



Best Practices for  
Business Rules Management by the  
Business Team

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# Presentation Focus

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- Business rules
- Evolution to a business rules management system for the business community
- Best practices for business BR management by the business team



# Business Rules *Terms*

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- Business Rules (BR)
  - What are Business Rules?
  - Advantages – Why?
- BR Approach
  - Methods
- BR Analyst defined, role, skills needed
- BR Engine – IT thing – a processor
- BR Management
- BRM System – automating BRM
- RuleGuide™ - the answer for a BRMS



# Common Questions

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- Are BR specs? Requirements?
- How does Business Process Management relate?
- How does BR relate to BRE?
- Why bother with a BRMS?
- Why not Spreadsheets?



# Business Rules

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A business rule

...is a directive, which is intended to influence or guide business behavior, in support of business policy that is formulated in response to an opportunity or threat.

- Source: Business Rules Group, *Defining Business Rules ~ What Are They Really?* Final Report revision 1.3 July, 2000



# Business Rules

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A business rule is...

a directive, policy or procedure within an organization. Business rules may also come from outside sources such as government regulations and membership association guidelines.

- PC Magazine Online IT Encyclopedia



# Business Rules are a Company Asset

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- Business rules reflect an organization's business policies, constraints, computations, and knowledge.
- Your organization runs its business by these rules whether or not it:
  - Automates them,
  - Puts them in a Business Rules Engine, or
  - Explicitly states them somewhere so that people actually know what they are.



# Why the focus on Business Rules?

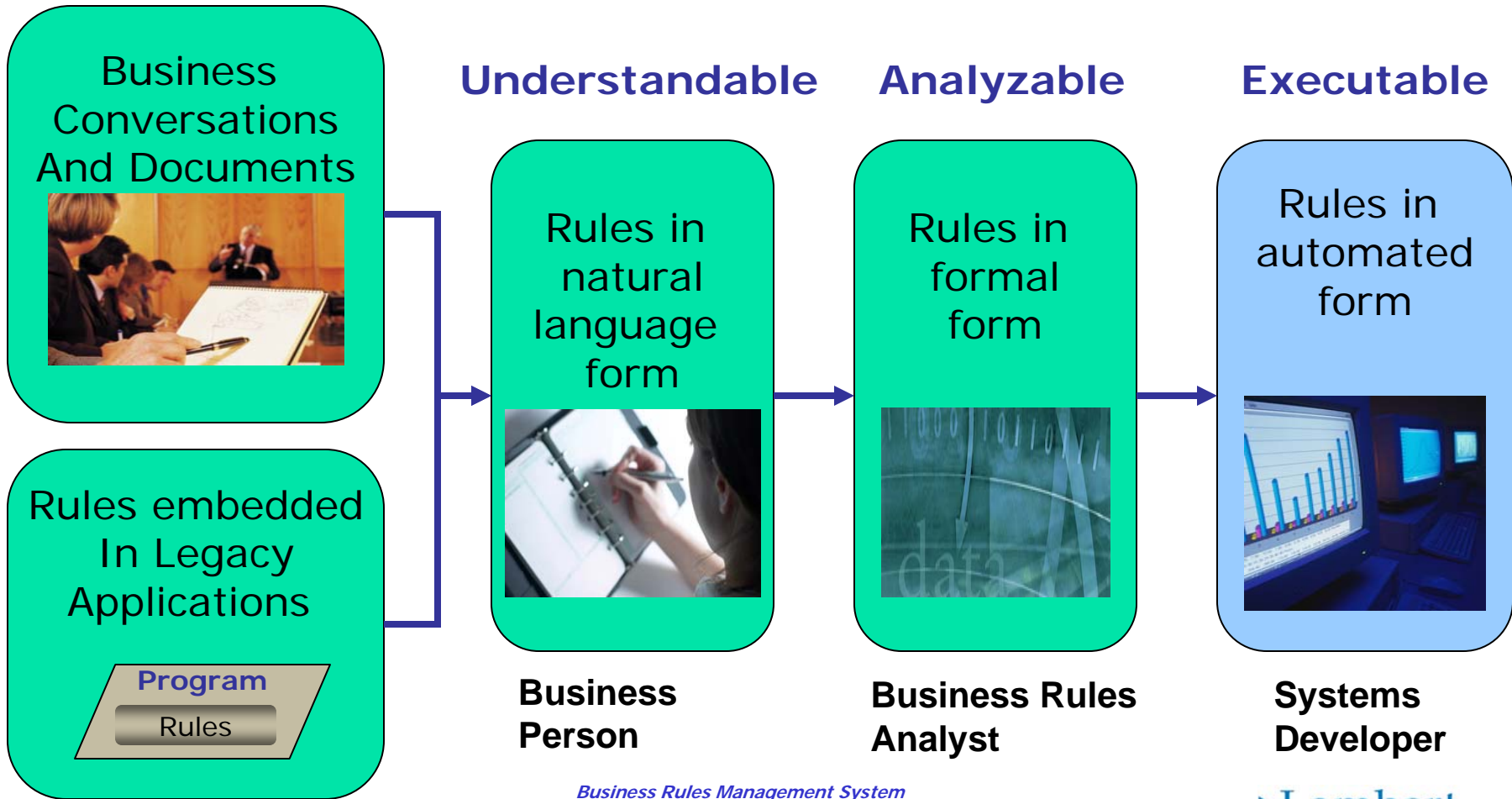
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- Core business knowledge is represented by Business Rules
- A business is governed by its rules
- Business rules belong to the business
- Business processes utilize business rules and they are separate
- Business rules are decisions, BR Management is Decision Management



# There are ways to express business rules

## Sources



**Rule Sources**



# Business Rule – an example

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Sample rule, expressed in English:

"if your medical insurance terminates for any reason including death, you... may elect within 30 days... to continue such medical insurance..." –

Attributed to the booklet: "Group Insurance for 1-14 Employees," Consolidated Group Trust, The Hartford



# Reasons for automating Business Rules Management

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- Centralized management of business rules can be achieved
- Reduces manual validation and verification of business rules, resulting in the right rules being implemented
- Business rules are implemented within a business context with traceability to business policy, program code, and people
- Enables the tracking of business rule usage by business processes and groupings of rules
- Business rules become Sustainable: easily understood, maintained, managed, verified, and traced



# A business rules approach is...

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...a **formal** way of **managing** and automating an organization's business rules so that the business behaves and evolves as its leaders intend.

Business Rules Applied, by Barbara von Halle

A BR Approach includes tasks, roles, rule repository for business people, rules engines for automation, and formal ways of expressing rules so that the business's policies and rules can be quantified, accessed, and changed as needed.



# A Business Rules Approach

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- Separation of workflow, processes, data, business rules and application implementation is possible
- Requirements, design, and implementation models reflect business rules as a discrete artifact
- The stewardship of business rules is clearly defined and can be returned to the business from IT
- IT role can change to become the facilitator of the overall automation
- Business team can make the rule change; IT can act as the enabler for a rule change only when it's necessary

# KPI's Rule Maturity Model™



**Level 0 Unaware**     
 **Level 1 Knowledge**     
 **Level 2 Agility**     
 **Level 3 Consistency and Alignment**     
 **Level 4 Prediction**     
 **Level 5 Stewardship**

MINIMUM **Business Value** MAXIMUM

Cost of change is high. Ability to predict business impact of change is low.	Cost of change is lower. Ability to predict business impact of change is still low. Analysis of BRs is possible, but is manual.	Change is driven by business analysts. Analysis of BRs and business process is possible and automated. Ability to predict business impact of change is still low.	Auto-analysis of BRs is common practice, reducing cost of BR change and testing even lower. Ability to predict business impact of change is better.	Ability to predict business impact of change is possible.	Ability to predict business impact of change and protect business integrity is common place.
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IMMATURE **Technical State** MATURE

Business Rules (BR) are intermingled and buried in code, documents, and peoples' heads.	Business Rules are understood as separate aspects of business logic. BRs exist in a separate source rule repository, maybe separate automation technology.	BRs are separated through structured BR templates and BR analysis/design techniques. BRMS technology is adopted.	BRs are separated as a standard practice through integration of source repository and execution technology.	BRs are defined in repository, associated with business metrics, and traceable to business value.	BR governance is integrated into business processes.
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MINIMUM **Business Control** MAXIMUM

There is talk about harvesting BRs from people or docs and mining BRs from code.	Business analysts know the business process and challenge the rules. I/T traces rules to systems.	Business analysts define and change the business process and business form of rules.	"What if" scenario capability enables business analysts to generate and test automated BRs.	Business analysts can assess business impact because relevant data is integrated with BR infrastructure for business prediction purposes.	The Agile, Learning Organization is born and sustained.
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RULES AT PROJECT LEVEL ONLY     
 RULES SHARED ACROSS PROJECTS     
 RULES SHARED ACROSS ENTERPRISE



# The KPI STEP™ Approach

*The KPI STEP Approach, how it delivers a rules approach to the business.*

- Separate the rules so...the business knows where to find them, can apply them consistently.
- Trace rules so... the business knows where the rules come from (policies, legislation), why they exist (objectives) and where they are utilized (manual procedures, automation).
- Externalize rules so... the business audience can understand the rules in their own language and can challenge them.
- Position rules for change so... the business can evolve at its own pace in its own way.
- Barbara Von Halle, *Business Rules Applied*, Wiley 2002



# Role of Rule Analyst

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- Not necessarily a position, a role
- Critical for success of Rule Management
- Highly specialized
- Business focus
- Depth of experience

Kristen Seer, Business Rules Solutions, LLC



# Rule vs. Business Analyst

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## Rule Analyst

- Role
- Corporate perspective
- Meeting long-term business objectives
- Impact of rule on all business areas
- Rule life cycle

## Business Analyst

- Position
- Business area or project perspective
- Meeting immediate business needs
- Impact of rule within scope
- Context of rule

Kristen Seer, Business Rules Solutions, LLC



# BR Analyst Responsibilities

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- Assist business in identifying existing rules
- Maintain traceability for business rules
- Ensure the quality of the rules
- Facilitate resolution of rule-related issues
- Conduct impact analysis for revising or replacing business rules
- Ensure the consistency of business across functions, geographical areas, and systems
- Integrate new or revised rules into existing rule base

Kristen Seer, Business Rules Solutions, LLC



# BR Analyst Skill Set

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- Analytical ability
- Communication skills
- Ability to see the “big picture”
- Ability to work at a detailed level
- Adaptability
- Problem-solving ability
- Team orientation
- Leadership
- Diplomacy
- Business focus
- Technical awareness

Kristen Seer, Business Rules Solutions, LLC



# BR Projects Initiated by the Business

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- To address business issues:
  - Compliance
  - Inconsistent implementation of rules
  - Frequently changing rules
  - Speed to market
  - Impact analysis of rules changes
  - Unknown rules, outdated rules, redundant rules, incomplete rules



# BR Projects Initiated By IT

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- To address IT issues:
  - system deficiencies of legacy systems
  - support new system architecture
  - to respond faster to change
  - may implement a BRE, maybe not



# BR Projects Initiated by both

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May be a hybrid, addressing both business and IT issues:

- outsourcing of IT systems
- to return business control to the business



# BR Management System

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A Business Rules Management System is Business focused and intended for capturing, managing, and analyzing rules and related documentation for the business.



# Business Rules Management System

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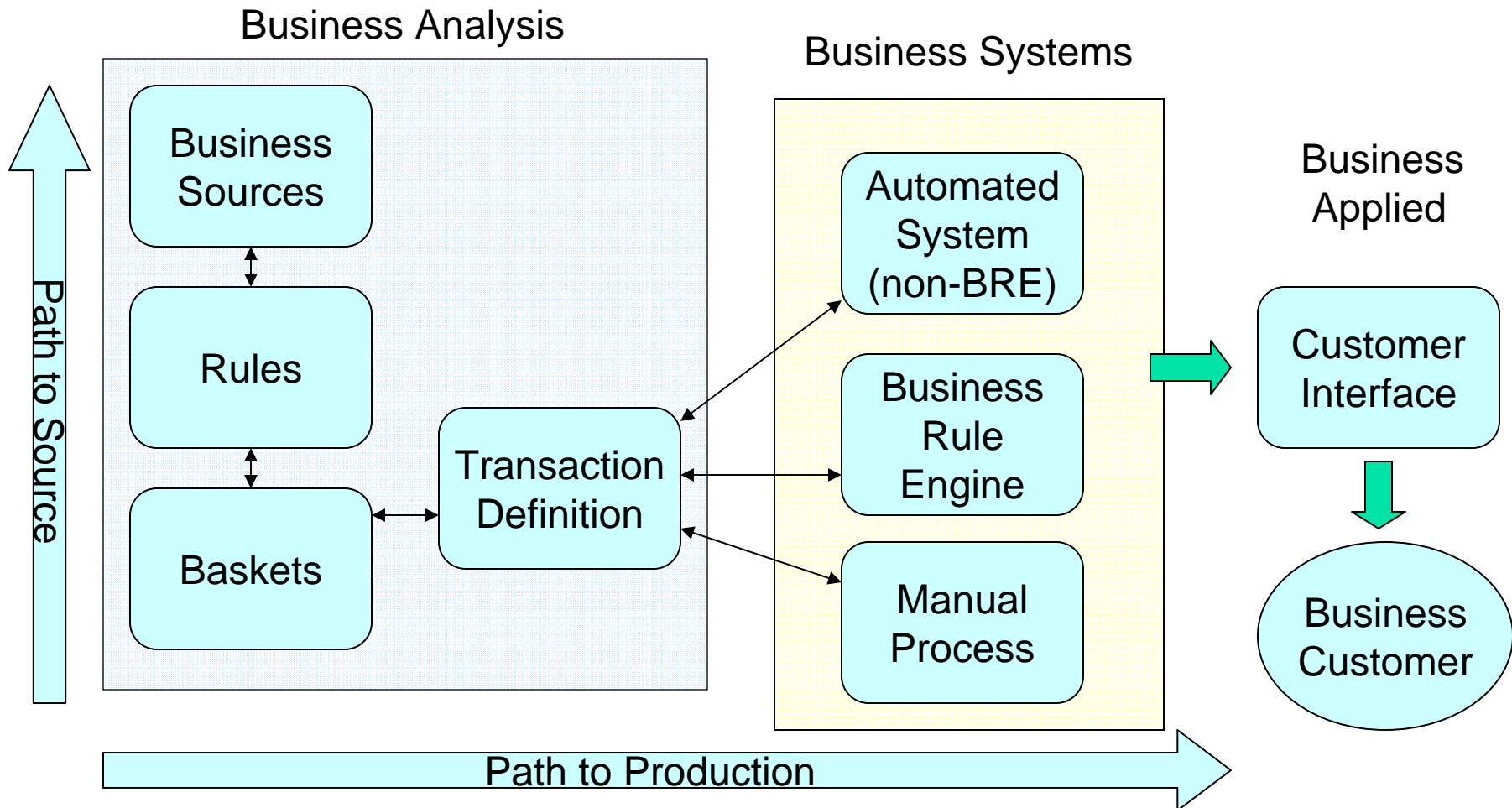
The BRMS will help enable the business team;

- short term with defining and documenting business rules, and
- long term with sustaining business rules.



# Traceability of Rules

## Source to Production and back





# Business Rule Management System

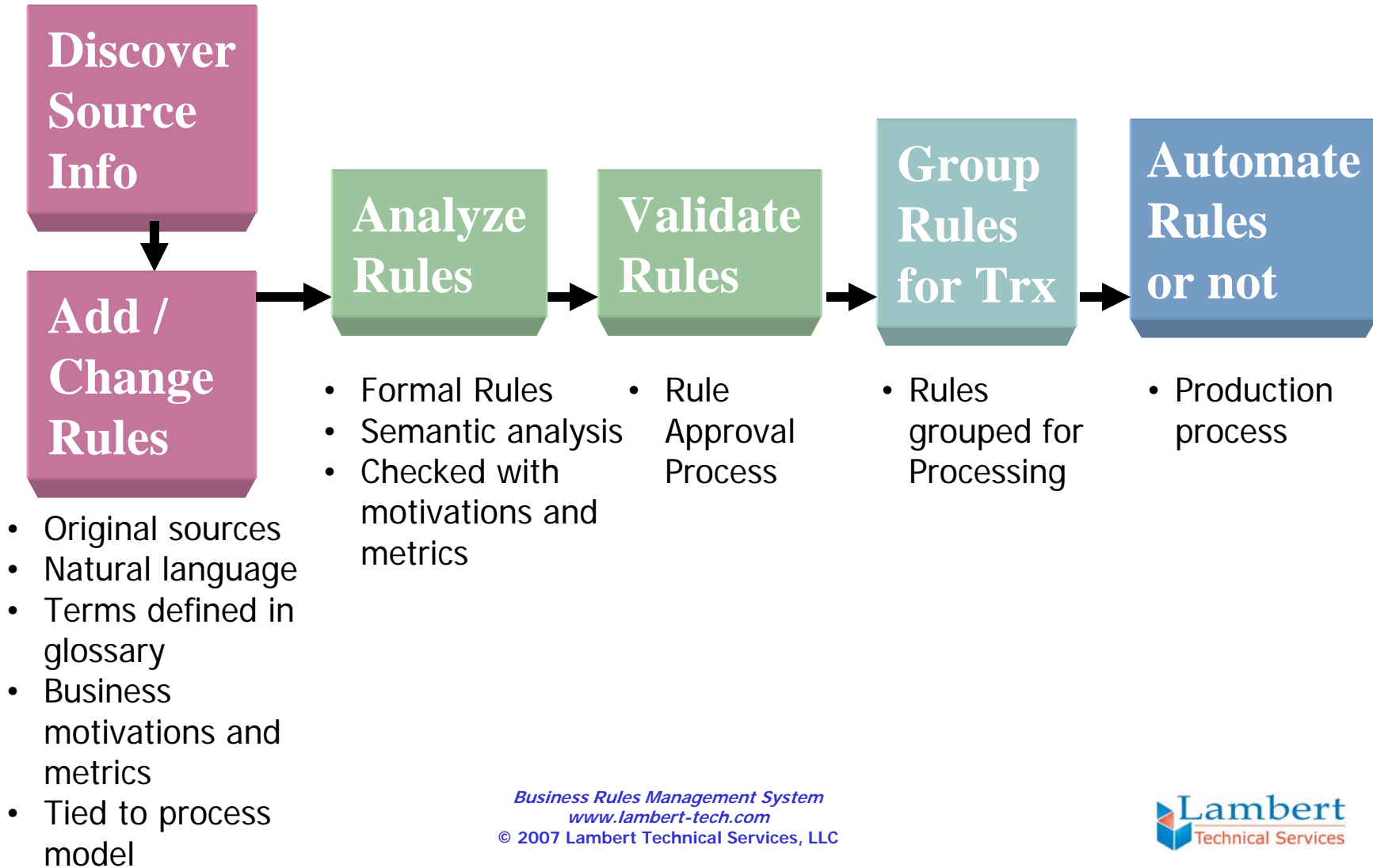
RuleGuide™

- Encompasses the life cycle of business rules, discovery, capture, verification, analysis and update
- Traceable from its source to its implementation
- Managing the process of gathering the artifacts, requirements, product definitions, legislation constraints, and decision processes that define a business
- Goal of documenting a Subject Matter Expert's knowledge to define business, analysis, documentation, and management toolset for Business Rules



# RuleGuide™

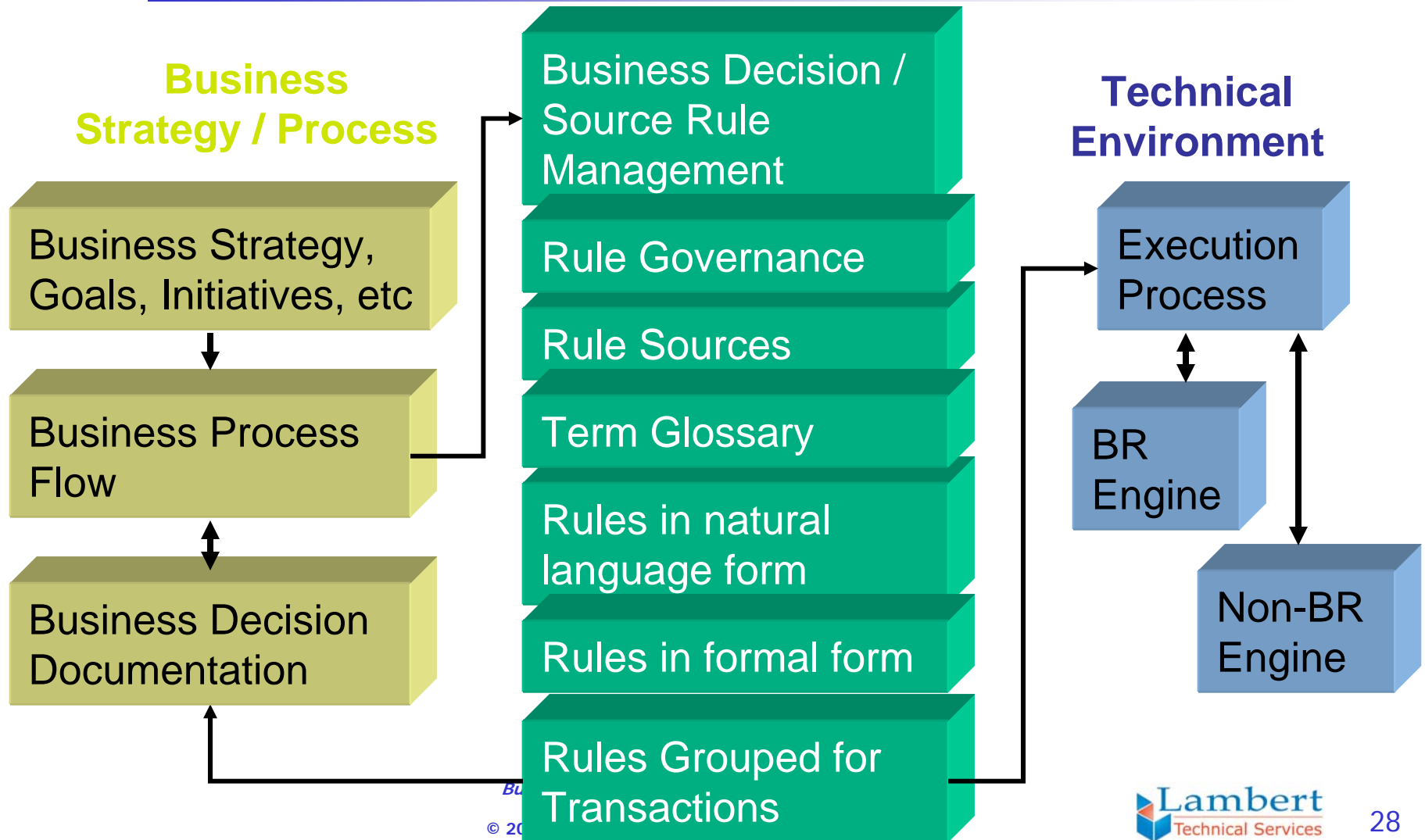
## Business Rule Life Cycle





# How does Source Business Rules Management fit?

## Source Business Rule Management





# Managed Rules are Sustainable

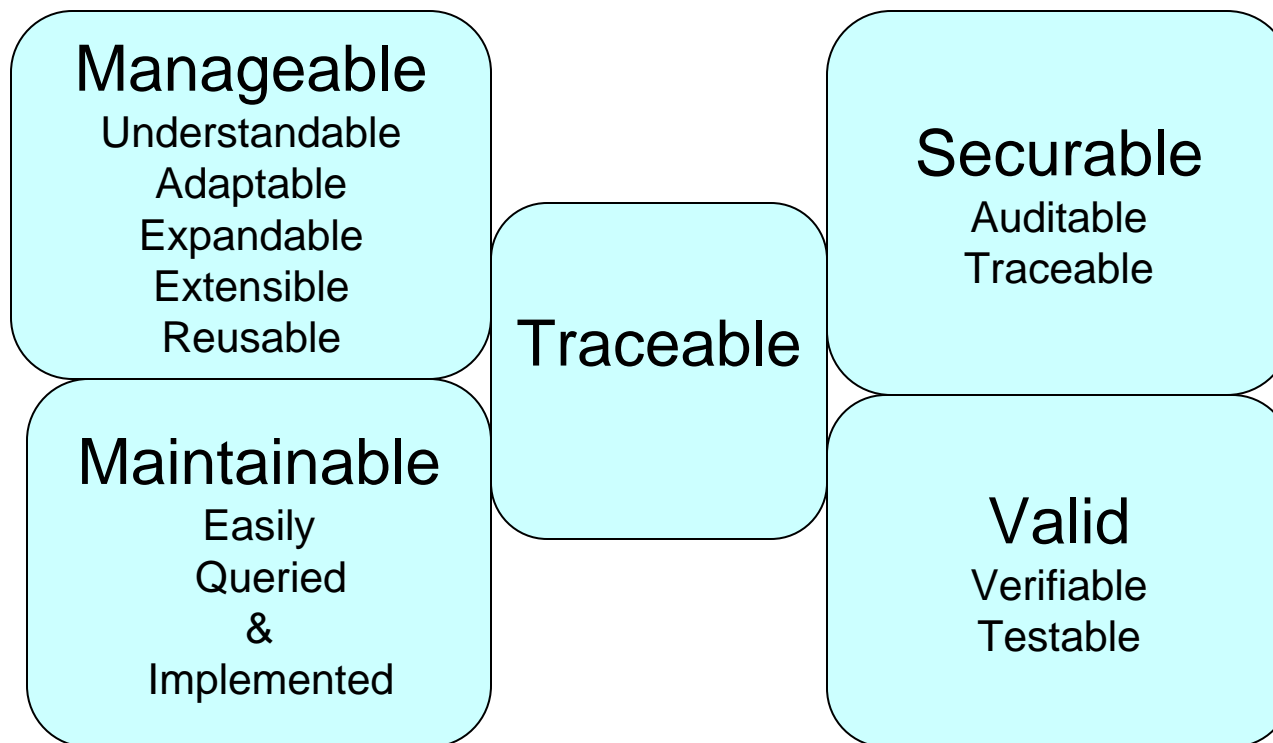
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- Sustainable rules
  - Provide the necessities of the business
  - Can be nurtured as business changes
  - Can be managed, maintained, supported
  - Can be affirmed as valid
  - Can be strengthened with new facts
  - Hold up over time



# Sustainable Rules

## Characteristics of sustainable rules





# The BRMS Value Proposition

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- Current
  - Rule processing benefits
    - Inference engines are flexible
    - Decision tables & trees are rigorous
  - Separation of concerns
    - Reuse, modularity, easy to change
  - Development efficiency
  - Yields a more natural alignment between business and IT
  - Support for IT Governance
- Future
  - Business rules are the DNA of application development
  - Support for C3 Compliance
    - Completeness
    - Consistency
    - Coherence

Steve Hendrick, Group VP, Application Development and Deployment Research, IDC



# Business Rules Management

## *Best Practices*

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- Use of a BRM tool for managing business rules
- Provide a way to:
  - Manage business rules to their source
  - Capture or recreate the Subject Matter Expert's knowledge
  - Clarify the Business understanding
  - Ensure the description matches the intent
  - Create a means of managing the accumulated knowledge
  - Addresses rule integrity
  - Management means sustainable and traceable



# Why you may need a Source BRMS

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- 70% of the Business Rules project is Business Effort when using BRE
- Captures and analyze business rules
- Facilitate impact analysis
- Ensure the implemented rules are the rules the business intended
- Implement business change as fast as market demands
- Your business knowledge is visible, you know what you have



# Voila! BRMS Results!

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- A gain in efficiency
  - Sustainable rules
- An increase in quality
  - Clear, Concise, Consistent rules
- Improves traceability and metrics
- Better leveraging of human resources
- May strengthen partnership & communication with IT and business
- A change in culture, roles, and responsibilities



# BRMS – what's next?

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- Enhanced integration with Source and Production environments
- Enhanced “What if” Impact Analysis with Source and BRE
- Source BR Rules validation using BRE
- Visual decision tools integrated
- BPM tools integrated



# Some BR Resources

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- BR Forum Conference [www.businessrulesforum.com](http://www.businessrulesforum.com)
- CT chapter BR SIG [www.cooug.org/brsig](http://www.cooug.org/brsig)
- Industry analysis: Gartner, IDC, Forrester
- Principles of a Business Rules Approach  
by Ron Ross
- Business Rules Applied  
by Barbara von Halle
- Business Process Management with BR Approach; Implementing the SOA  
by Tom Debevoise
- [www.lambert-tech.com](http://www.lambert-tech.com)
  - free BR Resource Center! - news, views, articles, presentations, links, & other info



# Lambert Consultants

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Business Rules Development Practice

RuleGuide™

*We Think Business Rules!*