

The Evolution of Enterprise Architecture: *Emerging Industry Best Practices*

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Enterprise Planning and Architecture Strategies



The Evolution has begun...

Drivers of fundamental change

- ▲ **Economic retrenchment**
 - ▶ **Investment 'triage' – only the most vital investments are approved**
- ▲ **Competitive repositioning**
- ▲ **Regulatory, privacy and security concerns**
- ▲ **Dynamic merger and acquisition environment**
- ▲ **Strategies being re-addressed**
- ▲ **Planning timeframes are compressed**
- ▲ **Business demand for:**
 - ▶ **Enterprise Agility**
 - ▶ **End-to-End enterprise optimization/integration**
 - ▶ **Value Delivery**

How to get there?

The Discipline of Enterprise Architecture

- ▶ **Goal of the architecture/IT strategy team?**
 - ▶ **Achieve IT/Business Alignment**
 - ▶ **Improve Agility**
 - ▶ **Institutionalize the process of disciplined analysis and decision making**
- ▶ **Create a holistic expression of the enterprise's key business, information, application, and technology strategies and their impact on business functions and processes.**
- ▶ **Architecture is a verb and a noun**
 - ▶ **The "artifacts" of the architecture process will change over time**
 - ▶ **The EA Process evolves**

Past to Present: Evolution from ETA to EBA/EIA

- ▶ **Most EA efforts historically have focused first on “standards”, then on full ETA**
- ▶ **EBA/EIA has always been a part of EA**
 - ▶ **Even for ETA only, a business-driven EA process should still take EBA/EIA into account**
- ▶ **Established ETA-based EA programs are adding EBA/EIA**
- ▶ **30% of new EA programs are including EBA/EIA from the beginning**
- ▶ **Evolution is driven by enterprise integration needs**
 - ▶ **From a business and information perspective, not technology!**

Beyond Technology: Enterprise Business & Information Architectures

- ▶ Information delivery within the business value framework
 - ▶ How does your organization add value?
- ▶ Information architecture links business and solutions/technical architecture
- ▶ The job of the enterprise architect is to integrate these processes
 - ▶ And ensure their harmony over time

Understand the Context!



Information and technology decisions made outside the business value context always fail!

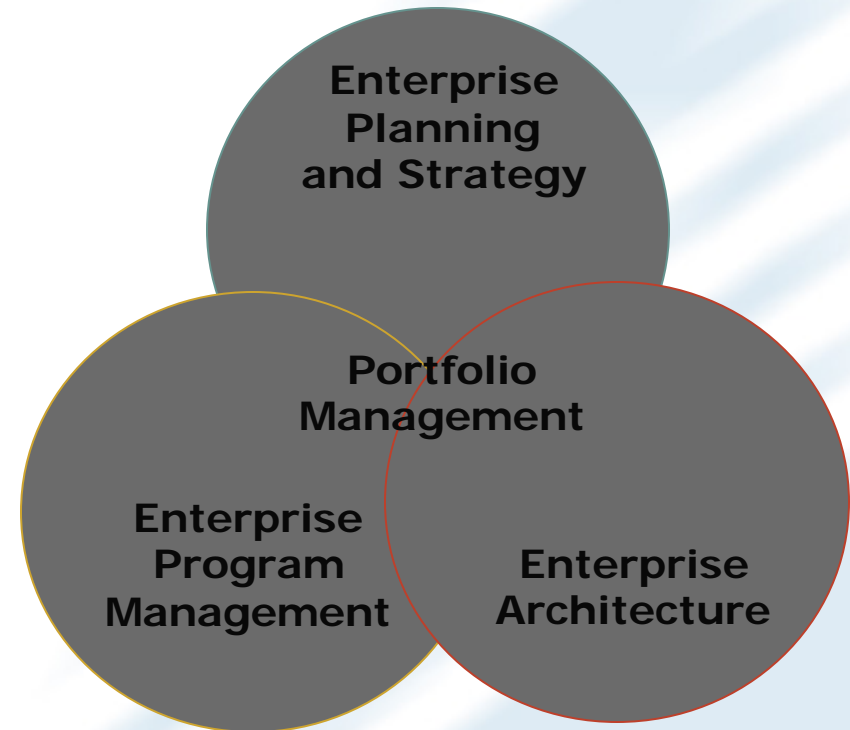
Holistic EA: Spanning Business and IT

- ▶ **Build upon a solid foundation of business strategy**
 - ▶ Value Analysis is fundamental
 - ▶ Information and technology decisions made outside of the business value context always fail!
- ▶ **Develop an Enterprise Business Architecture pragmatically**
 - ▶ Focus on future-oriented 'business change requirements'
 - ▶ Model broad dynamics, not micro-processes
- ▶ **Focus on future-oriented 'information change requirements'**
 - ▶ Articulate principles
 - ▶ Model 'intelligent enterprise activities'
 - ▶ Analyze how knowledge workers use information

High Performance Enterprises Pursue the Next Evolutionary Step: Integrated Processes

3 Primary Elements

- ▶ **Planning and Strategy**
 - ▶ Focused on integration of business and IT planning
- ▶ **Enterprise Architecture**
 - ▶ Goal is to provide the road map for the enterprise
 - Specification
 - Transformation
- ▶ **Program Management**
 - ▶ Primary agent for implementing enterprise transformation



Maturing Organizations must move to the next level

What Does an IT Portfolio Look Like?

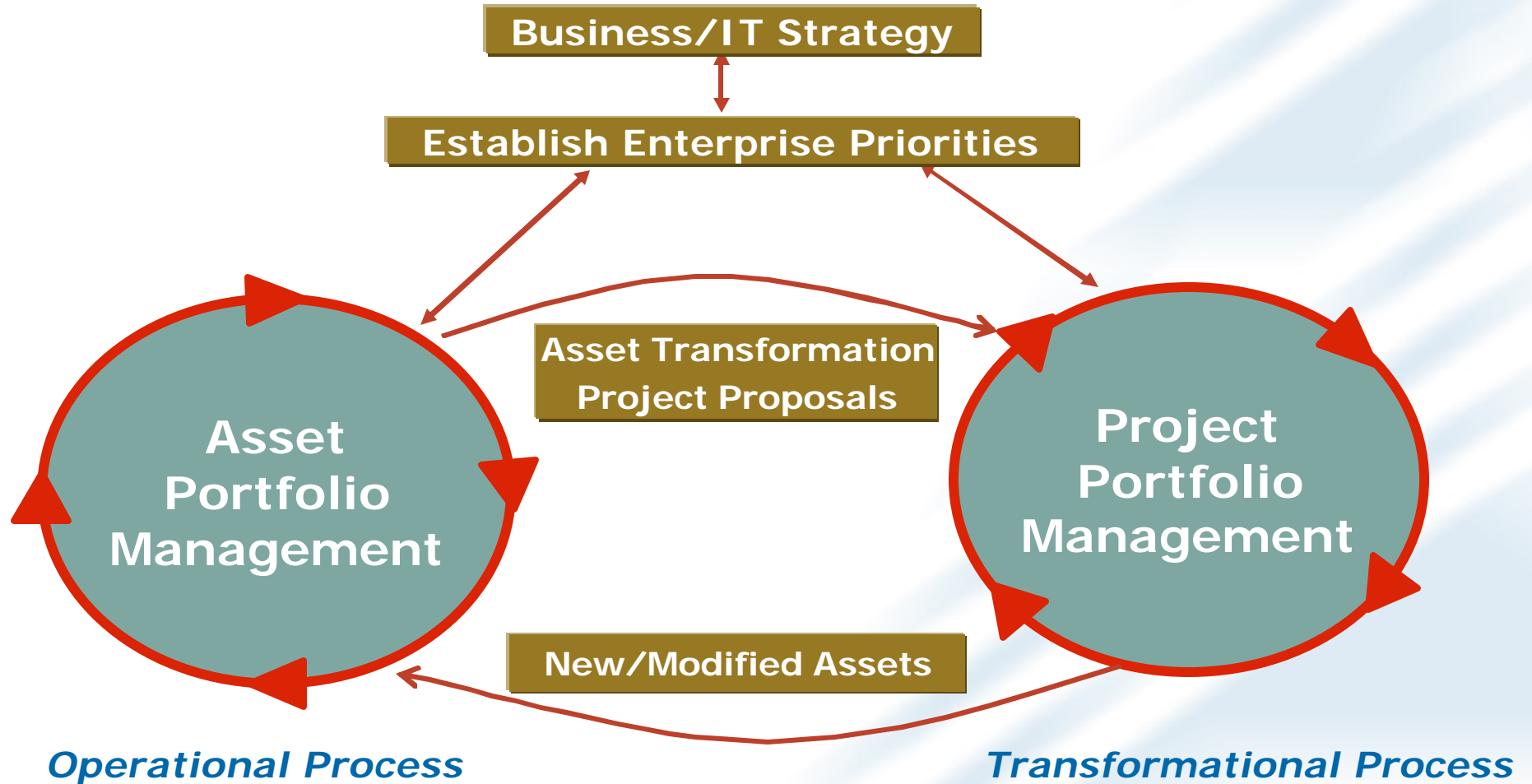
The Business and IT Portfolio

- ▶ An IT portfolio is ...
 - ▶ A set of managed IT *investments*
 - ▶ allocated to investment *strategies*
 - ▶ according to an optimal *mix*
 - ▶ based on assumptions about future *performance*
 - ▶ to maximize value/risk *tradeoffs*



There are few “IT projects” — only business projects

Managing Across Asset and Project Portfolios

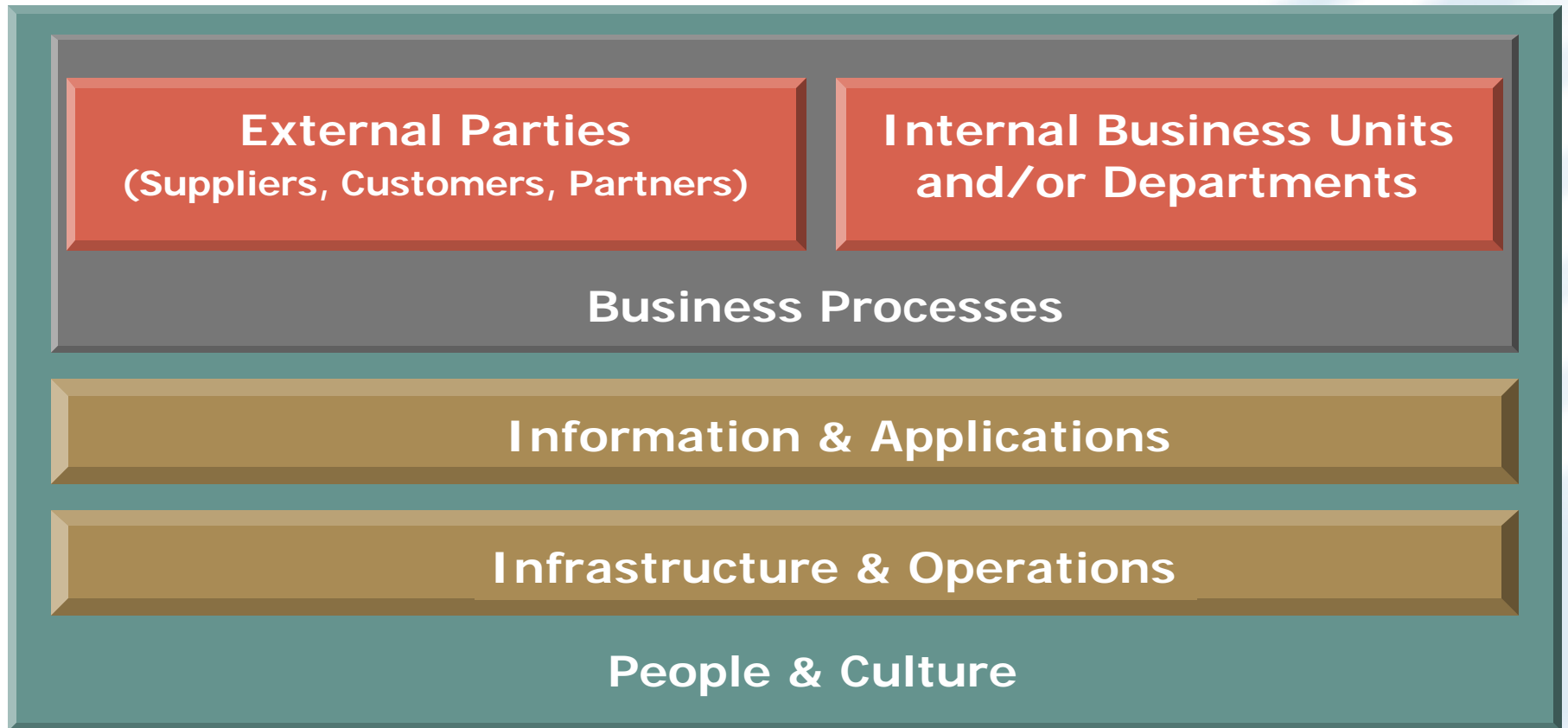


Portfolio management is a continuous process of managing and linking asset and project portfolios

Why Use an IT Portfolio Management Approach?

- ▶ Embraces change
 - ▶ Fact: The marketplace is changing
 - ▶ Enables IT to seize opportunities that can bolster the business
- ▶ Accelerates IT and business alignment
 - ▶ Fact: IT and the business are so interrelated they must operate as one; “there are no IT decisions, only business decisions”
 - ▶ Enables the IT organization to lead business direction while being driven by business value and goals
- ▶ Enables optimal return on total investments
 - ▶ Fact: IT is a business investment, not an expense
 - ▶ Provides the framework for IT organizations to be operationally competitive, flexibly productive, and IT-customer effective
 - Cost conscious (maintaining reasonable costs)
 - Responsive (satisfying requests consistently, on time, on budget, and on quality)

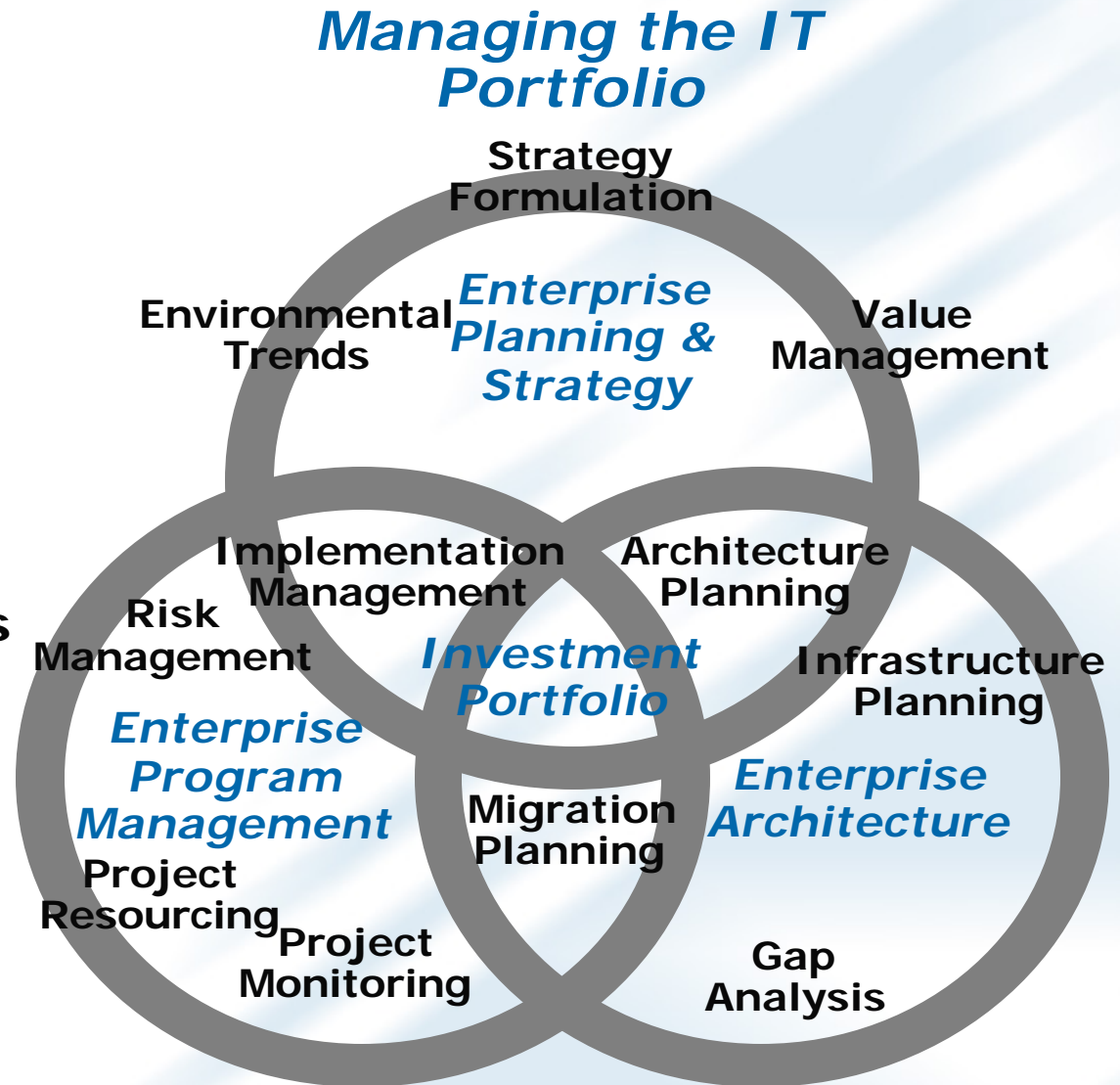
Practical Integration Prioritized Through Portfolio Management



- ▲ **Value** — Alignment With Business, Measurement
- ▲ **Cost** — Contracts, Projects, Sourcing
- ▲ **Risk** — Security, Business Continuity, Etc.

Process Disciplines Supporting IT Portfolio Management

- ▶ Value management
 - ▶ Value perceptions change
- ▶ Asset management
 - ▶ Optimize asset life cycle
- ▶ Risk management
 - ▶ Use scenarios to identify potential risks
- ▶ Trends analysis
 - ▶ What is the impact?
- ▶ Human capital management
 - ▶ Skills, competencies, retention, culture



The Bottom Line

- ▶ **GOOD – Establish a sound Enterprise Technical Architecture**
 - ▶ Complete with Standards, Principles and Governance
- ▶ **BETTER – Expand EA to include Enterprise Business and Information Architecture Views**
 - ▶ Drive business value by optimizing the enterprise
- ▶ **BEST – Adopt comprehensive Portfolio Management Disciplines**
 - ▶ EA, EPMO, Capital Planning, Strategy, etc. integrated as part of fabric of IT/Business management