

2014 BUSINESS ARCHITECTURE INNOVATION WORKSHOP

# BUSINESS ARCHITECTURE VALUE PROPOSITION

September 17, 2014 - Austin, TX

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## AGENDA

### Discussion Points

1. Background and context
2. Alignment with *BIZBOK® Guide*
3. BAVP Collaborative Team
4. Group Activities
5. Open Discussion - Q & A

### Goals / Outputs

1. Provide insights into establishing the value of business architecture and gather input from attendees on their experiences and best practices related to establishing a value proposition and creating sustainable business architecture practices.
2. Introduce the Business Architecture Value Proposition (BAVP) Collaborative Team.

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## BACKGROUND

- Disruptive change is now a fact of life for many industries. Industries and business-models are shifting at a rapid pace.
- Executives are actively rethinking their business strategies and searching for innovative ways to spur sustainable growth.
- Delivery of these initiatives is instrumental to supporting future growth opportunities, and remaining competitive.
- Having a clearly defined, unified vision of each strategic initiative's main goals and objectives is critical to delivering strategic solutions and capabilities on time, within budget and with high quality.

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## BUSINESS ARCHITECTURE VALUE

Business architecture bringing clarity, consistency of perspective and vocabulary across cross-functional, cross-business unit and cross-product line initiatives

### Business Architecture:

- Promotion of re-usable solutions such as enterprise services
- Identification and elimination of redundant efforts for the same capability
- Better understand impact analysis when introducing new capabilities
- Maintain business architecture documentation which will grow over time
- Provide project vision and direction sooner in the lifecycle



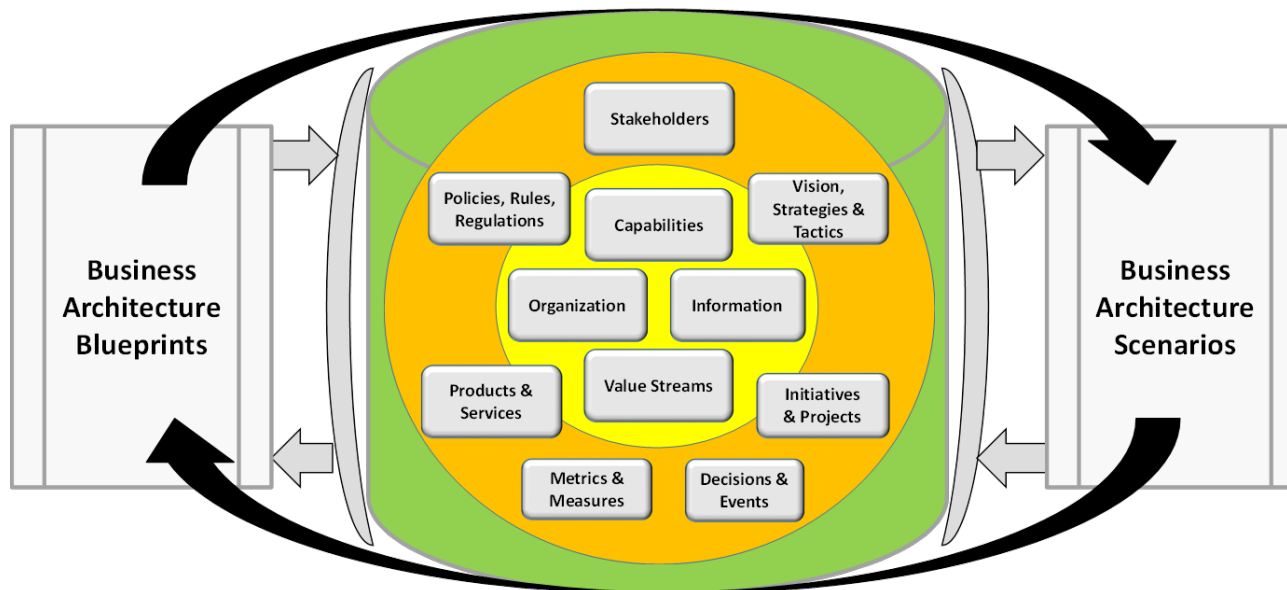
### Value Realized:

- Costs will go down
- Time to Market will be reduced
- Redundancy will be eliminated
- Complex answers to difficult questions will be made available
- Reduction of risk
- Enhanced technology effectiveness
- **Business Goals will be achieved**

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## ALIGNMENT WITH BIZBOK® GUIDE – FRAMEWORK

- When tool-enabled, the business architecture knowledgebase serves as the repository of information about the enterprise that, historically, projects have tended to collect and discard.
- Serving as an abstraction of the business, the knowledgebase repository provides the basis for performing business analysis and planning – saving time in the process.
- Use of the knowledgebase ensures that the information gathered is consistently defined and readily accessible to analysts and architects to fulfill critical analysis and planning needs.



**Business Architecture Framework**

Source: BIZBOK® Guide, Part 1, V4.0

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## ALIGNMENT WITH BIZBOK® GUIDE – MATURITY MODEL (BAMM)

**Maturity is reflective of the ability of business architecture practices to influence strategy and make strategy actionable**

The value provided to the enterprise *increases as the business architecture practice matures*



Business architecture maturity *must be demonstrable through evidence that would satisfy an external assessor*



The *maturity model measures the maturity of the practice itself* and not the maturity of the business or organization



The maturity model is *foundational to the development of an organization's roadmap for the progress of business architecture*

### **Selected Principles of Practice\* for Measuring Business Architecture Maturity**

Source: BIZBOK® Guide, Section 3.9, V4.0

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

- **Purpose:** The purpose of the Business Architecture Value Proposition (BAVP) Collaborative Team is to research and describe business architecture knowledge and practices as key capabilities for building long-term business value.
- **Scope:** Abstract the value proposition of business architecture including:
  - a) Usage by key audiences such as business executives, strategists, planners and IT
  - b) Relative importance to business architecture practices and level of maturity
  - c) Synthesizing complex solutions in business terms and align those solutions with business value and strategic advantage
  - d) Being attentive to the forces and drivers that make the business successful
  - e) Demonstrating the value by defining quantifiable key success factors and monitoring the outcomes
  - f) Driving alignment and transformation efforts between business and IT.

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

- **Goals:**

1. Improve the content of the BIZBOK® on the topic of business value.
2. Develop a business architecture community of experts on the topic of generating value for the enterprise.
3. Engage and Inform Guild members on the topic of business value.
4. Help shape the future direction of business value within the business architecture industry with respect to frameworks, methods, and standards.
5. Help inform business architects on the practical correlation between business architecture maturity and realizing value from investment decisions and improved strategic advantage.



# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

- **Principles:**

1. Team governance will be in accordance with the Business Architecture Guild Collaborative Team Guide which includes the Collaborative Team Governance Principles
2. Team project cycles are synchronized with the BIZBOK® release cycles, which are six months in duration and begin on the day after a release of the BIZBOK®.
3. At the beginning of each project cycle: 1) Team membership and leadership are re-established, and 2) The team charter and deliverable roadmaps are revised as necessary.
4. All team members contribute and team roles are made explicit (Primary Contributor, Secondary Contributor).

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

### ▪ Responsibilities:

1. Add content to the BIZBOK®, review and update as required
2. Act as subject matter experts on the topic of value propositioning and alignment with business architecture
3. At the request of the team Mentor, engage with the Business Architecture community on behalf of the Guild on the topic of business value in Business Architecture Innovation Workshops
4. Engage with the Guild community on the topic of business value by:
  - a) presenting material
  - b) conducting webinars
  - c) integrating with other collaboration teams as necessary
  - d) providing team status
5. Meet regularly to accomplish these goals.

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

- **2014-2015 Deliverables:**

1. The deliverables that will be created by the BAVP Collaborative Team are:
2. Business Architecture Innovation Workshop presentation material - Priority 1
3. Whitepaper: Building Value through Business Architecture
4. This charter document
5. Roadmap and timeline of deliverables
6. Business Architecture Value Proposition webinar (content TBD)
7. Executive Guide for Business Architecture and its Value Proposition to the Enterprise.

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## COLLABORATIVE TEAM CHARTER

- **Duration:** This charter document and the team activity is current through the release of the BIZBOK® Version
- **Team Commitment:** 1 hour/week for meeting and 2-6 additional hours per week working on deliverables. The team may meet on a bi-weekly basis once it hits its operating rhythm.
- **Mentor:** Whynde Melaragno

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## KEY QUESTIONS AND DEPLOYMENT CHALLENGES

- How can executives and strategists use Business Architecture to make business strategy come to life and bring continuous value to an organization?
- Does investment in Business Architecture really deliver value to the business? If so, what types of value are being realized?
- What is the role of Business Architecture in leveraging synergistic, transformational relationships among strategy, operations (business, process, people) and IT?
- What are the best practices for supporting a sustainable value proposition for Business Architecture and what are the greatest challenges to attaining an effective Business Architecture?
- What practical steps are most important for organizations in developing their Business Architecture capabilities?
- And how can Business Architecture be applied in the short term and the longer term, amidst economic uncertainty?

# BUSINESS ARCHITECTURE VALUE PROPOSITION

## ACTIVITY 1 – MATURITY LEVEL SURVEY

*Every organization is investing in Business Architecture to some degree, but there is still much ground to be gained to reach the highest level of maturity.*

*Activity: Share your opinion of the level of Business Architecture maturity at your organization.*

1. Initial	2. Managed	3. Defined	4. Strategically Executed	5. Fully Integrated
<ul style="list-style-type: none"> <li>No business architecture discipline exists within the enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>Business architecture governance structures are defined and established for the business with appropriate executive sponsorship.</li> <li>The goals of the business are understood with a business model, strategy, or equivalent concepts in place.</li> <li>Business architecture team has a defined mandate and clearly articulated goals.</li> <li>Business architecture team is staffed appropriately based on a suitable governance structure that services the needs of the business.</li> </ul>	<ul style="list-style-type: none"> <li>Core business architecture domains have been articulated for the business using foundational business architecture blueprints, including:               <ul style="list-style-type: none"> <li>Capability map</li> <li>Value streams (or other value maps)</li> <li>Information map</li> <li>Organization map</li> </ul> </li> <li>The capability map is defined and captured within the business architecture knowledgebase.</li> <li>Value streams (or other value maps) are defined and captured within the business architecture knowledgebase.</li> <li>The information map is defined and captured within the business architecture knowledgebase.</li> <li>The organization map is defined and captured within the business architecture knowledgebase.</li> </ul>	<ul style="list-style-type: none"> <li>The business has documented business vision, goals, objectives, and action items for achieving them using formal strategy mapping approaches.</li> <li>Business architecture is actively used to discover portfolio project opportunities.</li> <li>Business architecture is used to identify opportunities to drive business performance improvement.</li> <li>Project opportunities are realized through measured improvements in capability and value focused performance.</li> <li>Business innovation, business partnerships, and other strategic initiatives routinely leverage business architecture.</li> <li>Transformational initiatives leverage business / IT architecture alignment concepts.</li> </ul>	<ul style="list-style-type: none"> <li>Business strategy is clearly articulated and realized through business architecture and supported through enterprise architecture and technology strategy.</li> <li>Capability performance is a key driver in project and program selection within the firm's portfolio management processes.</li> <li>The business architecture is fully integrated into the remaining aspects of enterprise architecture.</li> <li>Major information technology investments with business implications are driven through business strategy as articulated via business architecture.</li> <li>Feedback and improvement processes exist that allow for continuous business alignment to achieve innovation and agility.</li> </ul>

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## ACTIVITY 2 – SOURCES OF VALUE

*As the maturity level of Business Architecture increases, the organization realizes more value.*

*Activity: Discuss with your peers your assessment of when sources of value are first realized, rationale and practical examples of value.*

SOURCE OF VALUE	VALUE FIRST REALIZED AT MATURITY LEVEL	RATIONALE EXAMPLES OF VALUE REALIZED
<b>COST REDUCTION</b>	<input type="checkbox"/> INITIAL <input type="checkbox"/> MANAGED <input type="checkbox"/> DEFINED <input type="checkbox"/> STRATEGICALLY EXECUTED <input type="checkbox"/> FULLY INTEGRATED	
<b>AGILITY</b>	<input type="checkbox"/> INITIAL <input type="checkbox"/> MANAGED <input type="checkbox"/> DEFINED <input type="checkbox"/> STRATEGICALLY EXECUTED <input type="checkbox"/> FULLY INTEGRATED	
<b>MANAGING COMPLEXITY</b>	<input type="checkbox"/> INITIAL <input type="checkbox"/> MANAGED <input type="checkbox"/> DEFINED <input type="checkbox"/> STRATEGICALLY EXECUTED <input type="checkbox"/> FULLY INTEGRATED	
<b>REDUCED RISK</b>	<input type="checkbox"/> INITIAL <input type="checkbox"/> MANAGED <input type="checkbox"/> DEFINED <input type="checkbox"/> STRATEGICALLY EXECUTED <input type="checkbox"/> FULLY INTEGRATED	

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## ACTIVITY 3 – DELIVERING VALUE

*Drivers of value carry their own challenges and share similar set of practices across enterprises.*

***Activity:** Discuss with your peers your assessment of challenges to value drivers and leading practices related to each value driver.*

VALUE ELEMENT	VALUE DRIVERS	CHALLENGES	LEADING PRACTICES
<b>STRATEGIC ALIGNMENT</b>	<ul style="list-style-type: none"> <li>- Involvement in strategic planning</li> <li>- Formal engagement models</li> <li>- Alignment to both business and IT agendas</li> </ul>		
<b>STAFF COMPETENCY</b>	<ul style="list-style-type: none"> <li>- Strong leadership to drive positioning of Business Architecture across the organization</li> <li>- Strong internal training and development</li> </ul>		
<b>PERFORMANCE MEASUREMENT</b>	<ul style="list-style-type: none"> <li>- Formalized performance measurement</li> </ul>		
<b>ORGANIZATIONAL STRUCTURE</b>	<ul style="list-style-type: none"> <li>- clearly defined governance and decision rights</li> </ul>		
<b>FORMAL PROCESSES</b>	<ul style="list-style-type: none"> <li>- Incorporation of Business Architecture standards into formal project delivery</li> </ul>		



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## QUESTIONS AND ANSWERS



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