Business Capabilities: Challenges and Value Proposition for a Large Enterprise

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Outline

Background

- WF Today
- WF BA Community – *Context Model*
- WF BCM SIG – *Charter and Objectives*

BCM Value Proposition and Use Cases

- Definition
- Overall Value Proposition

BCM Challenges

- Foundational
- Modeling Capabilities
- Mapping Capabilities

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**Wells Fargo Today**

**Key facts**  
**as of 12/31/14**

<table>
<thead>
<tr>
<th>Category</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$1.7 trillion</td>
</tr>
<tr>
<td>Team members</td>
<td>Approximately 265,000</td>
</tr>
<tr>
<td>Customers</td>
<td>70 million</td>
</tr>
<tr>
<td>Locations</td>
<td>More than 8,700</td>
</tr>
<tr>
<td>ATMs</td>
<td>More than 12,500</td>
</tr>
<tr>
<td>Market value of stock</td>
<td>$283 billion</td>
</tr>
</tbody>
</table>

90+ businesses servicing customers across North America and Internationally

Ranked **4th** in assets among U.S. banks  
(as of 12/31/14)

Ranked world’s most valuable bank by market capitalization  
(as of 12/31/14)
We are establishing and socializing clear statements on key aspects of BA:

- Definition & components
- Value proposition
- Key activities & deliverables
- Community of practice
### Role of Wells Fargo BCM SIG

**To support and advance all aspects of managing Business Capabilities within Wells Fargo**

#### Capabilities Modeling and Rationalization
- Identify, classify, organize, and evaluate capabilities
- Discover/share common capabilities, patterns, templates
- Compare, contrast, consolidate models

#### Capabilities Mapping
- ... to entities of interest, such as projects, strategies, services, processes, applications, and people

#### Support for BCM efforts
- Maintain inventory (current and planned)
- Provide guidance and coordination across business lines

#### Value proposition (for the SIG and the knowledge area)
- Critical success factors, use cases, testimonials, concrete deliverables, etc.

#### Collaboration opportunities
- Among various BCM efforts
- Between BCM and other related efforts

#### Knowledge transfer
- Share case studies, best practices, templates, educational opportunities/sources, etc.

#### Best Practices & Standards, Issues & Roadblocks
- Glean, develop, share

#### Tools and techniques
- Evaluate, recommend, socialize, support
A Business Capability is a particular ability needed to achieve specific outcomes. It is an expression of what a business does, and is achieved by a combination of people, processes, technology solutions, and assets aligned by strategic performance objectives.
Business Capability Management: Value Proposition

- **Capability Modeling** is an effective way to express, understand, and communicate an organization’s functional strengths – current and target
- **Capability Mapping** is an effective way to express, understand, and communicate the business value of the mapped entity – **strategy, process, projects, applications, resources**, etc.

- Capabilities are proving to be a critical component of business architecture serving as
  - the “**connective tissue**” that was missing in the overall business to IT alignment
  - A **common vocabulary** that can be used across the enterprise by both IT and the business
  - A more **stable element** in the architecture, making them ideal for longer-term planning
Business Capability Management: Challenges

**Foundational**
- Capabilities vs. Functions vs. Processes

**Modeling Capabilities**
- Organizational levels – Enterprise, business line, division, dept, group, etc.
- Capability levels – 0, 1, 2, 3, ... how many needed?
- Multiple labels and interpretations – same labels with different meanings, and vice versa

**Mapping Capabilities**
- Rationale
- Representation
- Usage
Thoughts on “Mapping”

A1 A2 A3 ... Ak

B1 B2 B3 B4 B5 ... Bn

• Association/Affinity
• Dependency/Influence
• Control
• Information exchange
• Structure
• Sharing
• Other ...

How are A and B related, if at all?
Thoughts on “Mapping”

Anything can be mapped to anything else

... but before starting ask **WHY**

- *Who is asking for it?* (stakeholders/sponsors)
- *Who will use it?* (users)
- *... and for what?* (purpose, value proposition)
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