



Effective goal setting
for Business Analysts

by

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Beyond SMART Goals: Effective Goal Setting for Business Analysts

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introduction

The ability to set effective goals is a critical skill for any manager, whether they're responsible for managing a sales organization, a restaurant, or a team of business analysts. Establishing a small number of goals at each level of an organization is important for several reasons:

- **They help the company figure out what it wants its future to be.** Establishing corporate and cascading goals involve a fair amount of introspection into what the company and its various business units, departments, and groups are trying to accomplish.
- **They are the means to transform lofty aspirations into bottom-line results.** Devoting the proper amount of time to set goals can be difficult, but will make progress more achievable. Clear, cohesive goals help align team's efforts, direct people's attention and actions, mobilize and focus the work, and motivate individuals to develop reasonable strategies to attain the business objectives.
- **They eliminate confusion about how each individual can contribute to the organization's success.** Specific and measurable goals help employees understand what is expected of them, and develop confidence that they'll be compensated for their efforts transforming their goals into accomplishments.
- **They act as a template for providing feedback.** Employees need regular and timely feedback to keep on track. Goal setting creates an effective framework for managers to provide feedback with a focus

on actions that should be continued because they're helping the team achieve its goals, or changed because they're not.

the problem with SMART goals

You are likely tired of reading about SMART goals. There are plenty of online resources about the SMART approach to goal setting, so I'm not going to cover it here. As the Heath Brothers point out in *Switch: [How to Change Things When Change is Hard](#)*,

*The specificity of SMART goals is a great cure for the worst sins of goal setting—ambiguity and irrelevance (“We are going to **delight** our customers every day in every way!”).*

On the other hand, the authors caution to the fact that SMART goals rarely hit people in the gut:

There are some people whose heart are set aflutter by goals such as “improving the liquidity ratio by 30 percent over the next 18 months”. They are called accountants.

Apart from not being truly inspiring, a problem with the concept of SMART goals is that people can't even reach an agreement of what elements comprise them. Depending on your source, R may stand for “Relevant” or “Realistic”, and T for “Time Specific” or “Tangible”. Also, even when there is agreement about a specific word, you will find different interpretations for it (for example, “Specific” is described as “addressing a

specific area for improvement" or "clear and unambiguous").

Another (more critical) issue with SMART goals is that *they lack a framework to help managers identify the right set of cohesive goals to pursue*. In the absence of guidance, organizations are likely to end up with a set of arbitrary goals that people assume are feasible but no one really knows how to achieve— or worse, are achievable but ignore the power of choice and focus, trying instead to accommodate a multitude of conflicting demands and interests.

Imagine a company with goals to increase customer satisfaction rates by 40% and reduce the costs of customer support by 20% by the end of the year. Those may be SMART goals, but probably not a very smart approach for the organization if reducing the cost of customer support results in customers having to wait longer to get their calls answered, and consequently become more frustrated and less satisfied with the service.

Instead of focusing on SMART goals, for a more effective goal setting process Beal Projects developed the EDAN™ framework.

a better approach: the EDAN™ framework

EDAN stands for Envisioned Future State, Diagnosis, Approach, and Near-term Goals. Below is a brief description of these components of the framework, which can be used to improve goal setting in all types of organizations, from corporate to individual level. In the next section a case study illustrates its application in a real-life scenario.

Envisioned future state

In the book [Built to Last](#), Jim Collins and Jerry Porras talk about how an audacious, motivating goal with a 10-to-30-year timeframe emerged in their research as a practice that distinguished lasting companies from less successful ones. In the EDAN framework this is called the “envisioned future state”.

You may be thinking, what's the difference between an envisioned future state and a corporate vision or ambitious long-term goal? Indeed, depending on how those terms are being used, they all represent the same thing. An *envisioned future state* is nothing more than a future-oriented, clear, audacious goal that describes where the organization wants to go. This term was adopted to avoid confusion with SMART goals and the various interpretations of the term “vision statement” (which, for some organizations, rather than a future state for themselves, refer to a long-term desired change in the world resulting from the organization's efforts, as in

Oxfam's vision of "A just world without poverty").

Example:

Envisioned future state: "Be the world leader in the exploration of space."

In a high-performance organization, all employees must be working collaboratively toward the same cohesive vision and high-level business goals. Ideally, your company will have a crisp vision statement like "be the world leader in the exploration of space" that represents its envisioned future state. But what if in your organization there's nothing close to a statement of a clear and inspiring future state? In this case, you can try to identify a shorthand for the company's highest aspirations. Avoid vague statements like "be the company that our shareholders, customers and society want", which don't convey any real meaning or provide a sense of direction. If the company has no vision statement, you may want to use as the starting point for goal setting an envisioned future for your team or department. For instance, for an internal BA team it could be something like, *"Be the go-to team during project inception for all business units starting a software development initiative."*

Diagnosis and Approach

Good leaders do more than urge their direct reports forward toward an audacious goal or vision. They honestly acknowledge the challenges being faced by their teams, diagnose the situation, and decide on an approach to overcome the obstacles on their way.

As Richard Rumelt points out in [Good Strategy, Bad Strategy: The](#)

Difference and Why it Matters,

A leader's most important responsibility is identifying the biggest challenges to forward progress and devising a coherent approach to solve them.

Developing a “coherent approach” means choosing a direction capable of channeling actions in certain directions while ruling out a vast array of other possible actions. The idea is to create a north star that resolves the ambiguity about how to compete and how to organize resources to make progress toward the envisioned future.

The greater the challenge, the more critical it is to have leaders capable of evaluating potential approaches and identifying the one most likely to achieve a problem-solving effect. For example, if the envisioned future state for your team is, *“Be the go-to team during project inception for all business units starting a software development initiative.”*, and currently business analysts are only involved in software projects after scope definition, the first step would be to diagnose the problem.

What is the main obstacle preventing earlier involvement of BAs in software projects? With a little digging, the BA manager might find out that stakeholders felt disappointed in the past with the results brought by the analysts designated to their projects, and now don't feel motivated to include BAs during project initiation. To overcome this critical challenge, the BA manager might consider multiple approaches, such as finding some allies in the top management team to secure early involvement of the most skilled BAs in some critical projects to gain momentum, or starting a

project performance measurement program to bring visibility into the positive impact created by having business analysts involved in projects from the outset, compared to added to the team at a later phase.

Near-term goal

A near-term goal is a powerful way to coordinate the actions that will be required to overcome the critical challenges facing the organization. It names a destination or target that is coherent with the chosen approach and represents a step toward the envisioned future that your company, department, or team can reasonably be expected to hit or even exceed within months (or, in some cases, years—but certainly not decades).

For instance, no matter how desirable it might be for a startup to “double the number of enterprise customers by the end of the year”, this is not a good near-term goal if it's not feasible within the specified timeframe applying the available resources.

Example:

Envisioned future: “Be the world leader in the exploration of space.”

Near-term goal: “Land a man on the moon by the end of the decade.”

Good near-term goals are *measurable and time bound*.

Measurable: Land a man on the moon

Time bound: By the end of the decade

Near-term goals are only effective when their achievement can be measured. “Man on the moon” is a goal with a binary outcome (yes/no). Other objectives can be directly measured quantitatively (for example, website conversion rates), or qualitatively (for example, customer satisfaction).

For certain goals, you may not be able to measure exactly what you need. In this case, you can use the concept of proxy measure. For example, the “Net Promoter” score (a commonly used benchmark of customer word-of-mouth) is often used as a proxy for measuring customer loyalty.

When done right, performance measurement helps you and your team understand how well you are doing, and whether you're making progress toward your near-term goals and envisioned future state, or need to rethink your strategy. It also helps establish clear expectations and objective feedback, as well as provide recognition for great work.

The ebook [Measuring the Performance of Business Analysts](#) provides a comprehensive model for selecting meaningful key performance indicators (KPIs) for the BA work, and offer many examples of measures that can be used to effectively measure the achievement of business analysis near-term goals, and help teams course-correct as needed.

Obviously, near-term goals you set for yourself and your team should also be *relevant* and *feasible*. That is, they must have a real impact on what the organization is trying to achieve (its envisioned future and higher-level near-term goals), and stand a good chance of being hit or even exceeded within months (or, at most, under a decade), given the resources and

competence that currently exist.

In successful organizations of any size, high-level near-term goals cascade down to near-term goals for lower-level units to address business challenges at finer and finer level of details.

case study

(Some details were changed to protect client confidentiality.)

Company background

Acme Inc. is a solution provider offering custom software development services for large global enterprises in a variety of industries. Acme has a team of approximately 200 developers and 35 BAs, with the team of BAs reporting to a solutions manager who in turn reports to the head of the engineering team.

Envisioned future

Be the go-to provider for every Fortune 500 company looking to outsource its software development.

Diagnosis and Approach

A small cross-functional group spent a month looking at the competition, customer satisfaction surveys, and other sources of relevant data to identify the obstacles to grow and the internal and external opportunities for the

company to pursue its envisioned future. The group diagnosed as the top challenge facing the company the “rapid grow of competition”.

The various approaches considered to overcome this challenge included spending money on advertising and hiring a larger sales force to go after the Fortune 500 market. The approach the group decided upon, considered to be the one that would help Acme make major inroads or breakthroughs, was generating referrals from happy clients.

Near-term goals

Corporate level: *Achieve a “Net Promoter” score of 70 by the end of the year.*

Background: To generate more referrals from happy clients, Acme concluded it would have to focus on increasing its “Net Promoter” score, which at that point was only 30.

Engineering department: *Achieve 60% reduction on number of usability-related support calls per user by Q3.*

Background: Satisfaction surveys with past and existing clients showed that, to increase its “Net Promoter” score, Acme would have to improve in a key area: decreasing the number of usability flaws and defects that often made the applications delivered to clients difficult or impossible to use even for the most skilled staff. The engineering department chose this goal to communicate to the team the importance of delivering the desired functionality in an easy-to-use interface that reduced the need for training and support and increased user satisfaction and adoption rates.

BA team: *Achieve 100% participation of affected user groups in requirements*

elicitation by the end of Q2.

Background: In order to contribute to the elimination of the usability flaws that were causing client dissatisfaction, the BA team recognized the need to do a better job identifying all affected user groups to validate requirements with, and keeping them involved throughout the project to make sure all relevant needs are being covered.

To illustrate the importance of talking to all user groups to reduce usability flaws, imagine a BA who is specifying an application for the customer's marketing team to publish content to social channels. There are two groups doing the work. Group 1 is purely reactive, focused on answering questions and complaints posted to Facebook or Twitter. Group 2, on the other hand, is in charge of generating creative content that will attract leads to the company's website. If the BA only interviews members of Group 1 during requirements elicitation, it's quite possible that a key requirement for Group 2, such as the ability to schedule posts for future publishing, will be overlooked because Group 1 only publishes "spur of the moment" content that never has to be scheduled. The complaints will start to roll in only when the application is released and Group 2 has to work over the weekend because there is no capability for them to schedule a post on Friday to go out on Saturday or Sunday.

UI team: *Achieve 80% of projects assisted by a user interaction specialist working closely with the business analyst from project inception by end of Q3.*

Background: Since many of the complaints from clients are related to usability, the objective is to eliminate any usability bugs before the coding phase begins. A UI specialist working closely with the project's BA will help flush out users' unspoken needs and discover the blend of requirements and design that delivers software that is both usable (users can figure out how to use it) and valuable (users actually want to use it). The company will not attempt to reach 100% coverage on the first year to keep the goal realistic (it is estimated that it will take them at least 8 months to hire the number of UI specialists necessary to achieve full coverage).

The results

After setting a clear near-term goal of improving the company's "Net Promoter" score, and gaining clarity about what it would take to get there, Acme's experienced a stunning transformation.

Software developers stopped thinking in terms of just delivering the expected functionality on time and on spec, and began to make an effort to build uncluttered interfaces and incorporate wizards and help screens to make the lives of end-users easier. If they had to make a change to the UI design due to technical constraints, instead of just going with the solution that would be simpler to implement as they were used to doing, they started involving the project's BA and UI specialist in those decisions, to make sure they selected the alternative that better met usability needs.

The BA team brainstormed creative ways to help convince all affected user groups to designate representatives to be kept involved throughout the

project in order to ensure all relevant functional and usability needs would be surfaced before coding started.

The positive results didn't take long to appear. Client satisfaction (as measured by the “Net Promoter” score) more than doubled. And not only more clients started to say yes when the sales team asked them to act as a reference in new deals, helping Acme build credibility in the market and win more contracts, but they also began sending more business to Acme rather than spreading their projects around different providers.

putting it all together

The success of organizations in this day and age hinges on the ability to execute, and every group and team can benefit from having a beacon or north star to help them set priorities and keep the execution machine on track. The EDAN framework helps good leaders do more than simply urge their direct reports forward toward an envisioned future state. It encourages them to think about the challenges being faced by their teams in order to diagnose the situation and decide on an approach to overcome the obstacles on the way. Then, carefully chosen near-term goals that are “MT” (measurable and time bound) are used to focus team efforts and help the organization get closer to its envisioned future. Coordinated near-term goals are a powerful tool that helps teams focus, not on 50 things, but on the top 3 or so results that are critical to the company’s success. They also help establish accountability and coordination between teams.

Note that each near-term goal you set may have a different timeline, based on how long the team expects to take to get there. Once a goal is achieved, it's OK to concentrate efforts on the remaining short-term goals for the current period, but it's also advisable to review your list of goals from time to time, replacing the ones that have been achieved or that no longer make sense to keep due to a change in company direction.

The need for flexibility

That the world is changing ever more quickly may be a cliché, but that makes it no less true: the business environment continues to get increasingly dynamic, requiring flexibility and rapid adaptation. Good goals are the fuel that drives performance toward achieving superior business results, and adaptation has a vital, strategic role to play in goal setting.

Near-term goals should be reviewed both periodically and on the spur of the moment. Any time a company enters a new business or market, or changes direction, it's important to have this cascade of adjusting and elaborating team and individual goals to make sure they continue to form a cohesive response to the current business challenges.

Consider a BA team goal “*complete comprehensive market research about potential new markets by August 1*”. Let's say the goal had been established based on a company proximate goal of acquiring 30 clients from new markets by the end of the year. If during the year the executives decided that instead of pursuing new markets the company would focus on improving the services for the existing client base, the previous BA team goal would no longer be relevant, and should be replaced by a different objective that supports the new corporate goal.

The need for measurement

Performance measures are needed to show the results of what was tried and should be part of a documented history, to avoid the same actions being repeated with no progress being achieved.

effective goal setting checklist: ensuring good goals

- Every team member agrees on a short list of goals (no more than 3-5) that make a clear contribution to overcoming a challenge in the way of the company's (or team's) envisioned future state.
- Goals are mutually supporting, rather than trying to accommodate a multitude of conflicting demands and interests.
- Goals are co-created with the team, so they can feel ownership and remain engaged in the effort.
- Goals are measurable or have quantifiable targets.
- Goals are time bound.
- Goals are aggressive yet realistic given the accumulated resources.
We want to stretch ourselves and stretch our teams, but not to the point of breaking.
- Managers organize frequent check-ins to keep each one of their direct reports on track.
- Managers have mechanisms in place to reevaluate and if necessary change existing goals every quarter or whenever the internal and external circumstances change.

why merely setting goals is not enough

Goals are the mechanism by which companies launch their people in a performance journey. However, establishing an envisioned future state and setting related near-term goals is not enough. How many organizations have you known that excelled in establishing corporate and team goals, but lacked follow-through? This happens because it's not enough to know where you are and where you are going: you also need to have a cohesive plan to get there, and controls that allow you to correct the course as you go from planning to action. Besides effective goal setting, good leadership requires defining a sensible and coherent approach to deal with the obstacles to achieving the goals, breakdown of tasks, assignments as to who is to do what, time schedules, resource allocations, performance expectations, a means of measuring results, frequent “check-ins”, and compensation and reward mechanisms.

Frequent check-ins + compensation and reward mechanisms

Managers must organize frequent check-ins with their direct reports to keep them on track and identify areas where immediate action is needed.

Managers must also have mechanisms in place to compensate teams and individuals for their accomplishments, and to reward failure resulting from employees taking worthwhile risks that could have lead to major breakthroughs.

Want to be a great leader of business analysts?

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