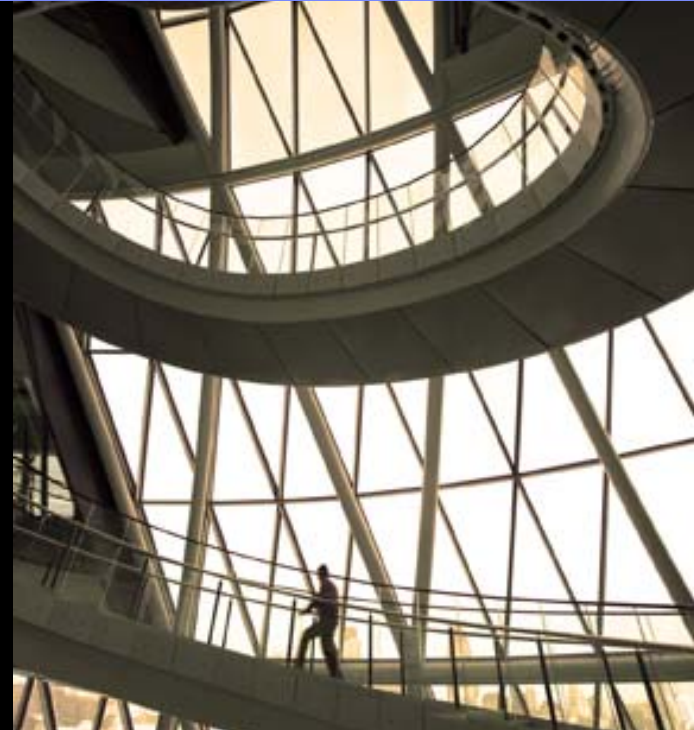




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Business Architecture ...is it your weakest link?

Paul Homan – Enterprise Architect



My Background

- IBM
 - Enterprise Architect / Technology Strategy Consultant
- Royal Mail & Post Office
 - Chief Architect
- TOGAF
 - Past Executive Committee member,
 - Past & present contributor

- Enterprise Architecting – for approx 10 years, previously as an end user & now as a consultant....hence I've not only done EA... but I've lived with it!
...and I have the scars to prove it too!

Purpose of this session

- Audience
 - Aimed at the practitioner
 - Those who have to create and use a Business Architecture

- Objective
 - Aimed at providing some guidance and useful tips for creating Business Architectures
 - Aimed at providing some ideas as to how to use Business Architectures

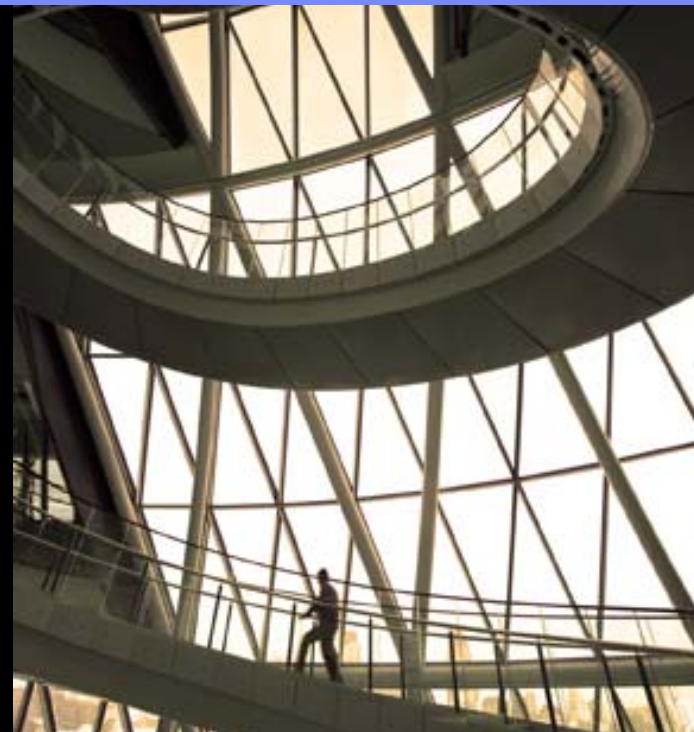
Presentation Contents

- Background / Context / Positioning
- How to develop a Business Architecture
- Engaging the Business
- Using your Business Architecture
- Top Tips & Take Aways



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Background/ Context/ Positioning

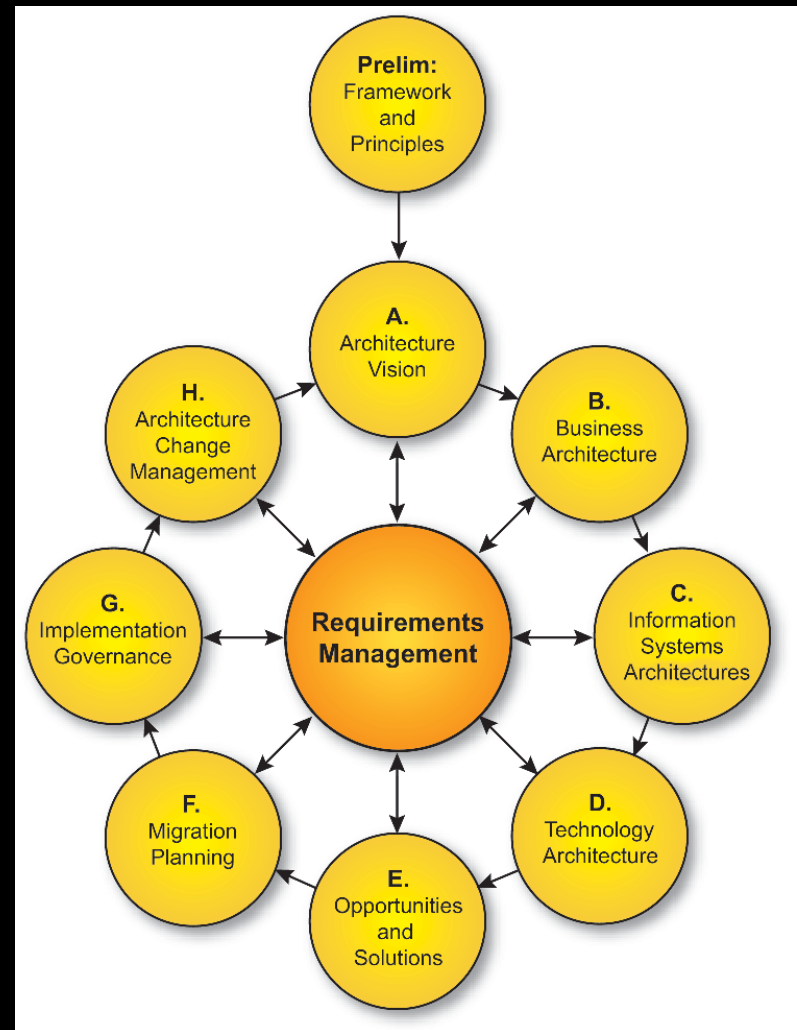


What is BA in this session?

- Business Architecture has many interpretations and meanings, but ultimately it depends upon what you need it for.
- In this session, I will illustrate how I position BA within EA in order to achieve and deliver specific objectives.
- These are not exclusive or exhaustive uses of BA, but they are proven and practical – and ones I would continue to advocate, especially to organisations with limited experience/ background in formal BA.

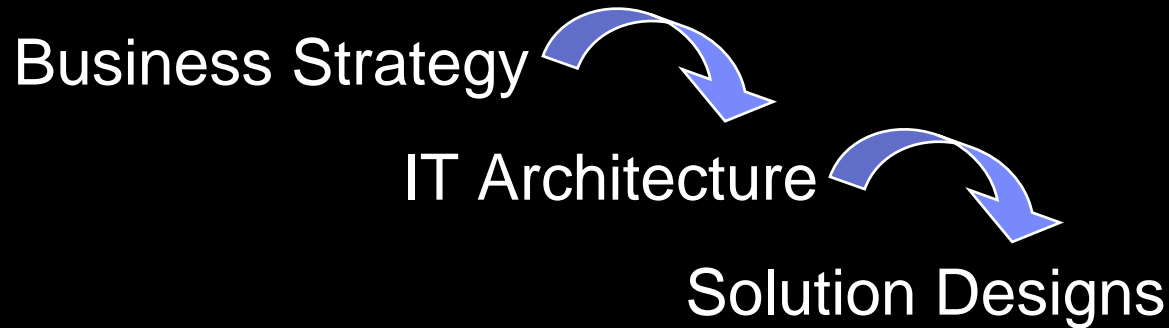
TOGAF

- In TOGAF v9 and before, Business Architecture is developed mostly through the Business Architecture phase in the ADM.
- As such, it is a key component in the overall Enterprise Architecture, and is represented as a distinct layer in the Content Framework.
- However, exactly what it is and what it looks like is still very much dependent upon the specific implementation.

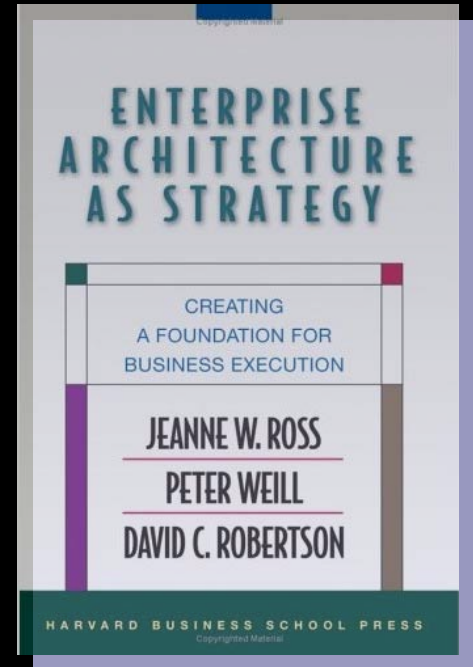


MIT delivered a study on “EA as Strategy”

Essentially, the issue has always been around Business Alignment, and the ‘Strategy Waterfall’ of



(& that never happens).



<http://mitsloan.mit.edu/cisr>

Source: *Architecture as Strategy: Creating a Foundation for Business Execution*, J. Ross, P. Weill, D. Robertson, HBS Press, July 2006.

Ring any bells?

So we started working on understanding the business strategy, and what we discovered in that process is, they really didn't have a business strategy. What they had were a lot of promises. We are going to grow. We are going to use branding. We are going to run our plants more effectively. We are going to increase our volume, but they hadn't figured out exactly how they were going to do it. And what I said was: it is very difficult for me to write an IT strategy to support your business strategy when you don't have that defined.

—IT Architect, Global Manufacturing Firm

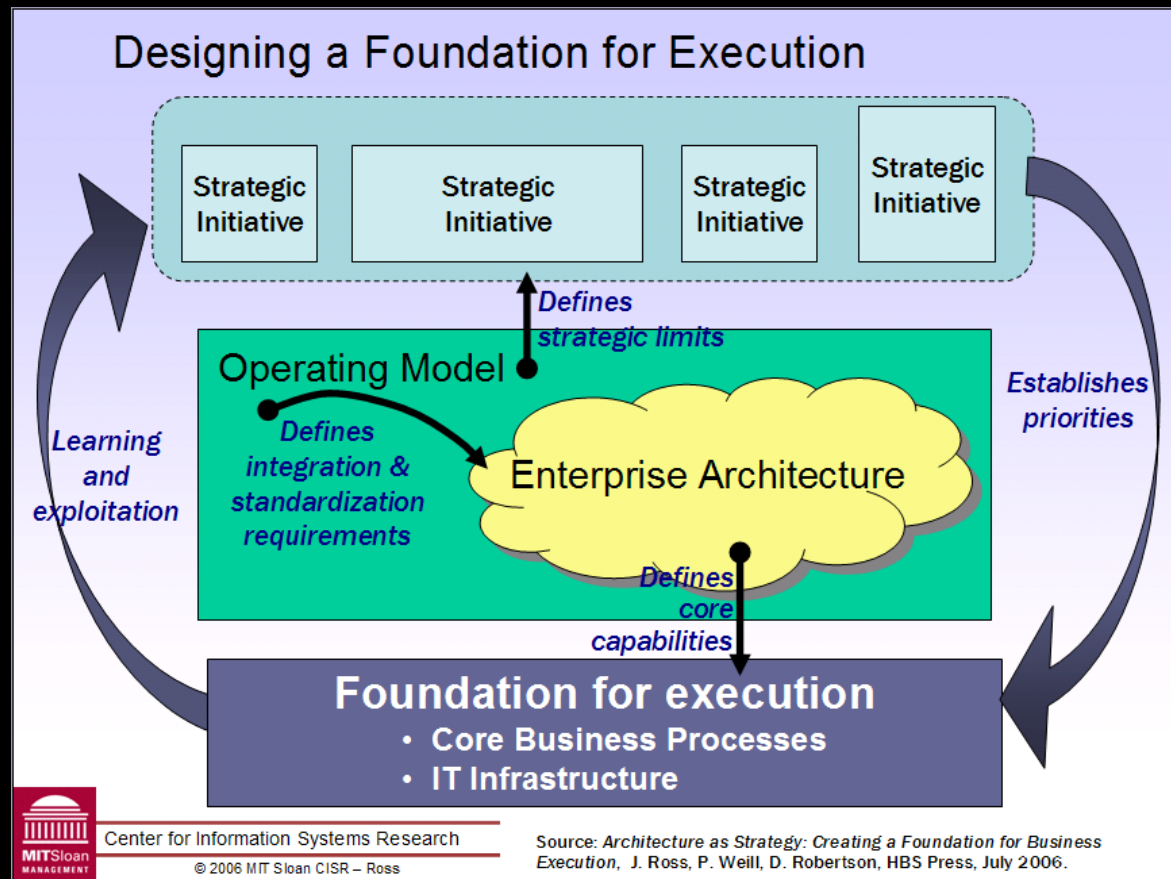
Source: *Architecture as Strategy: Creating a Foundation for Business Execution*, J. Ross, P. Weill, D. Robertson, HBS Press, July 2006.

So the answer?

MIT identified that Enterprise Architecture sits in the middle working both ways – directing Solution Designs through the ‘Foundation for Execution’ and informing Business Strategy through defining its capabilities and limits...

...or in other words...

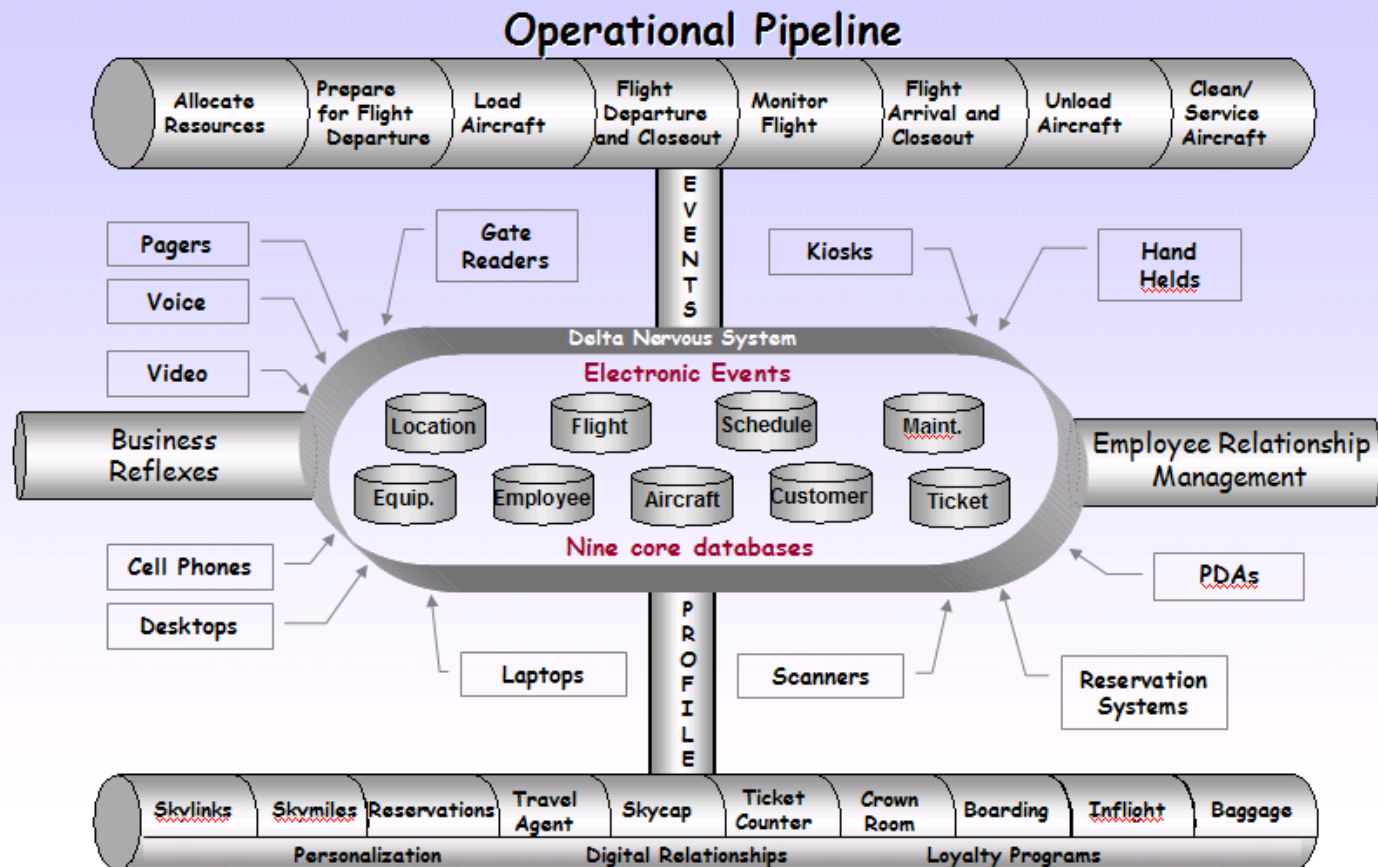
Business Architecture!



So what does that mean?

- If we look at the purpose of our Business Architecture, this view sets out that what we need is something that reflects that Operating Model, defining core business capabilities and helping inform strategy by understanding constraints.
- Let me show you some examples from that MIT study that organisations have used, as well as some from IBM's methods and experiences.
- I will let you consider whether they fit a standard purpose/ definition of BA; and whether that is really an issue?

Delta's Unification Model

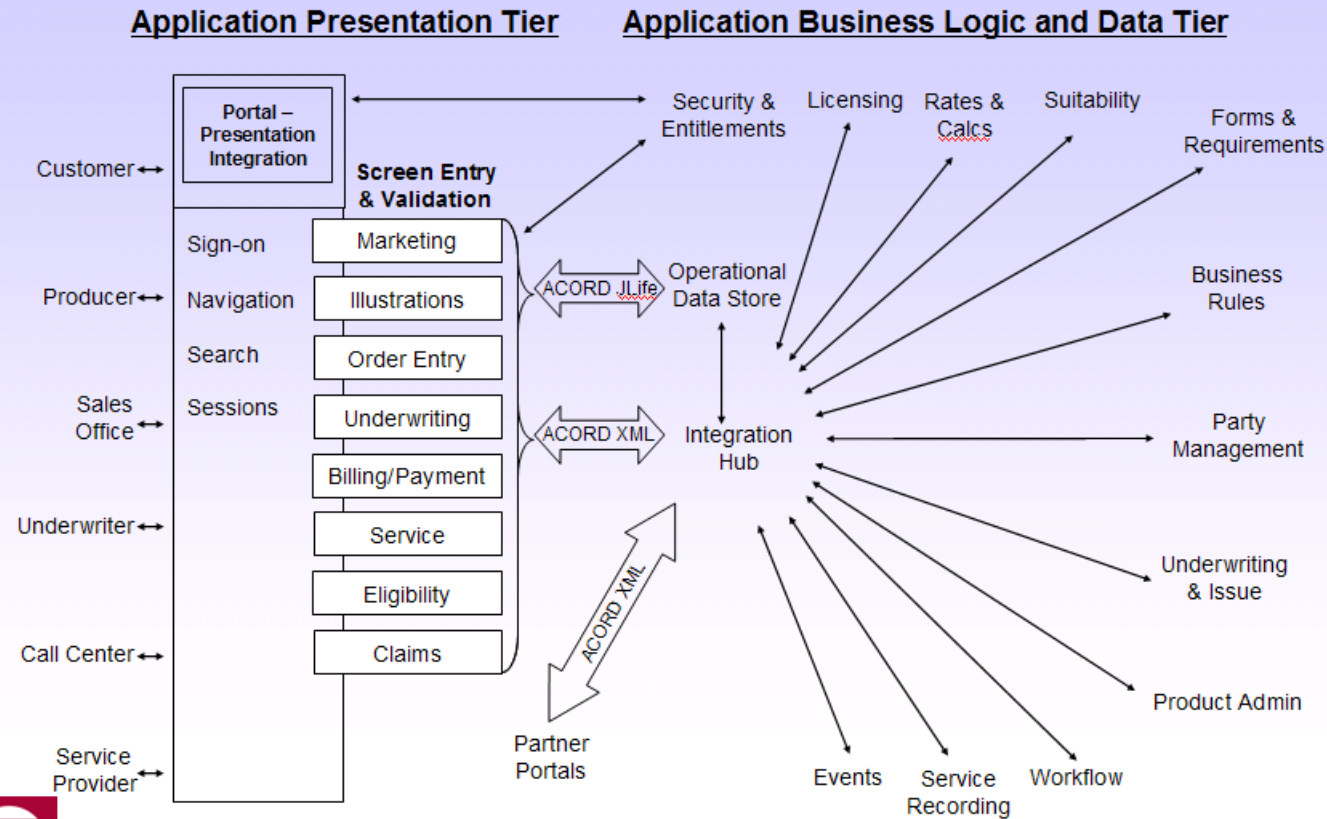


Center for Information Systems Research

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Source: Adapted from Delta Air Lines documents - used with permission.

MetLife's Coordination Model

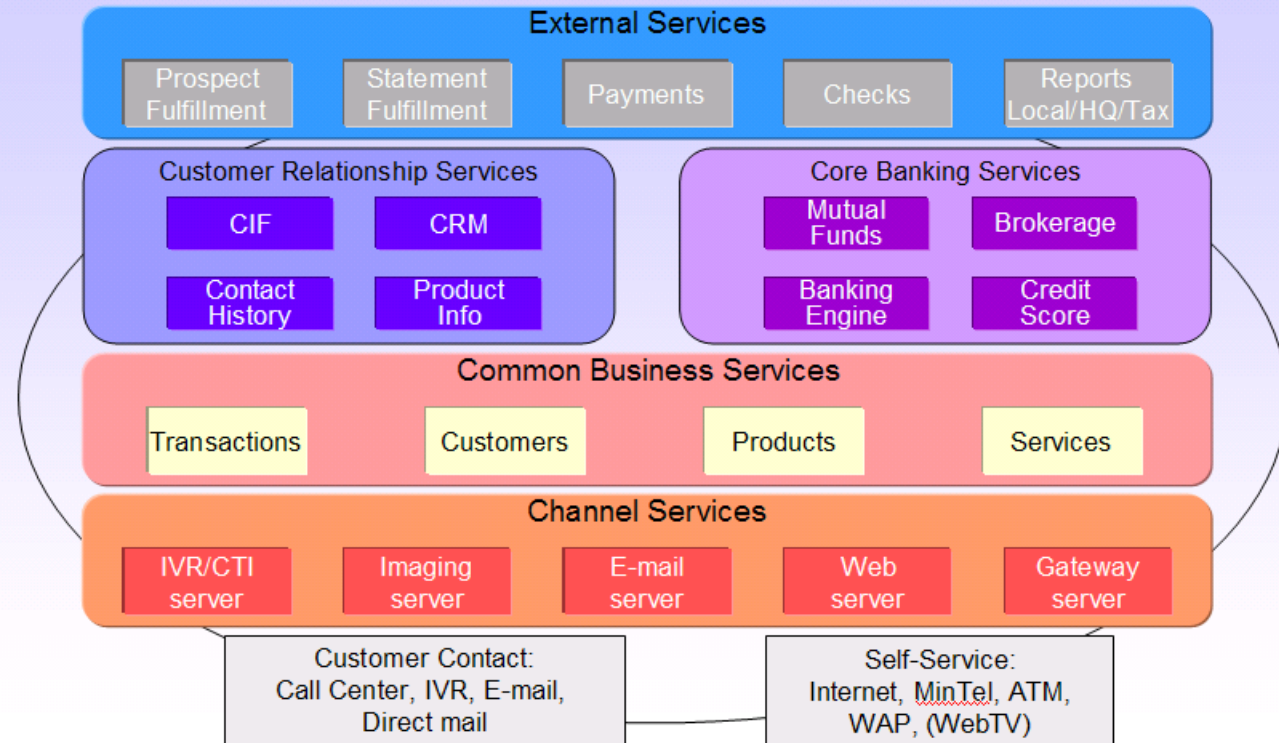


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Source: Adapted from MetLife documents - used with permission.

ING DIRECT's Replication Model



Center for Information Systems Research

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Source: Robertson, D. "ING DIRECT: The IT Challenge (B)", 2003, IMD-3-1345. Used with permission.

Business Component Models

	Business Administration	Product Management	Acquisitions	Customer Portfolio Management	Customer Service and Sales	Product Operations	Customer Accounting	Financial Management	
Planning & Analysis	Business Planning	Sector Marketing Plans	Acquisition Planning and Oversight	Customer Portfolio and Analysis	Customer Servicing and Sales Planning	Product Operations Management	Customer Accounting Policies	Risk Management	
	Business Architecture	Managing Products		Credit and Risk Management					
Checks & Controls	Business Unit Administration	Product Development and Deployment	Target Lists (Prospecting)	Application Processing	Case Handling	Operations Administration	Reconciliations	Securitization	
	Manage Alliance Relationships			Customer Behavior Decisioning	Service/ Sales Administration			Financial Control	
	Policy & Procedure Manuals								
	HR Management								
Execution	Administer Alliance SLAs	Marketing	Campaign Execution	Customer Profile	Sales and Cross-Sell	Authorizations	Billing	Treasury	
	Audit/ QA/ Legal				Marketing	Customer Profile	Financial Capture	Payments	Financial Consolidation
	Facilities	Market Research	Campaign Execution	Contact/ Event History	Servicing (Dialogue Handler)	Product Processing	Customer Account	Collections and Recovery	
	Develop and Operate Systems			Marketing					Correspondence
	Accounting and G/L	Product Directory			Smart Routing	Inventory Management	Merchant Operations		

Airline Component Business Map

	Business Administration	Product Management	Customer Sales & Service	Airport Services	Aircraft Maintenance	Flight Operations	Business Partner Mgmt	Cargo Services
Direct	Corporate Strategy	Brand Management	Customer Relationship Planning	Manpower Planning	Maintenance Strategy	Flight Planning	Alliance Strategy	Cargo Strategy
	Business Unit Planning	Product Development*	Distribution Strategy	Slot Management	Mid - long term Maintenance Scheduling		Partner Development	Cargo Product Development
	Financial Planning	Loyalty Program Development	Account Strategy		Engineering Configuration		JV & Product Development	
Control		Network Planning	Sales Forecasting		Material Forecasting & Planning			
	Business Performance Mgmt	Pricing & Revenue Mgmt	Channel Tracking	Manpower Scheduling & Assignment	Maintenance Planning & Scheduling	Aircraft Assignment	Partner Value Tracking	Cargo Revenue Management
	Program Management & Tracking	Market Tracking	Sales Tracking	Gate Assignment	Manpower Planning	Crew Administration	Alliance Value Tracking	Cargo Network & Scheduling
	Legal	Market Research Oversight	Loyalty Program Administration	Station Operational Performance	Technical Publications Management	Flight Monitoring		
	Human Resources Management	Campaign Administration		Station Resource Management	Material Supply / Demand Planning	Operational Performance		
	Assets & Facilities				Ground Support Equipment Management	System Resource Management		
Execute	Tax, Treasury & Risk Management							
	Systems*	Product Implementation	Call Center Reservations	Check-in	Engineering Design	Flight Execution	COO/RO/CSO Administration	Freight Sales
	External Relations*	Marketing Communications	Web Direct Reservations	Passenger Departure / Arrival Control	Material Logistics	Flight Services	Revenue Sharing Administration	Cargo Operations
	Indirect Procurement		Sales Execution	Catering	Aircraft Heavy Maintenance	Flight Reporting		Billing & Collections
	Revenue Accounting		Fulfillment / Reporting	Cabin Cleaning	Aircraft Line Maintenance			Cargo Accounting
	Corporate Accounting		CVA Administration	Planeside Services	Component Repair & Overhaul			Customer Service
	Corporate Communications		Customer Relations	Baggage Handling	Engine Repair & Overhaul			
	Human Resources Administration			Lounge Services	GSE Repair & Overhaul			

Insurance Business Capability Model

Business Capability Model - Insurance Platform

STRATEGIC ENTERPRISE MANAGEMENT

ANALYTICS



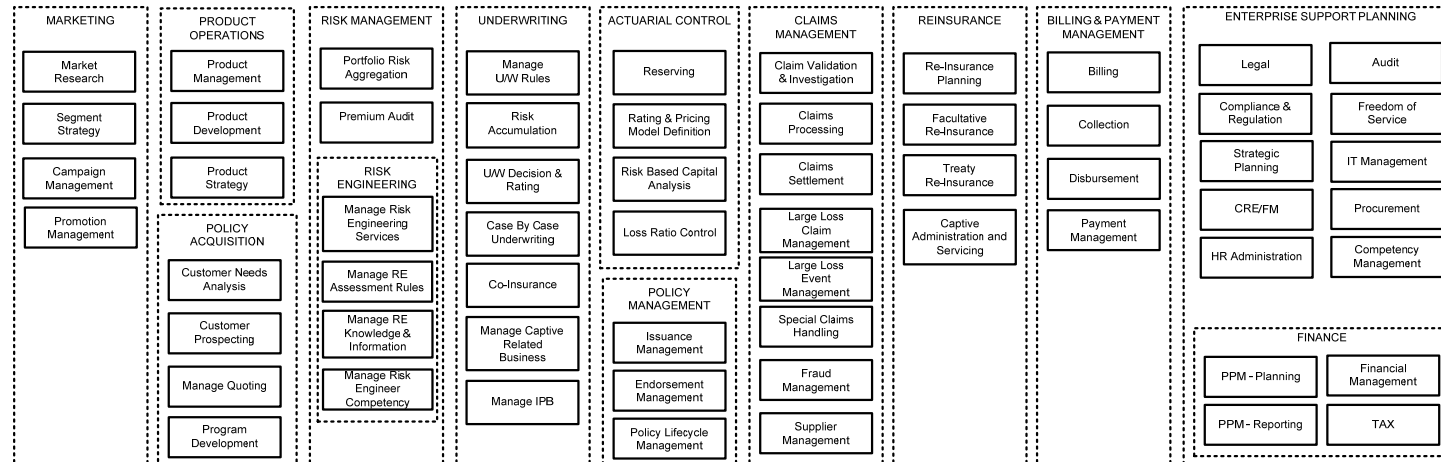
CUSTOMER RELATIONSHIP MANAGEMENT



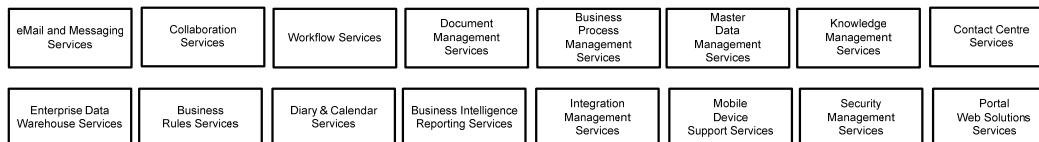
CHANNEL MANAGEMENT



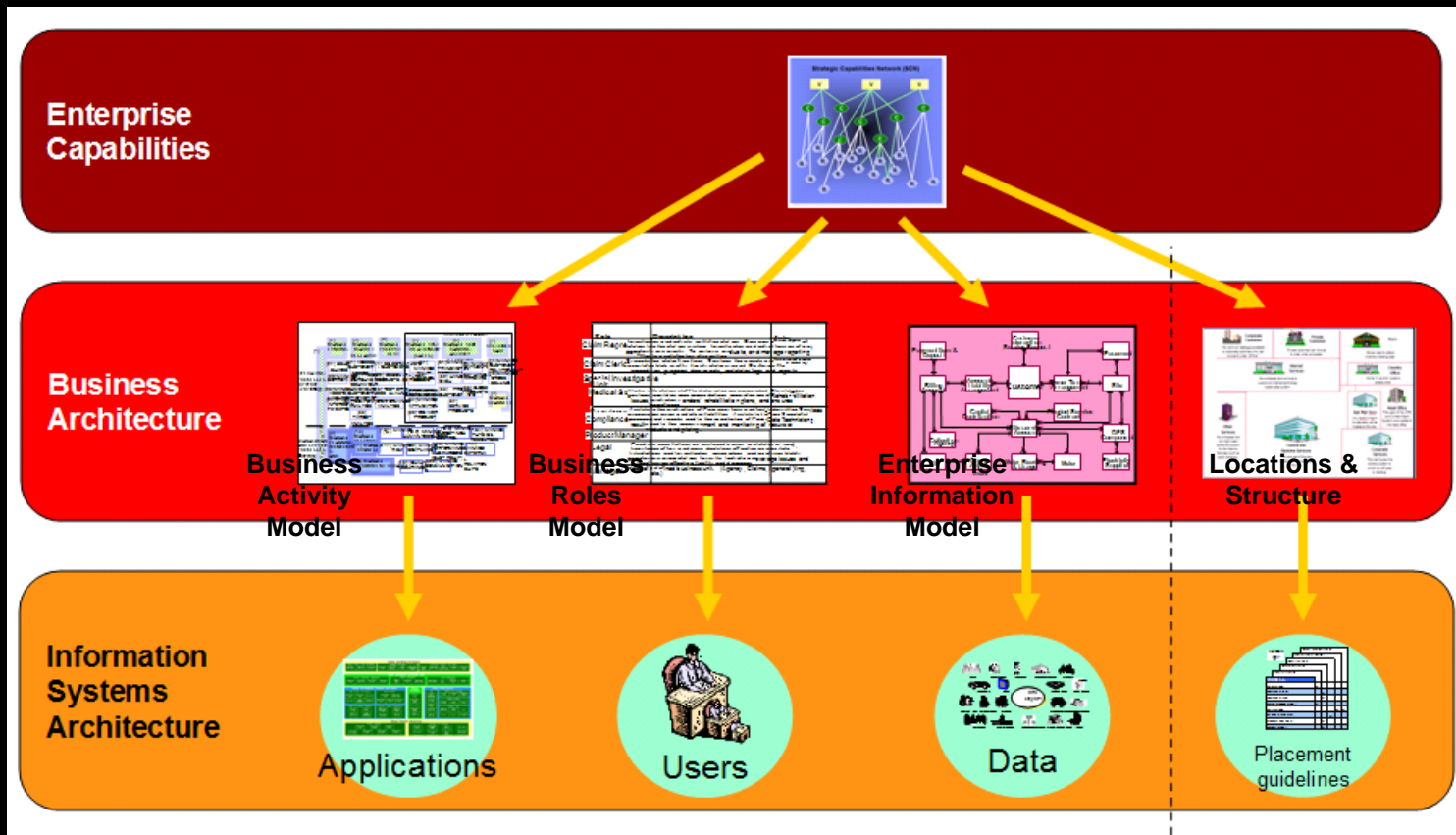
INSURANCE BUSINESS APPLICATIONS



INFRASTRUCTURE APPLICATIONS



Alternative perspective through Architecture Layers





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How to develop a Business Architecture



Golden Rules to BA development

1. Ensure you have Business Engagement
2. Set out and understand purpose (and keep tightly to it)

These first two are covered in later sections of this session.

3. Work out what to do about ownership
4. Start simple – with modest ambitions
5. Work out coverage & scope, limit your views.

Ownership

- This is often an area of IT vs Business – shouldn't be!
- From an IT perspective, simply 'Hold a mirror up'
- It is in its most basic form, an IT view on the business – and as such it is used to guide the design and build of IT systems
- Work out the purpose of having a BA
- Work out who the initial (limited) audience for the BA is
- Don't try and be the definitive authority...

Start simple

- Modest ambitions
- Look for re-use
- Are there any areas of the business that have documented/ modelled their processes/ activities/ services for reasons such as:
 - Regulation
 - LEAN/ 6 Sigma
 - Merger/ Acquisition activities
 - ABC – costing
 - Remuneration
- Use industry standard models such as IIA

Scope & Coverage

- Processes OR components OR activities...
- Locations, roles, information...
- Consider what you need to cover...
 - all LoBs?
 - ‘Normal’ only – no variations
 - Non exception / straight through only

How I do it/ have done it...

- Preferably/ Ideally – always start with something the business is already familiar with. This ensures discussions are about content rather than shapes, legends, colouring or positioning.
- Pick a view (one) and go top down.
- Don't try and make it a 'ninja test' on how much you can prove you know about the business – try and get the 'shape' across simply and effectively without it looking like a technical picture
- It is not essential to get all the boundaries right first time, or indeed to drive consistent granularity – this can only be arrived at through iterative feedback and dialogue with owners/ users.

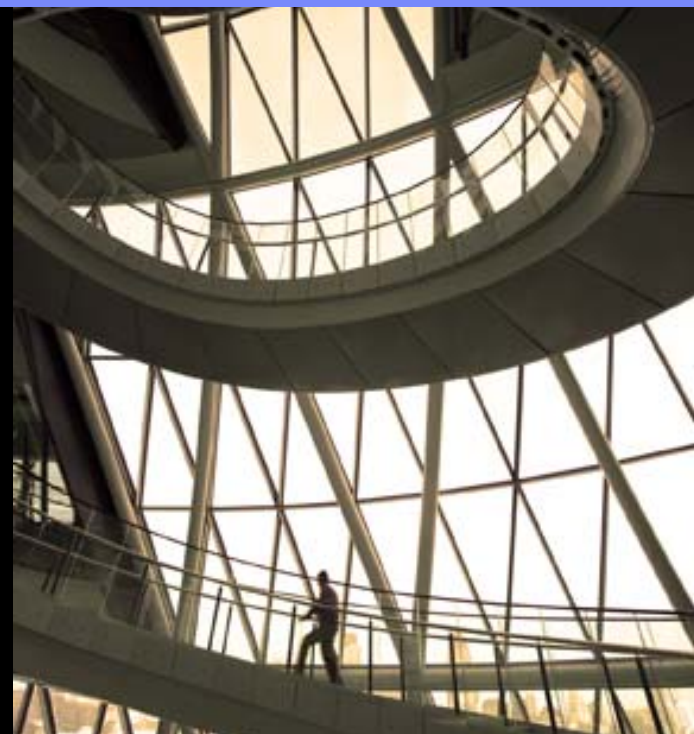
Few Observations on BA development

- Take care to keep scope tight as there can be huge amounts of information involved otherwise
- It is typically a domain which is outside our initial (*personal) comfort zones if we come from an IT background
- Far too easy to get sucked into mapping the world
- Need to understand what is 'sufficient' information for the purpose. E.g. if focussing on upstream only, the contents should remain quite abstracted.
- But also depends on context – organisations 'risk' approach/ resource limitations etc
- Remember that it will only be worthwhile if you are (a) going to use it, (b) it will still be current when you do, and (c) it reflects majority and norm
- And when thinking about use... who is going to use it – language & focus
- Take great care with the Terminology (e.g. Enterprise Continuum)
- Don't underestimate contingent knowledge. Just because it is obvious to you – doesn't mean it is wrong or worthless.



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Engaging the Business



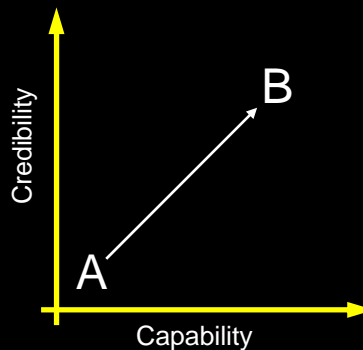
Key areas to engaging the Business

- Take care... !
 - There can be lots of info... don't show it all!!
 - Language
 - Don't adopt the position that "You must love it 'cos its beautiful & I put a lot of effort in drawing it"

- Remember it is NOT the BA itself that is important - its what it allows you to talk / engage about – key issues or future changes/ opportunities etc

- Credibility
 - Marketing/ PR

- Reciprocity
 - WIIFM / WIIFT



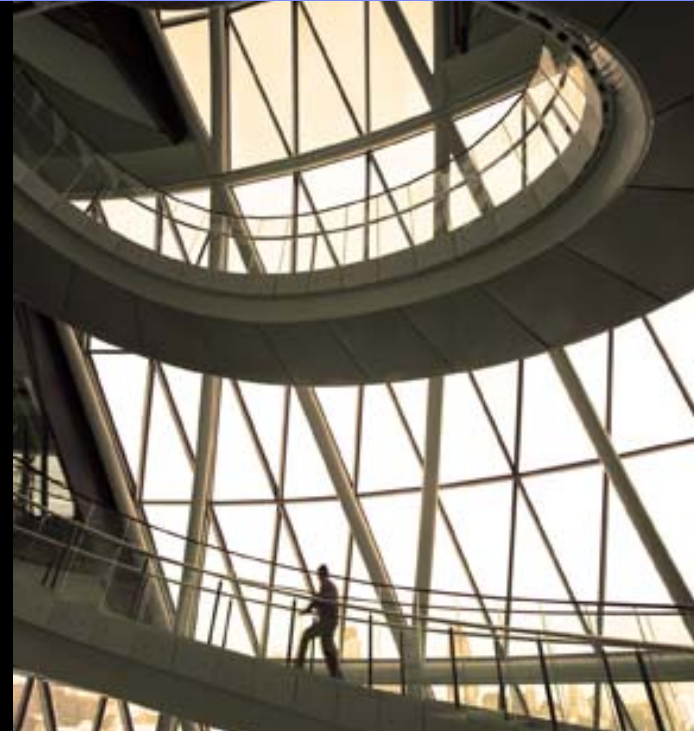
A few tactics

- Marketing / PR – “selling yourselves!”
 - What is your USP.... Enterprise wide perspective?
- Work plan – produce a work plan with deliverables, resources, and delivery dates
 - Can deliver – proves worth talking to
- Architecture Council – sponsorship & business ownership... plus be answerable
- Iterative approach– cover all ground once quickly... but keep on coming back/ around
- Dictionary (& terminology) – simple BUT effective
- And try and find some issues/ opportunities – key events that are aided by having such ‘instruments of control’... such as annual planning rounds, or Big Picture representations.



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Using the Business Architecture



Business Architecture – Examples of Use

- The value in having a high level Business Architecture is two-fold:
 - It helps provide a bridge over which a common dialogue can be had with the business.
 - It provides a back-drop that can be consistently and repeatedly used to perform, present and discuss architectural analyses.
- It is a very common observation that the Business will welcome even a simple demonstration of its IT function correctly representing their understanding of the business capabilities back to the business.
- However, the main point is that it is not the BA itself that needs to be presented to the business on its own - its how its used and what for.
- This falls into 2 main categories. IS/IT planning or Strategy work - perhaps via the business relationships, and architectural analysis reporting.
- For the planning work, if the BA is presented and used as a vehicle for communicating and sharing an understanding of where the main challenges are coming in the future for the business in terms of which areas are most likely to change or be added to, or are in most need of update etc - then it is a very valuable tool for helping that communication - which the BRM (for example) can then share with the rest of IT using the same backdrop. This reduces misunderstanding and helps the dialogue.
- For the analysis work, if the BA is used as a wallpaper background, and key data sets are overlaid on top of this, the BA itself is simply the common backdrop that allows the key information to be presented consistently and clearly.
- An set of real-life examples (cleaned out) are provided here :





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Top Tips



Top 3 tips

- Its NOT about the Business Architecture itself – its what it allows you to do.
- Start simple with modest aspirations
- Have a go and start the dialogue!

Thank you for your time

Any questions:

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