Creating and Using a Capability Map

By: Elizabeth Holubek
Thoughts about Capabilities in the Industry

“Capabilities are the Rosetta Stone” Forrester Research

“Business Capability Modeling Brings Clarity and Insight to Strategy and Execution” Gartner

“Business Capability Map Guides IT Evolution” Forrester Research

“Linking Customer Engagement To Business Capabilities In The Age Of The Customer” Forrester Research

“Improve Your IT Strategy With Business Capability Modeling” Gartner
Today’s Workshop Objectives

1. Create a Capability Map

2. Identify ways to Use Capabilities for Analysis

3. Earn CBAP Credits!!!
   1 hour = 1 Professional Development Credit
   15 min = ¼ Credit, 30 min = ½ Credit
Capability Maps can be created for various purposes...

... the following are just a few areas of focus for capabilities...

Business, Company or Organization

Technology Application or System
Basic Definition of Capability: Qualities, Abilities, Features that can be used or developed.

Capability with context takes on different meanings.

Business Capability Definition: Something the organization does and will always do.

Technology Capability Definition: Something that is enabled through technology which provides value to the user.

Description of a Capability Map: A visual representation of business capabilities organized into categories.

Importance of Creating Capability Definitions:
• Establish Boundaries and Scope of Capability (what is included, what is not included)

Best Practices for Capabilities:
• Name capabilities in a noun format with between 1 – 3 words in length
• Give the capability a self descriptive name. Easy to understand and recognize.
• Don’t put management at the end of every capability name. Determine when it is necessary to use: services, operations or management within the capability name.
For this Exercise:

- **Subject = Organization’s Industry and Target Market**
- **Organization = International Institute of Business Analysis (IIBA) Central Florida Chapter**

**Team Work:**

- Write down the organization’s industry and target market.
Step 2 – Identify People Involved

For this Exercise:

➢ People Involved = Organizational Units or Teams
  (Example: VP of Membership)

Team Work:

➢ Write down the organizational units or teams
For this Exercise:

- **Key Activities** = Important work performed by teams for the organization
  (Example: Collect Membership Dues)

**Team Work:**

- For each team, write down the key activities performed
For this Exercise:

- Organizational Capability = Something the organization does and will always do

- Organizational Capabilities are nouns (Example: Marketing)

Team Work:

- Review the list of activities performed across teams

- Based on Organizational Capability definition, the organization’s industry, target market and list of key activities performed by teams; Define a list of Organizational Capabilities for IIBA CFL Chapter
For this Exercise:

- Capabilities Categories: Strategic, Core and Support
- Strategic = High level, long term planning required for capability to operate (Example: Innovation)
- Core = Key for the organization to perform to represent the main purposes of the organization (Example: Professional Development)
- Supporting = Necessary for the organization’s core capabilities (Example: Accounting)

Team Work:

- Notate the capability category (Strategic, Core or Support) for each capability.
For this Exercise:

-Capabilities Categories: Strategic, Core and Support

- **Strategic** = High level, long term planning required for capability to operate (Example: Innovation)

- **Core** = Key for the organization to perform to represent the main purposes of the organization (Example: Professional Development)

- **Supporting** = Necessary for the organization’s core capabilities (Example: Accounting)

Team Work:

- Organize Capabilities in a capability map by capability category.
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<thead>
<tr>
<th>Strategic</th>
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<th>Public Relations</th>
<th>Analytics</th>
<th>Innovation</th>
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</thead>
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<tr>
<td>Core</td>
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**Business Capability Map Example**
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**Capabilities Heatmap Example - Risks**

- Low
- Medium
- High
## Capability Heatmap Example – Risks & Business Value

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Capability Map Evaluation Criteria Ranges

Risks:
- Low: Avg Total Risk Level is Low
- Medium: Avg Total Risk Level is Medium
- High: Avg Total Risk Level is High

Business Value:
- High: > $5M
- Medium: $1M to $4.9M
- Low: < $1M

Determine Risk Score

<table>
<thead>
<tr>
<th>Extreme / Catastrophic</th>
<th>10</th>
<th>15</th>
<th>20</th>
<th>25</th>
<th>30</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major</td>
<td>8</td>
<td>12</td>
<td>16</td>
<td>20</td>
<td>24</td>
</tr>
<tr>
<td>Moderate</td>
<td>4</td>
<td>9</td>
<td>12</td>
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<td>18</td>
</tr>
<tr>
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<td>6</td>
<td>8</td>
<td>10</td>
<td>12</td>
</tr>
<tr>
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<td>4</td>
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Risk Level

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<tr>
<td>Medium</td>
<td>9 - 17</td>
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<tr>
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Leveraging Capabilities for Prioritization:
1. First, focus on capabilities where the risk of not doing something is high and the value is high.
2. Second, focus on capabilities where the risk is medium and the value is high, medium respectively.
3. Last, focus on capabilities where the risk is low and the value is high, medium, low respectively.
For this Exercise:

- **Strategy** = A long term direction based on a key focus for the organization

**Team Work:**

- Review the strategy tactics
- Put a corresponding number on the capabilities that are impacted by the strategy based on the tactical descriptions
- Identify which capabilities:
  - have several related strategies
  - Do not have any related strategies
- Determine your analytical insights
IIBA Central Florida Chapter Strategies:

1. Delight Our Customers
   • Stimulate demand of business analysis for customers in Central Florida work market.
   • Vibrantly share learns across business analysts to support customers.
   • Define governance structure for the chapter to widen the business analysts skill set and expertise for their customers.

2. Go Multi-Threaded
   • Develop and evolve Business Analysis buddy program to help develop and support new IIBA Central Florida business analysts.
   • Evolve and continue Business Analysis study groups who are studying BABOK in order to become a CBAP.
   • Evolve and continue chapter committees to support the strategic and operational needs of the IIBA CFL chapter.
   • Expand the areas of focus for the IIBA CFL to develop and evolve expertise through the following work streams: Agile Methodology, Business Architecture, Business Intelligence, Business Rules Management, Business Analysis and Information Technology.
Develop key metrics to support the evolution of multi-threaded support and learnings.
Develop marketing and sales pitches for various multi-threads.
Expand the ecosystem to more trainers and sponsors.

3. Build Key Partnerships
   • Build a partnership with the Tampa chapter leveraging a shared service.
   • Start finding companies that hire business analysts for strategic business analysis and planning efforts.

4. Be the Change we Seek to Create
   • Establish an IIBA Central Florida Chapter foundation that supports communication internally and externally.
   • Create Agile business analysis work groups to promote transparency and thought leadership.
   • Invite new people into the IIBA Central Florida Chapter to keep the business analysis product from becoming stale.
   • Leveraging prototyping and testing concepts to evolve the business analysis practice for the IIBA Central Florida Chapter.
Capability Heatmap Example – Risk, Strategy Impacts

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Strategic Prioritization Analysis:
- Capabilities with Issues by Priority (High, Med, Low)
- Capabilities with Opportunities by Priority (High, Med, Low)
- Capabilities related to Business Outcomes/Demand by Priority
- Capabilities related to Applications by Current Life
- Capabilities with contain risks to the Organization by Priority (High, Med, Low)

Project Delivery Analysis:
- Capabilities which have the highest number of projects
- Capabilities related to business outcomes/demand which have projects in flight
- Capabilities related to business outcomes/demand recently delivered through projects
- Capabilities which have achieved some measurable objectives this year
- Capabilities related to projects that are behind schedule in delivery

Potential Future Planning and Analysis:
- Capabilities which are not related to Strategies
- Capabilities which are not related Organizational Units / Teams
- Capabilities contain Voice of the Customer sentiments
Great Collaboration and Work Today!

Congratulations on Earning CBAP Credits!