



*Enterprise Architecture Practitioners Conference  
Cape Town*

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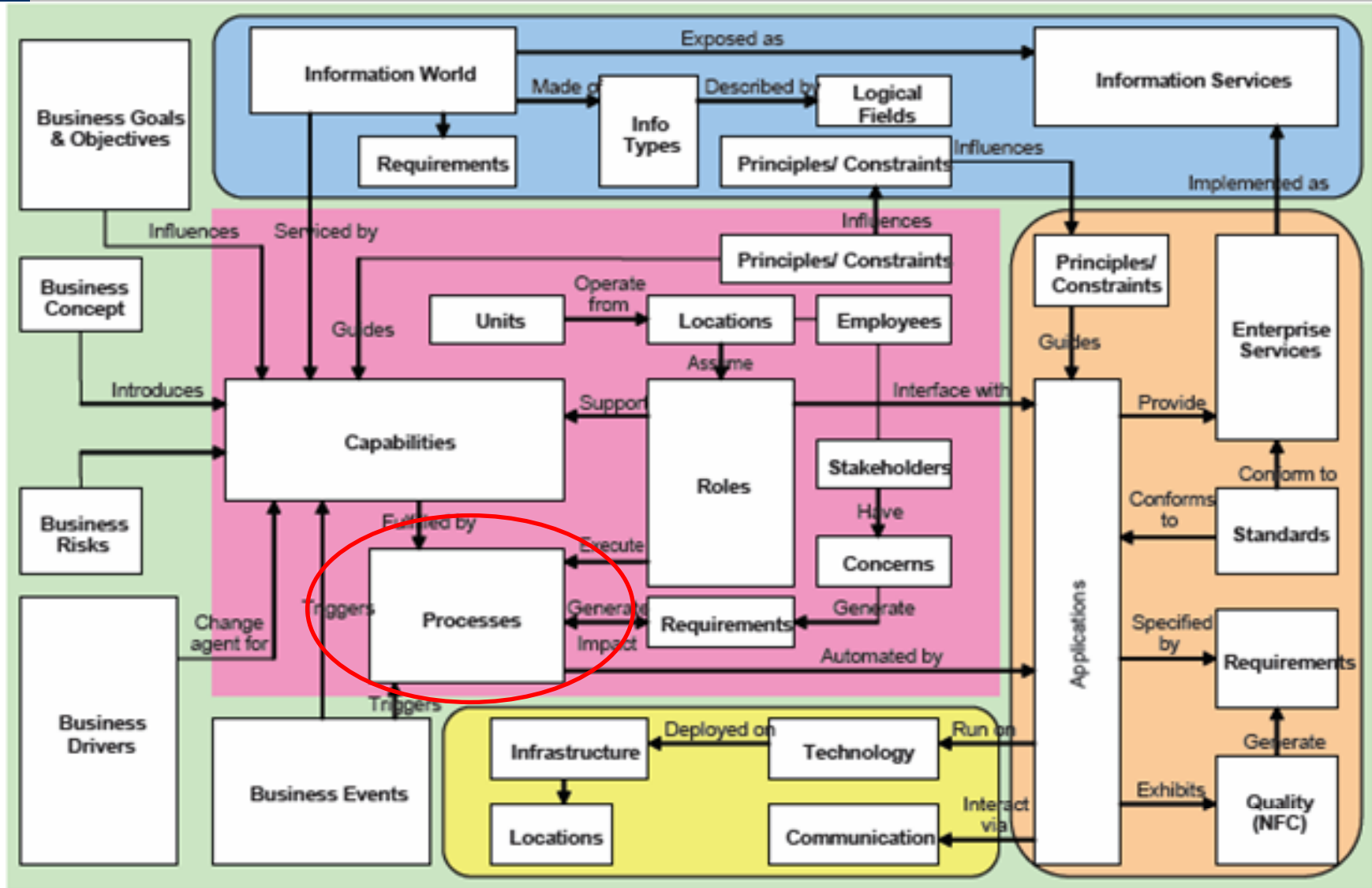
# **Business Transformation, EA Deployment and Value Realization**

Simon Carpenter  
Director Strategic Initiatives  
SAP South Africa (Pty) Ltd

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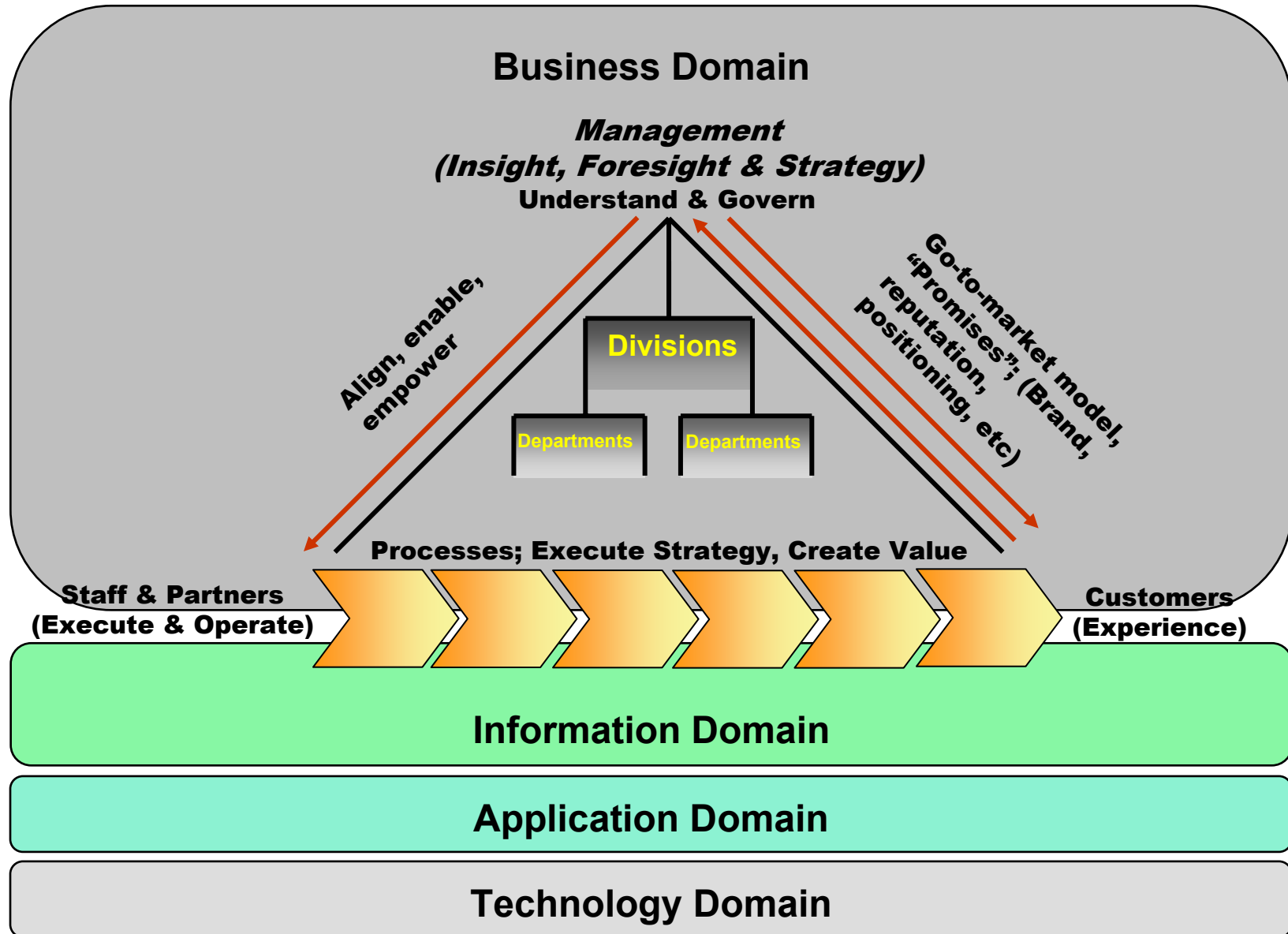
# Enterprise Architecture: Building Block Relationships



Business Domain
  Information Domain
  Application Domain
  Technology Domain

Building Blocks

**Last year; Processes were mentioned in passing as something that SOA could enable better....so why now look at them as a focal point?**





## **Introduction – Change sets the agenda**

**Transforming IT**

**Building Business Processes**

**Summary**



***What's happening to  
every facet of your  
enterprise?***

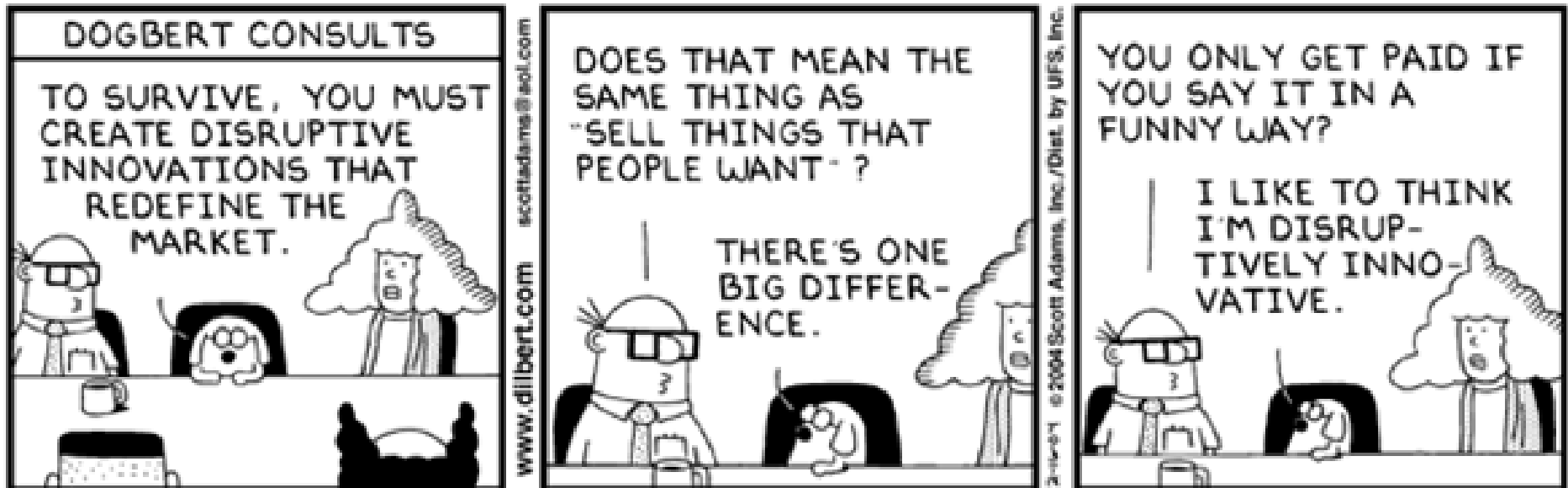
**CHANGE!!**

***Whatever it was that  
got you where you are  
today is not sufficient  
to keep you there.***

## Some of the changes driving *your* markets and customers

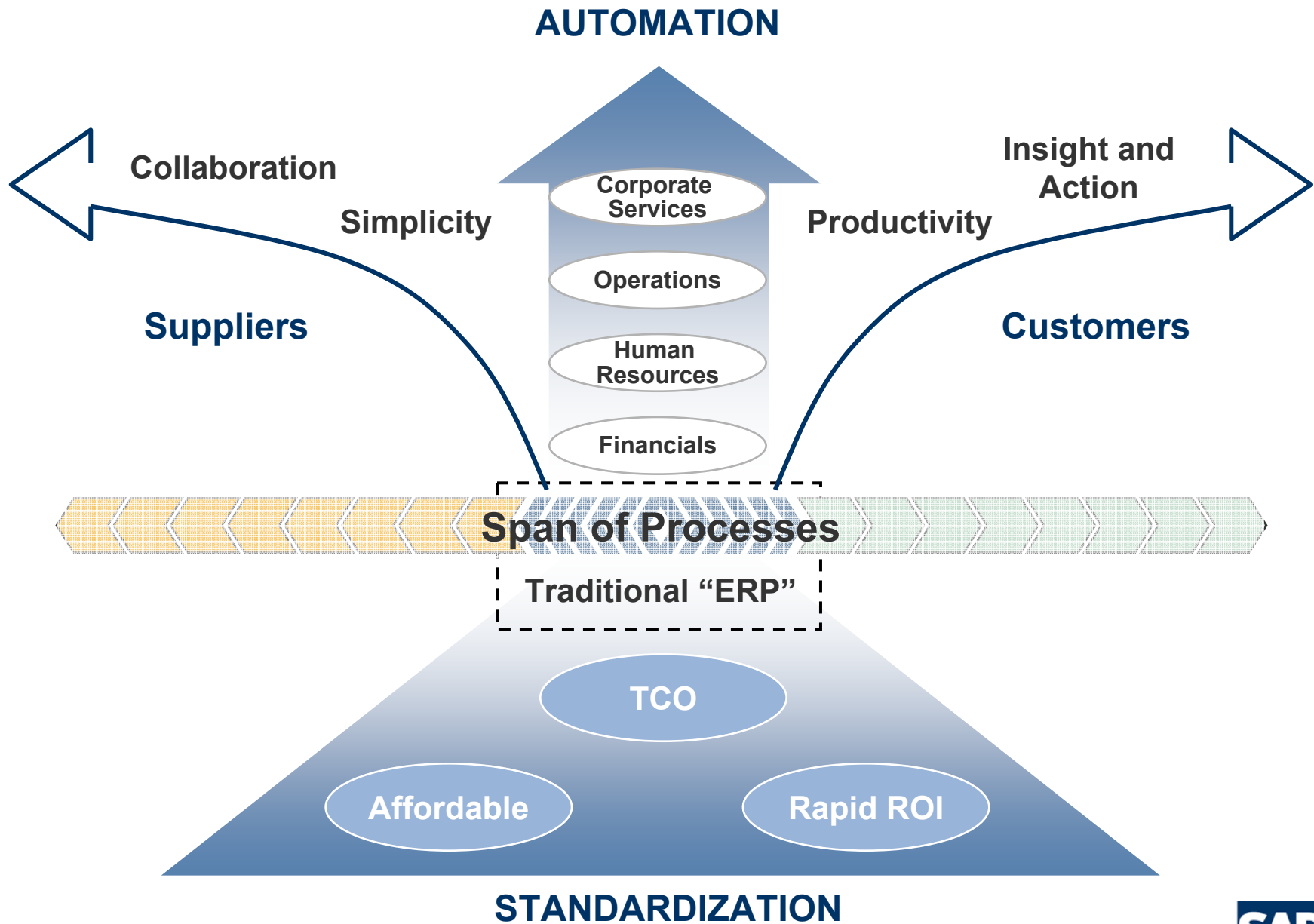
World view	Then	Now
Reach	Local – the warehouse	Global – the infinite shelf
Strategy bias	Growth or profits	Growth and profits
Pricing power	Business = Price Maker	Business = Price Takers
Business Model	Profit = Price - cost	Profit = Fixed Price - cost
Business Value	Physical Assets	I.P. & Information
Customer view	Homogenous segments	Market of 1 – Mass customisation
Organisation	Functional	Process
Business climate	Laissez faire	Regulated, environmentalism
Constraints	Capacity & equipment	People, change & IT
Integration	Departments in company	Value chain Partners
Management	Hierarchical and slow	Collaborative, empowered fast
Management Style	Operational	Project-oriented
I.P. & Knowledge	Corporates control content;	Peers co-create; “wiki & blog”
Generational	Do the right thing & wait	Do anything right now!
View of People	Employees as costs	Talent as assets

# Outpacing the rate of change is all about Innovation





**Innovation means the importance and “span” of processes is growing dramatically**



## ■ What do companies really want?

### **Profitable Differences**

**Profitable differences come from focusing on strategy, enhancing management and business practices and using technology as a tool.**

**Profitable differences require the ability to drive innovation & change throughout the organisation**

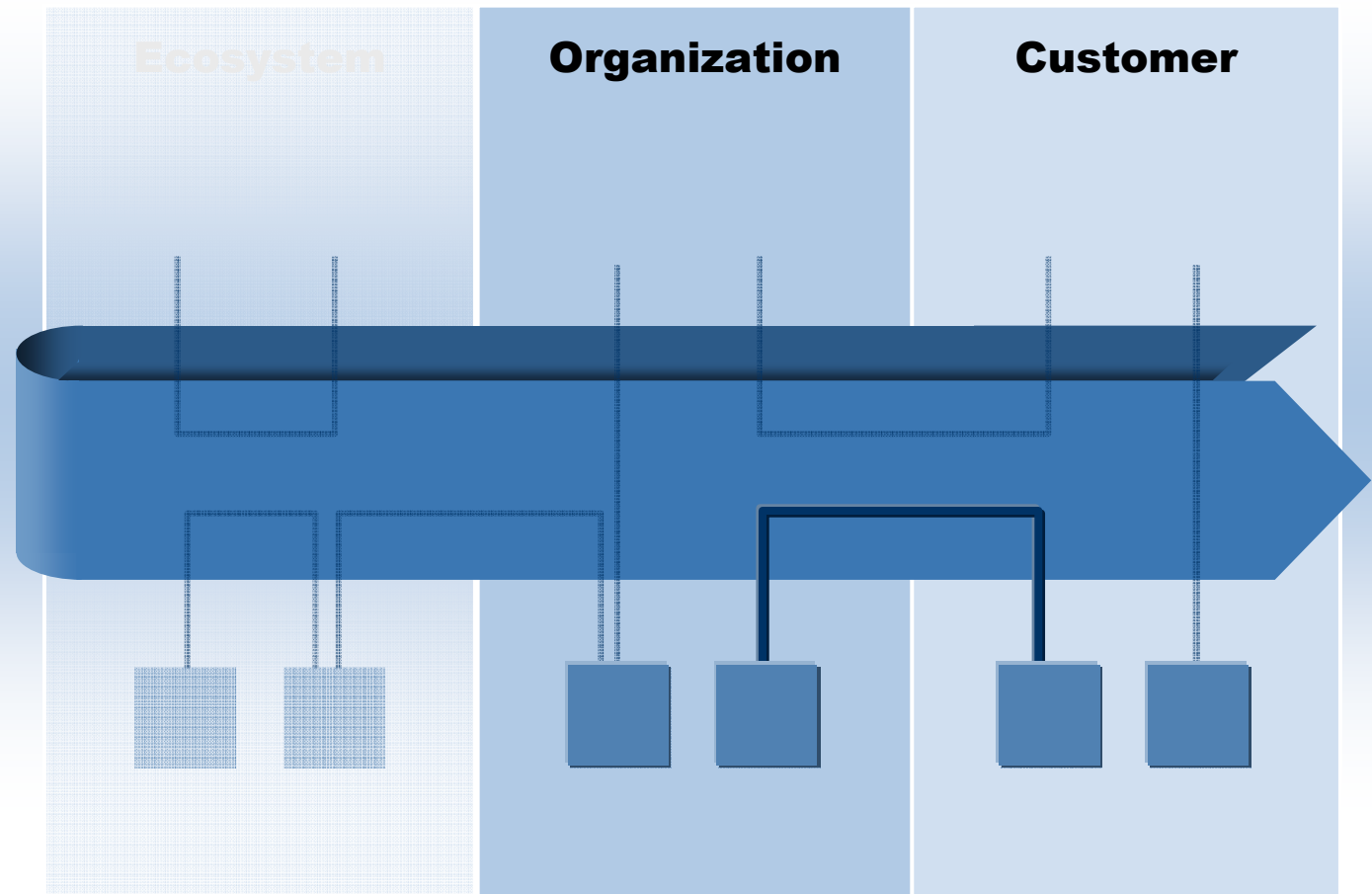
- **Business models**
- **Business processes**
- **People**
- **Management disciplines**
- **Structure & architecture**

# Business is now driving Technology architectures

## 1. From “Vertical” Product-Oriented to “Horizontal” Customer-Oriented

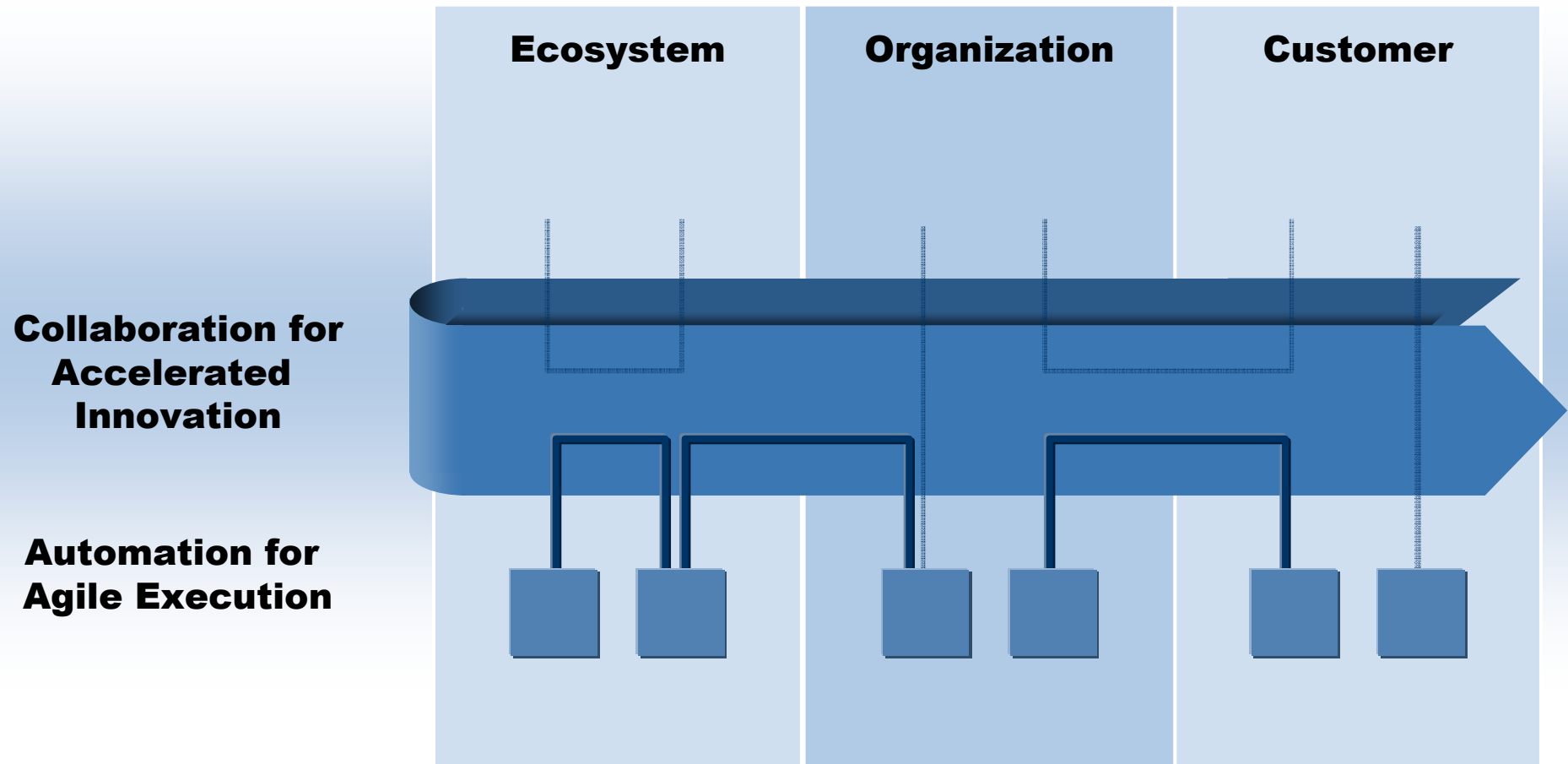
**Matrix organisation focuses on the “market of one”**

**Integration of the enterprise, multi-channel interaction**



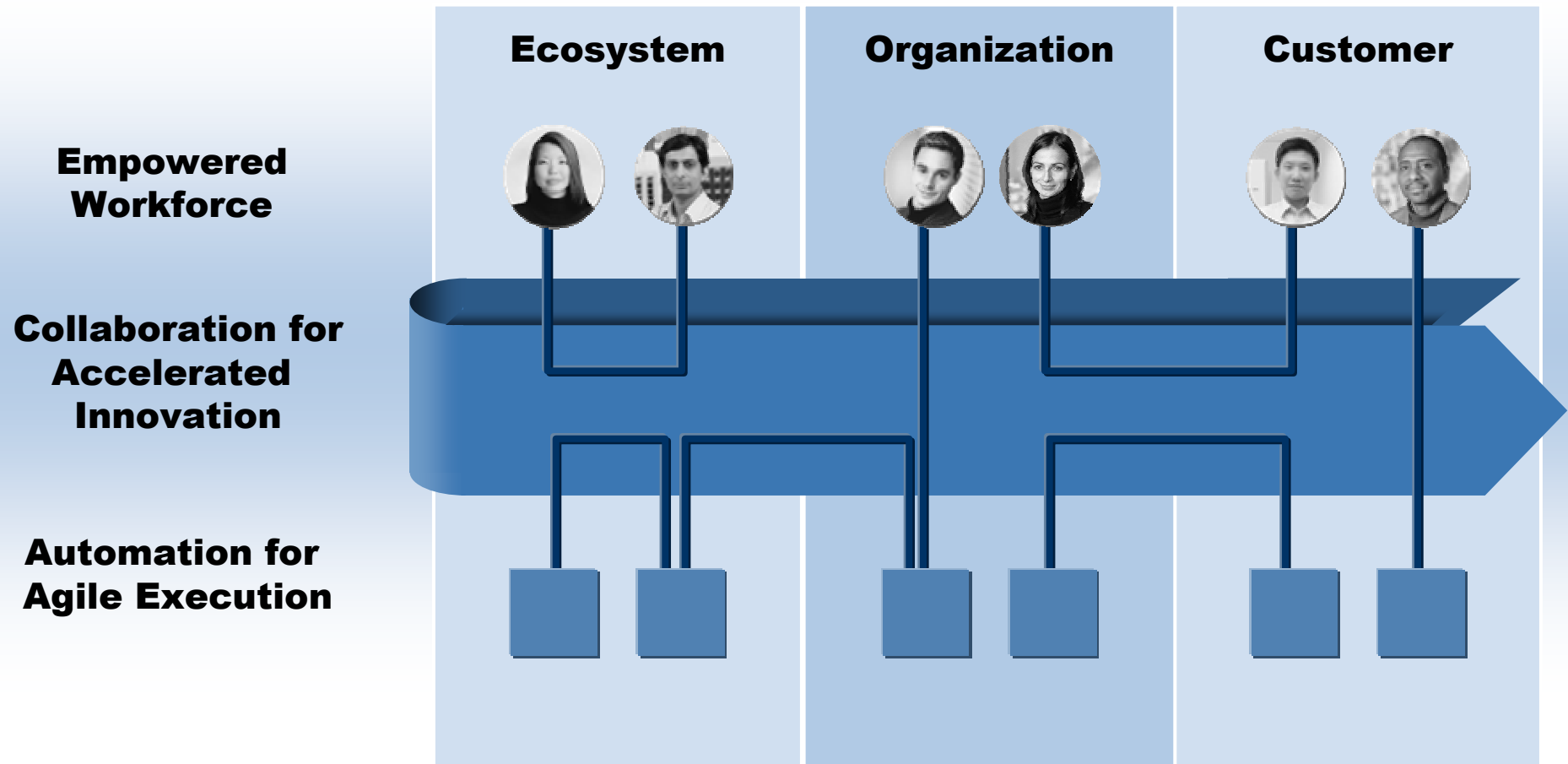
# Business is now driving Technology architectures

## 2. From Enterprise to **Eco-System**



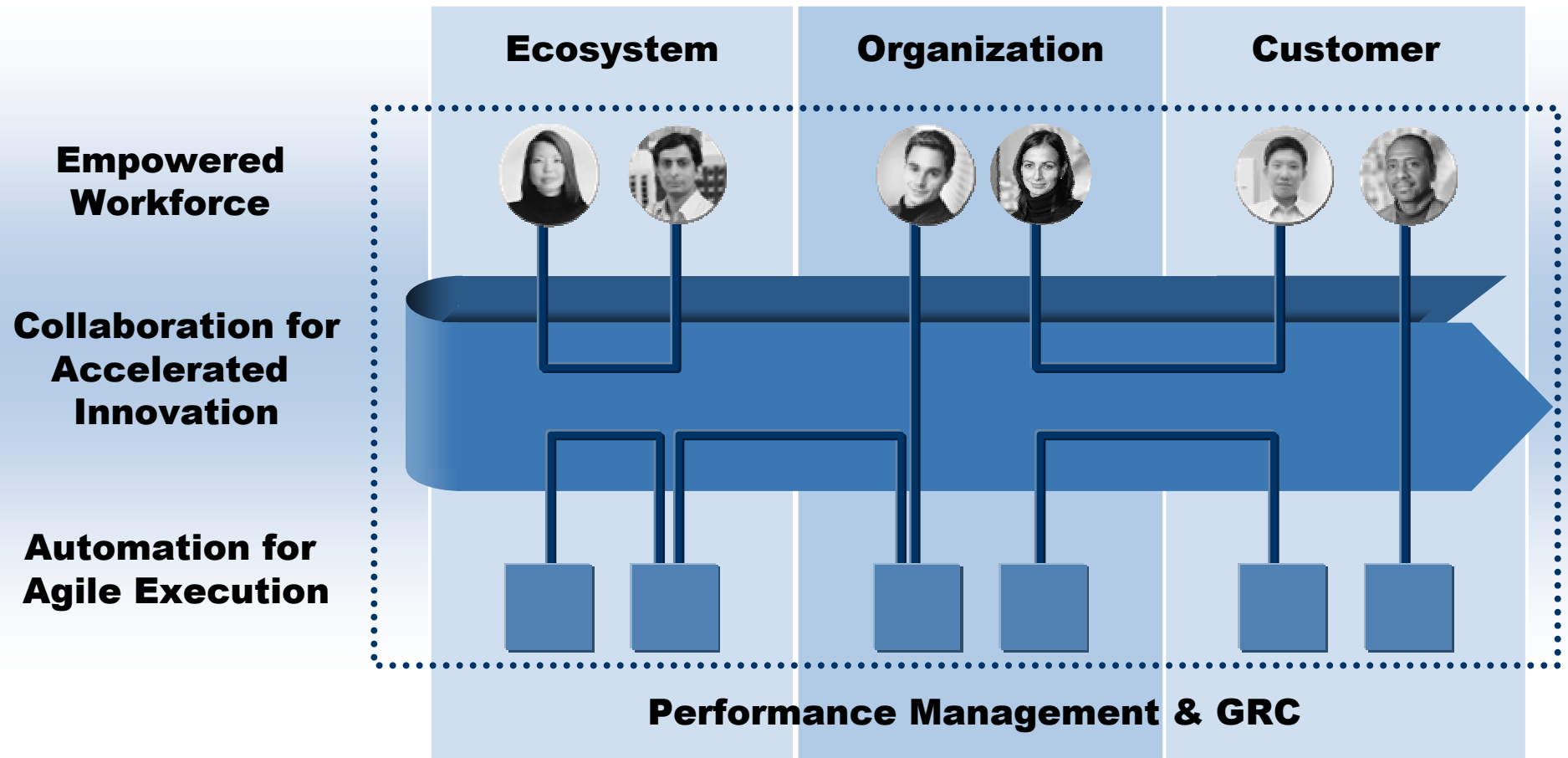
# Business is now driving Technology architectures

## 3. From Transactional to **Interaction-Based Work**



# Business is now driving Technology architectures

## 4. From Industrial to Knowledge Society



**“Today organic growth is absolutely the biggest task. I want **imagination breakthroughs**....I want **game changers**....If we don't hit our organic revenue targets people are not going to get paid. **We are just a moment away from commodity hell**”**



Jeff Immelt, CEO. General Electric. 2004



**Introduction – Change sets the agenda**

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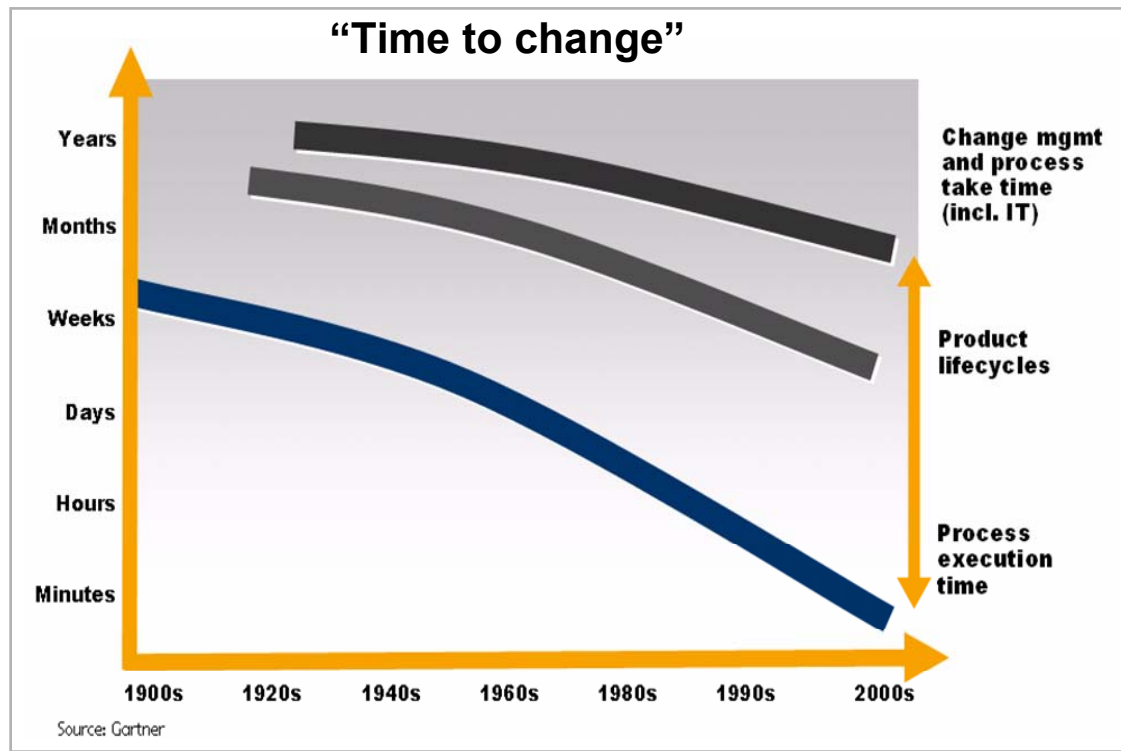
**Building Business Processes**

**Summary**

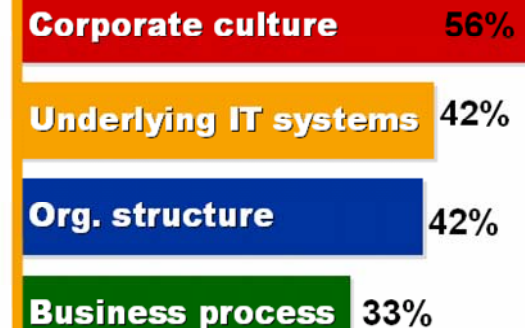


# CEOs / "Business" want reduced "Time to Change"

Rapid differentiation through new business processes is key, but ...



## The stumbling blocks of change



Source: GartnerG2/Forbes.com  
Enlightened IT Use Survey, August 2003

# Different jobs need to get done – IT needs to enable *all* of them

**Business Customers do not really buy “Products” from vendors or their IT shops.....**

**They Hire Them to *Get a Job Done* – to provide utility.**

## Business Owners



“We’ll manage your tools, so you can manage your business.”

- Turn industry change into opportunity
- Manage business complexity
  - Stay compliant
  - Reduce risk

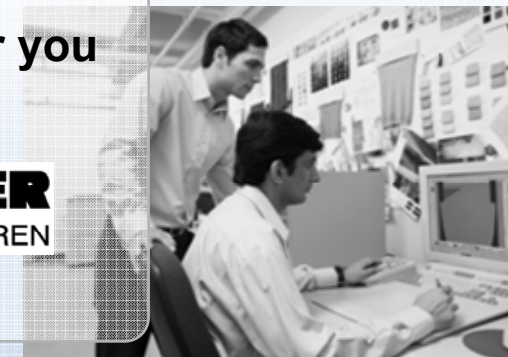
## End User



“Just buy the air you need.”

- Information the way I want it
  - Personalized access
  - Faster, better decision support

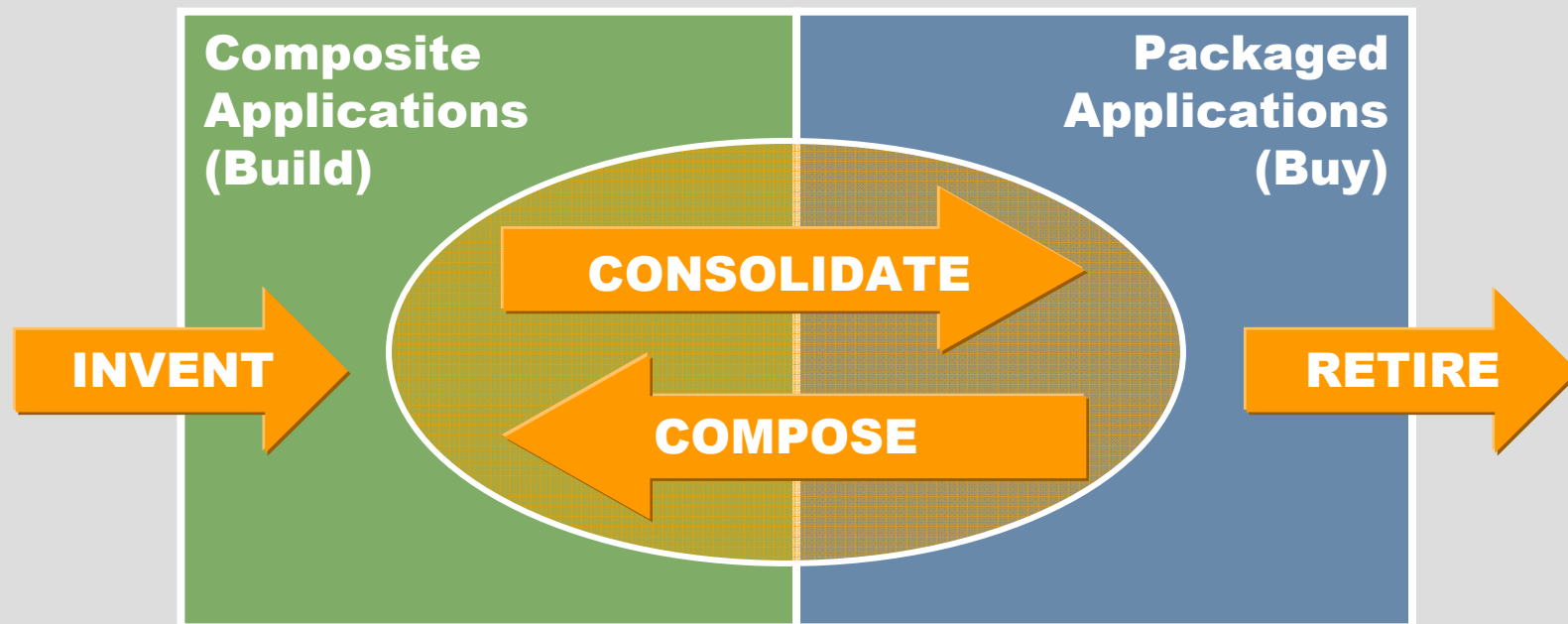
## IT



- Lower cost of IT
- Change at the speed of business
- Build the platform for the future

**Needed: An architectural approach and tools that enable proactive change of business processes**

**Emerging Business Process platforms will enable rapid (re)composition of services into new business models and processes while simultaneously reducing costs through standardisation and reuse**

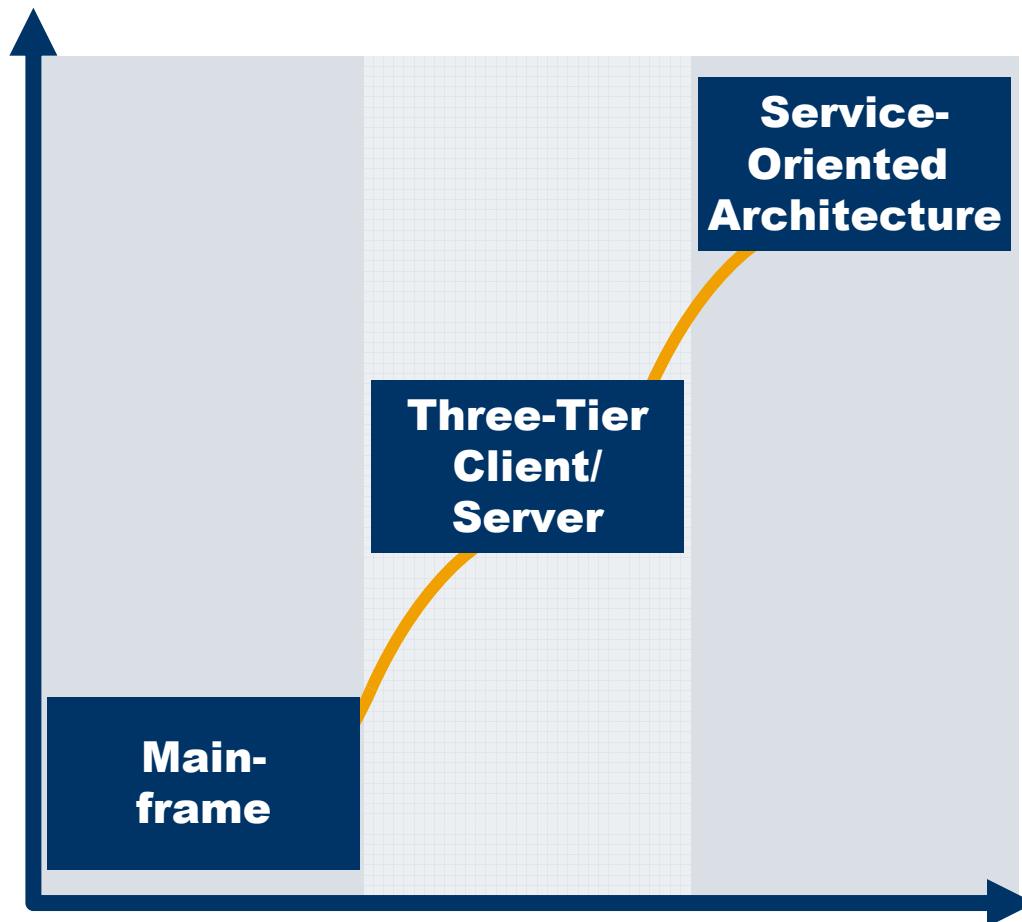


Courtesy to G. Moore's "Living on the fault line"

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## Service-Oriented Architectures (SOA) Deliver Required Flexibility

*IT Industry is pushing and enterprise customers are adopting service-oriented architecture (SOA) as a way to break through the “efficiency-flexibility barrier”*

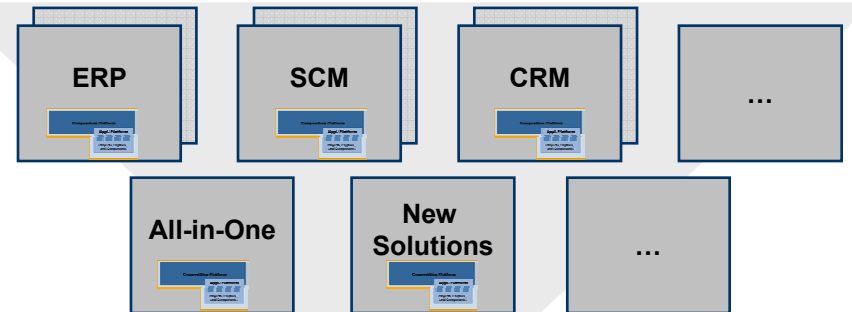


- Superior **recomposition** capabilities and greater **flexibility** through extraction of business process logic from underlying applications
- Built on **open standards** (e.g., XML, WSDL)
- Widespread adoption driven by strong push from major vendors (e.g., IBM, Microsoft, SAP)
- Expected shift from data-centric to **process-centric enterprise computing**

# SOA: Industrialization of the Software Industry



**69%** of the parts  
are the same



**>50%** of the processes  
are the same



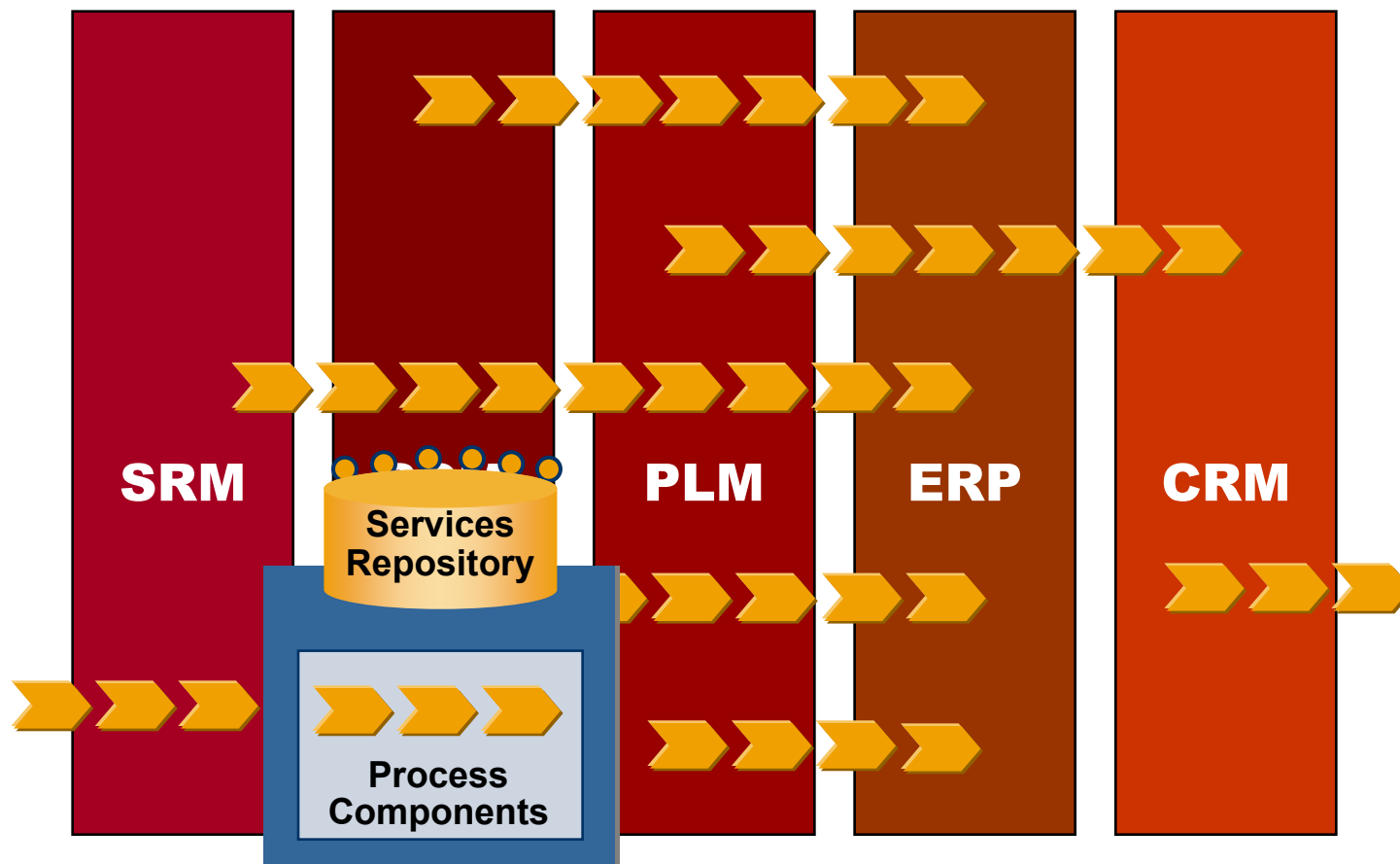
## Composition of Processes

**Speed:** Shorter time to volume

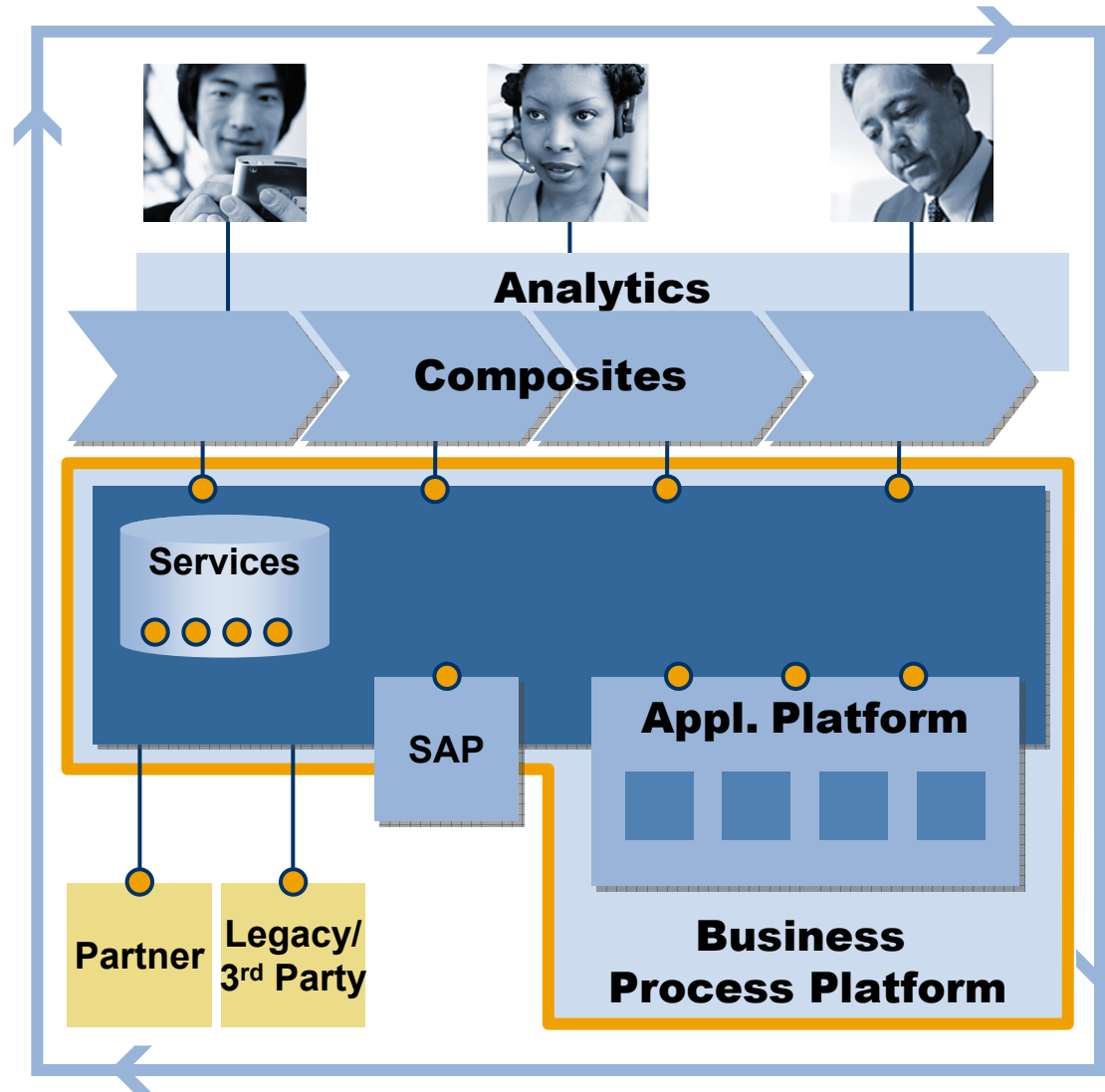
**Efficiency:** Systematic re-use across solutions

**Quality:** Unprecedented level of quality and scalability

# From Application Silos to a Business Process Platform



# An SOA based Business Process Platform helps IT Create Value for its Customers...



**Empowerment/  
Real-Time Visibility**

+

**Differentiation/  
Business Innovation**

+

**Productivity/  
Business Integrity**

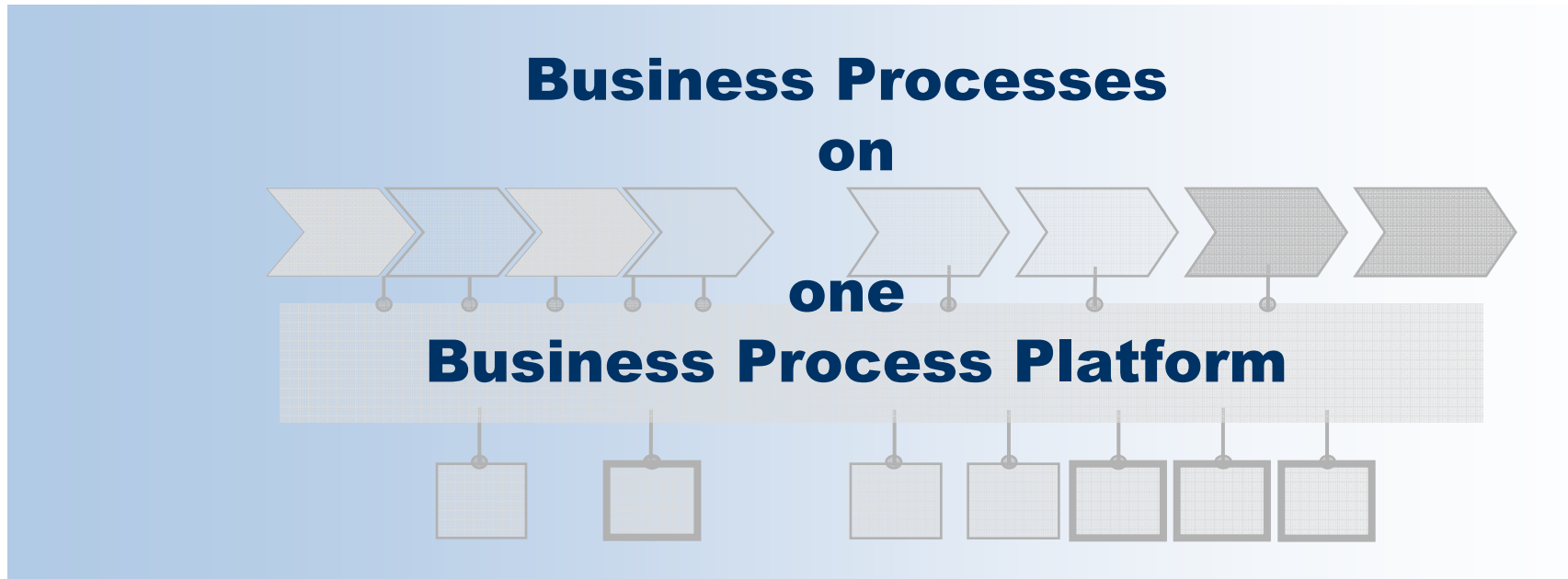
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**Competitive  
Advantage**

**SOA: Provides the Blueprint for Business & IT Flexibility to ...**

**... compose  
Custom ...**

**... deploy  
Best-of Industry ...**



**Differentiation**

through Business Process  
Innovation

**Productivity**

through Business  
Process Consolidation  
& Standardization



# It's not just a technology issue; we must also recognise the soft issues...Innovators & Operators

## Build

### Custom development

People who are:

- Innovative
- Change oriented
- Entrepreneurial



## Buy

### Packaged applications

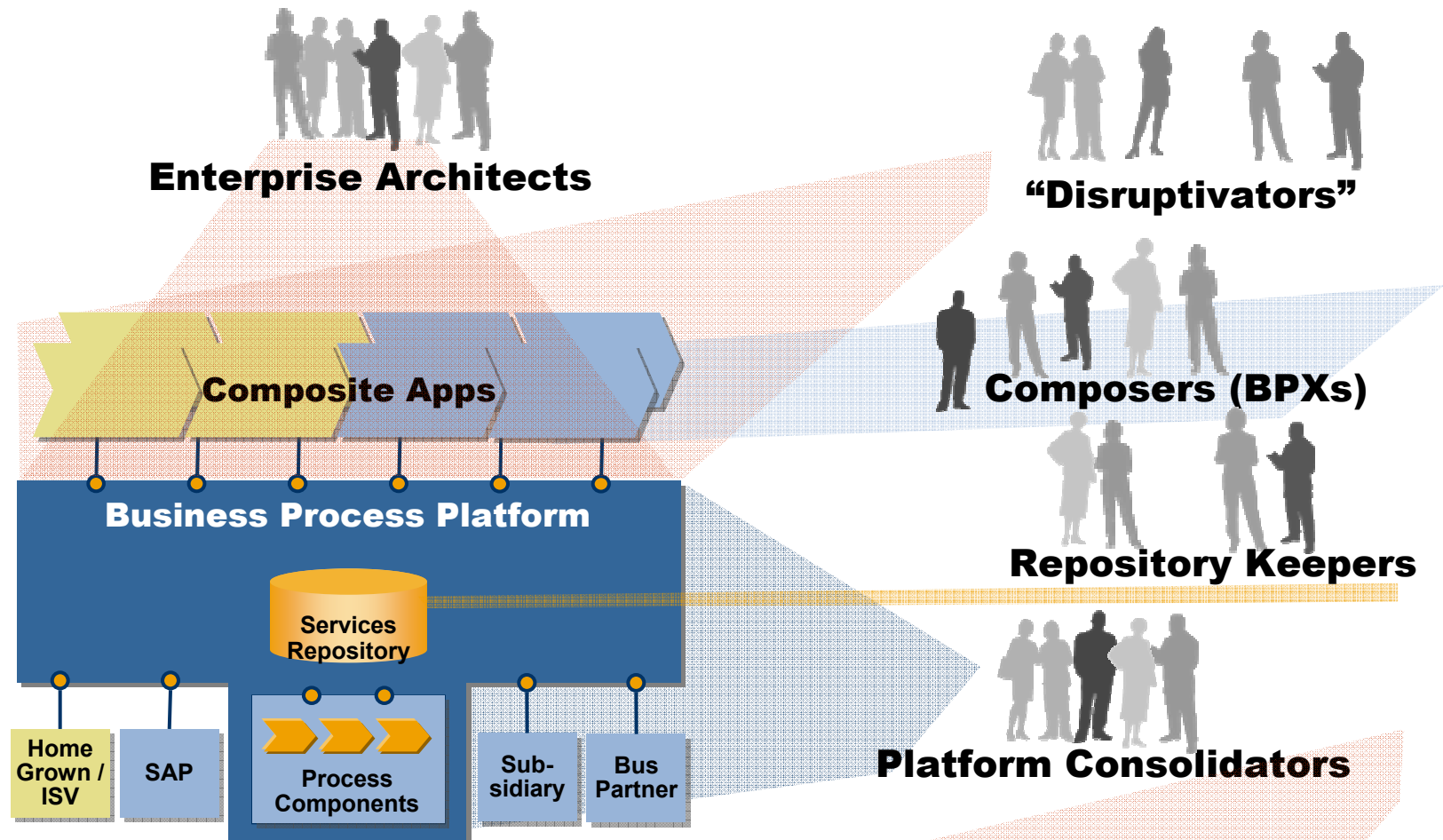
People who are:

- Operational
- Procedural
- Efficient

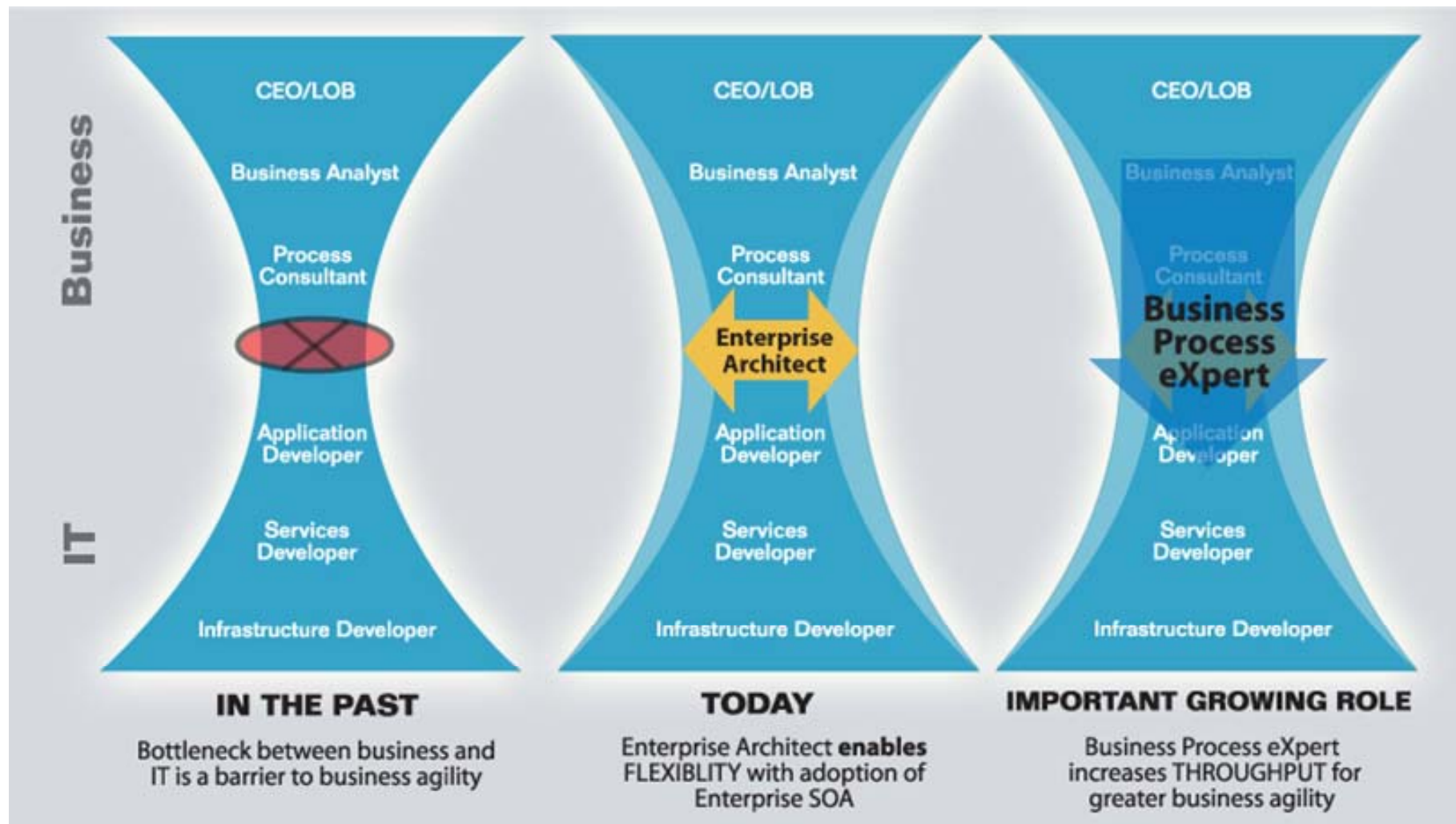


# SOA; time to start reorganizing the IT shop to drive transformation

## Break the Silos, Build New Horizontal Skills Centers



# Personas in Business Process Management





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**Summary**



***How do we promote business process innovation while getting the most out of the business applications and technology our customers already own ?***

**The Answer...**

**Composition with Services enabled software**

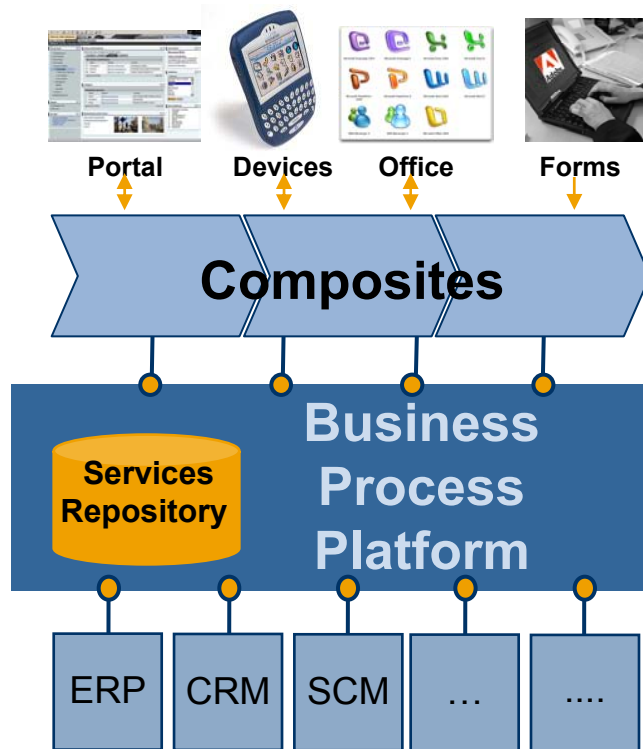
**Create composite applications.**

**Combine the right parts of existing applications to initiate new business processes & practices without having to start from scratch.**

# Composite Applications

## Definition

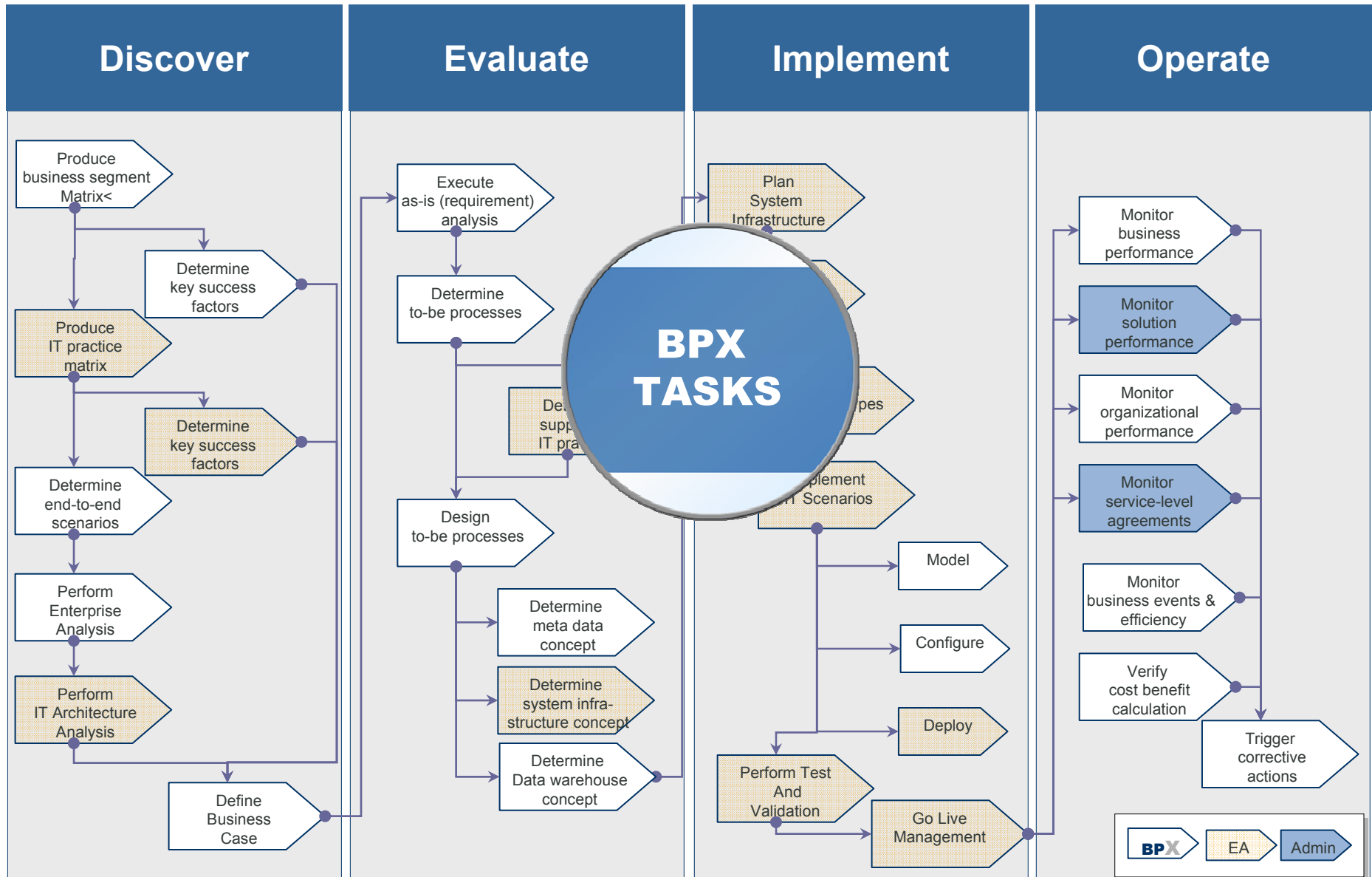
Highly dynamic and adaptable applications, that automate business scenarios and/or user specific processes spanning multiple functional areas, and are assembled using reusable services from existing packaged and custom built applications



## Technical Characteristics

- Model-driven Architecture
- Web-services as building blocks content
- ESA Content lifecycle (contracts)
- Loosely coupled with backend systems allowing independent evolution of composed services
- Backend independency
- Not a system of record for any business data
- Assembly through modeling versus coding intensive
- Easy to adopt & configure

# Collaborative Procedural Model for Enterprise Architects and Business Process Experts



Business Case

Blueprint

Live Platform

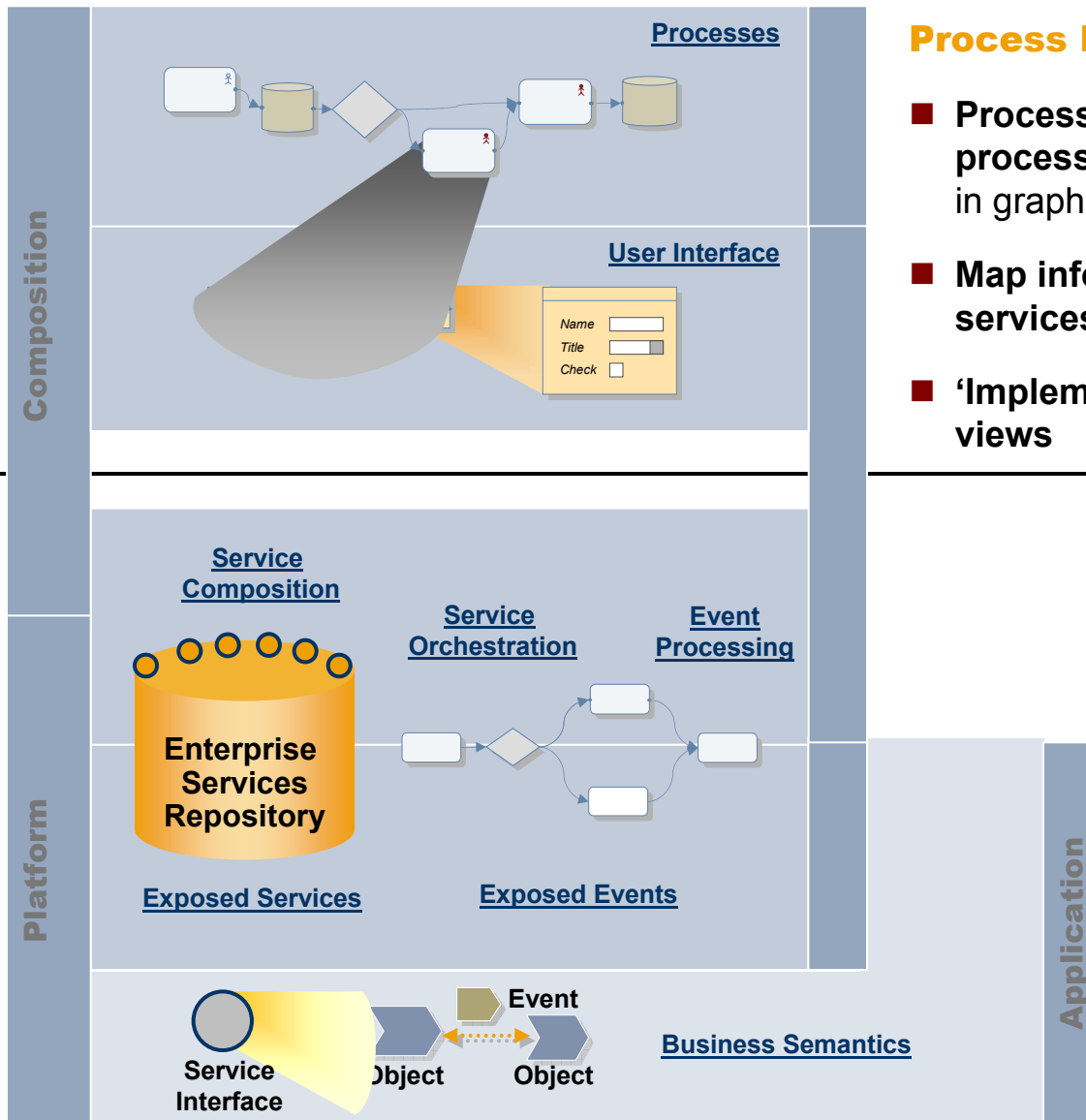
Improvement Strategy





What is needed

# Process Composition on Top of a BPP



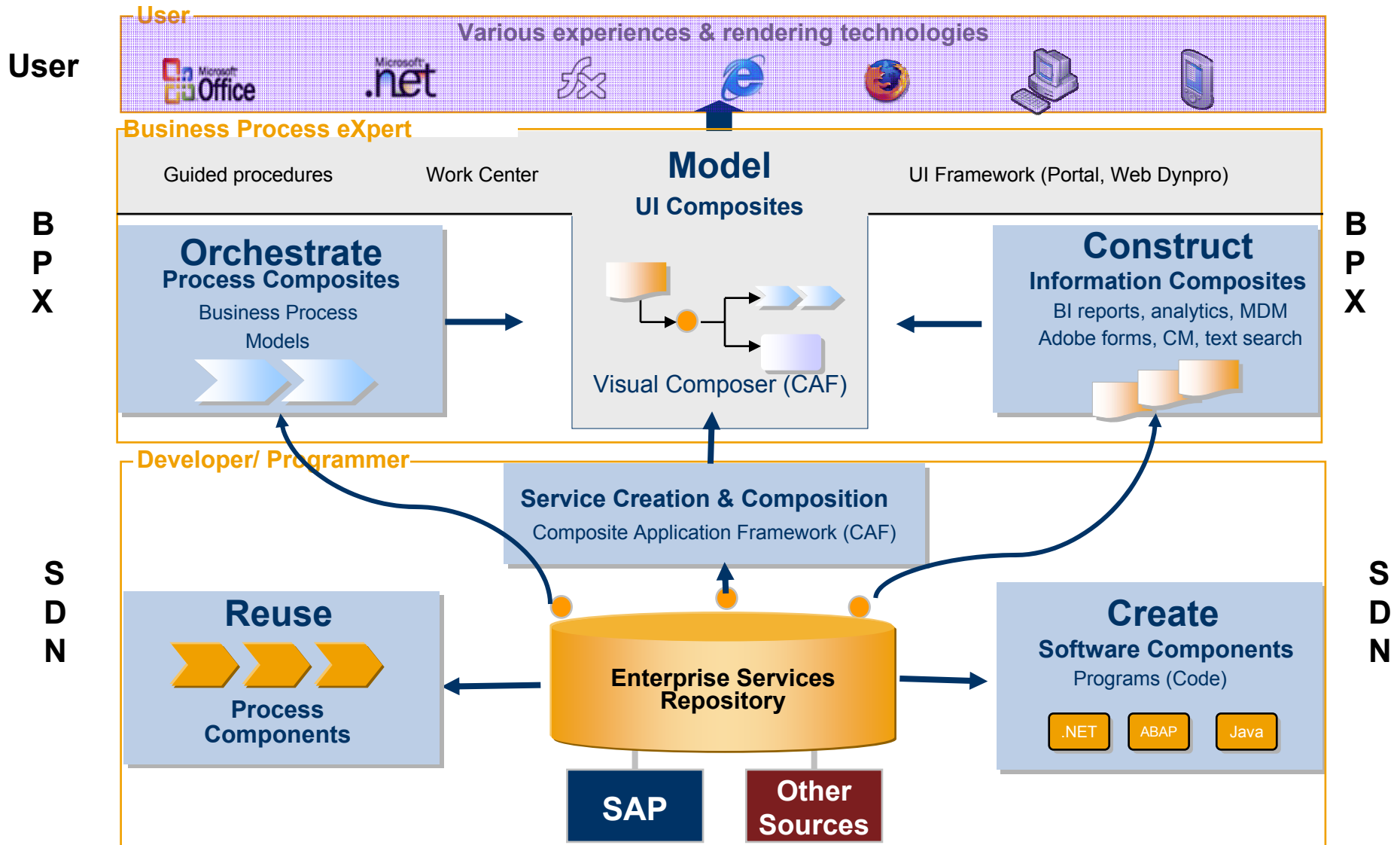
## Process Engineer (the BPX)

- **Processes:** capture high-level processes in graphical process models
- **Map information access steps to services**
- **'Implement'** user interaction steps as views

## Services Developer

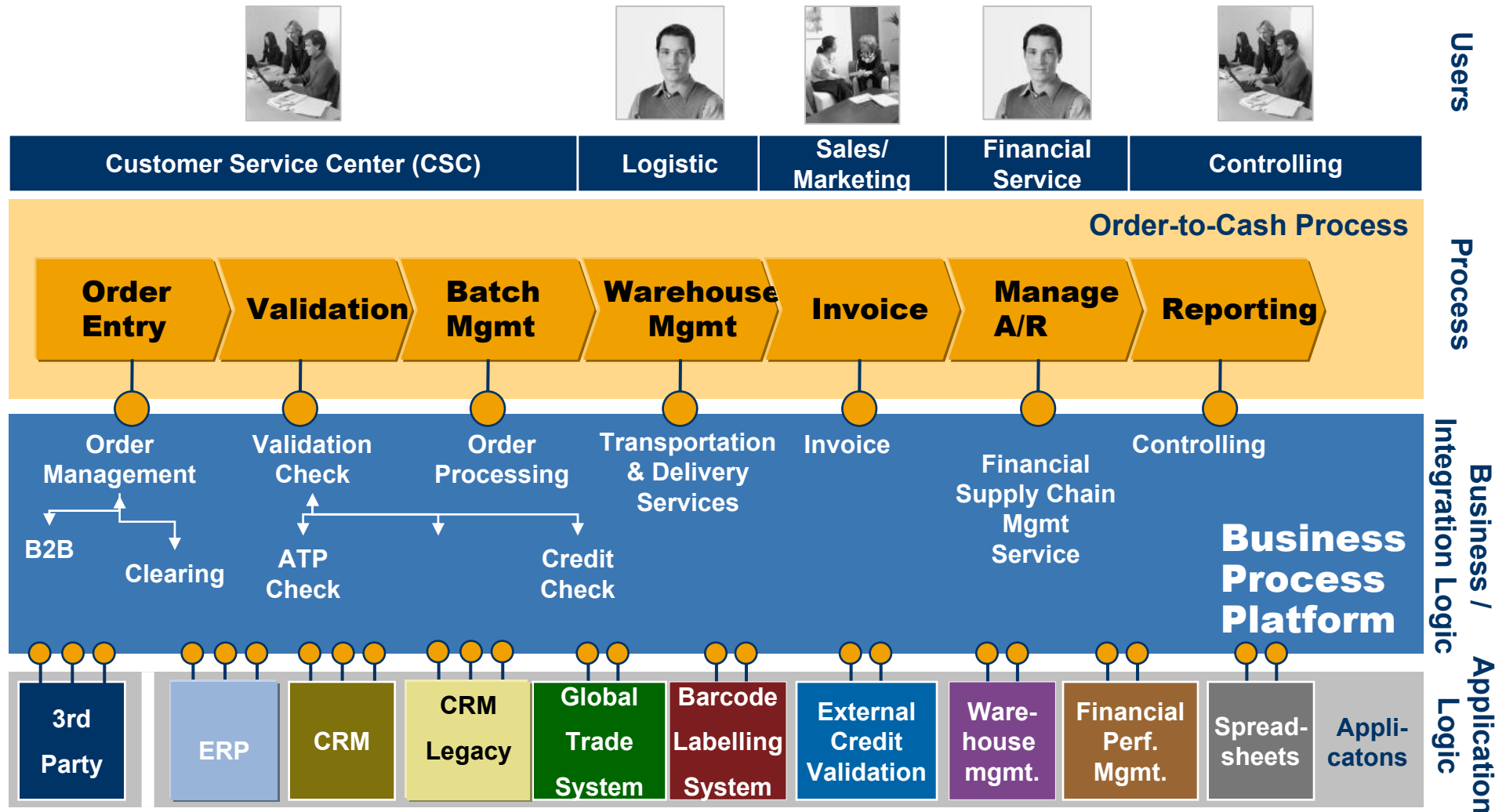
- **Model or implement service/ data adaptation**
- **Orchestrate Services**
- **Filtering of Events**
- **Event binding to services**

# A typical Composition Environment: Service Provisioning, Composition, and User Productivity



# Process Composition; Putting Services to Work

## Services – Encapsulating Business & IT Semantics





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Want to find out more, interact with your peers?

Visit <http://www.sdn.sap.com/>  
A Community for Business Process Experts

The screenshot shows the SAP Developer Network Business Process Expert Community Home page. A large blue circular overlay in the center contains the text "~50.000 BPX members". The page features a search bar, navigation menu, and various content sections including "Business Process Expert Knowledge Center", "Business Process in Practice", and "Business Process Scenarios".



# Business in 2010 Will Be Adaptive

*By 2010, widespread industry trends will transform many of today's hard-wired value chains into flexible, adaptive business networks*

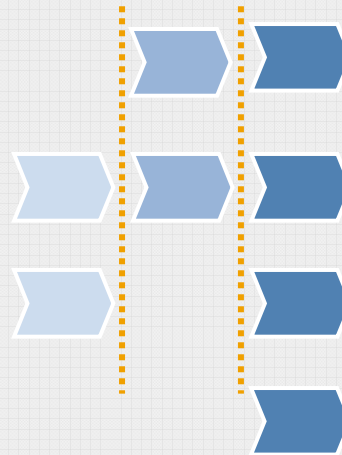
## Industry Trends:

- Continued Globalization
- Consolidation and Specialization
- Business Model Innovation

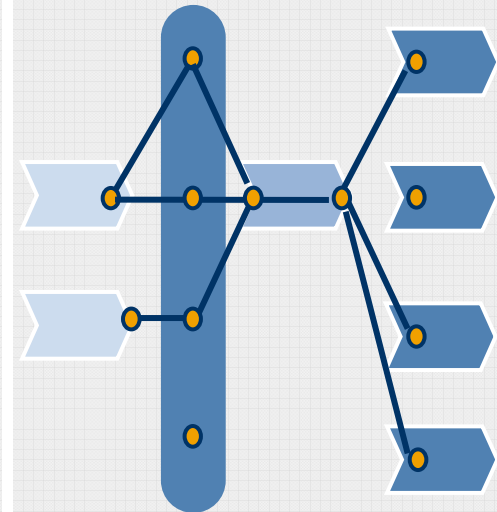
### HARD-WIRED VALUE CHAIN



### CONSOLIDATION & SPECIALIZATION



### ADAPTIVE BUSINESS NETWORKS

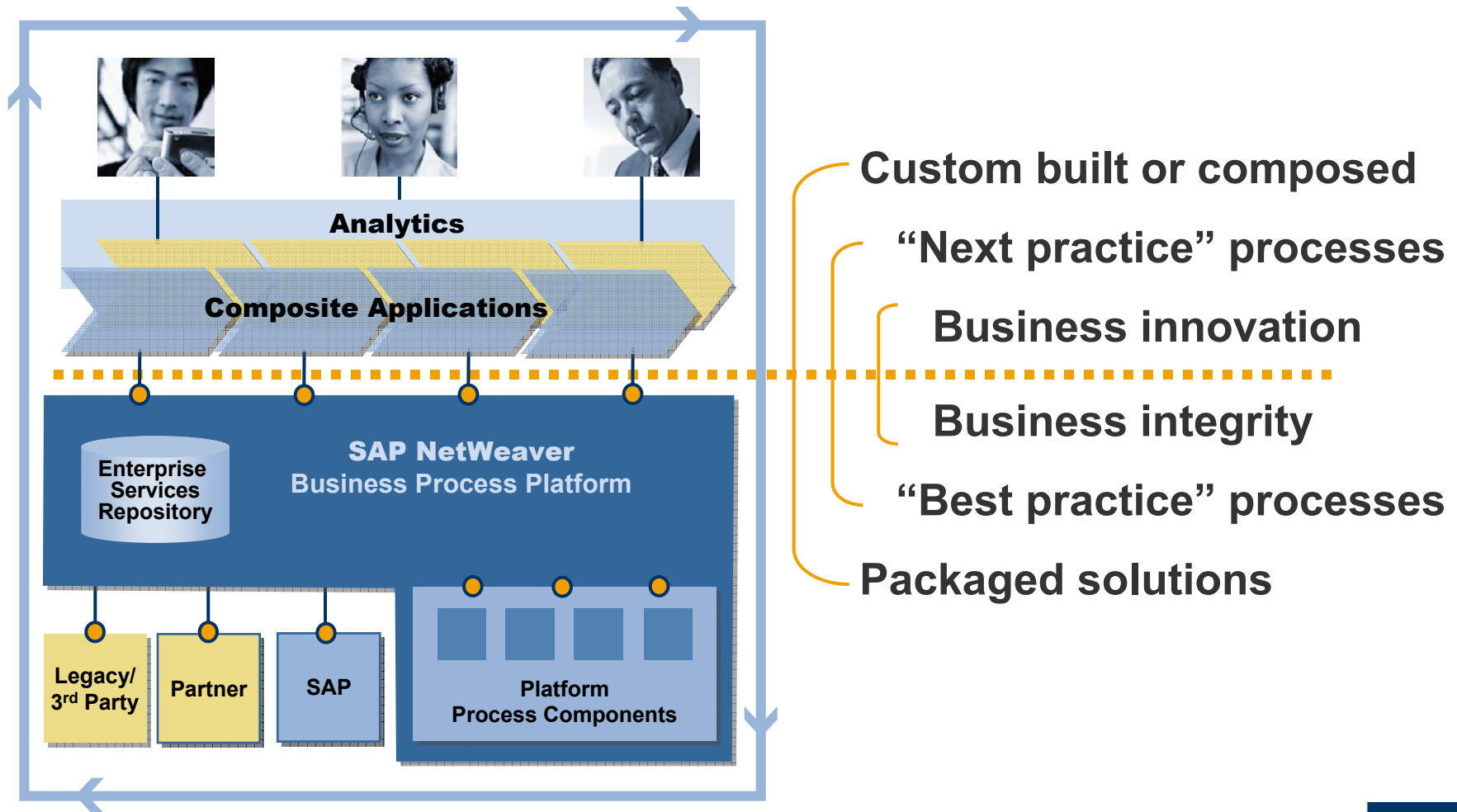


- Corporate governance effectiveness becoming key brand differentiator
- Retaining and empowering employees an increasing challenge

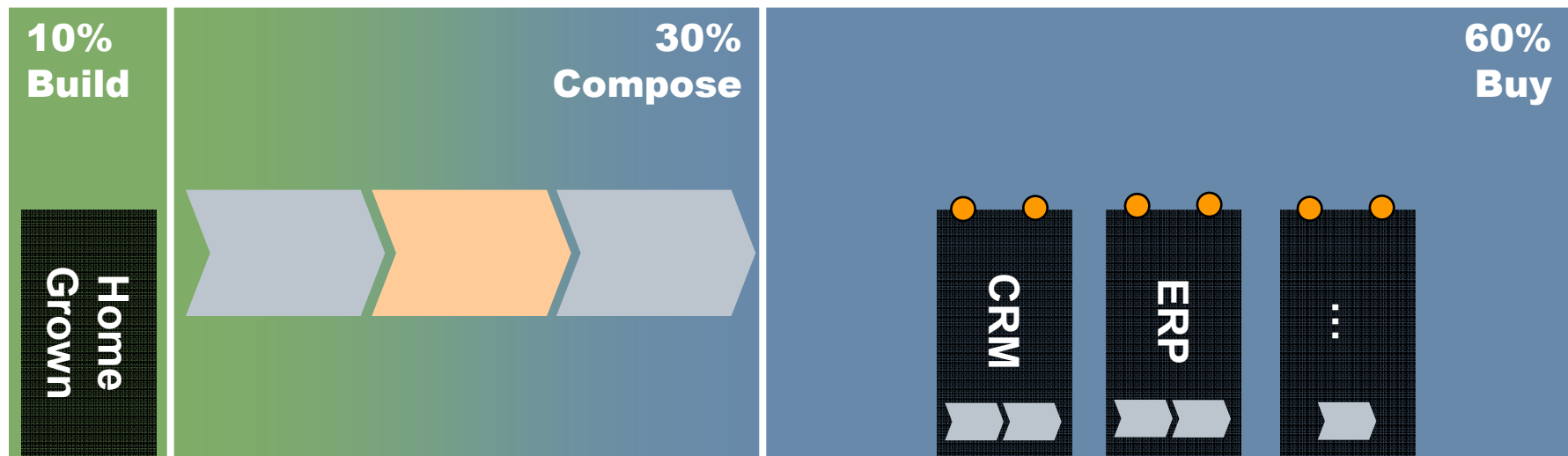
Source: Economist Intelligence Unit survey – Business in 2010

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# Turn your IT into an enabler of business flexibility



**At last you will be able to spend less on “keeping the lights on” and more on getting new things done**







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# Thank you

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