

Management for Professionals

Thomas Frisendal

Design Thinking Business Analysis

Business Concept Mapping Applied



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Copenhagen S
Denmark

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Preface

The motivation for this book has been built up over time. Experiences from many different clients in a variety of industries, including the public sector, have made me curious about one simple fact: Business management lost sight of one of its most important assets, the Business Information Asset. This happened during the process of “Management Information Systems (MIS)” changing its name first to “Information Systems (IS)” and then to “Information Technology (IT).” Analysis and design of business information became an engineering style discipline instead of being a business management activity.

Working with business information analysis and modeling (which is what I do) is a very enviable position indeed. When you have the opportunity – as I have – to analyze and design business information in direct dialogue with business people, you get very close to the core of the business; issues which lead directly back to the business model and the business plans.

For several years, the focus for many IT development projects has been business process “renovation.” Quite often driven by technology such as object technology leading to service-oriented architectures and the like. However, processes may change quite frequently (and they do), which give them limited long-term business value. Not so for business information, which persist for a very long time and have a high business value.

With this book, I want to help getting focus on business information analysis and design (again). The new approach, I write about, enables business people to work directly and creatively with one of their most important assets – the information about their own business.

What works is a combination of design thinking and concept mapping. Together they enable new, creative conceptual designs and real business innovation. It started around 2004–2005 and has been refined since then. I have had the opportunity to use the concept mapping approach initially on projects together with information management consultants from Devoteam Consulting in Denmark. Since 2007, a Danish business intelligence consultancy with 40+ consultants that I work with on a number of projects, Inspari, has used the approach on assignments for different clients. All together, many business people in both private companies and government have

analyzed and designed their business concepts using the method. The results have been excellent, certainly much better than anything else I have seen.

I hope the experiences presented in the book will inspire you and help you to innovate the business of your organization.

There have been a number of people helping me. I am greatly thankful to all the business people, who over the years opened their doors for me and shared their concepts and concerns, and to many consultants at Devoteam and Inspari for excellent teamwork. I am grateful to Prof. Roger Martin of the Rotman School of Management in Toronto for invaluable advice in the early stages of the design of the book. Also, thanks to Mads Carsten Brink Hansen, External Lecturer at The Aarhus School of Business and Social Sciences, Aarhus University, and Business Consultant at Inspari A/S in Denmark for an excellent review. Last, but not least, I am most thankful to my private proofreader, Ellen-Margrethe Soelberg, who also is my patient, loving, and understanding wife.

Copenhagen, 2012

Thomas Frisendal

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This book is about a new validity-driven approach to business analysis. The approach uses design thinking and concept mapping, which work hand in hand to enable creative, new business concepts and processes. The focus is mostly on the business information side because that is where the long-lasting values of the business model(s) are kept.

The aim of any business development effort is to “tune” the business even better in order to obtain more reliable results. There are two very fundamental requirements to be met by the business analyst/business planner, who wants to be successful:

1. He/she must establish a valid understanding of the business (concepts, and also processes) of the business as it is and as it might be in the future.
2. He/she must be intuitive, insightful and creative during the process as the team learns from the understanding of the business concepts and prototype new ideas in rapid succession.

The valid understanding of the business is delivered by “business concept mapping”, a visual, interactive, team-oriented analysis and design method supported by a visual mapping tool. To phrase it in simple terms: This approach is the cheapest way to get real business pains out in the open, and to find ways of doing something about them.

Design thinking for business development learns from the understanding of the business and creates (just like e.g. product designers do) a new or changed set of business concepts, which are valid from the business point of view. Validity and innovation are inseparable.

There is a considerable amount of interest in “design thinking”. The context in this book is to facilitate creative thinking within business development. “Design thinking” of business concepts etc. is actually very similar to what designers do. Design is not just for products. *This book adds business analysis to the growing list of design thinking approaches.*

The two approaches (design thinking and concept mapping) work extremely well together. Both of them are based on “learning” and the “psychology of intuition”. In combination they have the potential to transform business analysis to become “business synthesis”.

Running a business from day to day clearly needs reliability of processes and results. But that does not imply that business analysis should (initially) focus on reliability issues. You cannot deliver reliable results, if your understanding of the business concepts is not valid. Validity is the starting point, and that is what design thinking provides. In order to change something, you must understand it. In most business organizations today there are very optimistic assumptions about the level of understanding of the business concepts among the employees and managers. Incomplete knowledge is a risk to the reliability of the business operations. Concept mapping provides the necessary level of understanding and makes it easy to communicate what “this is all about”.

The redefinition of business analysis creates insights within the organization, leading to several potential paradigm shifts to new solution models. Business development is the net result. Some of the major and increasingly popular paradigms in IT are: Information quality and valuation, master data and hierarchy management, business rules automation, business semantics, linked data and lastly the NoSQL and “Big Data” movements. They represent very viable examples of business innovation opportunities using IT technology. The entrance ticket however, is management and design of the core business concepts.

There are three major propositions of this book:

1. When it comes to business concepts and business information, the method of concept mapping effortlessly brings out the best results of design thinking. Concept mapping is an important, new tool for business analysts.
2. The business should – it self – take control of its business concepts and business information. This is a question of business value opportunities and consequently it is a business task, not an information technology task. Business development approaches are increasingly based on design thinking. This agile approach is perfectly supported by concept mapping, a great facilitator for understanding, defining and structuring business concepts and their relationships.
3. There are major opportunities in new business model paradigms and practices, which are only available to those businesses, which manage their business concepts and their relationships.

The key thing to note is that right from the beginning of a business you are basing the business model on a certain set of concepts, definitions and relationships between concepts. Some things may change (e.g. sales channels) but the core of the business model remains conceptually much the same. The result is that businesses, which carefully control, understand and nurture its business concepts, their definitions and structures, and which clearly communicates these matters internally as well as possibly externally, stand to be more successful. From a pragmatic point of view new opportunities present themselves when business concepts are mapped and managed as valuable resources. The business concepts maps become key resources just like the corporate chart of accounts – and they play very similar roles as maps of assets.