Business Architecture: State of the Practice Update

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Why Business Architecture: Three Pillars of Value

• Root Cause Analysis
  • Determining why something has gone wrong

• Planning Visibility
  • Understanding the impacts and implications of a given strategy and related plan

• Transformation Roadmap Creation
  • Business-driven transformation drives initiatives from a business, not an IT perspective
Defining Business Architecture

• Business Architecture:
  • “A blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands.”

  Source: OMG, Business Architecture Special Interest Group (http://bawg.omg.org)

• Consider:
  • Blueprints provide various ways to view the business
  • These views provide a shared understanding through common vocabulary, stakeholder views, value delivery views
  • Common viewpoints expedite situation and issue analysis, resolution analysis and deployment planning
Importance of Blueprints

- Titanic’s crew used ship’s blueprint (in the movie version) to determine extent of ship’s damage
- Rapid situation analysis, made possible through the ship’s blueprint, resulted in an order to abandon ship
- Captain and crew were not architects and could not design a ship, but they could visualize the root of their problem – via the blueprint
- Business blueprints provide executives with these same opportunities
Business Architecture in Practice

“Welcome to the world of business architecture”

- Depicts a business-driven view of business architecture
- Primary focus is on bringing transparency to the root cause of business issues and suggest possible resolution options

Our competition has passed us by
We’re losing customers
It’s impacting every line of business
And we need you to find out why and recommend options
Business Architecture – Bringing Transparency to Business

Comprehensive, transparent view of the business ecosystem

Source: Business Architecture Guild Body of Knowledge (BIZBOK™)
Four Cornerstones of Business Architecture

- Organizational transparency enables business / transformation
- Value streams define how business delivers end-to-end stakeholder value
- Capabilities define “what” a business does
- Business Information Concepts define the language of the business

- Four cornerstones establish foundational business architecture
Benefits of Business Architecture

• Delivers transparency and clarity to enable issue analysis and resolution

• Delivers common business vocabulary to assess impact of objectives, establish priorities and articulate business requirements

• Provides holistic view of a business that extends across outsourcing, customer and partner domains
  • Business architecture extends beyond the bounds of an enterprise

• Allows a business to own and drive transformation strategies from a business (not technology) perspective
What Has Business Architecture Delivered to Organizations?

• Used business architecture to reverse customer attrition, shift to customer-centric business model. – Major Insurance Company

• Used business architecture to streamline a merger with another firm – Major Pharmaceutical

• Used business architecture to determining amount of deployed redundancy and streamlining that redundancy – Major Bank

• Used business architecture for alignment of strategic goals and objectives with decisions regarding products and services; partners and suppliers; organization; capabilities; and key initiatives. – Satellite Manufacturer

• Used business architecture to articulate business objectives and priorities, define major transformation roadmap, measure success – U.S. Federal Agency

• Used business architecture to align terminology and strategies across finance and insurance divisions to leverage major initiatives such as risk rating. – Exporting Assistance Corp.

• Used business architecture to ensure that a major merger was accomplished in the most effective, innovative way. – Major Airline
Business Architecture in Practice

Who Uses it & Benefits
• Financial & Insurance
• Manufacturing
• Transportation
• Retail
• Government
• Pharmaceutical
• Agribusiness
• Not-for-Profits

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

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

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
Major Myth: Business Architecture is About IT

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

“Framework for enabling transparent transition of business objects across an enterprise”

Value Stream/Strategy Mapping

Value Stream/Stakeholder Mapping

Value Stream/Cost & Performance Analysis

Value Stream/Capability Mapping

Value Stream/Initiative Mapping

Value Stream/Initiative Mapping

Value Stream/Product Planning & Deployment

Value Stream/Product Cost & Performance Analysis

Value Stream/Governance, Alignment

Various blueprints sourced to Business Architecture Guild Body of Knowledge (BIZBOK™)
The Business Capability: A Gateway to Business Transparency

Various blueprints sourced to Business Architecture Guild Body of Knowledge (BIZBOK™)
Putting Business Architecture into Action

Using business architecture requires a very different skillset than building business architecture
Business-Driven Business / IT Architecture Alignment

Continuously evolving business architecture aligns to shifting business strategy, vision

Business / IT architecture alignment enables business-driven IT transformation & allows business to benefit from IT modernization

IT architecture transformation reflects business strategy, enabled by business / IT architecture mapping and alignment

Synchronized business / IT alignment provides integrated perspective of business and IT that drives planning and investment in IT modernization and transformation

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

• Business architecture today
  • Success stories available and proliferating
  • Practitioners moving beyond myths, hype and misinformation
  • Evolving body of knowledge* with growing number of contributors
  • Growing automation support

• What does the future hold?
  • Seamless integration into business decision making
  • Broader use across more business scenarios
  • Increased business awareness, buy-in, ownership, sponsorship
  • Top-to-bottom alignment with IT architecture transformation
  • Business architecture will be routinely integrated into all aspects of business strategy and transformation

* A Guide to the Business Architecture Body of Knowledge (BIZBOK™)
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