Gathering Business Requirements

The first and most important step in selecting the right technology solution to solve a business need is gathering detailed business requirements. Before any technical solution is selected, an MFI must fully understand and document what problem it is trying to solve. A tangible output of that activity is a documented collection of statements that describe how the MFI currently operates and how it hopes to operate once the business problems are solved. This documentation is called a "Requirements Document" and ultimately serves as the basis for evaluating potential technology solutions. For example, after all requirements have been documented, MFI IT staff can review potential IT solutions and compare the functionality offered by various solutions to the requirements of the business.

Although IT solutions will never meet 100% of an MFIs needs, various solutions will address requirements better than others. By comparing the functionality offered by a technology solution with the business requirements, MFI staff can identify the "gaps" and select a technology solution that has the fewest gaps. Note that final system selection must not only consider the "fit" of a solution (that is, how many gaps exist), but should also rank solutions based on cost, support, etc. That said, fully documenting the MFIs business needs to ensure a fully informed gap analysis is something within the control of the MFI, and is one of the most critical building blocks for selecting the right system.

Writing Requirements

Step 1: Document the current business needs. For example, if an MFI is seeking a new back-office MIS to manage their loan portfolio, the project manager (PM) in charge of the program should first seek to document the details describing the core elements of the business that will be impacted by the technology. Examples include: how clients are and transactions are managed, what products the MFI offers, reports needed, internal audit needs, and some basic technology requirements such as security, scalability and other technical considerations like connectivity.

It's best to understand the needs of the business from the business users themselves. To capture this information, the project manager should conduct interviews with staff from each department and document the findings in a consolidated tool.

The excel spreadsheet entitled "Business Requirements Gathering Toolkit", located in the online Resource Center, is an example of a tool to facilitate the documentation of these needs.

Step 2: Translate needs into requirements. Once the current operational needs have been documented, the PM can translate those needs into actual requirement statements. For example, if an MFI currently allows clients between 18 and 65 (but not older or younger) for individual loans but allows clients of all ages for group loans, a requirement illustrating that need might read: "Application must allow configurable minimum and maximum client ages by loan product."

Good requirement statements are specific but not prescriptive, meaning they capture the business needs but do not recommend the technology solution. This will give the technology provider the most latitude to meet the MFI's business in the most efficient way.

Step 3: Prioritize. In order to maximize the chances of success on the IT project, only those requirements that are critical should be included during the first phase of the technology project. Wishlist or "nice-to-have" requirements can always be added after the core business needs have been met. Therefore the last step in documenting requirements is to prioritize them as "Must Have" and "Nice to Have." The leadership team at the MFI should work with the IT department to document the high priority requirements.

Getting requirements gathered and agreed is not an easy process, but if you can listen to what people are asking for and work with a strong requirements owner, then you're halfway there. The rest is down to your ability to describe the needs in precise, unambiguous and specific language.