



Become Indispensable:

Strengthen your EA practice by producing valuable business outcomes

Daniel Hebda – Chief Strategy Officer

2/16/2021

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“Become indispensable: Strengthen your EA practice by producing valuable business outcomes”

Organizations have spent the past years focusing on efficiency, which meant when hit with a major disruption like COVID-19, many business processes were too brittle to quickly adapt and simply broke. During the rebuilding process, Gartner indicates that leaders must design an architecture that: enables better access to information; can augment that information with new insights; and is composable, modular, and can change and respond more quickly as decisions are made. But how do you do that? A good first step is to add a business architecture top layer to your enterprise architecture efforts. Using this lens, you can connect IT to business objectives (ensuring your efforts are business-outcome-driven) and therefore easily changeable when business objectives evolve or change.

In this session you will learn how to:

- Create a strategic roadmap where you can plan future business capabilities and other IT investments
- Understand how emerging technology can be leveraged to support business objectives
- Optimize your current IT portfolio for cost, lifecycle, and agility
- Ensure transformation projects are aligned with strategic objectives
- Implement business-outcome-driven enterprise architecture

Introduction



Daniel Hebda

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Part 1

Ensure you are seen
as valuable

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What is EA?

- **What is enterprise architecture?**

- A framework for transformation.
- Enterprise architecture is the process by which organizations standardize and organize IT infrastructure to aligns with business goals. These strategies support digital transformation, IT growth and the modernization of IT as a department.

Sarah K. White - <https://www.cio.com/article/3313657/what-is-enterprise-architecture-a-framework-for-transformation.html>

- **Enterprise architecture (EA)** is "a well-defined practice for conducting enterprise analysis, design, planning, and implementation, using a comprehensive approach at all times, for the successful development and execution of strategy. Enterprise architecture applies architecture principles and practices to guide organizations through the business, information, process, and technology changes necessary to execute their strategies. These practices utilize the various aspects of an enterprise to identify, motivate, and achieve these changes."

https://en.wikipedia.org/wiki/Enterprise_architecture

Golden Circle

- Most of the EA Practices I interact with start with What, then How, and they might get around to Why
- Just like Simon Sinek's Golden Circle, start with the Why, then define How and What.
- This will enable your EA practice to begin with purpose.



How great leaders inspire action
Simon Sinek, 2010
<https://www.youtube.com/watch?v=qp0HIF3SfI4>



What is the purpose of the EA Practice?

- Focus less on what EA is, and more on what the purpose of EA is.

Conversational Example (work-in-progress):

- Align enterprise execution, **by design**, to the corporate vision, mission, and strategy.

“Organizations will respond to increasing disruption and uncertainty by becoming ‘composable.’ To be successful, enterprise architecture and technology innovation leaders will **shift their focus to business design** and architecting composability across multiple interrelated viewpoints.”

Predicts 2021: Enterprise Architecture Designs the Composable Organization
Gartner – Saul Brand and Marcus Blosch
Published 14 January 2021
<https://www.gartner.com/document/3995637>

Put into Practice

Example:

- Internal “Standards” may fit well into the definition of What EA is.
- Defining “Standards” and implementing enforcement that would make the life of the architect easier (as a goal) vs defining “Standards” that are meant to accelerate transformation or rapidly deploy new technologies are not the same thing.
- This difference is easy to understand when we focus on the purpose of the EA practice.



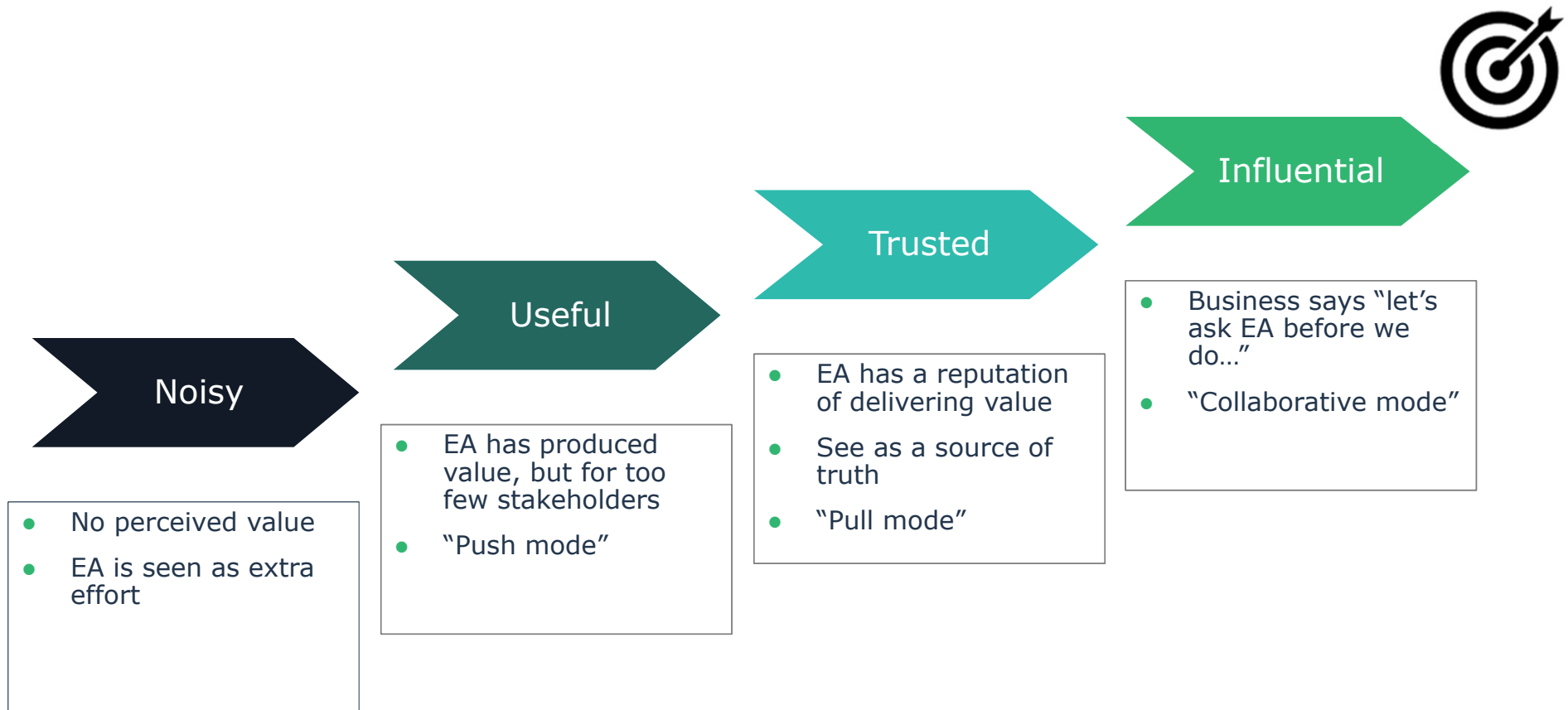
Can you articulate the Services you offer to the Business?

Focus on the more specific value of those services, aligned to the stakeholder you are interacting with

- Business Design
 - Business Model Design Service
 - Identify New Technology Service
- Operating Model Design
 - Business Process Analysis & Design
 - Technology System Analysis & Design
- Application Portfolio Management
 - Rationalized Application and Technology Portfolio Service
 - Technical Debt and Obsolescence Management Service
- Etc.

An approach based on pragmatic use cases

To grow the influence of your EA practice





How do we make this work?

- An Ivory Tower approach will NOT work.
- Hybrid EA Organization – Where Enterprise Architects work directly with the Business to ensure not only collaboration, but outcomes and accountability.
- Planning for Capability Evolution can define guardrails for enterprise transformation that keep Operating Models in line with Business Models and the Strategy.

Part 2a

Business Architecture





Add Business Architecture to your Enterprise Architecture efforts

- “BA professionals are responsible for **understanding how the business plans to succeed, planning the best course of action for the transformation, and ensuring that the business navigates the change as a single unit.**”

Gordon Barnett – Forrester
with Gene Leganza, Audrey Hecht, Rachel Birrell
Use Continuous Assessments To Mature Your Business Architecture, 2020
June 30, 2020
<https://www.forrester.com/report/Use+Continuous+Assessments+To+Mature+Your+Business+Architecture+2020/-/E-RES159530>

Business Architecture

What it is ...

*"A blueprint of the enterprise that provides a **common understanding of the organization***

*and is used to **align strategic objectives and tactical demands.**"*

... for what purpose

Source: Business Architecture Guild



Capability

Defining the Business Capability

A business capability, or simply a “capability”, defines **what a business does**. It does not communicate or expose where, why, or how something is done – only what is done.

Specifically, the business capability is “**a particular ability or capacity that a business may possess or exchange to achieve a specific purpose or outcome**”.

This phrasing is the standard definition for a capability and has been in common use for many years in the business architecture community.

Source: BIZBOK® Guide – V9 – Business Architecture Guild

Human Example: Ability to Walk (bipedal locomotion)



Human Example: Ability to Walk (bipedal locomotion)

Capabilities are Stable



Agreement Management

Agreement Access Management

Agreement Compliance Determination

Agreement Definition

Agreement Information Management

Agreement Lifecycle Management

Agreement Matching

Agreement Portfolio Management

Agreement Preference Management

Agreement Risk Management

Agreement Structuring

Brand Management

Brand Awareness Determination

Brand Definition

Common Understanding

- Business Language
- Clear Description
- Understood by Everyone
 - Executives
 - Business
 - Technology
 - etc.

Ability to articulate, establish, and create the brand in a manner which demonstrates to customers what it does, what it stands for, and why it is different from its competitors.

Source: BA Guild Common Reference Model



So What?

- Unconstrained Thinking
- When you consider the 'What', independent from the 'How', etc. you are able to consider a broader range of options (or solutions).
- Strategic Vision and Enterprise redesign should be focused on what is necessary, not on current constraints.

(constraints would come into play later, when considering scenarios)



Space Pen

- When considering the needs of an Astronaut, it was determined that:
 - For a pen to work in space it would require special materials and pressurization to overcome the environmental factors in Space.
- 'What' wasn't considered alone, but with details about 'How' that constrained thinking.



False

<https://www.snopes.com/fact-check/the-write-stuff/>

Strategy & Capabilities



Tesla Example: Strategy without Capability Assessment



Replying to @timkhiggins

Yes, excessive automation at Tesla was a mistake. To be precise, my mistake. Humans are underrated.

3:54 PM · Apr 13, 2018

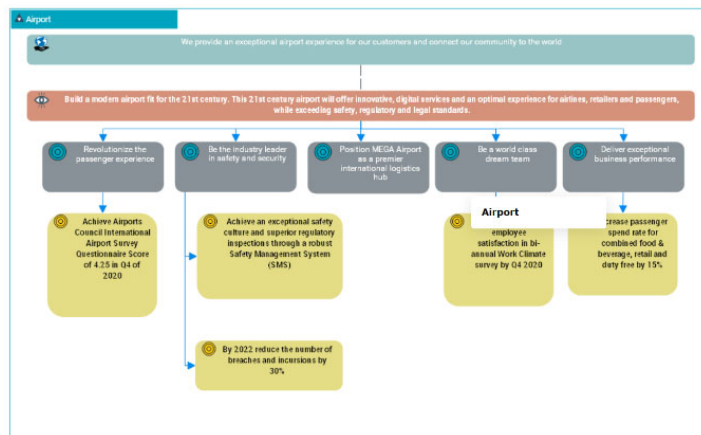


38.4K 8.3K people are Tweeting about this

- Was it literally humans that were needed (more random people)?
- or was it the Capabilities those humans brought to the company?
- (and that were originally overlooked when developing the strategy)

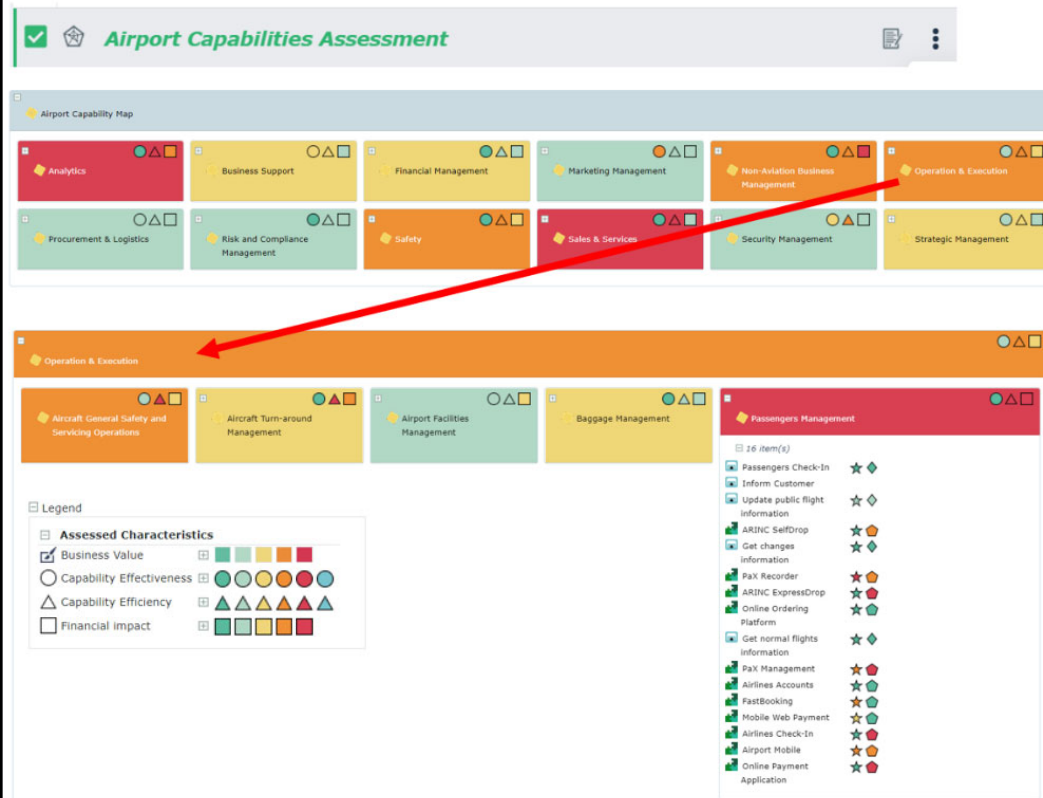
Strategy & Capabilities

- Understand the Strategy of the company, in a manner that can be communicated to others to ensure alignment.
 - Be sure to do this in an efficient manner
- Review or Assess Capabilities in the context of that Strategy.
 - Ensure you have the capabilities you need to execute the strategy
 - Raise a flag if there are gaps that will impact the successful achievement of expected outcomes



Prioritization for Change

- Capabilities can be assessed with multiple criteria
- This assessment can extend to the concepts the implement the capability.
- Use this style of view to identify which capabilities require a higher priority for transformation than others.



Part 2b

Business Outcomes

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Business Outcomes

- Part of the value that the Architects can provide to the Business, is clarity of the Outcomes expected through their work.
- There are cases where many programs or projects may be working elements of a larger transformation, and in doing so, may not fully appreciate the impacts on the business if they pivot in one direction vs another.
- Using Business Capabilities, with clearly defined metrics (current and future state), is one way in which clear expectations can be communicated. This allows any group who may have limited visibility into the larger business or system context, to assess their pivots before they end up in the wrong direction.

Human Example: Ability to Walk (bipedal locomotion)

Revisiting this model. Is walking the same across the timeline?





Outcomes & Metrics

- What if we were to consider the Capability at a point in time?
- Could we add greater specificity to our assessment of that Capability?
- Could we intersect Capabilities with Objectives to enable us to define specific outcomes?

- Example (for bipedal locomotion):
 - Speed
 - Stamina
 - Stability



Targeting Outcomes

- Could we plan for a Marathon?
- What would that entail?
 - A certain sustainable (or average) speed
 - A certain stamina, to ensure the runner would make it the 26.2 miles
 - A level of stability, to keep upright and moving in the right direction
- What would it take to get there?
- Is it the same for each individual?
- When is the marathon?



Space Pen (revisited)

- Let's take this example further:
 - We already have the capability to write (document manipulation, notation creation, etc.)
 - We would like to enhance it.
 - Perhaps a metric is permanence or mutability.
- We can compare the option for using a pencil to that of the originally proposed pressurized pen, etc.
- We can also consider completely new alternatives to solve this problem
- When do we need it?



False

<https://www.snopes.com/fact-check/the-write-stuff/>






































Focused Ideation

- When you define a measurable outcome expected from the company, it is more meaningful to solicit ideas.
- This also increases the number of ideas that will be adopted (as they were solicited to achieve a specific outcome).
- Motivation and participation grow as a result.

Focused Ideation Example

- We want to increase revenues by increasing our presence. In order to do that, we hope to evolve our Pizza Delivery.
- Current metrics utilized: Distance, Time, Freshness (temperature)

Evaluation context : Pizza & CO [as is]

	 Business Value	 Capability Efficiency	 Capability Effectiveness
  Pizza & CO - Traditional Pizza Capability Map			
  Pizza Preparation	 4 - Limited impact	 3 - Somewhat Efficient	 3 - Somewhat Effective
  Cooking of Pizza	 3 - Moderate Impact	 4 - Slightly Efficient	 3 - Somewhat Effective
  Food safety and quality assurance	 4 - Limited impact	 3 - Somewhat Efficient	 4 - Slightly Effective
  Sanitation	 3 - Moderate Impact	 4 - Slightly Efficient	 3 - Somewhat Effective
  Baking of Pizza	 5 - Negligible impact	 1 - Extremely Efficient	 2 - Very Effective
  Pizza Delivery	 3 - Moderate Impact	 4 - Slightly Efficient	 3 - Somewhat Effective



Emerging Technology

- It is valuable to any business today to have an understanding of the technologies that are on the horizon, not only those that have already been adopted.
- Leverage the Business Architecture to consider the impact new technologies would have on your Business Models (and their Capabilities)
- Look for opportunities to present options or ideas to change the business with emerging technologies.

Business Models – IT Fit

- Business Models aren't only used to clarify a business vision. Additionally, these business models can be used to identify and understand the technology required to implement them.
- Of course, this can be used for new technologies and future state, however, it can also be used to ensure the current technologies are well aligned in their cost, stability, and functional coverage.
- Using this approach, you can provide transparency to the Business on the cost and delivery of IT (What do they get for their money)
- This same approach can be used for crisis preparedness.

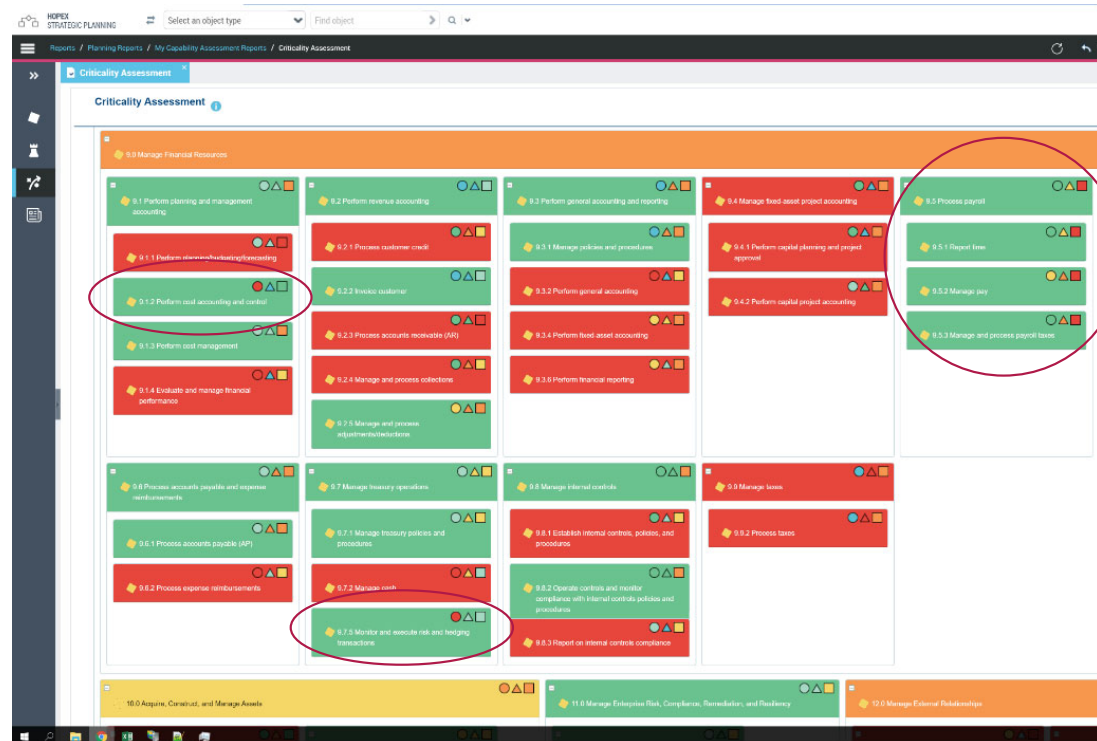
Tip: Use a non-linear stage for resiliency planning



Assess Business Criticality

- Identify the Business Capabilities that would be Critical to sustain during a crisis, within a Safe Mode Enterprise Stage.
- Compare the Criticality to the Efficiency, the Cost, and the Technological Stability.
- Focus Transformation efforts on Critical Capabilities with low efficiency, high cost, or low technological stability.
- Easily understand the technologies required to support this effort.

CAPABILITY CRITICALITY ASSESSMENT



Critical Capability
 Non-Critical Capability

Cost – Red is MOST Expensive
 Technology Stability – Red is LEAST Stable
 Efficiency – Red is LEAST Efficient

Tip: Use a non-linear stage for resiliency planning



Identify your needs

- For the key capabilities, identify key KPIs and metrics for the “business as usual” situation as well as for the “Crisis” situation
- This is the starting point of the business needs analysis, what is the minimum level required to go through the crisis
- This exercise should be performed before the crisis happens. (although it is still valuable during a crisis)

KPI BY BUSINESS CAPABILITY MANAGEMENT

Capability Gap Analysis x

Capability Gap Analysis				
05.2.1 Initiate service delivery	Average lead-time in days between consumer order and the first accepted delivery window	As-Is	<	7
		Safe Mode	<	21
05.2.2 Execute service delivery	Percentage of delivery orders rescheduled or modified prior to delivery	As-Is	<	5
		Safe Mode	<	20
05.2.3 Complete service delivery	Percentage of consumers who paid a fee for an expedited or priority delivery service level	As-Is	<	5
		Safe Mode	<	10
05.2.3 Complete service delivery	Percentage of large/bulky deliveries refused	As-Is	<	5
		Safe Mode	<	5
05.2.3 Complete service delivery	Percentage of deliveries requiring post-delivery follow-up or issue resolution	As-Is	<	5
		Safe Mode	<	15



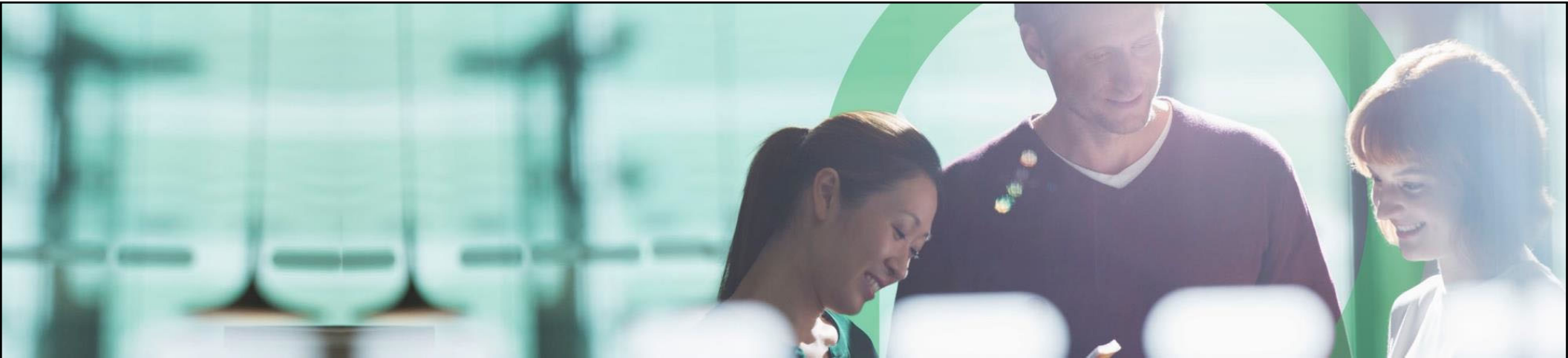
Execute Strategy

- “This involves defining the strategy and goals for the organization, **creating business models that define how the organization creates and delivers value**, and developing the operating models that bring it all to life.”
- “Management research consistently shows that, when an organization fails, it is almost always at the point of ‘executing’ its strategy — **the part of the process where the operating model is actually defined and created.**”
- “A strategy is often executed through a series of projects, but that misses the bigger picture of how the organization actually works. The models here are used to **design the organization to deliver business outcomes, and ensure that the right change happens in a coordinated way.**”

Saul Brand, Marcus Blosch
Better Digital Business by Design With the Business Architecture Landscape
January 14, 2021
<https://www.gartner.com/document/3995592>

Conclusion

- Define a Strategy and Business Model for your organization
- Align the Capability model to that strategy, via Stages
 - This allows you to understand which Capabilities will be changed during which stages
- Establish metrics on your Capabilities
 - These can be past, present, ... and future (for planning purposes)
 - Present and Past metrics can be used to monitor, assess, or analyze performance
 - Future metrics can be used for focused ideation, including use of emerging technology
 - This allows for the defining of changes to the operating model that will enable the changes to the Business Model (via measurable outcomes)
- Use stages and metrics to identify and prioritize which programs or projects need to be conducted (or established) in order to achieve the business outcomes.
- Ensure the Operating Models will deliver the expectations of the Business Models, achieving the Strategic Objectives



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