

SIMILAR YET DIFFERENT:

VALUE STREAMS AND BUSINESS PROCESSES: THE BUSINESS ARCHITECTURE PERSPECTIVE

A Business Architecture Guild® White Paper

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Date: December 2019

Premise

As it becomes more engaged in formalizing the operating models of the enterprise, the business process community has rapidly expanded its purview to consider a number of business architecture domains such as information modeling and business capabilities in its set of tools. With rapid changes happening in business models, operational and supporting processes must keep up and adapt in order to deliver better ways of accomplishing and managing work. This reality has provided a timely opportunity for the business architecture community in general, and the Business Architecture Guild® (Guild) in particular, to embrace and engage with the business process management community. By doing so the Guild can increase business architecture's influence and significant contribution if it can accommodate some critical Business Process Management (BPM) foundational perspectives while remaining true to business architecture principles. The main aspect of these principles is the definition and treatment of business processes and how they relate to the concept of value streams and capabilities as defined by the *BIZBOK® Guide*, as opposed to the articulation of similar terms used by Lean, SAFe, and other professional communities.

The Realization of Value

The business architecture community describes value creation through the lens of customer and other stakeholder value streams. The stages of a value stream result in a set of value items, and all the value items of value stream stages aggregate to realize a value proposition for the triggering stakeholder. Similarly, the modern business process management practitioner has the need to represent value creation that it delivers for the same stakeholders. It does so by using high-level (highly abstracted), end-to-end (from stakeholder back to stakeholder) business process models and identifying outputs of value. While this is the prime purpose of such processes, there are additional outputs that the BPM practitioner must produce that are required by other processes but that may not be value items to customers per se, such as regulatory reports. Consequently, process professionals see the creation of business process models as reflecting a complete end-to-end identification of operational, management, and support activities conducted by the enterprise described at some level of abstraction, resulting in the ultimate production of value for one or more stakeholders. Both communities require models at the value-creation level. However, the business process community also requires a set of detailed activities whereas the business architecture community would most likely require a cross-mapping of business capabilities instead. These perspectives are illustrated by the following two figures that describe the 'Complete Stay' value stream for the customers of a hospitality organization.

Figure 1 below illustrates examples of level 3 business processes that would be cross-mapped to the 'Check In' value stream stage as seen by a customer.



Figure 1: Illustration of Value Stream, Stages, and Business Processes

In contrast, Figure 2 below illustrates examples of the capabilities that would be cross-mapped to the 'Check In' value stream stage. The capabilities shown are a mix of level 1, 2, and 3 capabilities.

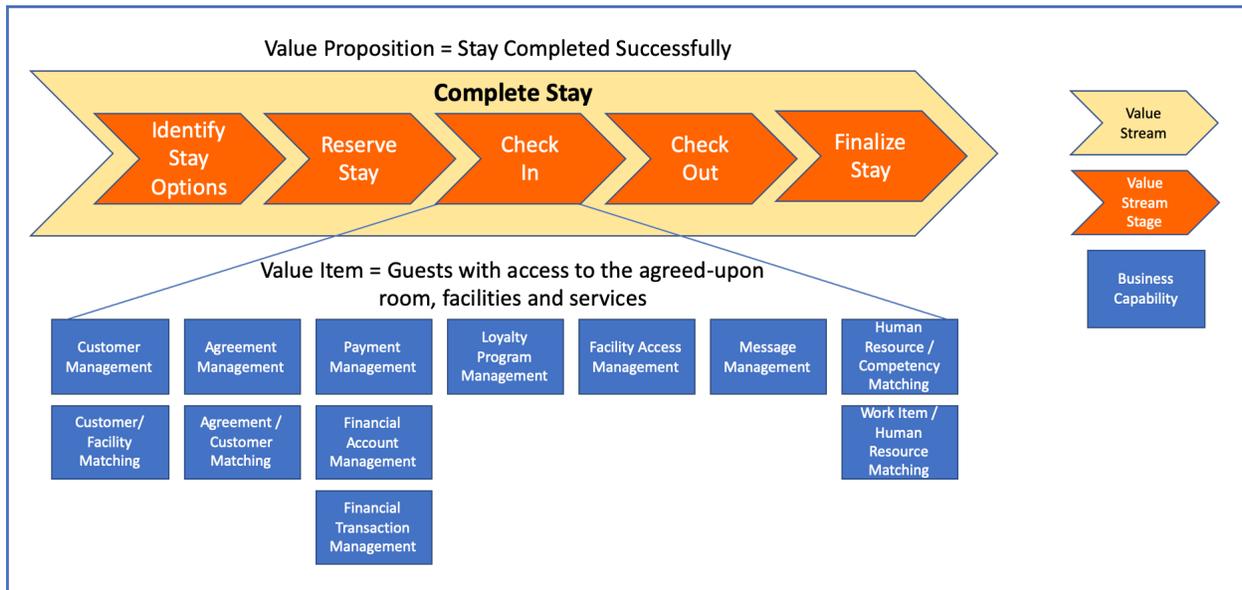


Figure 2: Illustration of Value Stream, Stages, and Capabilities

A business process model at a lower level of abstraction often reflects the dependencies inherent in business operations; whereas value streams are often presented in a logical order (e.g., left to right), but the ordering may not necessarily reflect the actual sequencing of the business operations associated with the creation of value items. In the case of manufactured items, the

sequencing of the value stream stages will typically mirror the operational processes that create the manufactured object. With service businesses, such as health care, the operational process path may have to accommodate pauses, abandonment, and iterations which are typical in such case-oriented scenarios. However, the patient still expects generally increasing value from the diagnostic and treatment protocols.

Aligning the Business Architecture and Business Process Perspectives

Historically, the business architecture and business process communities had come to believe that value streams and business processes were distinct. Today, it is clear that they actually represent very close perspectives on the creation of the same value, with both perspectives proving to be useful to each type of practitioner, as they reveal some different aspects or points of view of operational activities. The business architecture value stream perspective offers primarily a value-based perspective associated with high-level stakeholder value accrual. This representation can be cross-mapped to enabling capabilities that must be sufficiently mature to meet the need. Like value streams, the business process representation is business event triggered but provides a placeholder to encompass the details of the work contained within it.

The modern business process management perspective is to represent a complete end-to-end look at the dependent nature of operational activities, also resulting in the production of value for a product or service recipient. Traditionally, processes were mostly thought of at a more detailed level of activity, closely representative of actual work that is performed by individual workers or technology. Bottom-up analysis at this lower level, when not traceable to higher level process models often leads to unaligned and poor execution that prevents progress and results in ineffective handoffs of physical items or data between activities that must collaborate if overall effectiveness and efficiency is to be attained. Without this optimization, value items leading to value stream outcomes will not be attained. However, the business process professional of today does not just work at the detailed activity level, but also requires a conceptual level of abstraction for the purposes of assignment of cross-functional management responsibility as well as ownership and governance over measurable end-to-end business performance and change. They now also use a higher level of representation/modeling that is not based solely on flow and dependency of detailed workflow models.

At this higher level of representation, many value streams and business process models will seem similar in concept and name. But sometimes, the names of the value stream structures differ from the conceptual processes due to the *BIZBOK® Guide* principles which require that they are fully stakeholder value-oriented with the appropriate stage gates. For the sake of consistency, the authors are advocating that business process maps at the value level follow the same naming convention if possible and are framed by the same event structure as the value

stream and its stages since both are striving for the same results. There appears to be great advantage for architects documenting higher level process models that use the same structure and naming convention as defined by business architecture value streams. By doing this, an organization will receive the benefits of a shared starting point for both process and business architecture professionals. As shown in Figure 3, processes and capabilities can leverage the same shared value creation structure.

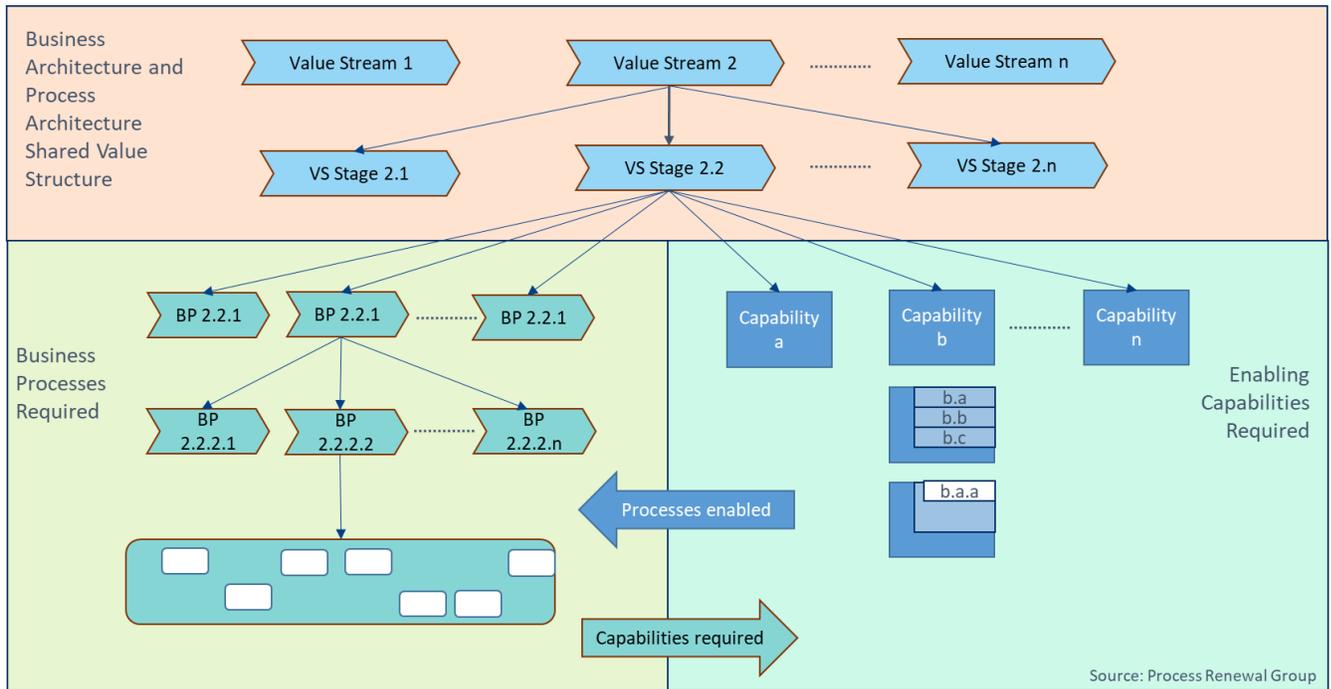


Figure 3: Illustration of Value Stream, Stages, and Capabilities

Practically speaking, if an organization has already defined business architecture value streams, they may serve to provide *both* the business architecture value-context as well as the high-level value-oriented process perspective.

The Business Architecture Metamodel

The Guild, along with other entities, is involved with the submission for a common business architecture core metamodel for adoption by the Object Management Group (OMG). The submission parties recognize that business processes at a higher level of composition and value streams are indeed essential business architecture concerns. Figure 4 below – a work in progress – represents an attempt to extend the existing Guild metamodel to support both value streams and processes. This diagram shows that there is a strong connection between the value stream and business process structures. The sharing of a common structure will lead to a better

alignment of business architecture and business process concepts and allow the business architecture community to find common ground with business process leaders.

There are two key relationships to note in Figure 4. The first is that process activities or subprocesses implement a value stream stage. From a business architecture perspective, the enabling capabilities are also cross-mapped to value stream stages as well. Essentially, this means that the process perspective views value stream stages as a collection of activities, while the business architecture perspective views value stream stages as a collection of capabilities. Both views are important. The second key relationship to note is between the process activity and capability instance, where an instance is the actual implementation of the activity.

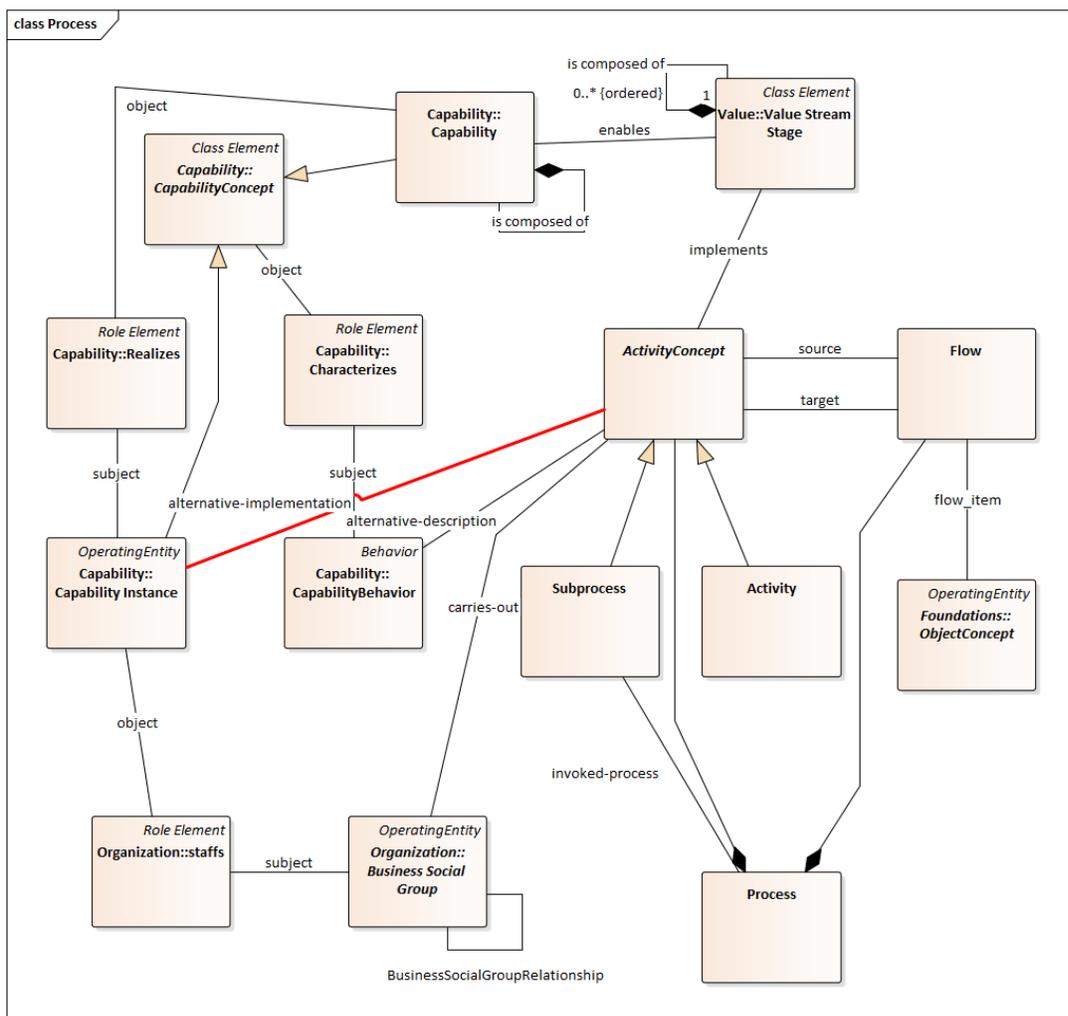


Figure 4: Metamodel View of Business Process and Business Architecture Relationships

Conclusion

The business architecture value stream and associated capabilities provide a value-based perspective on the capabilities needed to operate any business of a type (e.g., any hotel), without regard for organizational structure, location, product variants, specific procedures, or other operational characteristics that distinguish a particular business or chain of businesses. By contrast, the value-based business process and its decomposition as activities and flows, provides a value-based perspective on the flow of goods, information, and attainment of outcomes through the activities of a (potentially generic) business.

The authors of this white paper believe that reconciling the duality of perspectives is essential for the two communities to not only co-exist but to excel by working together to keep all models and business designs in synch and enhance business solutions derived from them.

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About the Business Architecture Guild®

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disseminating authoritative information on business architecture. Contact the Guild at info@businessarchitectureguild.org or visit www.businessarchitectureguild.org.

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