Revision

• Last lecture looked at
  – Collecting and collections
  – Policy of some national collections
  – Personal collection policy
  – Management of library collections, as an example

Outline

• Context
• Definitions
• FA and RK
• Analysis process
• Terminology generation
• Broader context

Reading

Managing Business Information – DIRKS
National Archives of Australia, Canberra

But before that…

• What is the purpose of modeling a business operation using say DFD or E-R models?
• What are you modeling?

Definition

Function
The largest unit of business activity in an agency or jurisdiction. Functions represent the major responsibilities that are managed by the organisation to fulfil its goals. Functions are high-level aggregations of the agency’s activities.

National Archives of Australia
Background to Functional Analysis in RK

- Until recently, subject-based approaches have proved to be quite appropriate to classify records.
- The functional approach is fundamental to the Australian Standard AS 4390 - 1996, Records Management, where it is applied to all aspects of records management.
- According to the standard, records are defined as:
  - recorded information, in any form, including data in computer systems, created or received and maintained by an organisation or person in the transaction of business or the conduct of affairs and kept as evidence of such activity. (Part 1, General, Clause 4.21)
- The standard recognises that records are defined by their relationship to the activities that they document. This gives them meaning and context.

Classifying business information by function

- Functions and activities provide a more stable framework for classification than organisational structures that are often subject to change.
- Structure of an organisation may change many times, but the functions an organisation carries out remain much the same over time.
- Functions-based approach anchors information and records classification in business processes.

What a function is

- Functions group logically related activities and tasks.
- A function is a set of related and on-going activities of the business. A function has no start or end; it just continuously performs its work as needed.
- Functions are decomposed into subfunctions and eventually into discrete business processes.

What is a functional analysis?

- Identification of an organisation’s core functions, derived from the purpose, objectives and raison d’etre of the organisation
- Next is a business process analysis: an analysis of the core functions of your organisation and how they are achieved via business processes, systems and workflows.
- As part of this functional analysis, you will identify points of information creation (record-generating points).
- Functional analysis is about identifying what an enterprise does and how it does it, and why.
- Noting the points in business processes where information is created is sufficient for this task.
- The next task uses that information to a more detailed analysis of recordkeeping requirements.
Determine the scope of the investigation

During a preliminary investigation stage of an organisation needs to identify:
- boundaries
- legal framework
- internal and external stakeholders
- business, social and ethical standards the community expects an organisation to meet
- type of work carried
- corporate culture and
- factors affecting recordkeeping practices.

What is an analysis of business activity?

- The purpose of function analysis is to develop a conceptual model of what your organisation does and how it does it by examining its business activities and processes,
- This is particularly important in an electronic business environment where the connection between an organisation and its records is logical, rather than physical, in nature.
- There is a need to:
  - collect information from documentary sources and interviews
  - analyse the work performed by the organisation
  - identify and document each business function, activity and transactions
  - develop a business classification scheme based on a hierarchy of business functions, activities and transactions and
  - validate the analysis of the organisation’s business activity with senior management.

Benefits of analysing business activity

- The analysis of business activity provides the core conceptual basis for developing recordkeeping tools:
  - an understanding of the relationship between your organisation’s business and the records that are a by-product and evidence of its activities; and
  - a foundation for developing tools and other mechanisms to establish corporate control over recordkeeping, including thesaurus development, preparation of disposal authorities, identification and specification of recordkeeping requirements, and the formal assignment of recordkeeping responsibilities.

Doing an analysis of business activity

- Two types of analysis for identifying functions, activities and transactions.
  - Hierarchical analysis is a top-down approach identifying what an organisation does and breaking it down into a series of logical parts
  - Process analysis is a bottom-up approach of examining in more detail how an organisation does business.
- To conduct an analysis of an organisation’s business activity:
  - organisation goals and the strategies to achieve these goals;
  - broad functions the organisation undertakes
  - activities that contribute to the fulfilment of the organisation’s functions; and
  - the groups of recurring transactions/processes that make up these activities.

Collect information

Internally generated sources such as
- mission statements,
- corporate plans,
- annual reports,
- organisational charts,
- policy statements,
- procedure manuals,
- information systems documentation,
- records and forms

Collect information

External sources such as
- legislation,
- regulationsConsult personnel associated with the functions and activities
- Consultation can occur in a variety of ways,
- questionnaires,
- interviews and
- focus groups.
Defining the scope of your analysis

- Take an organisation-wide perspective when undertaking an analysis of business activity.
- Functions are often carried out across a number of structural units within an organisation so records may be created in several different recordkeeping systems.
- Taking a functional approach to your analysis of business activity will result in more informed decision-making about the creation, control and appraisal of its records.

A top-down approach

- The analytical process starts with a 'big picture' view of an organisation’s business activity and breaks it down.
- The component parts (or 'entities') are the organisation’s functions, activities and transactions.
  - Functions are the largest unit of business activity in an organisation. They are the major responsibilities that are managed by the organisation to fulfil its goals. Functions are high-level aggregates of the organisation’s activities.
  - Activities are the major tasks performed by the organisation to accomplish each of its functions. Several activities may be associated with each function.
  - Transactions are the smallest unit of business activity. They should be tasks. Transactions define the scope or boundaries of activities and provide the basis for identifying the records required to meet the business needs of the organisation.

Breakdown from Strategy to Transaction

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An Example

The following shows the relationship between these entities.

- **Function**: Publication – the function of having works, irrespective of format, issued for sale or general distribution internally or to the public.
- **Activity**: Drafting – the activities associated with preparing preliminary drafts or outlines of addresses, reports, plans, sketches, etc prior to publication.
- **Transaction(s)**: Create draft copies of publications, website and/or intranet text with associated metadata; distribute drafts for comment; file comments made on these drafts.

BCS (Business Classification Scheme)

- A business classification scheme (BCS) is a hierarchical model of the relationship between your organisation’s functions, activities and transactions.
- The BCS can also include links and 'see' references to explain the logical structure and the relationship between entities. This will assist in the development of related classification tools (such as a functions thesaurus or records classification scheme).
- The layout of the business classification scheme can make it easier to see if there are any inconsistencies or overlaps in your analysis. You should ensure that:
  - an appropriate unit of business activity is selected as the basis for each function;
  - each function and activity has a defined scope;
  - the scope of each function mutually excludes the other functions and
  - the combined functions account for all of the business the organisation carries out.
- The number of levels featured in your business classification scheme will depend on the complexity of the various functions undertaken by your organisation.

Business Classification Scheme

- The business classification scheme is used to link records to their business context. This is a key requirement for making and capturing 'full and accurate' records. The scheme, in conjunction with the recordkeeping requirements, provides the basis for developing two crucial records management tools:
  - A thesaurus of terms or records classification scheme to control the language for titling and indexing records in a specific business context. Such classification tools can be used alone or can be supplemented by other indexing and retrieval tools. (Further information on classification tools is provided in Part 1, Section 6 – ‘Pathways for using DIRKS’.)
  - A disposal authority that defines the retention periods and consequent disposal actions for various classes of records.
Assigning terms to functions and activities

- Choose terms to represent the functions and activities you have identified.
- Choice of terms will depend on the way in which you have defined the entity types, such as function, activity or transaction.
- In some cases the terminology will be very specific to your organisation’s business (such as ‘regulating government recordkeeping’).
- Specific to your industry sector rather than your particular business (for example ‘mineral development’).
- Describe your organisation’s unique business functions using terms that are different from general terms. This will enable you to create an unambiguous and integrated business classification scheme by merging the terms describing your specific business functions with the terms describing generic functions.

Scope Notes for terms

- It is necessary to define the boundaries or scope of each function or activity and define the relationships between described entities.
- Scope notes define the meaning of a particular term and guide users on how such terms should be applied. Precision, consistency and clarity are important. A scope note should:
  - state what the term covers;
  - state what the term does not cover; and
  - provide references to other lower level terms.
- Without scope notes, there may be different, not shared interpretations of terms across the organisation.

A hypothetical example from VERS

- Function 1: Planning infrastructure
- Function 2: Making new data decisions and keeping data decisions
- Function 3: Managing for talent
- SCOFT Terms: On infrastructure, ST data management

Broader Context

- There are also many higher level functions that exist outside the boundaries of your organisation, known as ‘ambient’ functions.
- These ambient functions provide the broader social context in which an organisation’s business functions are performed.

Next lecture

- Facet analysis

Summary

- Context
- Definitions
- FA and RK
- Analysis process
- Terminology generation
- Broader context