

Business Architecture: State of the Practice Update

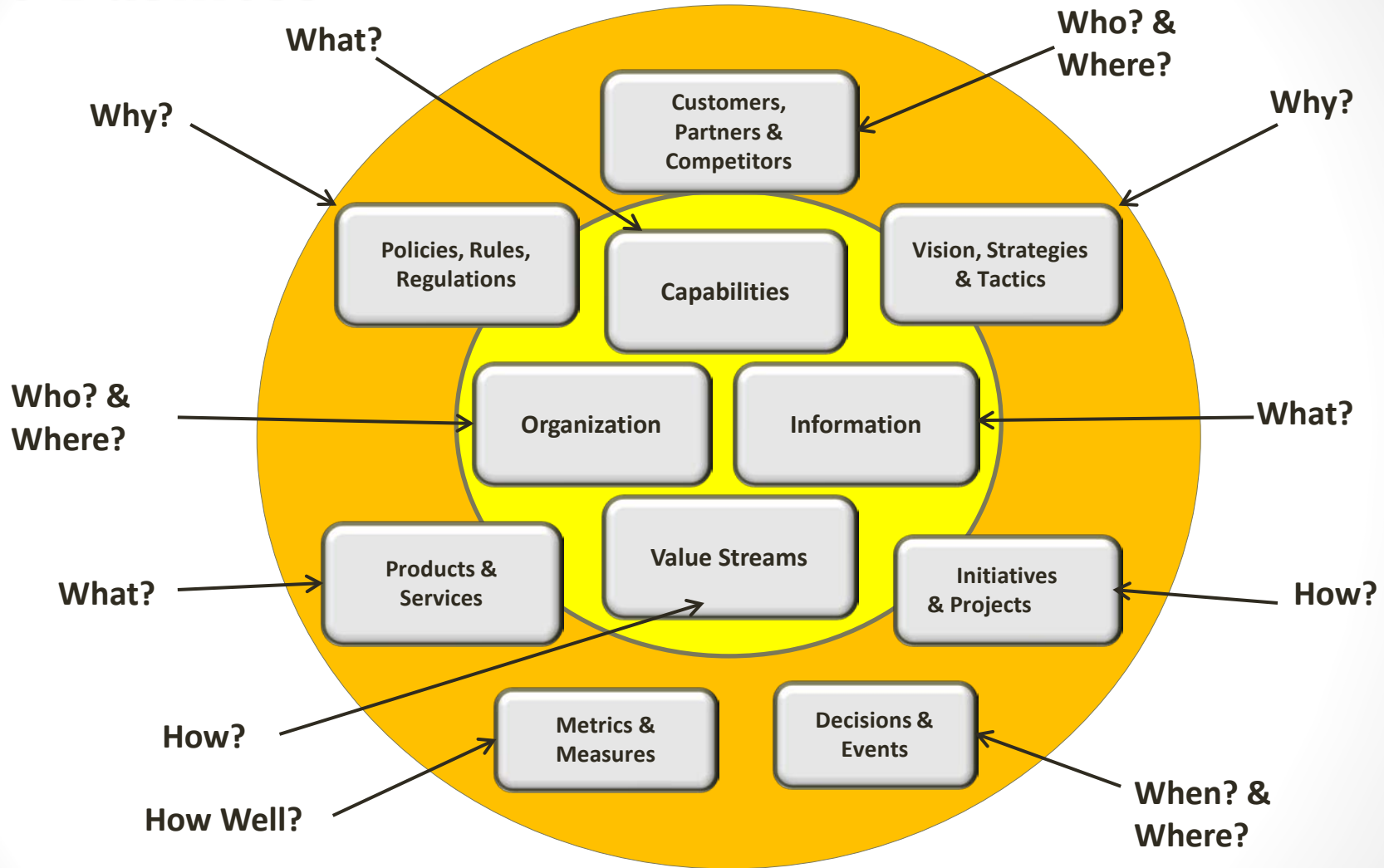
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March 19, 2013

Business Architecture – Bringing Transparency to Business



Comprehensive, transparent view of the business ecosystem

Business Architecture in Practice

Who Uses it & Benefits

- Financial & Insurance
- Manufacturing
- Transportation
- Retail
- Government
- Pharmaceutical
- Agribusiness
- Not-for-Profits

Major Roadblocks

- Thinking Business Architecture is an IT Discipline
- Unclear Value Proposition
- Lack of IT Outreach to Business
- Lack of Business Sponsorship and Ownership
- Politics and Silo-based Thinking
- Vertical Initiative Funding

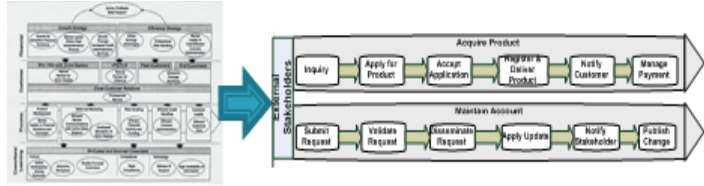
Value Context

- Strategic Planning, Prioritization
- Customer / Stakeholder Value Delivery
- Collaboration & Innovation
- Business Transformation
- Mergers & Acquisitions
- Decoupling and Deploying Complex Business Scenarios
- Partner Alignment
- Streamlining Business / IT Collaboration

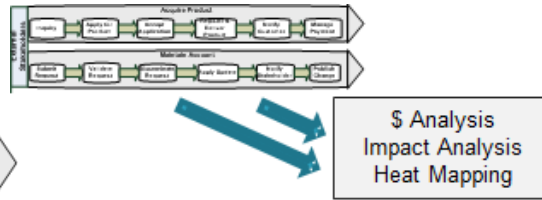
Best Practices

- Business Sponsorship, Ownership
- Business Terms, Concepts, Blueprints
- Enterprise Perspective
- Tied to Business Planning, Priorities
- Leveraged to Deliver Actionable Strategy
- Enables Business-Driven, IT Transformation

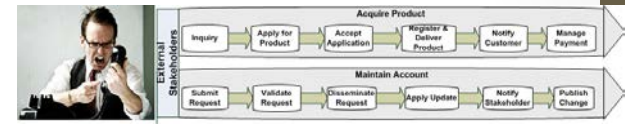
Value Stream: Stakeholder-Driven, End-to-End, Value Based Perspective



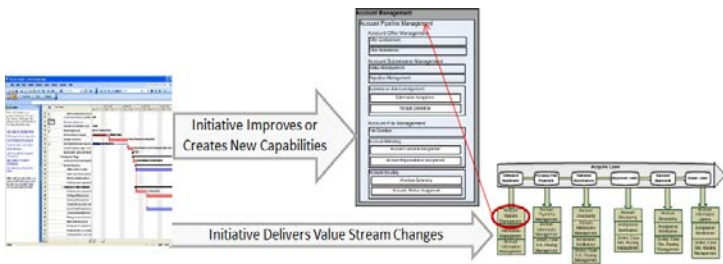
Value Stream/Strategy Mapping



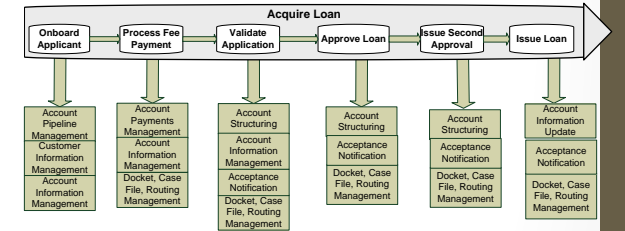
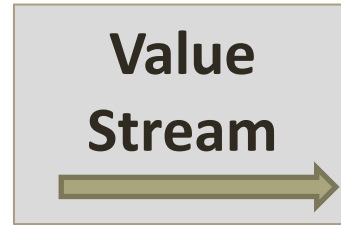
Value Stream/Cost & Performance Analysis



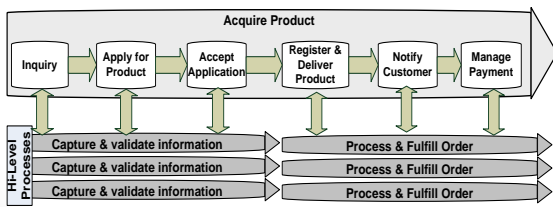
Value Stream/Stakeholder Mapping



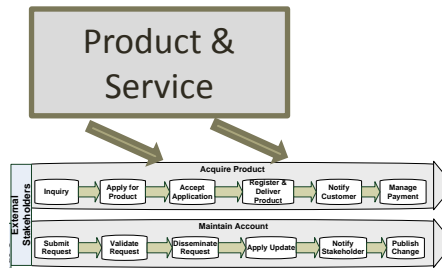
Value Stream/Initiative Mapping



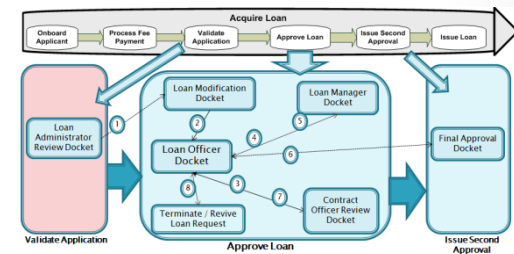
Value Stream/Capability Mapping



Value Stream/ Business Process Governance, Alignment

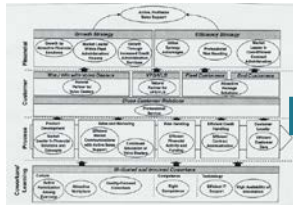


Value Stream/Product Planning & Deployment

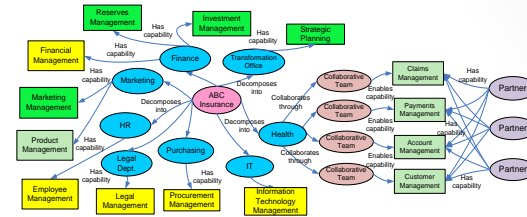


Value Stream Framed, Dynamic, Rules Based Routing

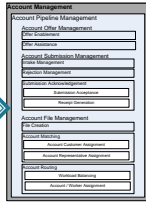
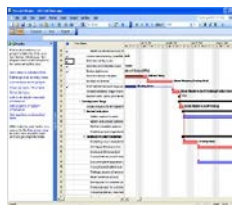
The Business Capability: A Gateway to Business Transparency



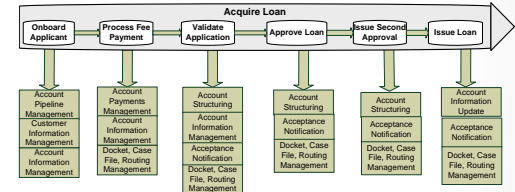
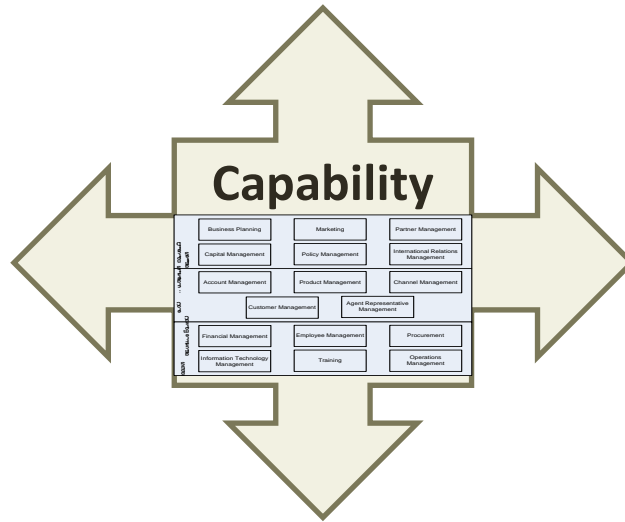
Capability/ Strategy & Business Model Mapping



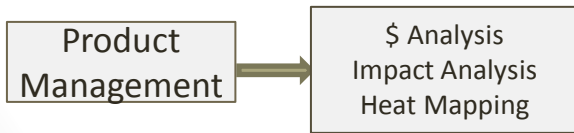
Organization/Capability Mapping



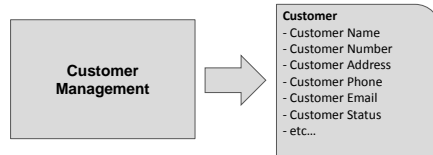
Capability/Initiative Mapping



Value Stream/Capability Mapping



Capability/Cost & Performance Analysis view



Capability/Information Concept Mapping

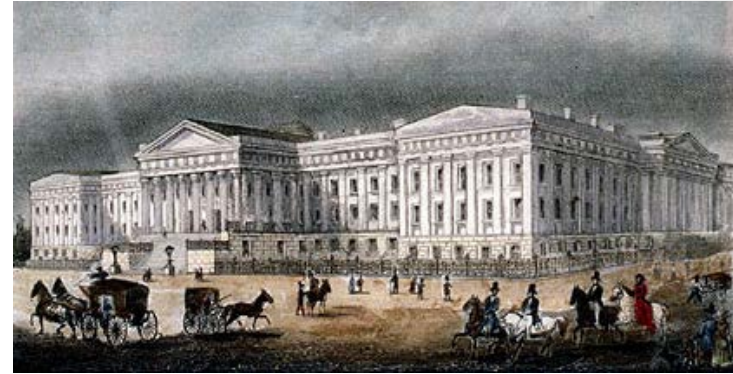
Business Unit / Capability Mapping					
Business Unit	Capability (Level 1)	Capability (Level 2)	Application Support		
Health Claims	Claims Management	Claim Processing	Health Claims System		
		Claim Adjudication	Health Claims System		
		Claim Payment	Master Claims Payment		
Customer Management	Customer Information Management	Customer Information Management	Health Claims Systems		
		Life & Disability Claims	Claims Management	Claim Processing	L&D Claims Applic.
		Claim Adjudication	L&D Claims Applic.		
Customer Management	Claims Management	Claim Payment	Shadow Systems		
		Customer Information Management	Shadow Systems		
		Auto & Fire Claims	Claims Management	Claim Processing	A&F Claims App.
Customer Management	Claims Management	Claim Adjudication	A&F Claims App.		
		Claim Payment	A&F Claims App.		
		Customer Information Management	A&F Claims App.		

Capability/Application Architecture Mapping

Major Myth: Business Architecture is About IT



Ford Motor Company



United States Patent Office



Nordstrom



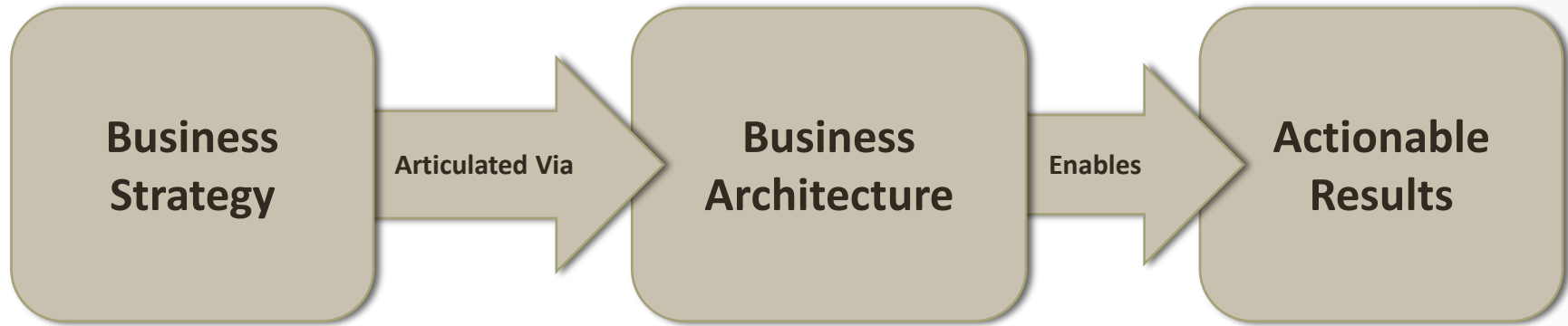
United Airlines



Boeing

- These businesses could have mapped their business architectures at any point in their history – but there was no IT architecture back then
 - Historical and current business architectures would share similarities
- Therefore, business architecture can stand alone, as a unique discipline

Putting Business Architecture into Action



- Mission and Vision
- Policy, Rules and Regulations
- Goals and Objectives
- Executive Priorities
- Customer Requirements
- Strategy and Tactics
- Organizational Alignment
- Business Capabilities
- Information Concepts
- Value Streams
- Well articulated business priorities
- Business-driven roadmaps & funding
- Collaborative initiatives
- Framework for requirements analysis, business designs
- Synchronized business-driven IT transformation

Using business architecture requires a very different skillset than building business architecture

Business Architecture: Quickly Maturing, Wide-Spread, Here to Stay

- Business architecture: New discipline, maturing quickly
 - Matured over last 4-5 years, already a body of knowledge in place
 - Widely referenced: Google search had over 600 million business architecture results , compared to enterprise architecture's 42 million results
- Key events:
 - Integration of core perspectives: capability, value, organization, information
 - Alignment to strategy, initiative, product, stakeholder, IT architecture
 - Alignment to related disciplines
- Business architecture – adoption:
 - Businesses establishing capability maps, value streams as baseline
 - Evolving body of knowledge* with growing number of contributors
 - Success stories available and proliferating
 - Tool support evolving, with OMG BASIG working on standard to further enable tool support for body of knowledge best practices
- What's next?
 - Broader application to more strategic business scenarios
 - Increased business awareness, buy-in, ownership, sponsorship

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