Using Business Architecture to Solve Operational Challenges in Project Based Organizations

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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
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
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
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
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.
4. Enterprise-aligned value streams

- Value streams are an indispensable 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
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.
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?
Q&A and contact info

- Make sense?
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