

Demonstrating the Value of EA to Your CxO in ~~a Down~~ Any Economy

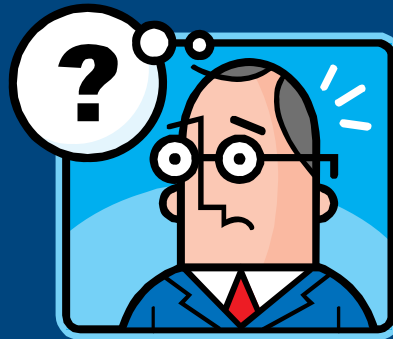
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Objectives of this session

To provide you with simple and pragmatic means for ensuring the value of Enterprise Architecture and associated initiatives are foremost in the minds of your management team, regardless of the current state of the economy.

How do we define Enterprise Architecture?



Enterprise Architecture

- Enterprise Architecture:
 - Enterprise:
 - A business organization. (www.dictionary.com)
 - Architecture:
 - Orderly arrangement of parts; structure (www.dictionary.com)
- For sake of discussion
 - A Process by which an organization (Enterprise) analyzes its Business Processes and IT, designs solutions (Architecture) before implementation and reviews the results of the implementation against the strategy of the organization.

Enterprise Architecture Definitions

Enterprise architecture is a comprehensive framework used to manage and align an organization's business processes, Information Technology software and hardware, local and wide area networks, people, operations and projects with the organization's overall strategy .

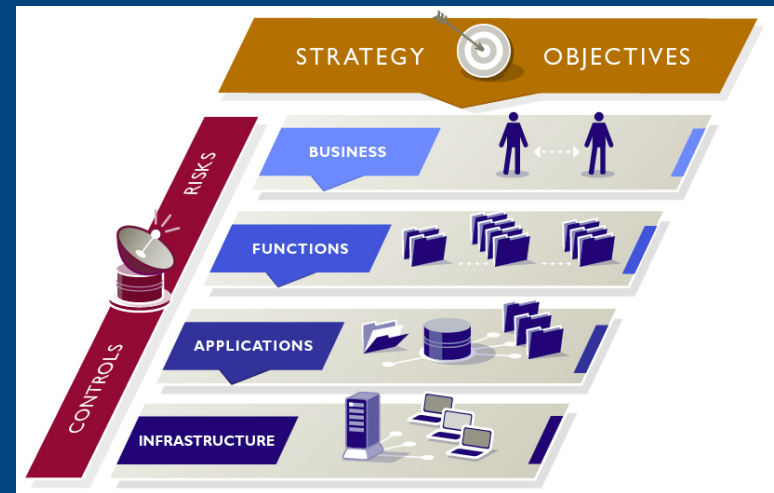
en.wikipedia.org/wiki/Enterprise_architecture

A means for describing business structures and processes that connect business structures.

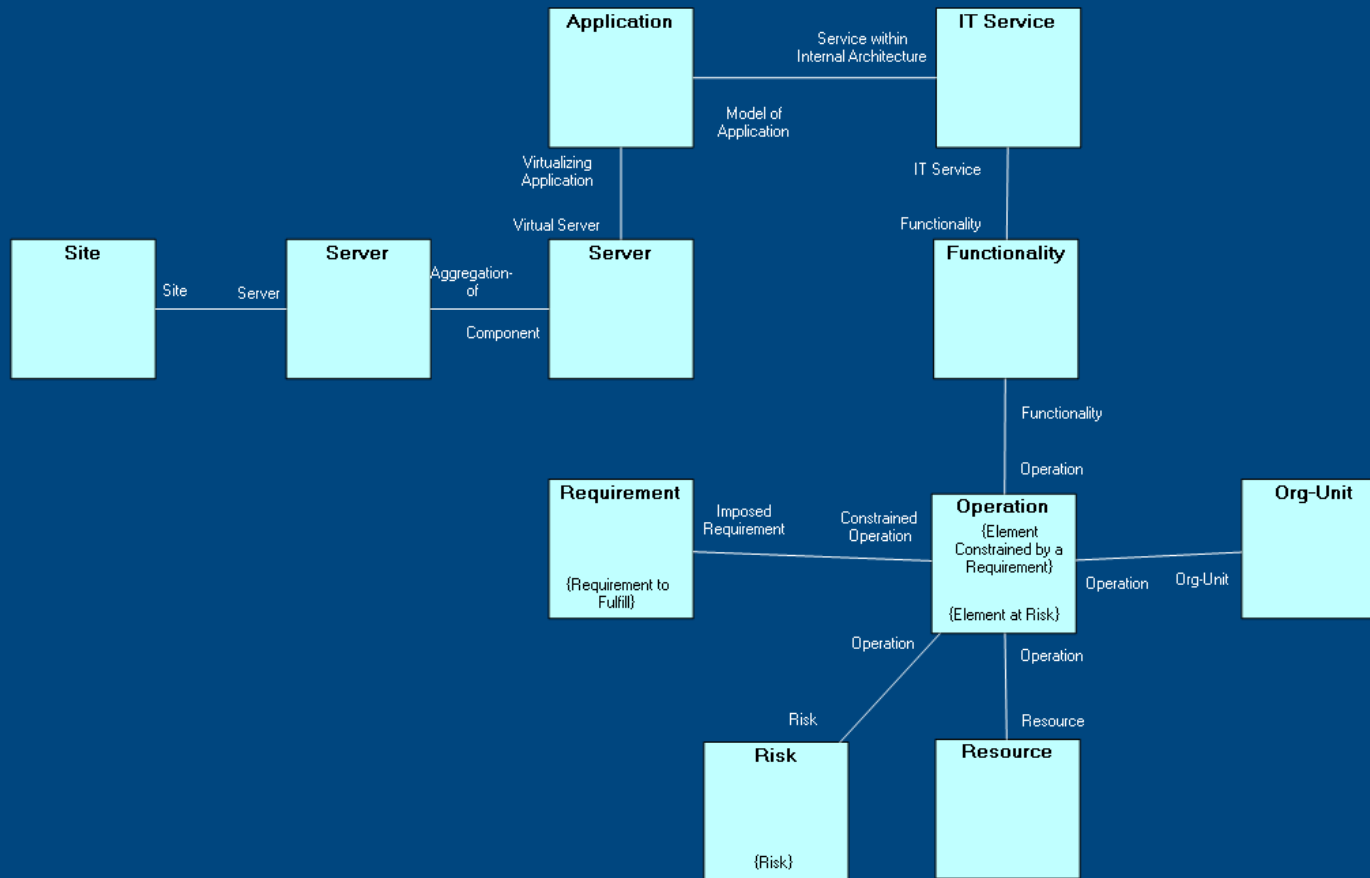
www.sei.cmu.edu/architecture/glossary.html

The fundamental organization of a system (e.g. enterprise, program, solution), embodied in its components, their relationships to each other and the environment, and the principles (incl. policies, standards, guidelines, reference models) governing its design and evolution.

(ISO/IEC 42010: 2007 - Recommended Practice for Architectural Description...)



Partial MetaData Representation of EA in MEGA



Alternative Definition of EA.....

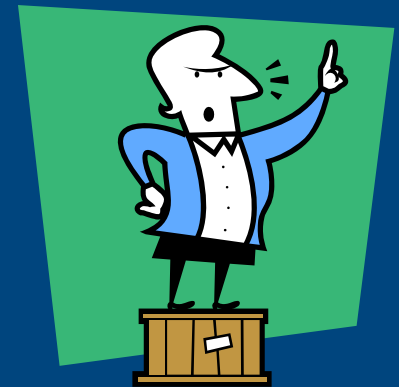
A comically involved, complicated invention, laboriously contrived to perform a simple operation.

Webster's New World Dictionary entry for "Rube Goldberg"
Goldberg"

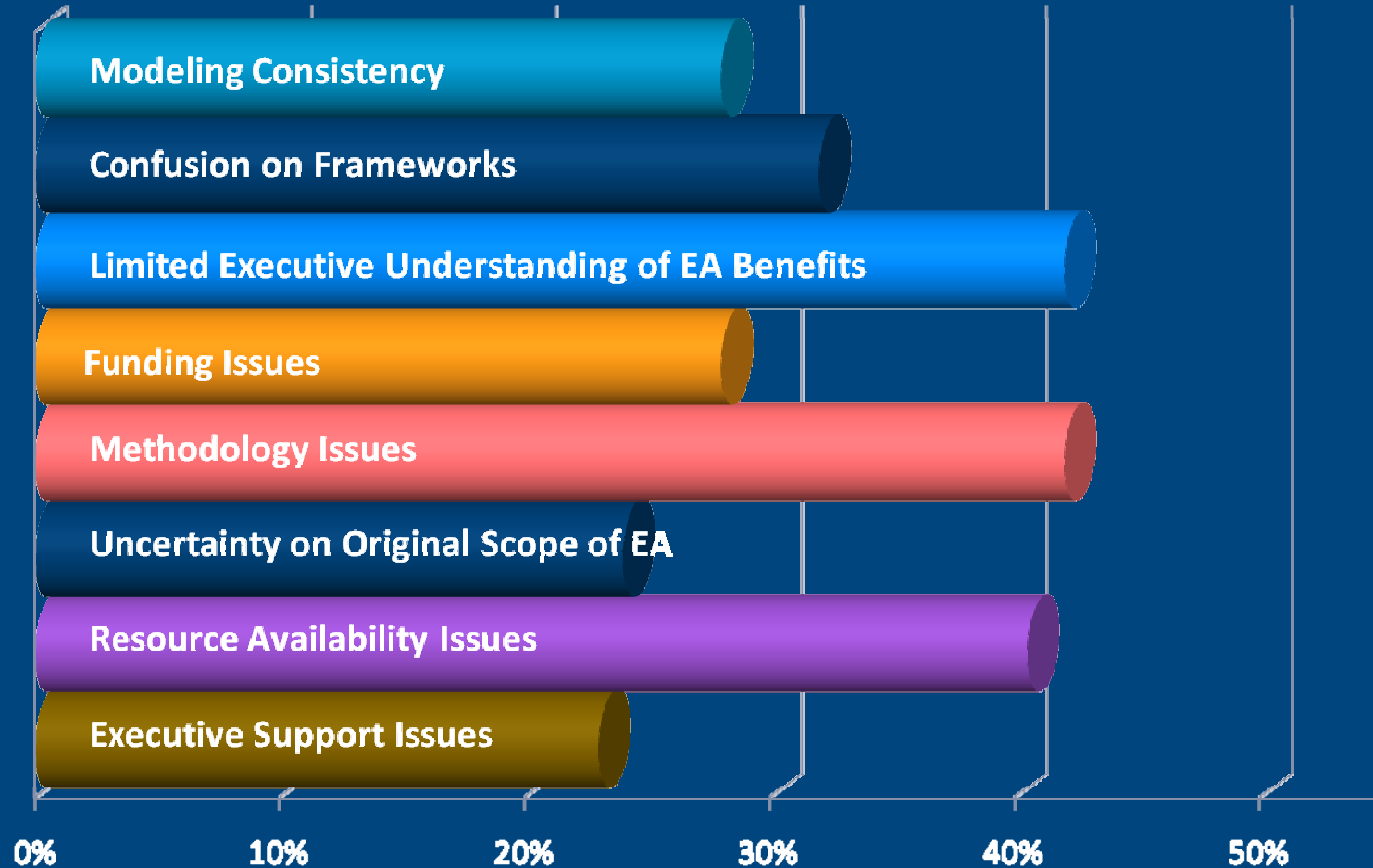


Soapbox – Underutilization of BPA

- EA includes Business Process Analysis
- Large Potential Savings
 - USDA CSREES – Case Study
 - Increased both Business and Technological Services while reducing costs.
- SOA can apply to Business
 - It's not only IT that provides services
- Does management know what people are doing?
 - Do they know you can show them?



Survey Says: MEGA Webinars pre Economic Decline



Economy in Downturn

Business Week – July 1, 2009

Global IT Spending to Drop 10% in 2009. Revising downward an earlier forecast, Forrester Research now says info tech spending will fall 10% worldwide this year and 8% in Europe.

MSN News – July 7, 2009

Global IT spending to dip 6 percent in 2009: Gartner. “... While the global economic downturn shows signs of easing, this year IT budgets are still being cut and consumers will need a lot more persuading before they can feel confident enough to loosen their purse strings,”

IT World – June 1, 2009

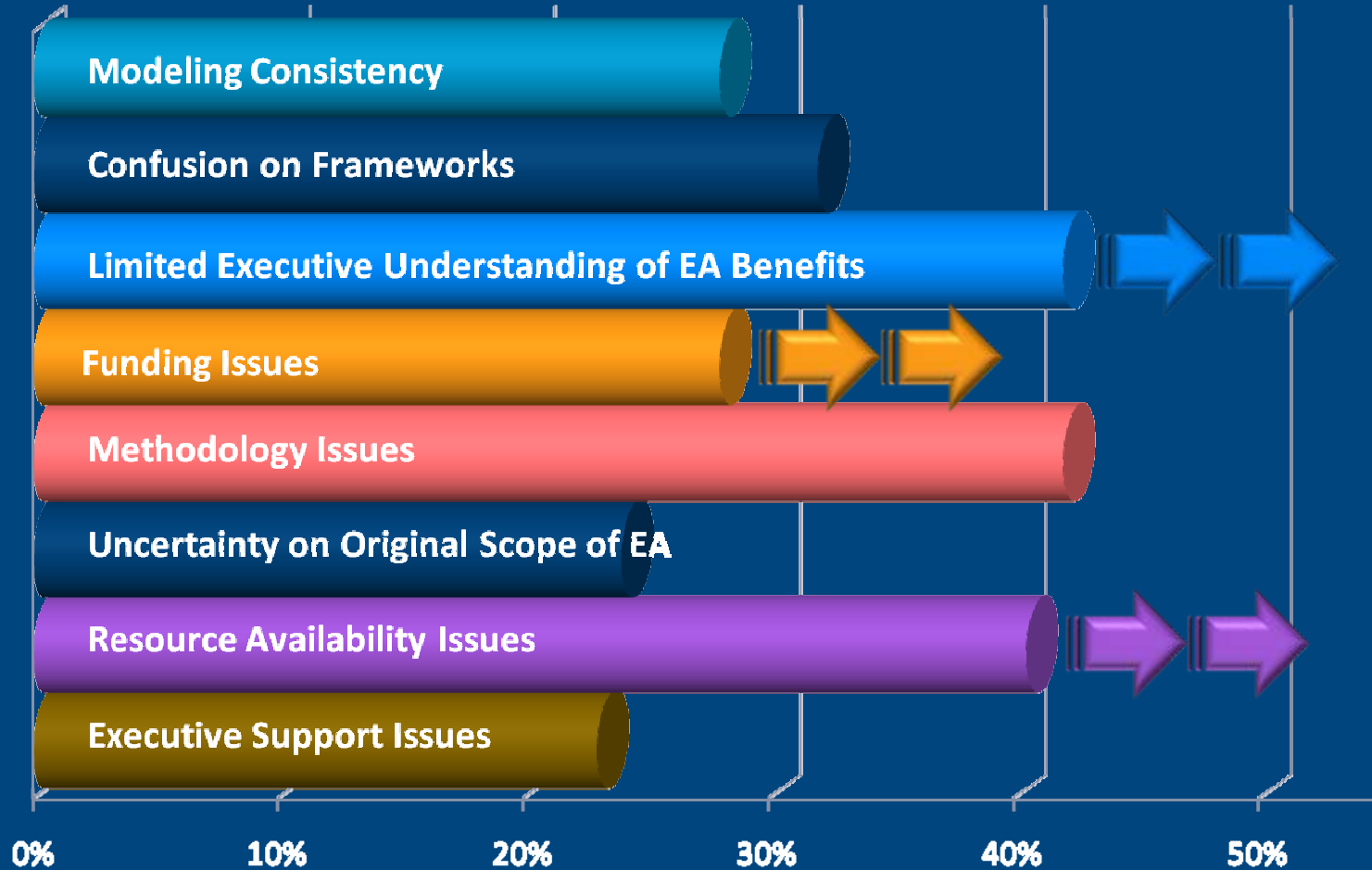
As the recession rolls on, there's no question that budgets will be further scrutinized. ...CIOs need to look harder than ever at the IT budget before it hits the CFO's desk. But they also need to get involved in shaping an organization's financial decisions.



Down Economy

- Value in Stakeholder Context
 - The Down Economy may create a consolidation of Relevant Value Propositions:
 - Reduced Costs
 - Increased Efficiencies
 - Uninterrupted Business Operations
 - Agility – (ability to maintain your market share)
 - Etc.
- Although these are always important, they hold a greater value in a Down Economy.

Survey Says: Based on Current Economic Outlook

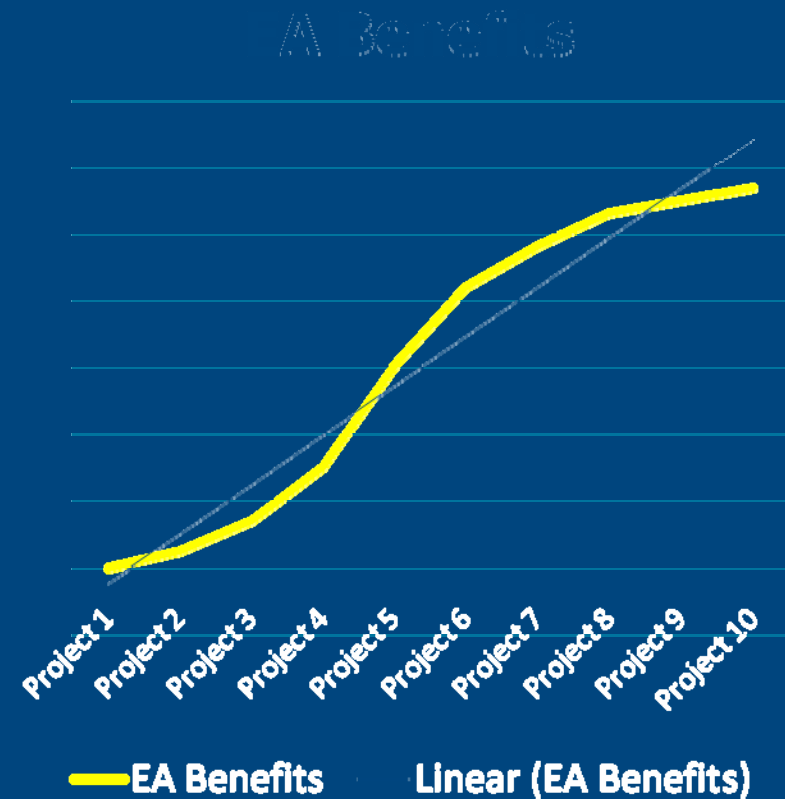


ROI – The inevitable request

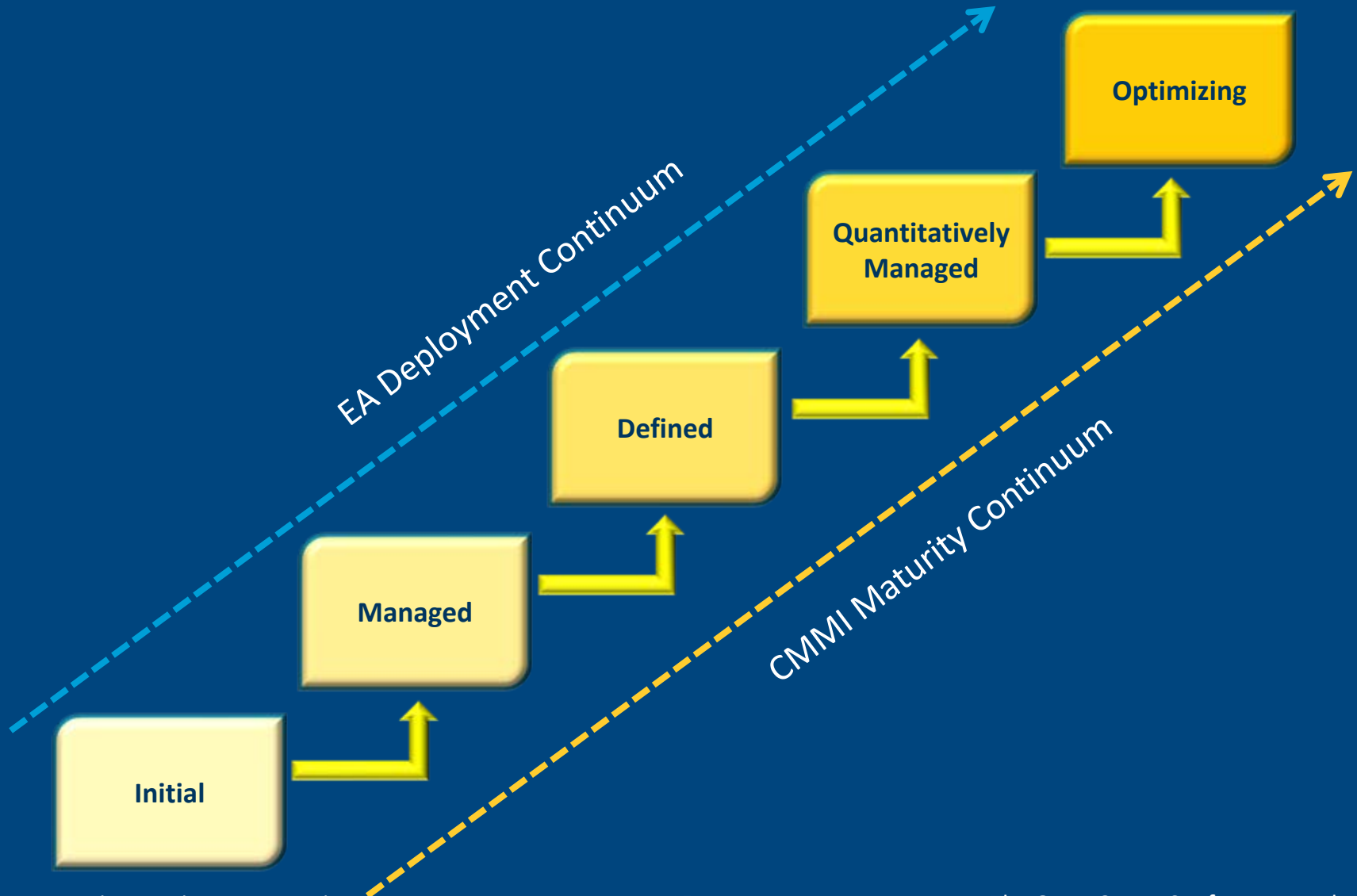
- Value is not only explicit dollars earned/saved
 - In Enterprise Architecture explicit dollars earned/saved are real, but sometimes difficult to calculate – EVERYTHING CAN BE MEASURED!
 - Remember to focus on what is causing your stakeholders pain!
 - “Soft” savings or “Motherhood” rationale should be avoided.
- What EA benefits will resonate with your stakeholders?

Benefits of EA over time

- Initial projects that are EA specific have the lowest net benefits – cost of building the repository.
- Each follow-up project gains the benefits of predecessors.
- Mature model = more stable state.
- IT management must understand EA is a means, not just a destination.
- BIG BANG benefits – high risk of inability to “boil the ocean”.



EA and CMMI (Development) Maturity Levels



Your Tactics Based on CIO Type

“Build it and they will come”



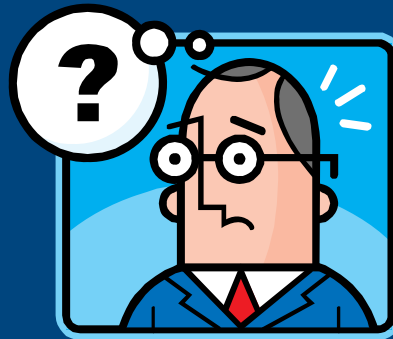
- Complete faith in EA program and build out.
- More emphasis on intangible benefits of EA.
- More prevalent when budgets are flush.
- Patient - willing to wait for the eventual \$\$\$ benefits.

“Show me the money....”



- Fact based decisions and tangible benefits documented.
- ROI centric.
- Comes out more when budgets are tight.
- Patience challenged.

How do you define Value?



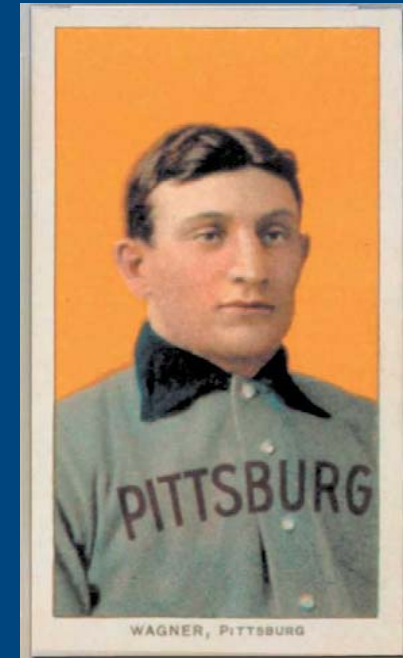
Value

- Value:
 - Relative worth, merit or importance
 - Monetary or material worth, as in commerce or trade (www.dictionary.com)
- Does your definition of Value only consist of explicit monetary gains or savings?

Value is Contextual



\$300,000



\$2,350,000



\$82,500

Value - Benefits of Enterprise Architecture



Direct Savings/Earnings

Value - Benefits of Enterprise Architecture



Time

Value - Benefits of Enterprise Architecture



Security

Value - Benefits of Enterprise Architecture



Innovation

Value - Benefits of Enterprise Architecture



Risk/Control Management

Case Studies / Examples

- Have you already demonstrated Value?
 - Be ready to remind others of the result of what you've done
- Do you have external samples of EA Success/Value?
 - Read published Success Stories.
 - Speak to other professionals for ideas or experiences that can be leveraged to provide evidence of EA importance.

(meganorthamerica.ning.com – EA Community of Best Practices)

Mastercard Marketing

Value:

- Savings from Process Efficiency: \$125,000
- Savings from IT Standardization: \$300,000
- Knowing that your Enterprise is running well, and risks are adequately controlled: Priceless



Audience Question:

- What is the business case for EA?
- What could it include?
- Answer by asking this question....



Consider the Economic/Market Difficulties

- Business Stability
- Agility, to stay ahead of the curve
 - E.g. The ability to make temporary modifications to service delivery, in response to current market demands
- Efficiency
- Be Creative, one sample I came across online was related to using EA for new GREEN initiatives.

What is Priceless to your Stakeholders?

- I'll give you a hint ...
(Generally Speaking)
 - It's not a tool feature
 - It's not a framework feature
 - It's not what you have output
- Usually, it's what they can gain from the EA features and the results of the EA team's efforts.
 - A Solution to a Problem.

10 Ways to Do More with Less in the Recession

10. Cutting human resources.
9. Stop buying storage.
8. Increase IT expenditures.
7. Improve IT governance.
6. Renegotiate with Vendors.
5. Smart sourcing and BPO.
4. Consolidation of Systems.
3. External Collaboration.
2. Open Source.
1. Architecture - Do it right.

Source: IT World, May 18, 2009

Audience Question:

- What is the best way to justify the commitment of resources/time for a comprehensive EA effort?

- What is the best way to justify the ongoing resource requirement of keeping an EA up to date and current?

Answer:

- Modify the Culture of your organization to enable maintenance of your EA with little overhead.
 - Use the results of your EA Initiative to lead new architecture and project directions, instead of updating documentation post change implementation.
- Deliver Clear Benefits to the Stakeholders

Feature Advantage Benefit

- Your stakeholders may not view the world the same way that you do.
- Translate the Value you see into Value they can appreciate, which addresses one of their needs.

EA Architect



Stakeholder Need – Feature – Advantage – Benefit

FAB - Example



FAB - Example

Stakeholder = Significant Other

FAB Example



FEATURE: Flight Control Technology (FCT)

FAB Example



FAB Example



ADVANTAGE:
Keeps the ball in play

FAB Example



FAB Example



Benefit:
Faster round, more time with the Family!

FAB Example



**Update:
Still waiting for my R9 425 driver.**

FAB - Example

Stakeholder = Significant Other

FAB - Example



FEATURE:
Fast

FAB - Example



FAB - Example



ADVANTAGE:
Get To/From Work in Less Time

FAB - Example



FAB - Example



BENEFIT:
Spend more time with the Family!

FAB - Example



UPDATE:
Still no Ferrari in the my garage...

Test Your Statements

Ask the
“So What?”
Question.

Strategy / Objectives

- Do you understand the Strategies and Objectives of the Organization?
- Relate your Benefits back to the Strategies and Objectives of the organization.
- Stakeholders should have the same Objectives and Strategies as the organization, however, it's worthwhile to validate.

Visibility

- Value can be found using the concept of increased visibility ...
- Not only is knowing where the finish line is required to win a race ... but have you considered the importance of knowing how to get there?
- Use Visibility to identify stakeholder specific benefits.
- Planning is an important component to EA, and can be a vital to demonstrating EA Value.

Visibility through Results

- EA is an ongoing process
- The Advantages tend to be RESULTS of this process.
- Identify Benefits that are interesting to Stakeholders, generated by your work.

Problem

- Manufacturing Plant - Staff Retiring
- Average Age 55
 - Model Processes for Knowledge Capture
 - Identify 'Easy Wins' for efficiency increase
 - As staff turns over, implement new efficiencies
- Annual Savings for Process Improvement:
 - \$200,000
- Benefit: Uninterrupted Manufacturing

Problem

- Relocating IT – Servers
 - Model Technical Infrastructure
 - Identify Deployed Applications & Functionality
 - Map Technology & Functionality to Business
 - Design Improved Architecture/Deploy during switchover
- Annual Savings for IT Improvement:
 - \$175,000
- Benefit: Uninterrupted Business

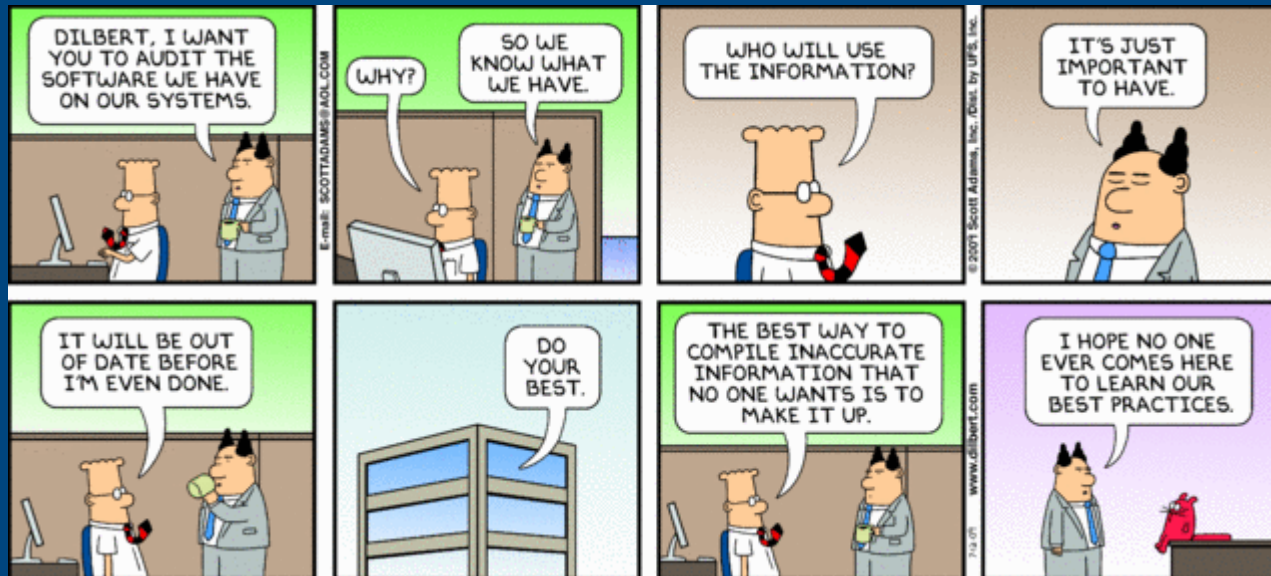
Problem

- How much money is required to stay Secure?
- “We spent \$1,000,000 last year; no incidents”
 - Model EA for scope of concern (will evolve over time)
 - Identify Risks/Threats
 - Define/Implement Controls
 - Justify all spending
- Annual Savings for Risk Analysis: ???
- Benefit: Confidence Money is Not being Wasted on Security, while being adequately secure.

Key Success Factors

- Identify Stakeholders.
- Identify Stakeholder specific Needs.
- Cure their Pain - Identify Stakeholder specific Benefits – detailed and tangible benefits, good business cases.
- Grow/Continue the initiative
 - (Leveraging existing work)
 - Communicate Growth Intention/Maintain Visibility

Some Last Thoughts on EA.....



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Any Questions.?

