Using Business Architecture to Solve Operational Challenges in Project Based Organizations
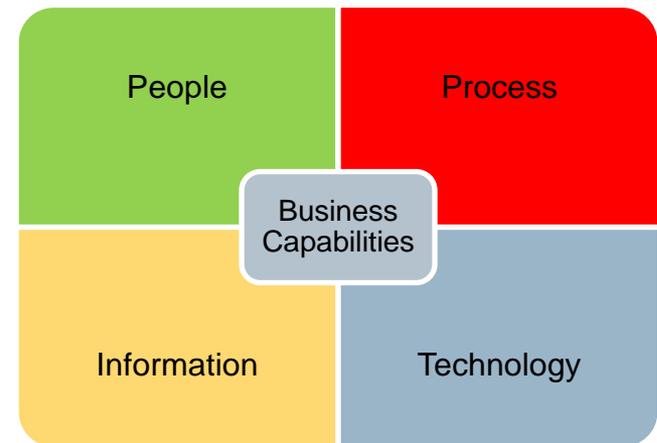
Business Architecture Innovation Summit
OMG BASIG/Business Architecture Guild
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Canada

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Realize a World of Opportunity

About Export Development Canada (EDC)

▸ Canada's fully self-funded export credit agency operating at arm's length from the government

▸ Job is to support and develop Canada's export trade by helping Canadian companies respond to international business opportunities

▸ Operates like a bank & insurance company with about 1200 staff

▸ Offers insurance and financial services, bonding products and small business solutions to Canadian exporters and investors and their international buyers

▸ Prefer to do our transactions in explicit partnership with the private sector – they set the terms, we add capacity & share the risk

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Operational challenges in project based organizations

▶ Operational challenges that get solved outside of a strategic framework don't stay solved, they self-perpetuate

▶ Projects are myopic by nature & design – or they'd never get done

▶ BCM & business architecture as lens on operations

1. Value-based project prioritization
2. Workable change management
3. Delineated business services
4. Enterprise-aligned value streams
5. Emergent information mgt
6. Purposeful Continuous Improvement

People	Process
Business Capabilities	
Information	Technology

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Context – why we went to BCM / Business Architecture

▶ Product-focused company with parallel business services & transaction supply chains – duplication, overlaps & gaps

▶ Siloed lines of business controlling their own IT budgets created custom systems tailored to own processes & data definitions

▶ Shift to customer & process centricity revealed systemic problems

▶ Launch of multiple transformations brought hidden operational inefficiencies to light

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Trials & Errors

▸ Tried functional Core Value Chain

▸ Heatmapped gaps & redundancies, overlaid current state IT, defined rationalization strategy to achieve future state

▸ Intended outcomes = rationalized business models, stable state IT, unclogged information flow

▸ Secured exec support & generous funding - but no traction
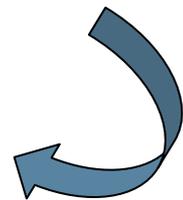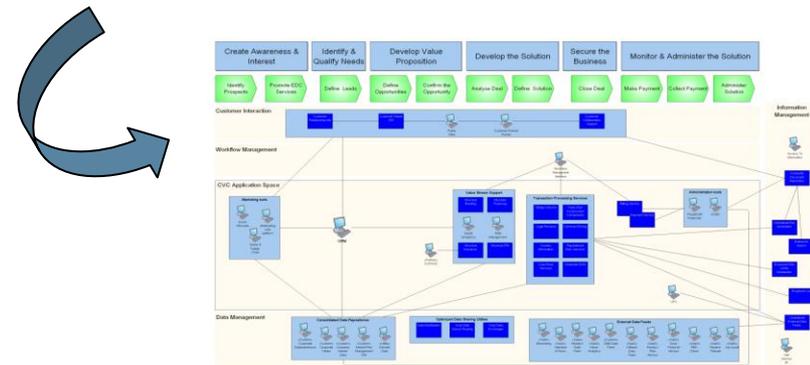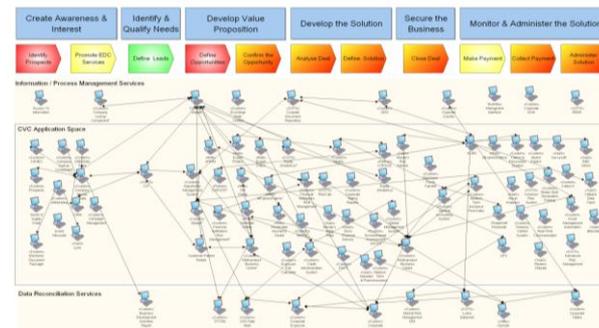
Business Capabilities & Business Architecture

▶ **Business Capabilities Mapping**

   ‣ Common business vocabulary

   ‣ Objective framework that's not Org Structure, Value Stream or IT

   ‣ Business strategies come to the forefront, IT roadmaps are outcomes not focal point
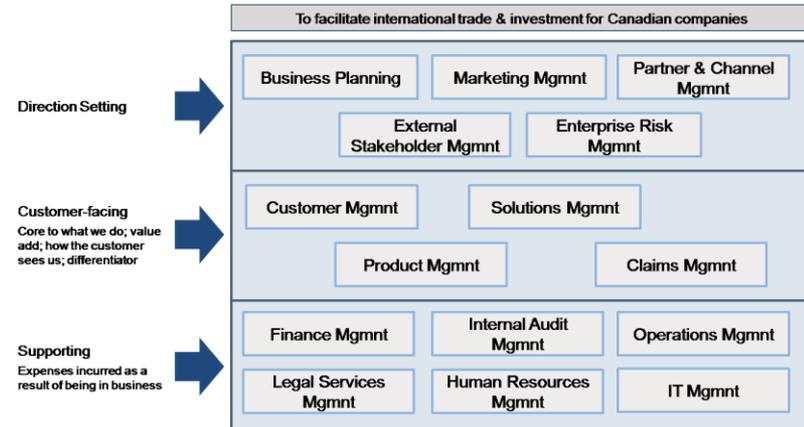
▶ **Business Architecture**

   ‣ Extrapolate BCM to business domains & services

   ‣ Relative positioning of initiatives & impacts in construct that business d-m's can see themselves in

   ‣ Overlay Value Streams, trace Info supply chain & still no explicit IT
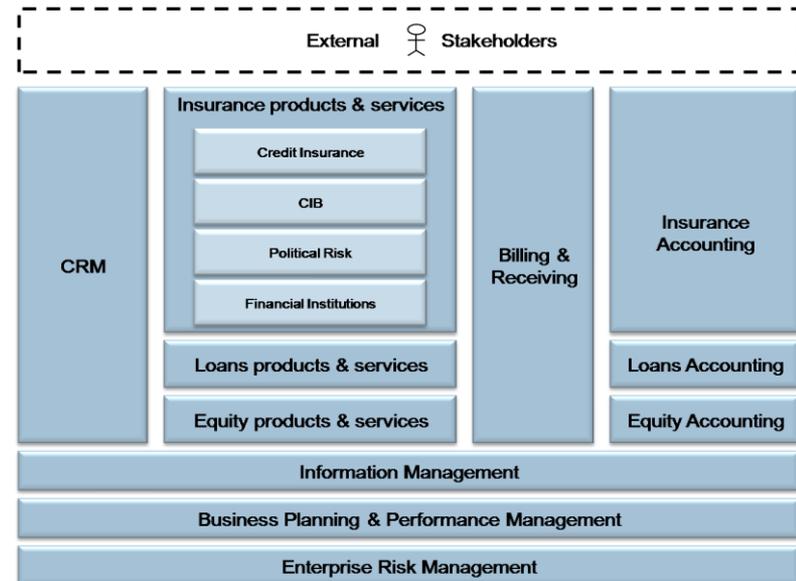
1. Projects delivering strategic enterprise value

▸ Break the cycle of projects being an end unto themselves

▸ Reframe value as delivering what *the next* project can build on

▸ "All projects are triggered from a roadmap executing a strategy"

▸ Transformations are strong motivators to stay strategically-aligned, but strategy can be any operational objective as well – reduce TCO, create capacity, improve controls

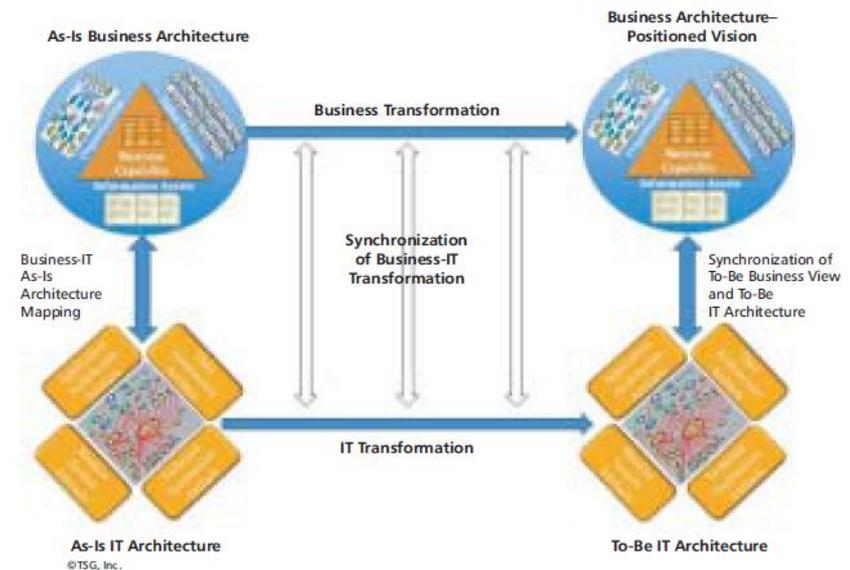▸ Use business capabilities to parlay operational objectives into investment planning roadmaps

Figure 1 — Business/IT transformation framework.

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2. Workable change management

▸ Change is value-neutral, it just is

▸ Focus needs to be on manufacturing effective change

1. Understand the full impact before you start: People-Process-Info-Technology
2. Ensure the amount of change can be absorbed – avoid piling on

▸ Use business architecture views to map all material change events and manage them (combine, sequence, scope, prioritize)
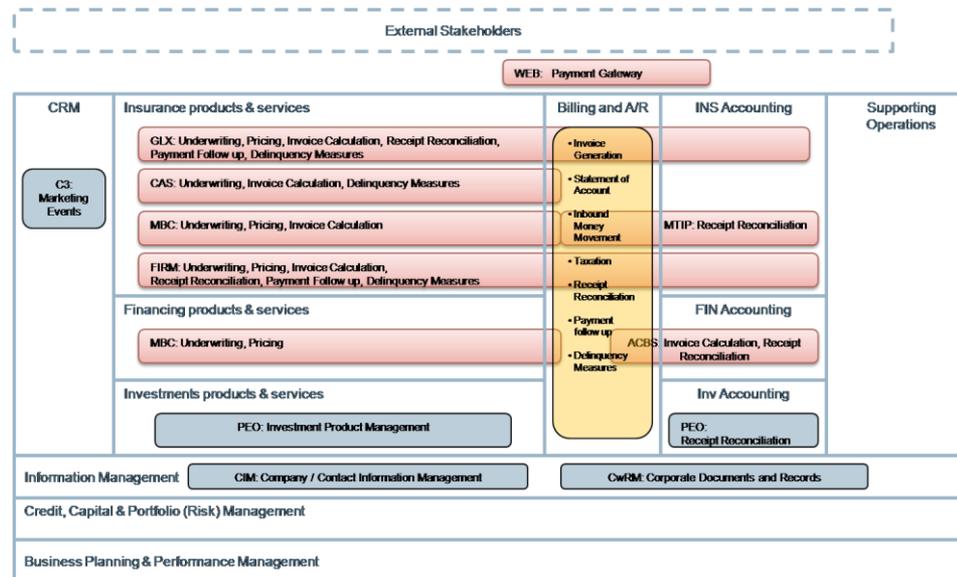
3. Delineated business services

▶ By operating in siloed lines of business an organization is making a choice to have redundant internal business service providers replicated within parallel supply chains, e.g. Customer mgt, billing

▶ Often choose to optimize in isolation rather than transform – will never realize effective SOA or info supply chain this way

▶ Use BCM to demonstrate existence & impact of redundancy

▶ Use BA to clearly delineate mutually exclusive business accountabilities, rationalize interactions & position transformational initiatives relative to each other


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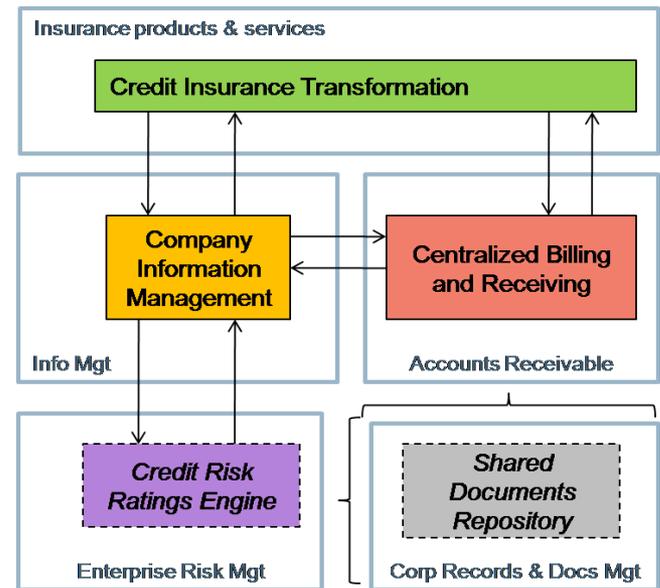
# 4. Enterprise-aligned value streams

▸ Value streams are an indispensible part of business architecture

▸ Unlike business service providers, they are not mutually exclusive & often invoke the same capabilities in different contexts
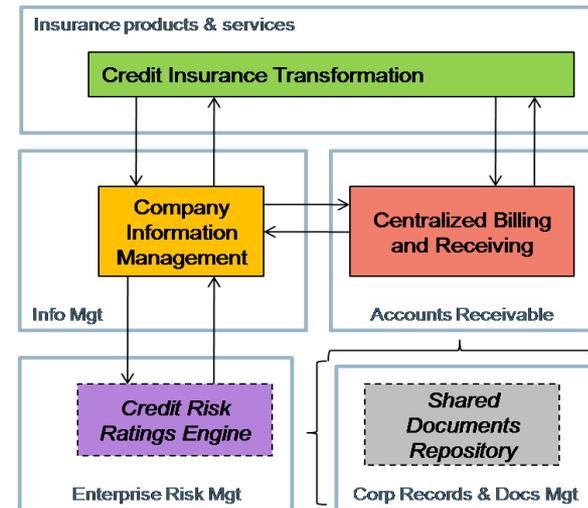
Use BCM to align different value streams on common capabilities	Use BA to avoid replicating people-info-technology support for each value stream

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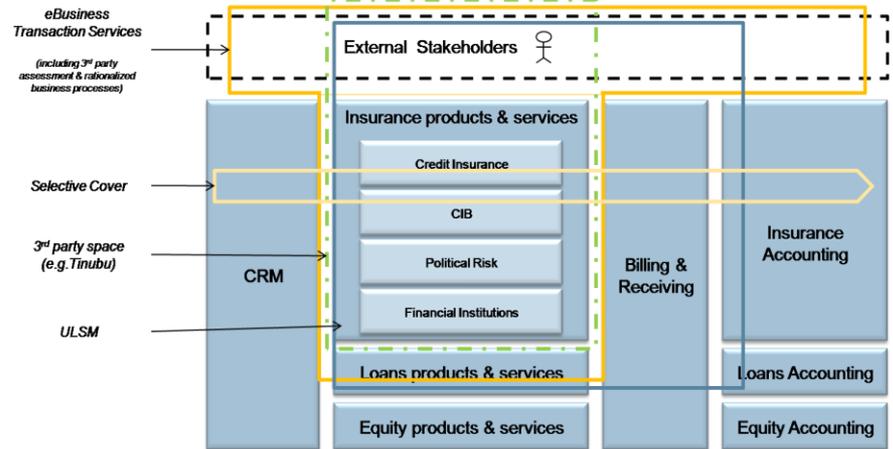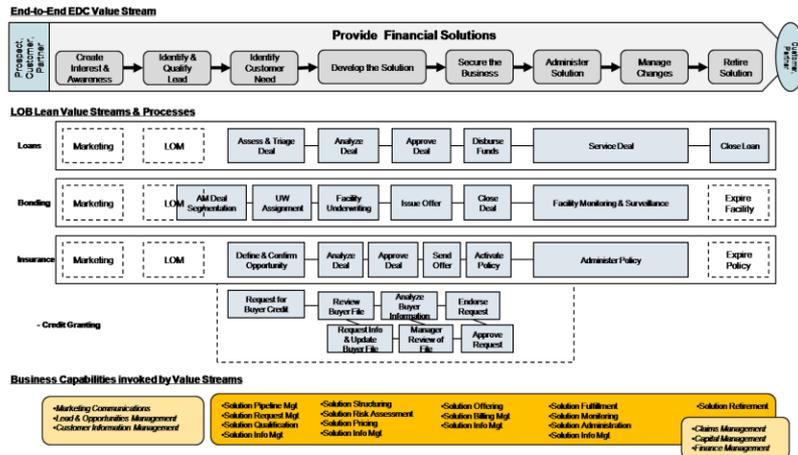
5. Emergent information management

▸ Effective information management is not possible until value streams are rationalized within a business framework of mutually-exclusive business services providers

▸ Without this, best-intentioned SOA devolves into reams of context-specific IT data utilities virtually indistinguishable from network of point-to-point connections SOA was trying to resolve

▸ Use BA to establish the service boxes, then help the business explain the arrows to each other

▸ Keep info accountabilities strictly delineated by what each business service offers/requires & build governance around the consensus accountabilities

Insurance products & services
- Credit Insurance Transformation
- Company Information Management — Info Mgt
- Centralized Billing and Receiving — Accounts Receivable
- Credit Risk Ratings Engine — Enterprise Risk Mgt
- Shared Documents Repository — Corp Records & Docs Mgt

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6. Purposeful Continuous Improvement

▶ CI can become an organizational & IT treadmill when not viewed through lens of a strategic framework

▶ However, CI is most effective when it is spontaneous or "found" so difficult to plan for

▶ This does not have to mean random, chaotic or unstructured

▶ Leverage all aspects of BA to prioritize CI initiatives & guide outcomes through some basic questions

  ▶ What objective will this help us meet?

  ▶ What capabilities are we improving? What is the gap we need to close?

  ▶ What is the full impact, to people-process-info-technology?

  ▶ Can we piggyback on already planned projects in our roadmap? In someone else's roadmap?

  ▶ How does this compound/reinforce other change occurring in the same space?

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Q&A and contact info

▸ Make sense?

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