Effective business analysis tools you must know about

[Business](#)

Business Analysis is a very commonly used term in the business world. It is set of tasks and techniques which are used as a link between stakeholders. The analysis can assist you to better understand the structure and policies of your company. With the process, you can also find new ways to reach important goals.

To conduct Business Analysis aptly, you will have to use different analytical tools. Some of the most common business analysis tools are SWOT and PEST. But the list of tools is quite long. Some of the other tools are:

- Heptalysis
- MOST
- VPEC-T
- de Bono's Six Thinking Hats
- CATWOE
- SCRS
- Five Whys
- MoSCoW

You can choose from these tools based on the nature of operation and problem. In this article, I have discussed all of these business analysis tools, in short.

PEST

PEST is an external environmental analysis framework. This business analysis tool is all about understanding how the external factors affect your organization. Other variations this are PESTLE, STEP, STEEP and STEEPLE.

PEST is an acronym of the following elements:

- Political

- Economic

- Sociological

- Technological

Political factors entail the current political situation. It can also include the potential political influences. Economic factor discusses the national and global economy impact. Sociological factors are those external factors in the society which affect your firm. Technological factors are all about the effect of emerging technology on your organization.

SWOT

Commonly in the early stage of business, SWOT analysis is great a business analysis tool which helps find the external and internal factors. You can find the strengths of the company. You can also identify what the greatest opportunities are. It warns about a possible danger and helps improve certain weaknesses. After careful analysis, you can take decisions easily.

When conducting this business analysis tool, you will focus on the following factors.

- Strengths

- Weaknesses

- Opportunities

- Threat

Strengths are the advantages your company has. Your task is to find which area your company operates best in. Weaknesses are areas which your business can be better at. You will have to spot what your firm performs weakly. Opportunities are often the area where competitors perform poorly. Threats assess all the obstacles facing your business. Usually, this is the area where your competitors perform well.

Heptalysis

Heptalysis is a business analysis tool which you can use to run an elaborate analysis of early stage businesses. It is based on the following categories:

- Market Opportunity

- Product or Solution

- Execution plan

- Financial engine

- Human capital

- Potential return

- Margin of safety

MOST

You can use MOST to conduct internal environmental analysis. This business analysis tool ensures that your project is working in line with four attributes. The four factors which you will assess in MOST are:

- Mission

- Objectives

- Strategies

- Tactics

You will do the following:

- Determine where your company hopes to go

- Decide which company goals will help you reach the mission

- Plan the steps which will help you move forward

- Plan how you will implement the strategies

VPEC-T

Another method is the VPEC-T technique. This tool helps to analyze expectations of various parties of a system who have varying views. Not only their responsibilities but also their priorities are different.

- Values

This is all about the objectives, beliefs and issues of all members. The concerns can be:

- Social

- Financial

- Tangible

- Intangible

- Policies:

These are the constraints which direct what you will do next. These also show in which way the work will be accomplished.

- Events

Events are the actual proceedings which catalyze activity.

- Content

Contents are the meaningful portion of documents, messages or conversations.

Trust

This factor is critical. You must ensure that there is trust amid different parties.

de Bono's Six Thinking Hats

You can use this business analysis tool when conducting brainstorming sessions. Many people call it the Six Thinking Hats. It will help you generate and also analyze different concepts and options.

It is a valuable tool. It instigates specific types of thinking. In addition, this exceptional analytical tool limits the group from thinking in certain ways only.

The six colors or moods you need to learn about are White, Green, Yellow, Black, Red and Blue. White refers to pure and logical facts while Green suggests creative. Yellow means bright, optimistic and positive. Black signifies negative, Red means emotional and blue shows cold and control.

CATWOE

CATWOE is a business analysis tool which helps quick thinking about specific business aims. There are six important elements. CATWOE is an acronym of:

- Customers

- Actors

- Transformation Process

- Worldview

- Owner

- Environmental constraints

So, when conducting CATWOE, you will have to identify the beneficiaries of the business process. You will also have to find out how the issue can affect them. Actors are those who are associated with the process directly. They are part of the implementation process. You have to find out what may affect the actors' success. The transformation Process will focus on processes impacted by the issue.

You have to think about the bigger picture. Spend time thinking about the overall effects of the matter. The person who owns the process is the owner. Know about him. Learn what his role in the solution is. You are also expected to ponder about the constraints and boundaries. You should know how each factor impacts the solution.

SCRS

This effective business analysis tool claims that the analysis has to flow through the current state and requirements from high-level business strategy towards the business solution. It is an acronym for the terms Strategy, Current stage, Requirements, and Solution.

Five Whys

You can use this tool to identify the main cause. This will help you to gain a better understanding of what is happening at a specific time. Your job is to answer ' whys.'

MoSCoW

This is a business analysis tool which focuses on requirements. You can conduct the process by first allocating a priority. You can evaluate it based on the validity of your requirements. MoSCoW consists of the following elements:

Must have

Should have

Could have

Won't have

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