



Direct Energy®

Simple. Friendly. Direct.

SOA, Hard Times & Hockey

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“From Architecture Vision to Value Realization”



Direct
Energy™

Agenda

- Part I: Hockey (2 rules)**
- Part II: Basics (DE and DEAG)
SOA Landscape at DE
Illustration of Use**
- Part III: Hard Times Impact**

Part I - Hockey

aka: Who needs all their teeth anyway?



Direct Energy.

From “The Great One”

The First Rule:

“A good hockey player plays where the puck is. A great hockey player plays where the puck is going to be.”

Wayne Gretzky

Also From “The Great One”

The Second Rule

“You miss 100% of the shots you don't take.”

Wayne Gretzky

Part II – Service Oriented Architecture at DE

aka: Who needs all their teeth anyway?



Who is Direct Energy?

- In 9 years, we have grown to become one of the largest energy retailers in North America.
- Operations across Canada and the United States.
- Direct Energy delivered C\$9.2 billion (2008) of energy and related services to over five million residential and commercial customers.
- Worldwide, the Centrica group of companies provides energy and other services through more than 32M customer relationships, with over 30K employees.
- Certifications:
 - 15+ TOGAF
 - 3 ITAC (1 in place, 2 en route)

Contributors to Complexity

- Large organization
- Growth through M&A
- Rapid market change
- Increasing focus on regulatory and compliance



Contributors to Simplicity

- Well communicated (and thought out) vision
- Recognizable benefits and implementation
- Agreed to taxonomy

Enterprise Architecture Goals at DE

To coordinate our IS investments in a manner that results in a foundation architecture that becomes a flexible cost effective business enabler and eliminates the lag time from idea to execution.



SOA communication at DE



SOA

Audience:
 IS Managers,
 Senior Business
 Architects

Goal:
 Introduce basic SOA
 concepts and DE SOA
 strategy

Ask:
 Understand concepts,
 participate actively
 and apply to practice
 areas. Identify
 candidate systems
 opportunities.

SOA Guide for Business
 Stakeholders

Audience:
 Business
 Management,
 Business Analysts,
 Business Architects

Goal:
 Introduce basic SOA
 concepts, DE SOA
 strategy/ and
 business impact

Ask:
 Understand concepts
 and apply to
 business practice
 areas. Identify
 candidate business
 opportunities.



Audience:
 Senior Development
 and Support Staff,
 Solution Architects

Goal:
 Introduce basic SOA
 concepts, DE SOA
 strategy, support and
 development impact

Ask:
 Understand concepts
 and apply to
 development
 practice and support
 practice



What is the problem we're trying to solve?

- Direct Energy's business application environments have become fragmented, with disparate technologies and redundant applications resulting in higher operational costs, lower flexibility of response to business and market changes and higher risk.



What is SOA? (Simple, Friendly, Direct.)

- Service Oriented Architecture (**SOA**) **provides an architectural style** that:
 - attains agility in the systems development/acquisition life cycle and reduces the overall cost to serve.
 - simplifies the use and re-use of capabilities
- With SOA, **current and future capabilities** are structured to enable quick identification in order to **avoid duplication** across different areas of the organization.
- Success involves the **standardizing** of **behavior** and **interoperation** of services.



SOA Strategy at DE

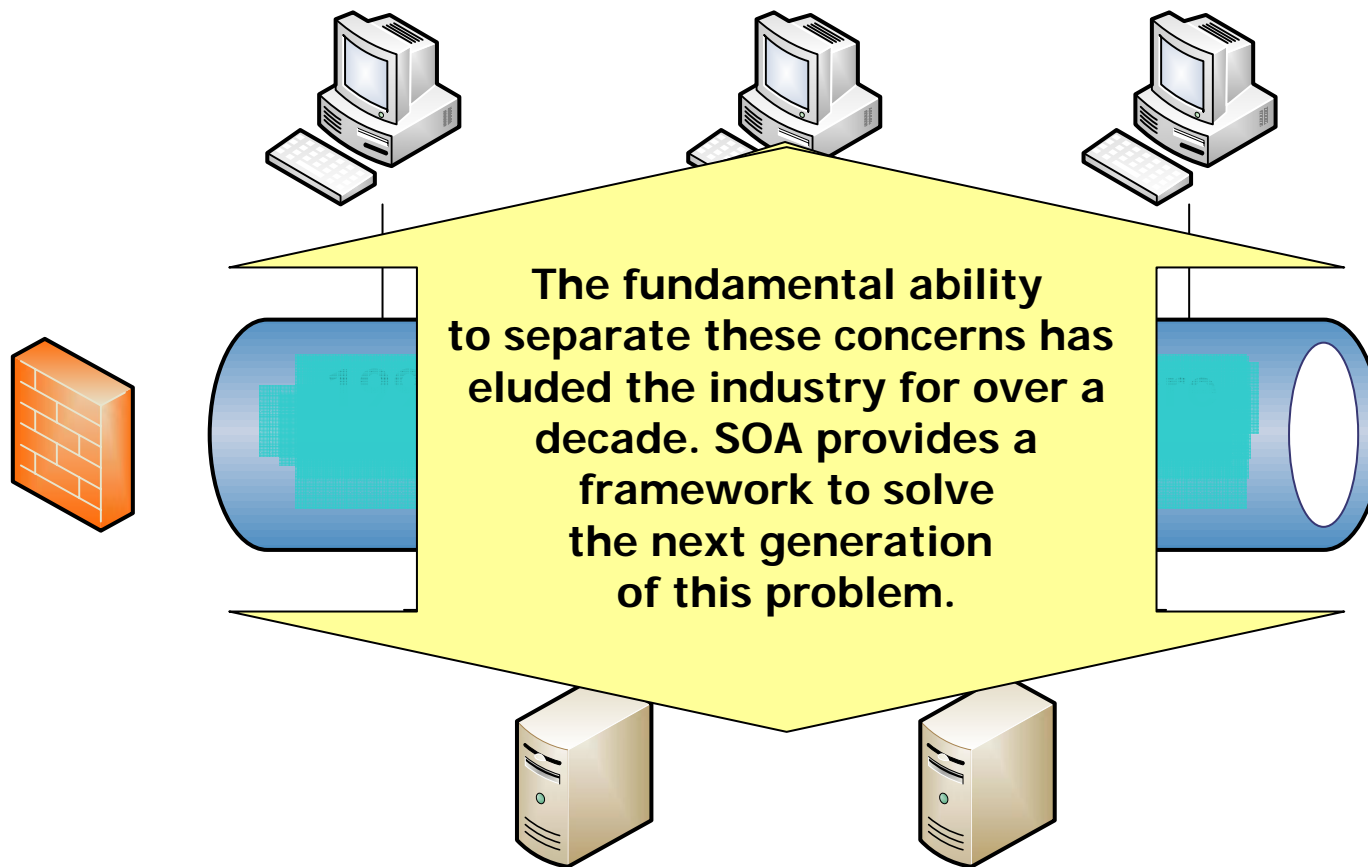
- Objective:
 - Simplify the information technology and development landscape using the “Simple, Friendly, Direct” principles.

- Approach:
 - Identify and execute the SOA program elements including:
 - SOA governance
 - SOA repository structure
 - short/long term SOA candidates.
 - Solidify SOA technical and development landscape including:
 - service inventory
 - SOA development standards.

SOA Strategy at DE - Benefits

- Reduced Costs:
 - Don't pay to rebuild what you already have.
- Faster Time to Market:
 - Faster Development.
 - Faster Implementation.
 - Faster Support ramp up.
- Higher Quality:
 - Gradual improvements over time.
 - Everyone benefits from all improvements.

Neither SOA nor the problem are new !!!!

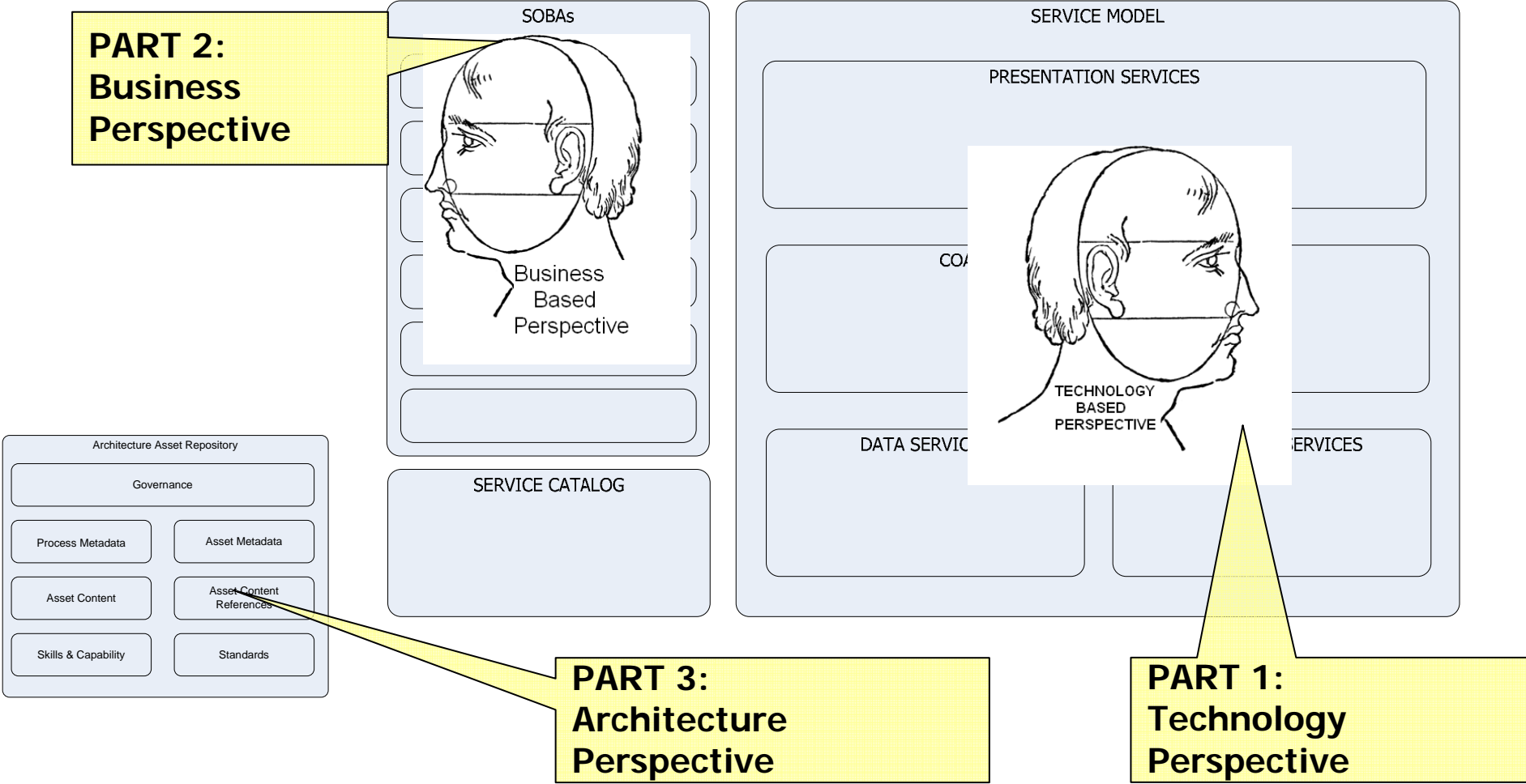


Two Perspectives (+1)

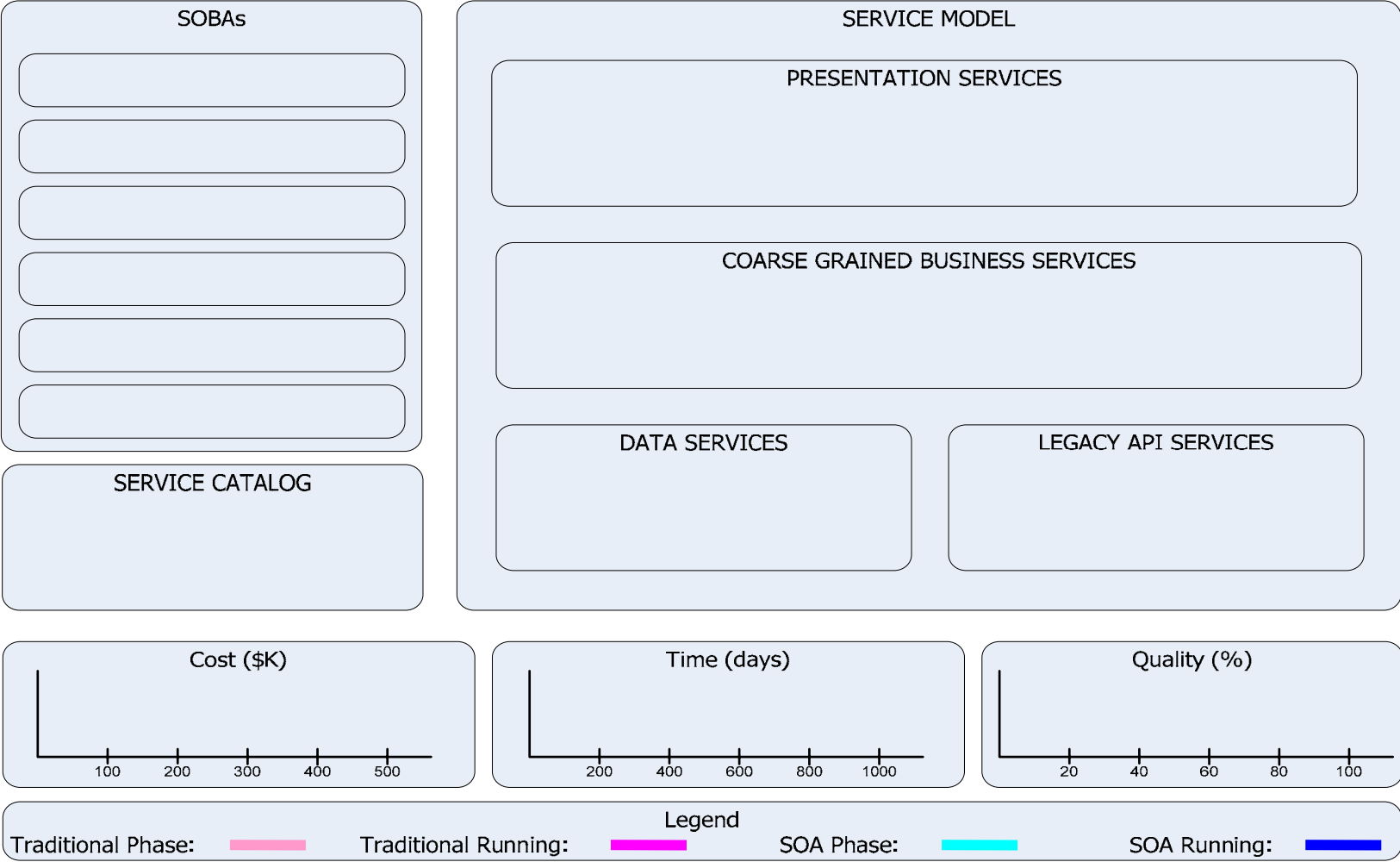
- The business perspective is that of a business led SOA community:
 - evaluates SOA as a business opportunity
 - looks at how business can be restructured to gain from more flexible, agile, and open IT solutions.
- Rather than addressing challenges of software engineering, the business-led SOA community focuses on issues such as:
 - sharing of business capability
 - sourcing of business capability
 - exposure of business capabilities to new audiences and channels.
- The technology perspective is that of software development community.
- SOA focuses on structuring applications in a way that:
 - facilitates system flexibility and agility
 - break down traditional application silos into portfolios of more granular services
 - extract commodity capability into a virtualized infrastructure platform of shared re-usable utility services.



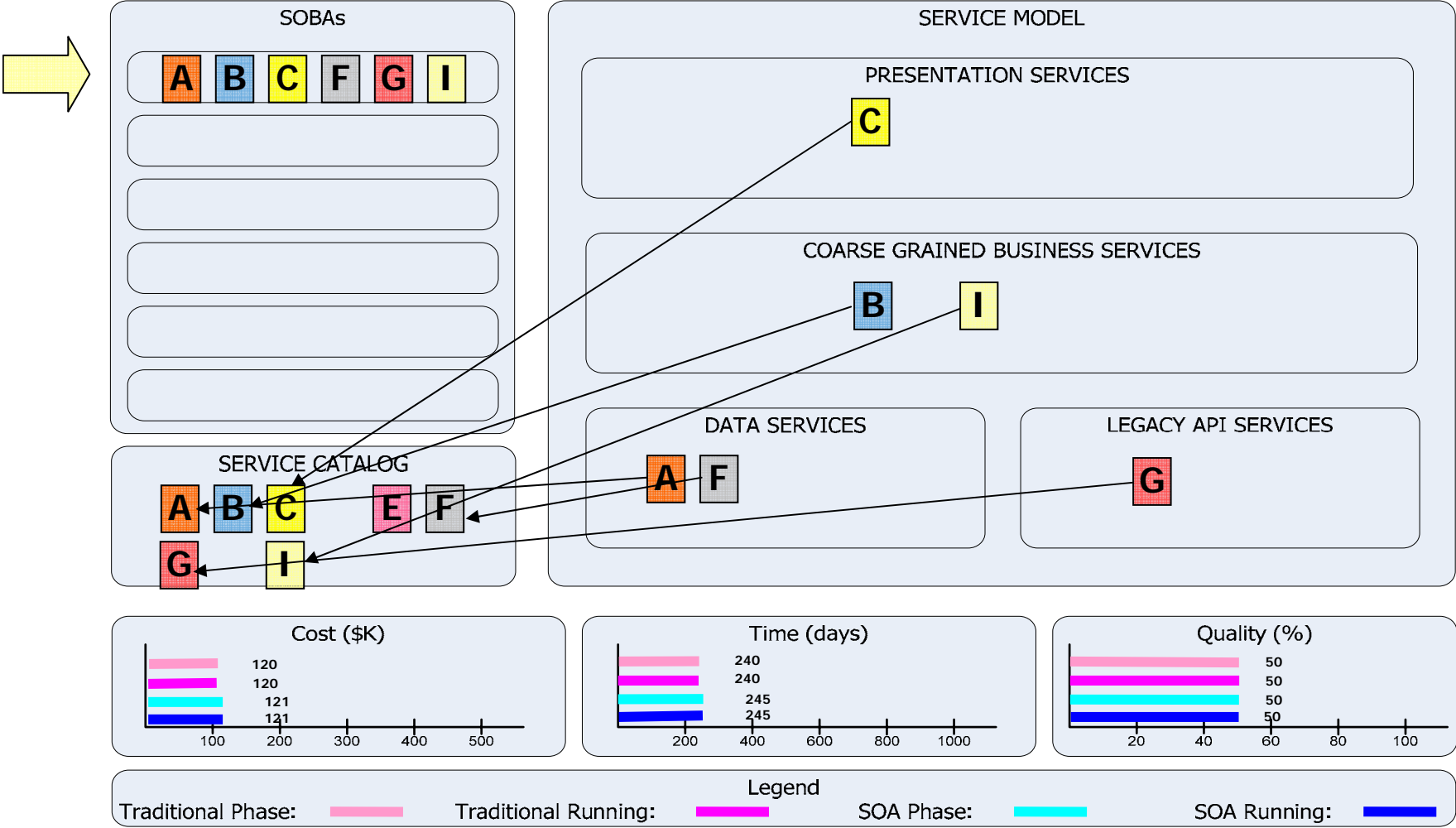
SOA Implementation Landscape



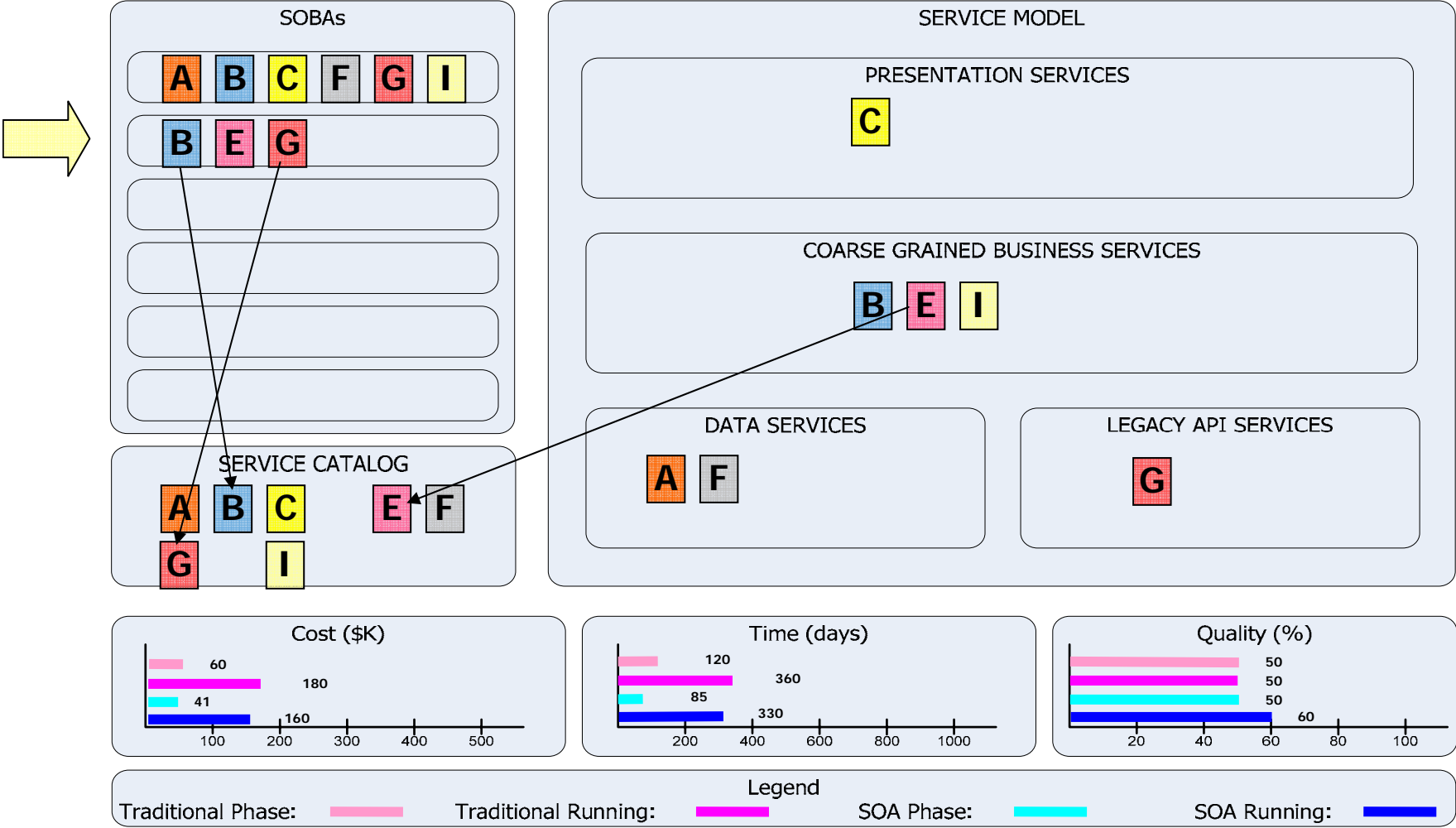
Phase 0



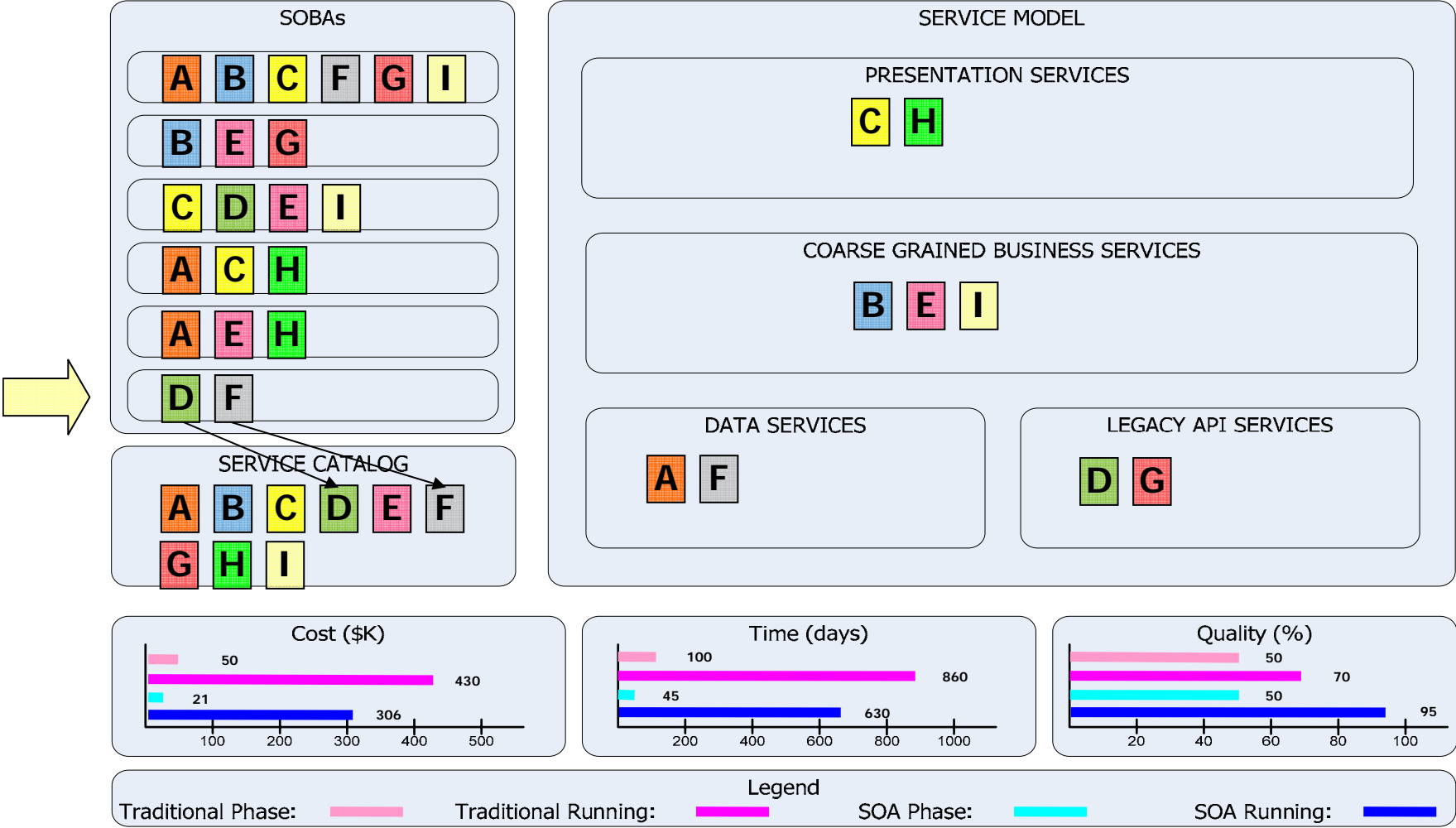
Phase 1 (First SOBA – A,B,C,F,G,I – all new)

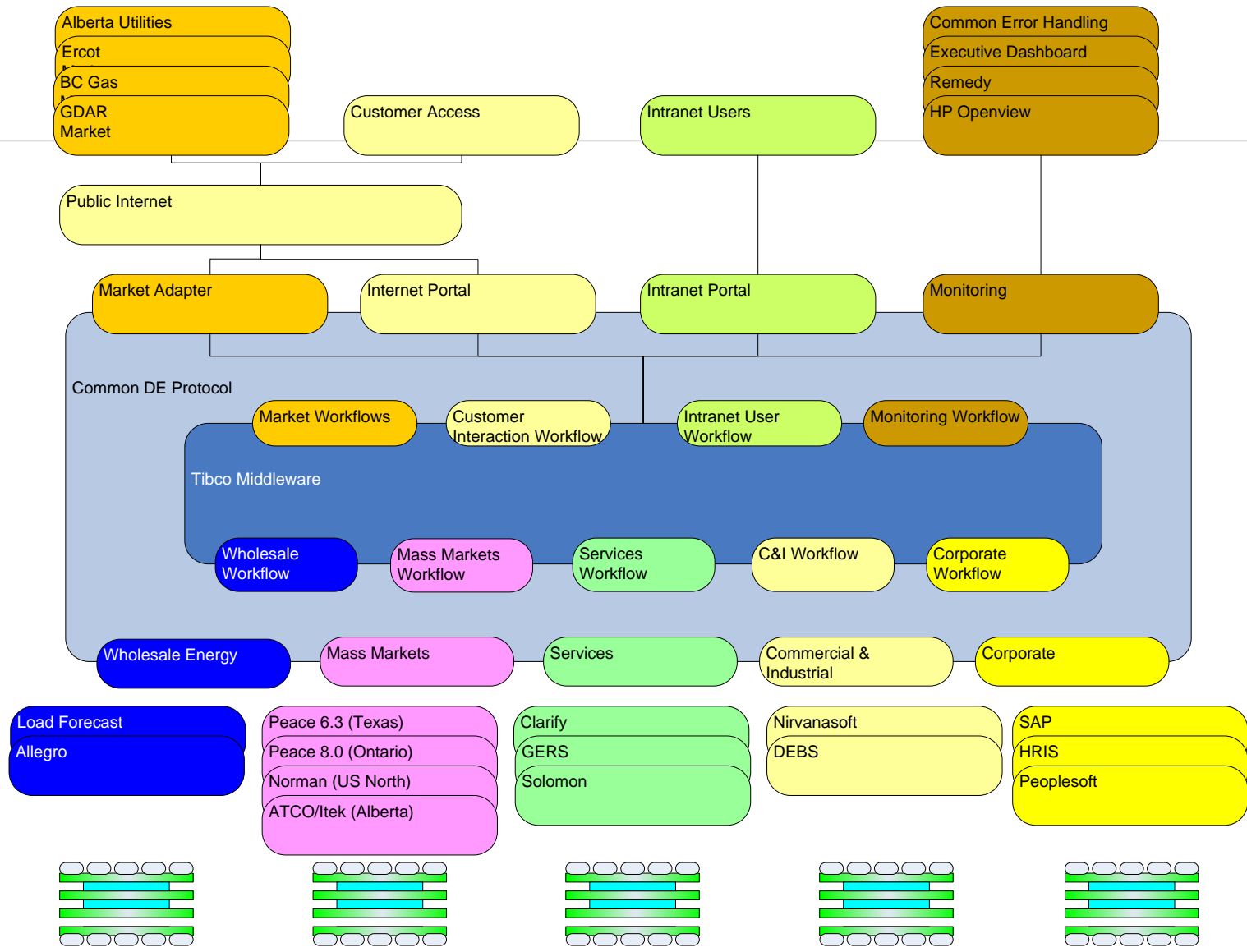


Phase 2 (Next SOBA – B,E,G – E is new)



Phase 6 (Next SOBA – D,F – nothing new)





Part III – Hard Times

aka: Who needs all their teeth anyway?



Hard Times Impact at DE IS

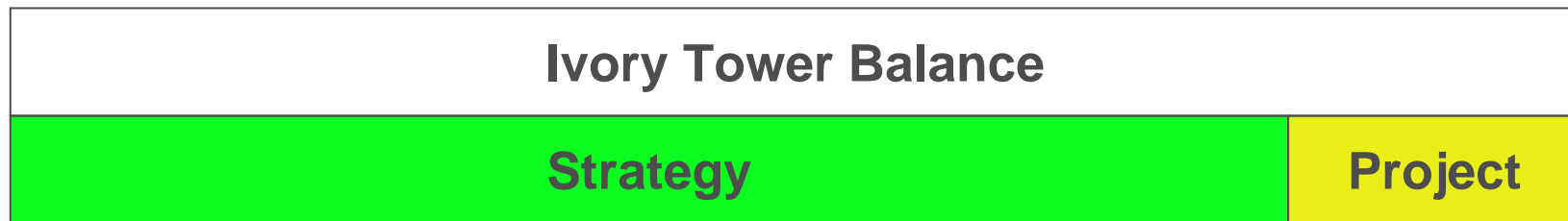
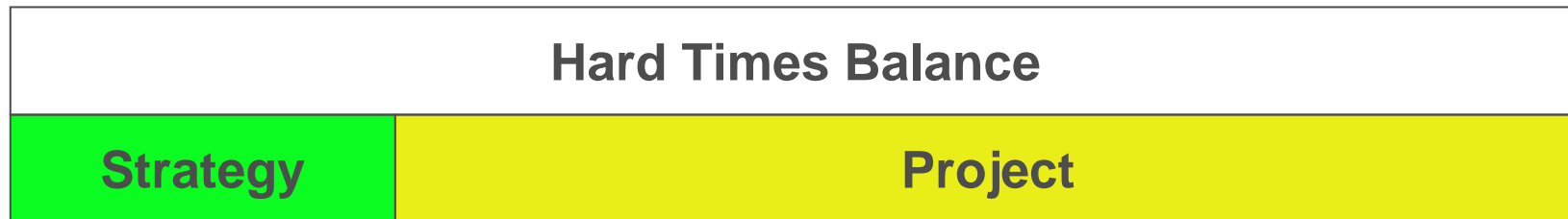
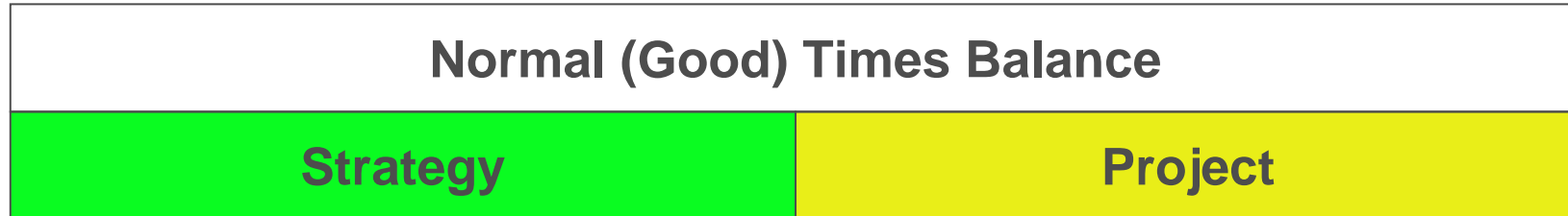
- Our customers are struggling.
- Our business partners are tightening their belts.
 - 70% reduction in IS capital spending (Jan 08 vs Jan 09)
 - Some shift to operational spending
- Core IS staff reductions (15% to 20%).
- Higher technology risk profile:
 - Less support staff (with DE and our vendors).
 - Pushing technologies past their “safe” retirement age.
 - Volatile market conditions.
 - Increased likelihood of fraud/crime.

Hard times culture

Propositi tenax: tenacity of purpose

The tenets of architecture in the context of SOA provide the tools to survive and thrive in hard-times.

Street Level Strategic vs Project Focus



Enterprise Architecture Goals at DE In Hard Times

To coordinate our IS investments in a manner that results in a foundation architecture that becomes a flexible cost effective business enabler and **eliminates the lag time from idea to execution.**

The focus shifts to business optimization. (But strategic focus is still essential to enable long term viability)

Lessons Learned at DE

- Determine ownership and controls early
- Keep the big picture in mind (strategy, development, support)
- Understand granularity
- Hone modeling, logical and physical design skills
- Imbed comprehensive testing and monitoring in from the beginning
- Don't depend on tools to get the whole job done
- SOA does NOT mean rebuild everything
- Define an extensible service repository
- Governance, governance, governance
- Don't get lost in the headlines

Questions?



Credits & Thanks

- The Open Group
- QRS
- Infotech
- ZapThink
- MIT/CISR
- Forrester
- Gartner
- Direct Energy Architecture Group