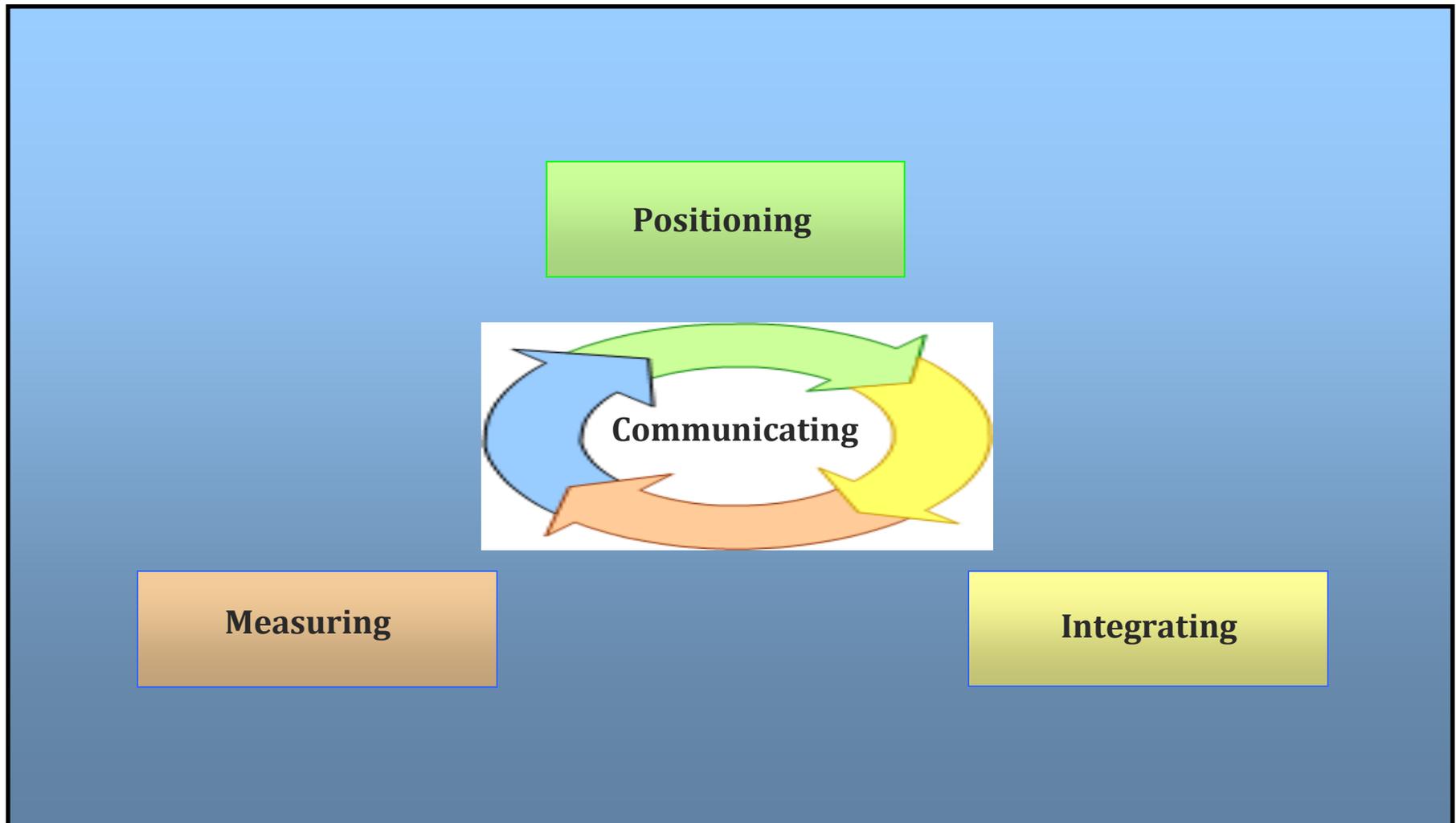


Business Architecture  
A Balance of Approaches to Implementation

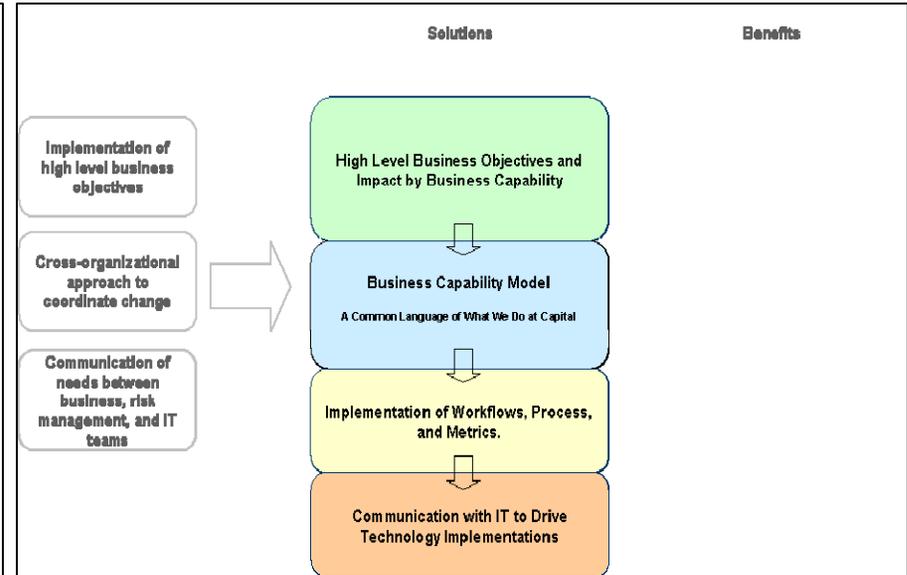
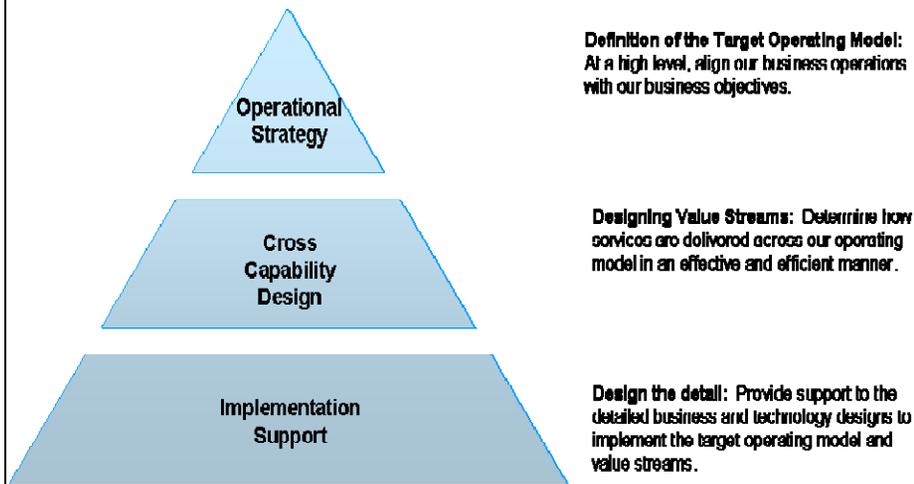
Business Architecture Innovation Summit – June 2013

Presenter: Andrew Sommers

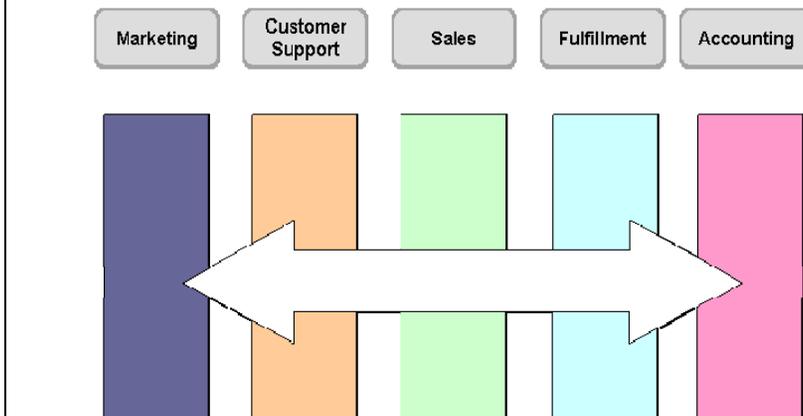


# Measuring – What is the value of Business Architecture?

## Business Architecture – The Hierarchy of Value



Business Architecture works across the organization to coordinate strategic business implementation.



Useful information, but starting a discussion of Business Architecture from here was challenging

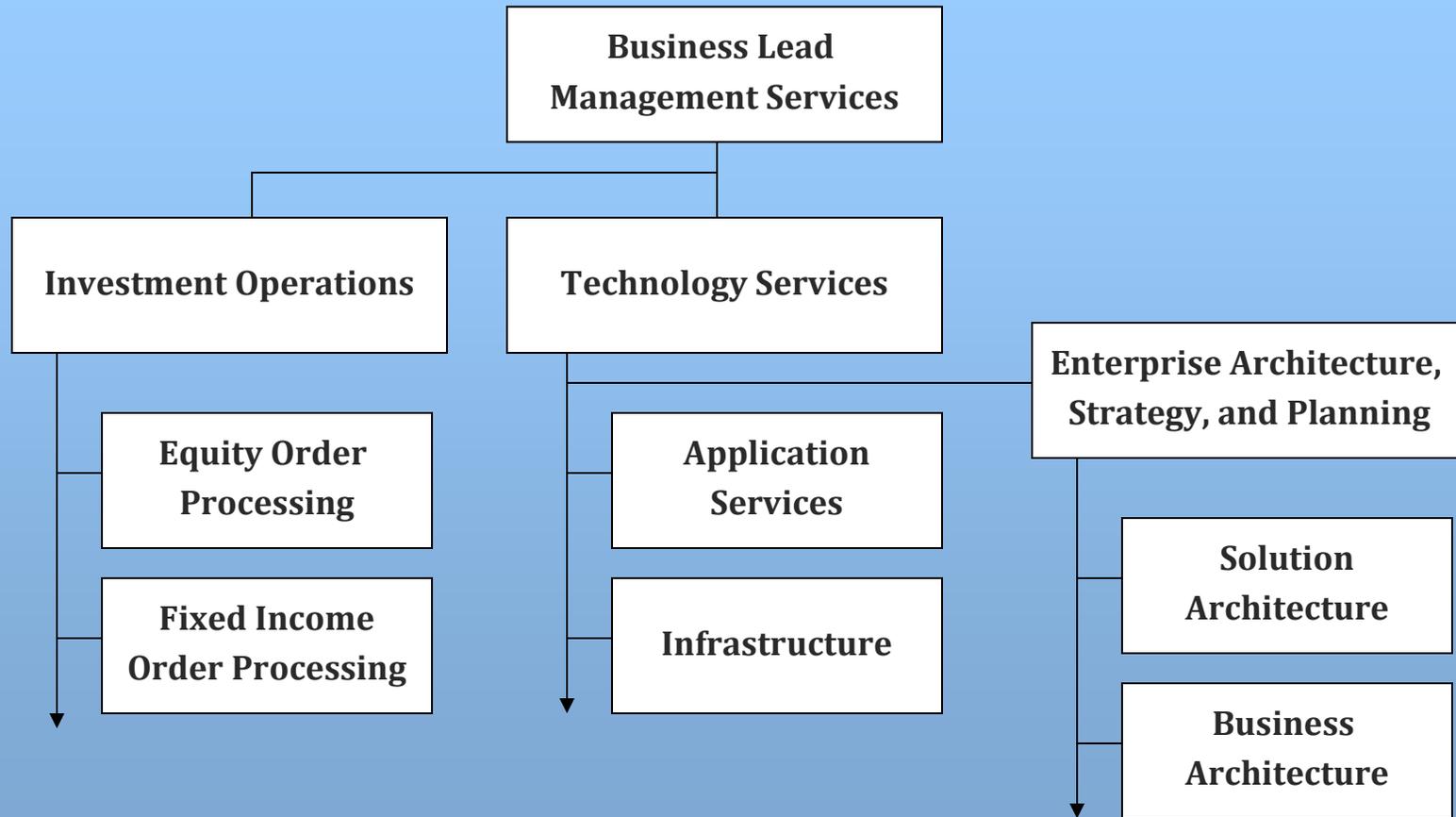
If we have a successful Business Architecture practice, what are we able to do in 5 years that we cannot do now?

Some ideas:

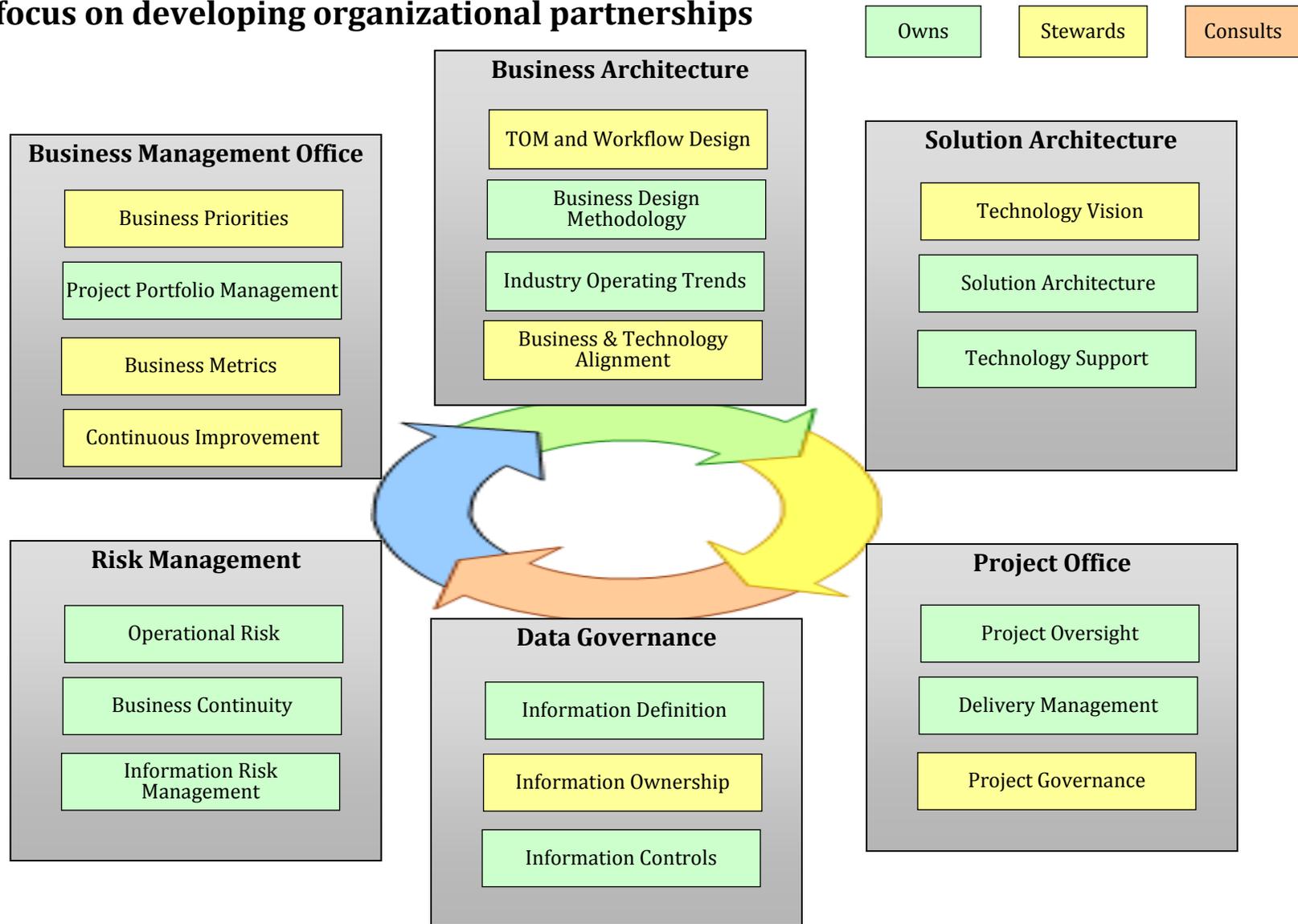
- **Provide a consistent method to directly link business objectives and drivers to the features that are required in our operating model, business processes, and technology solutions.**
- **Provide a consistent enterprise view of the organization to quickly understand the entire impact of a business proposal.**
- **Provide a consistent enterprise view of the organization to teams for analysis, planning, risk management, and support.**
- **Improve our ability to leverage people, process, technology and information solutions for the same capability across the organization.**
- ...

But, what is it worth?

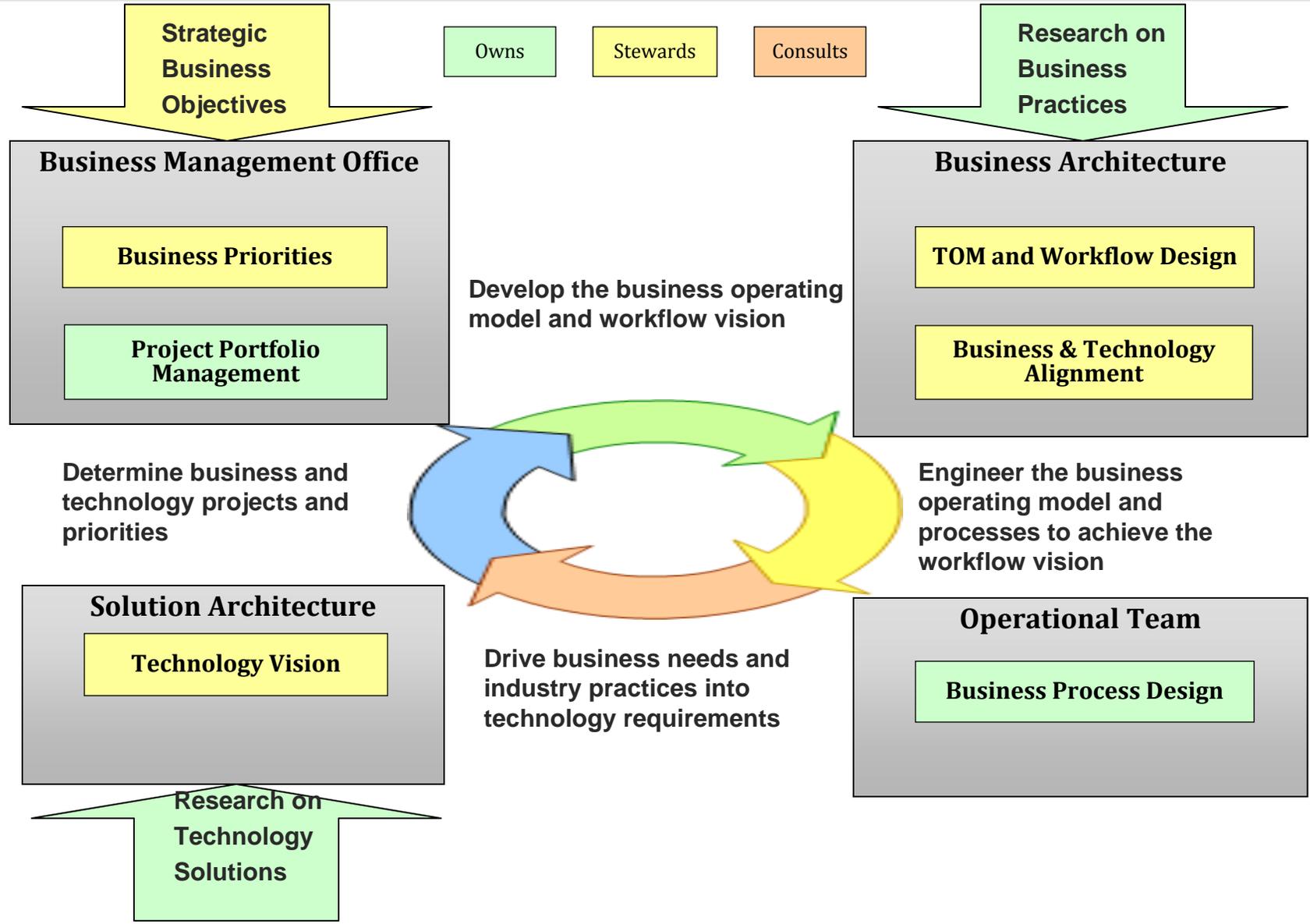
**Placement is traditionally discussed in terms of our organizational chart**

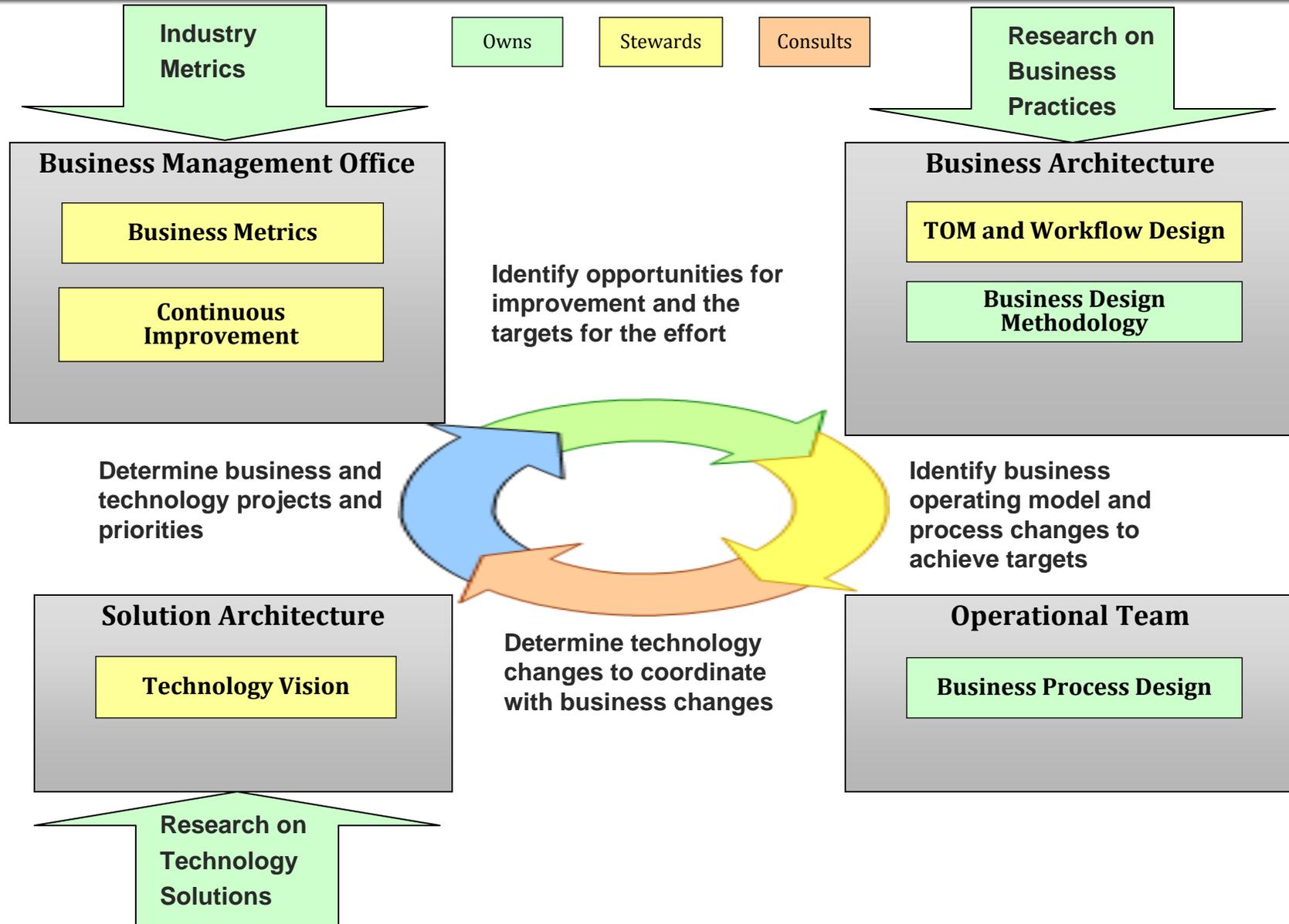


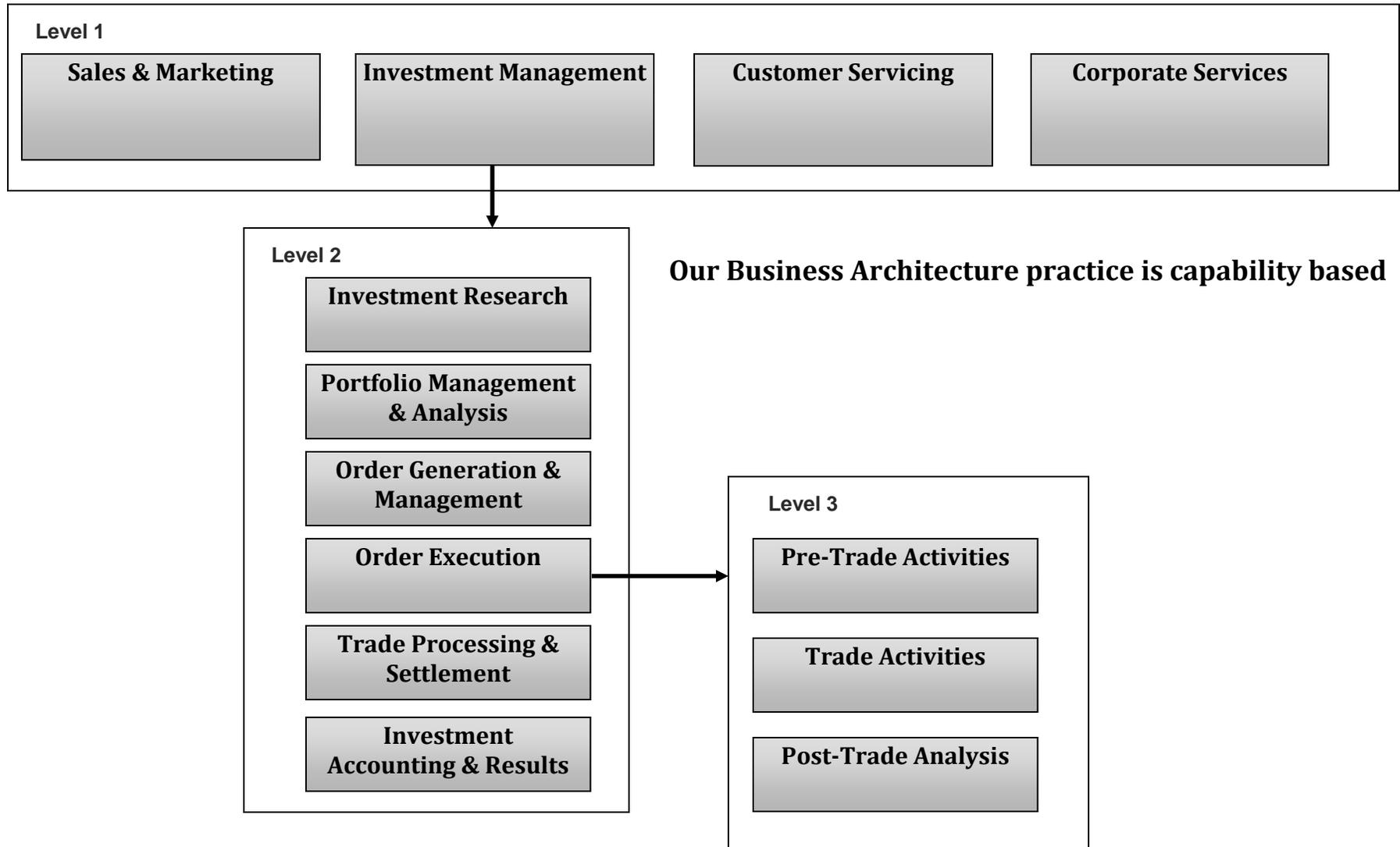
**And we focus on developing organizational partnerships**



**Note: Does not represent the entire list of capabilities for each business function**







**Note:** Represents a portion of the capability model

Workflow: Equity Order Execution				
	Pre-Trade Activities	Market Research	Compliance & Regulatory	Trade Activities
Equity Trader	Determine the allocation of an order into channels of liquidity over time	Determine any further adjustments due to market conditions and portfolio manager instructions	Validate all brokers can participate in the order	Release orders, monitor execution, and adjust orders per liquidity channel
Portfolio Manager		Provide instructions on order execution based on market conditions		
Information Consumed	Authorized Order		Broker Restrictions	
Information Produced		Investment Research		Executed Order

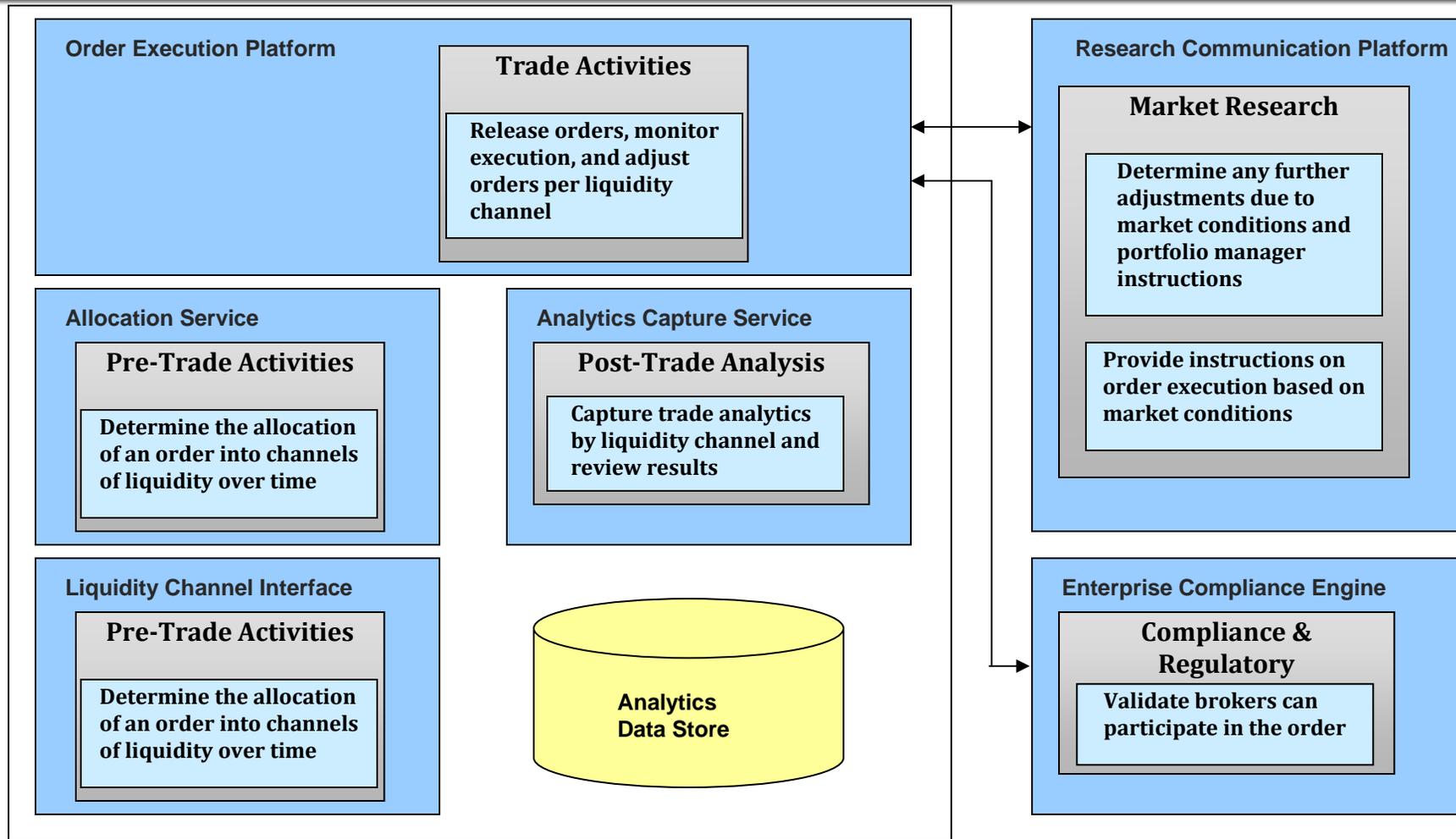
Capability  
Activity  
Information

# Integrating – Aligning Strategic Needs to Capabilities

Workflow: Equity Order Execution					
	Pre-Trade Activities	Market Research	Compliance & Regulatory	Trade Activities	
Equity Trader	Determine the allocation of an order into channels of liquidity over time	Determine any further adjustments due to market conditions and portfolio manager instructions	Validate brokers can participate in the order	Release orders, monitor execution, and adjust orders per liquidity channel	
Portfolio Manager	Provide instructions on order execution based on market conditions				
Target State Features	<ul style="list-style-type: none"> <li>• Use liquidity channel level analytics in allocation decisions</li> <li>• Quickly leverage additional liquidity channels</li> </ul>	<ul style="list-style-type: none"> <li>• Provide an open channel for discussion with alert mechanisms</li> <li>• Capture the discussions as research content</li> </ul>	<ul style="list-style-type: none"> <li>• Leverage a common rules engine across all product types for a client</li> </ul>	<ul style="list-style-type: none"> <li>• Provide visibility into activity per liquidity channel</li> <li>• Allow immediate adjustments to orders per liquidity channel</li> </ul>	

Allows us to start thinking about operating model, business process design, and technology approaches.

- Capability
- Activity
- Features



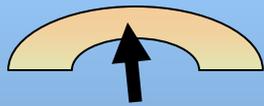
- Use liquidity channel level analytics in allocation decisions
- Quickly leverage additional liquidity channels

- Provide an open channel for discussion with alert mechanisms
- Capture the discussions as research content

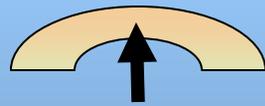
- Leverage a common rules engine across all product types for a client

- Provide visibility into activity per liquidity channel
- Allow immediate adjustments to orders per liquidity channel

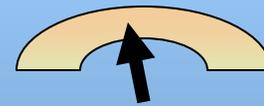
## Investment Management Operations: Value Principles



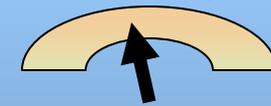
Investment Decision  
Support



Time to Market



Operational Risk



Cost

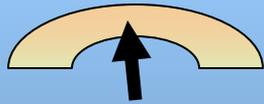
### Determining value add for each engagement:

- **Time to Market:** By having a comprehensive view of our organization, the time to analyze entry into a new market was reduced by 30%.
- **Cost:** By reusing the standard workflows for our post trade processing upgrade, 120 hours of business analysis were saved.
- **Investment Decision Support:** By identifying the need for a communication platform for Trader / Portfolio Manager communications on trade issues, 90 hours per month of Portfolio Manager time was removed from the order execution process.

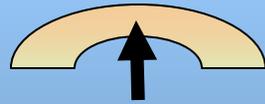
If we have a successful Business Architecture practice, what are we able to do in 5 years that we cannot do now?

- **Provide a consistent method to directly link business objectives and drivers to the features that are required in our operating model, business processes, and technology solutions.**
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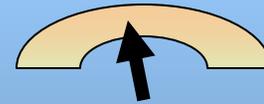
## Investment Management Operations: Value Principles



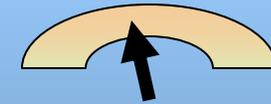
Investment Decision  
Support



Time to Market



Operational Risk



Cost

### Attempting to Measure Effectiveness:

- **Time to Market:** By having a comprehensive view of our organization, the operational capacity to support new products increased by at least 20%.
- **Investment Decision Support:** By improving alignment of business needs to technology features in the trading platform, 10 basis points of annual return was added by reducing trading drag.
- **Investment Decision Support:** By identifying the need for a communication platform for Trader / Portfolio Manager communications on trade issues, an additional 5% of unique content has been added to our research library.