

Business Rule Frequently Asked Questions (FAQs)

1. What is a requirement?

Requirements describe the functionality of a system; i.e., a requirement describes what a system must do.

For example, a CROS requirement is:

“The CROS solution shall provide the capability to periodically review the assigned reporting basis for all active accounts and update the account reporting basis and related attributes.”

A business rule associated to this requirement is:

Exclude the following accounts from the Automated Annual Reporting Basis Review:

- a. Account has a Basis Review Protection (BRP) code
- b. Accounts that are closed out or inactive
- c. Accounts open less than 12 months from the run date of the automated review process
- d. Accounts with Account Characteristic Code 34 (Qualified Purchaser)

2. What is a business rule?

Business rules describe the conditions or constraints that you must know or follow to fulfill a requirement. Business rules are typically defined by law or policy and are rarely changed. In fact, business rules must be followed regardless of whether there is a system to support business objectives or whether activities are done manually.

3. What is a business process?

Business processes are a collection of related, structured activities or tasks that produce a specific service or product for a particular customer.

4. How do requirements, business rules, business processes differ?

Business requirements explain what a system must accomplish. Business rules explain the conditions that must be fulfilled to meet a requirement. Business processes group activities involving one or more people or systems necessary to meet a business objective.

5. What are the benefits of well-documented business rules?

By documenting and cataloging the business rules we:

- a. Clarify the details necessary to design and build the solution. Without documented business rules, designers and programmers employ guesswork. This can lead to costly fixes or failure to meet the requirements.
- b. Decrease the time needed to add or change business rules in an existing business process or in the IT system.

- c. Enable consistent and transparent application of business rules.
- d. Prevent the loss of vital operational knowledge that can occur when staff leaves the organization.
- e. Enable less experienced staff to access the complex knowledge of senior staff.
- f. Reduce the risk of inventing rules during implementation.

6. Why not rely on the vendor to document business rules?

It is every organization's responsibility to know its business rules. Without documenting the BOE business rules, staff may make them up or delay implementation researching and obtaining management approval for each tax/fee program's rules.

By recording the business rules now we uncover and resolve issues early rather than later, which will reduce the solution's overall cost and lower the risk of implementing conflicting or inaccurate rules. Vendor services should be reserved for the tasks that BOE cannot do.

7. How do we ensure that we do not "pave over the cow path"?

The concern is that the solution will continue inefficient practices by documenting existing business rules. It should be understood that documenting business rules will not perpetuate inefficiencies. As mentioned above, business rules are typically not subject to change.

To achieve efficiency, the organization should reengineer business processes by streamlining approval processes, minimizing duplication of effort, and using technology to automate manual tasks or fix cumbersome technology solutions.

The CROS project took steps to document processes and make improvement recommendations prior to crafting functional requirements. The CROS RFP also requests that the vendor assist with implementing process improvements. In addition, the BOE is currently undertaking an effort to make process improvements in advance of the vendor's arrival.

8. What is rule verification?

Verification is the process to detect inconsistency, incompleteness, or redundancy in a set of business rules, regardless of the "meaning" of the rules.

- a. **Inconsistency** is a condition in a set of business rules that occurs when two or more rules lead to a conflicting result or behavior.
- b. **Incompleteness** is a condition in a set of business rules that occurs when there is a business case that leads to undefined results or behavior.
- c. **Redundancy** is a condition in a set of business rules that occurs when there is a business rule that provides no significant contribution to the possible results or behavior.