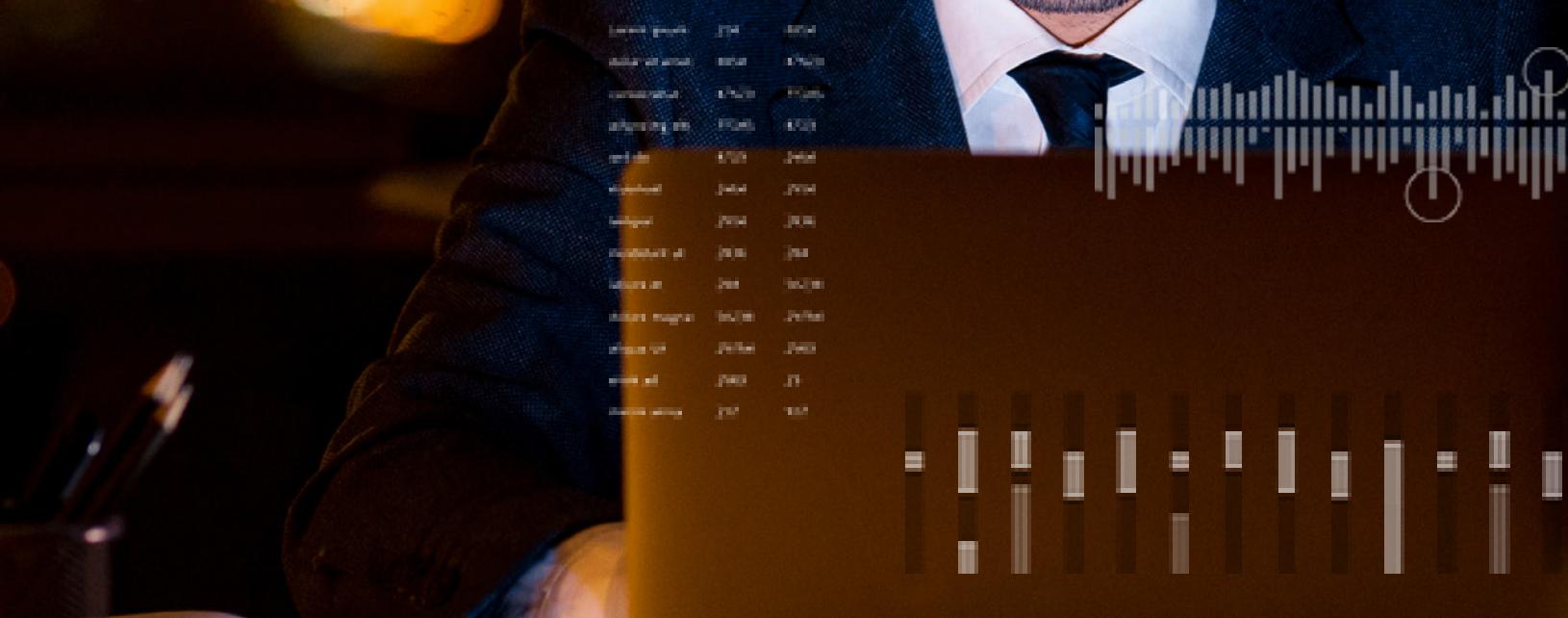# UNDERSTANDING THE GUIDE TO BUSINESS DATA ANALYTICS
Introductory Paper Version 2

In the data-driven economy, providing value means being able to translate data rapidly into value-add information.

IIBA® International Institute of Business Analysis™

UNDERSTANDING THE GUIDE TO BUSINESS DATA ANALYTICS

Get Better Insights. Guide Better-Informed Decision Making.

THE BRIEF

This paper discusses business data analytics concepts and how they relate to the practice of business analysis.

Business data analytics has become an area of great interest for organizations, as it has been recognized as a means by which organizations can obtain valuable insights from data; supporting more informed business decision-making.
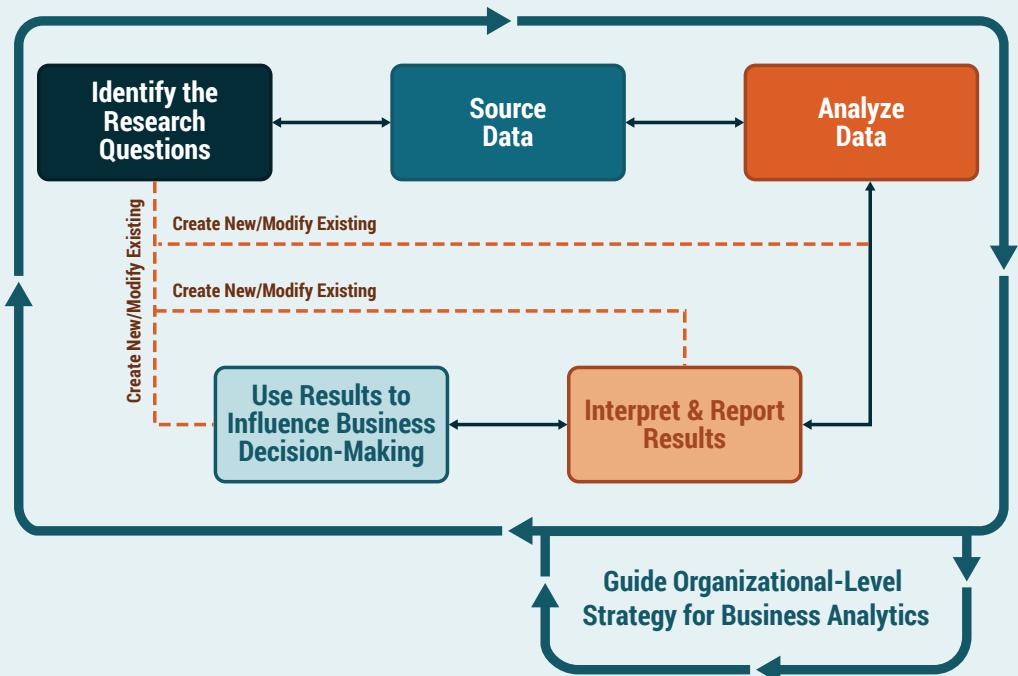
As a result, more organizations are investing in business data analytics as a means to deliver on their strategic imperatives, innovate, and obtain competitive advantages in their marketplace.

Such investments are driving the demand for more skilled professionals with business data analytics knowledge and experience.

WHAT IS BUSINESS DATA ANALYTICS?

Business data analytics is a discipline by which a specific set of techniques, competencies and practices are applied to perform the continuous exploration, and investigation of business data.

The goal of business data analytics is to obtain insights about a business that can lead to improved evidence-based decision-making.

Business Data Analytics as a Movement

Business data analytics as a movement involves a management philosophy or business culture of evidence-based problem identification and problem solving. Evidence through data is the driver of business decisions and improvement. Evidence is not chosen to support a preconception or point of view; instead, all available applicable evidence is used to make informed business decisions.

Business Data Analytics as a Capability

As a capability, business data analytics includes the competencies possessed by the organization and its employees. Business data analytics competency is not solely limited to the ability of an organization to complete analytical activities. It also includes capabilities such as innovation, culture creation, and process design.

Business Data Analytics as a Data-Centric Activity Set

As an activity set, business data analytics includes the actions required for an organization to use evidence-based problem identification and problem-solving. Business data analytics involves six core data-centric activities:

- Accessing
- Examining
- Aggregating
- Analyzing
- Interpreting
- Presenting Results

Business Data Analytics as a Decision-Making Paradigm

As a decision-making paradigm, business data analytics is a means for informed decision-making. Through this lens, business data analytics is considered the tool of making decisions using evidence-based problem identification and problem solving.

Business Data Analytics Objectives

Organizational leaders frequently make business decisions based on personal expertise and instinct. Business data analytics removes cognitive and personal biases from the decision-making process by using data as the primary input for decision-making. When performed well, business data analytics can create a competitive advantage for the organization.

For example, algorithms based on weather, soil, and other conditions have been found to be more accurate in predicting the price and quality of red wine after it has been aged compared to the wine experts who influence the decision-making based on their own cognitive biases as to what they enjoy and do not enjoy in a wine.
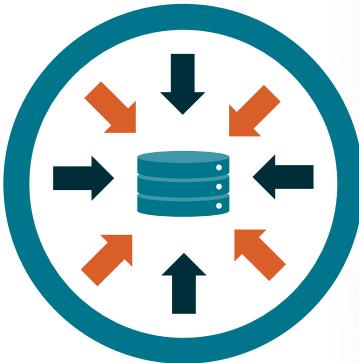
The objective of business data analytics is to explore and investigate business problems or opportunities through a course of scientific inquiry. The specific objectives of business data analytics are dependent on the type of analysis that is being performed.

Business Data Analytics as a Set of Practices and Technologies

Business data analytics is also considered a set of practices and technologies required to perform the analytics work. These practices can be discussed in the context of six business data analytics domains:

Identify the Research Questions

Source Data

Analyze Data

Interpret and Report Data

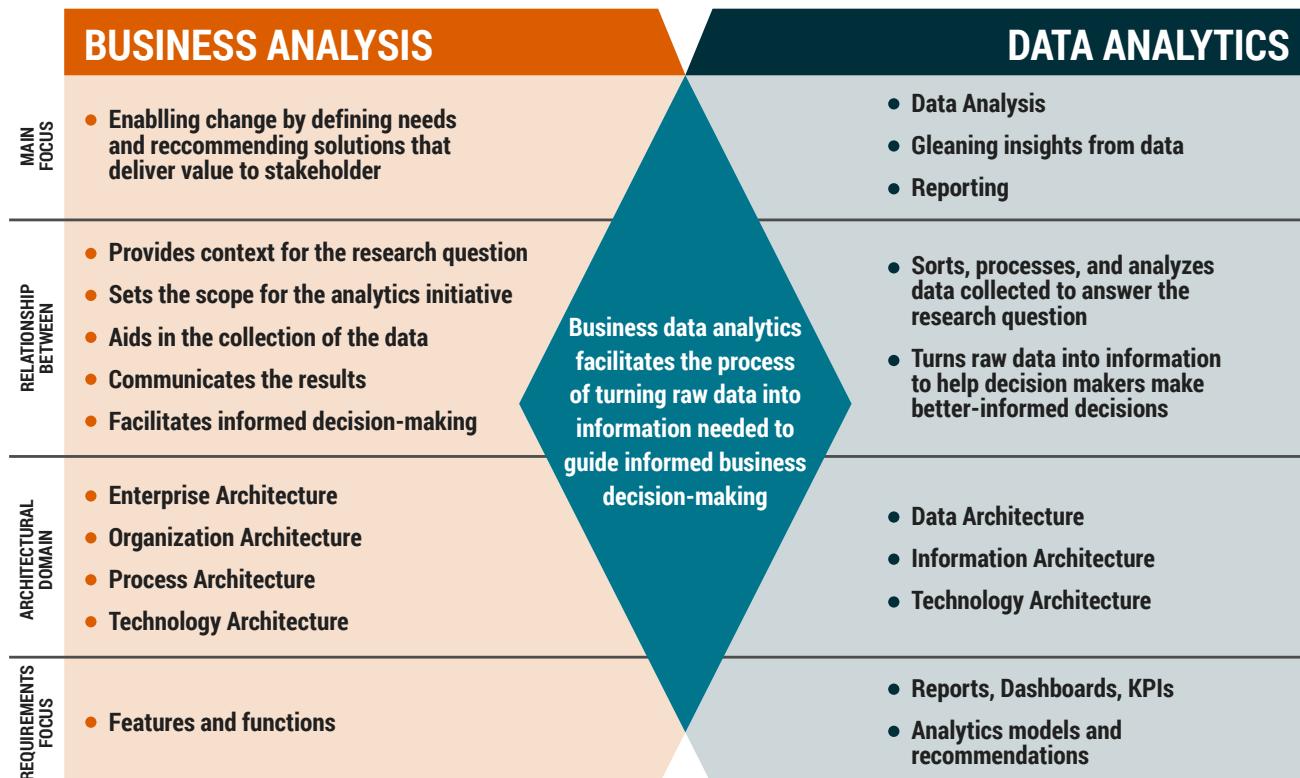**Use Results to Influence Decision-Making**

Guide Organizational-Level Strategy for Business Data Analytics

A LinkedIn Report conducted in late 2019 ranked Business Analysis amongst the Most In-Demand Hard Skills of 2020 along with Analytical Reasoning.[1]

1 Source: LinkedIn https://learning.linkedin.com/blog/learning-thought-leadership/most-in-demand-skills-2020

How Business Analysis and Business Data Analytics Intersect

	BUSINESS ANALYSIS	Business data analytics facilitates the process of turning raw data into information needed to guide informed business decision-making	DATA ANALYTICS
MAIN FOCUS	• Enablling change by defining needs and reccommending solutions that deliver value to stakeholder		• Data Analysis • Gleaning insights from data • Reporting
RELATIONSHIP BETWEEN	• Provides context for the research question • Sets the scope for the analytics initiative • Aids in the collection of the data • Communicates the results • Facilitates informed decision-making		• Sorts, processes, and analyzes data collected to answer the research question • Turns raw data into information to help decision makers make better-informed decisions
ARCHITECTURAL DOMAIN	• Enterprise Architecture • Organization Architecture • Process Architecture • Technology Architecture		• Data Architecture • Information Architecture • Technology Architecture
REQUIREMENTS FOCUS	• Features and functions		• Reports, Dashboards, KPIs • Analytics models and recommendations

Want to learn how you can apply business analysis with data analytics?

The Guide to Business Data Analytics provides case studies to help to see the application of business analysis practices in the real-world. Access the guide here.

WANT TO LEARN MORE?

We have selected our top 5 and most relevant publications on the subject:

1. Harvard Business Review. HBR Guide to Data Analytics Basics for Managers. Harvard Review Press. 2019.Provost, Foster and Tome Fawcett.

2. Data Science for Business: What You Need to Know about Data Mining and Data-Analytic Thinking. O'Reilly. 2013.Holsapple, C., A. Lee-Post, and R. Pakath.

3. A unified foundation for business analytics. Decision Support Systems Volume 64 Issue C. 2014. 130-141.Hubbard, D.W.

4. How to Measure Anything: Finding the Value of Intangibles in Business. Wiley. 2014. Davenport, T. H., Harris, J. G., and R. Morison.

5. Analytics at Work: Smarter decisions, better results. Harvard Business Press. 2010.

FIND ADDITIONAL ESSENTIAL READING RESOURCES HERE >>

About International Institute of Business Analysis

International Institute of Business Analysis™ (IIBA®) is a professional association dedicated to supporting business analysis professionals deliver better business outcomes.

IIBA connects almost 30,000 Members, over 100 Chapters, and more than 500 training, academic, and corporate partners around the world. As the global voice of the business analysis community, IIBA supports recognition of the profession, networking and community engagement, standards and resource development, and comprehensive certification programs.

For more information visit **iiba.org**

About the Guide to Business Data Analytics

The Guide to Business Data Analytics provides a foundational understanding of business data analytics concepts and includes how to develop a framework; key techniques and application; how to identify, communicate and integrate results; and more. This guide acts as a reference for the practice of business data analytics and is a companion resource for the Certification in Business Data Analytics (IIBA®- CBDA).

Explore more information about the Certification in Business Data Analytics at **IIBA.org/CBDA**.

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