

BUSINESS ARCHITECTURE:

A KEY ENABLER FOR STRATEGY REALIZATION

2015 Business Architecture Innovation Summit
Reston, VA

The very ability to get strategies
into action quickly and well is now

COMPETITIVE ADVANTAGE

The Need for Business Architecture

“Today, if your firm cannot react appropriately to market, competitive, and environment shifts, there is no chance your firm will thrive. To survive, you need to make appropriate strategic choices, understanding the interplay of the environment and internal decisions. Successful firms are recognizing benefits from embedding business architecture into their strategic planning processes.”

Source: Forrester Research (Build Confidence in Strategic Decision-Making With Business Architecture by Barnett and Miers, April 4, 2014)

“High performance EA is business-focused, strategic, and pragmatic. It helps business and IT understand business strategy, capability gaps, and priorities. It shapes investment plans and change programs.”

Source: Forrester Research (Getting Ready for High Performance EA by Alex Cullen, December 12, 2014)

“No organization can win if its parts are not all aligned to execute the same strategy and achieve the same goals. Even the “perfect” strategy within a competitively advantaged business model will ultimately fail if the organization is not fully aligned internally and does not understand how to execute the strategy, or if it works at cross-purposes.

The company that has not aligned its internal resources in pursuit of a precisely defined goal is wasting resources it can no longer afford to squander. And the company that can’t execute with ever greater speed is one that risks being left behind.”

Source: Rick Kash and David Calhoun, How Companies Win (2010)

Strategy Execution Is the BIG Problem

- **37%** of executives say their companies are “very good or excellent” at strategy execution.
- Only **23%** blame current economic conditions as a major factor in their lack of execution
- **53%** of implementers cannot state their company’s strategy in its entirety

Source: HBR survey of 1,000 executives

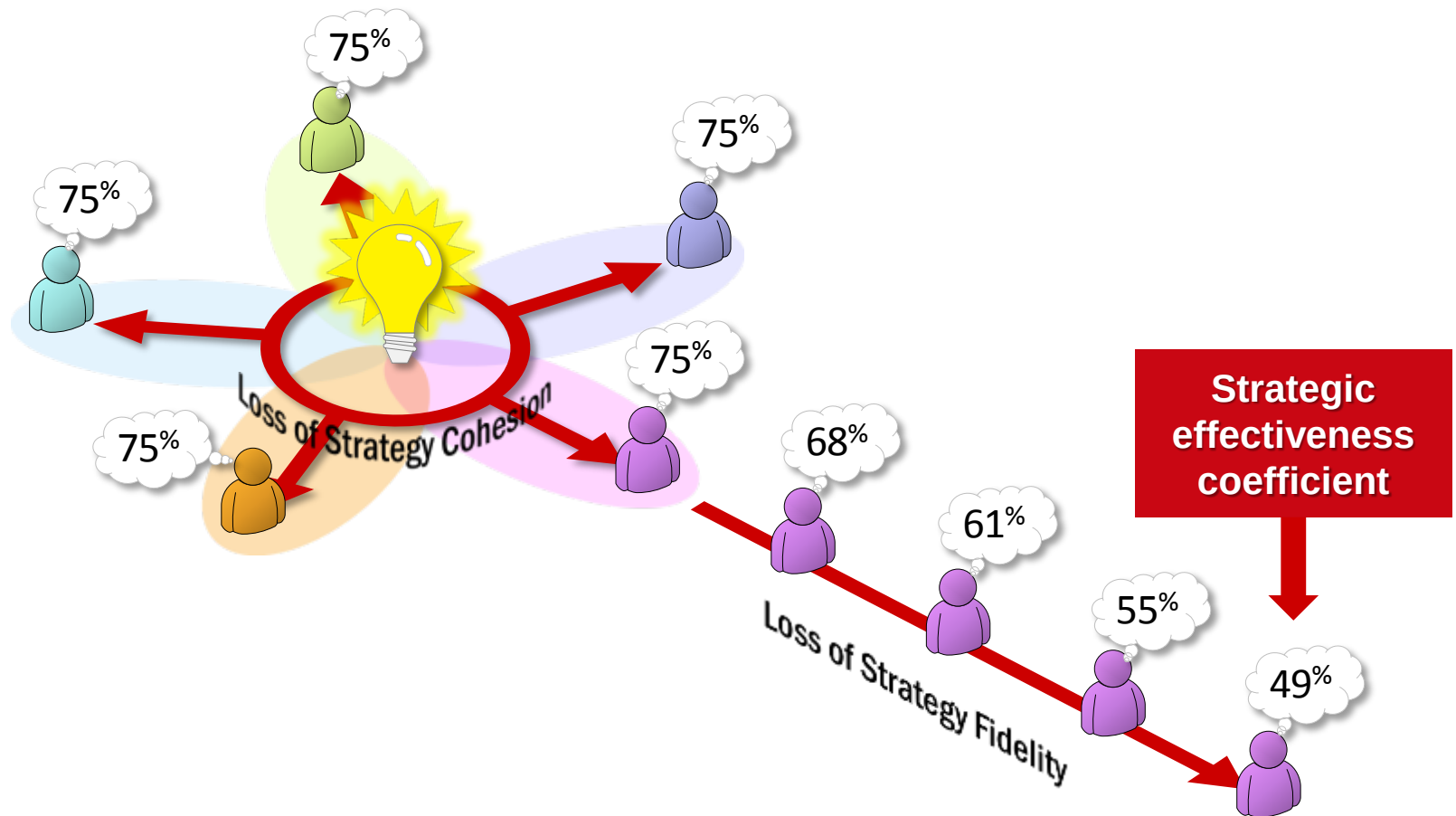
- **60%** of typical organizations do not link their strategic priorities to their budget
- **66%** of HR and IT organizations develop strategic plans that are not linked to the enterprise strategy
- **95%** of employees in most organizations do not understand their organization’s strategy

Source: Robert Kaplan, Harvard Business Review

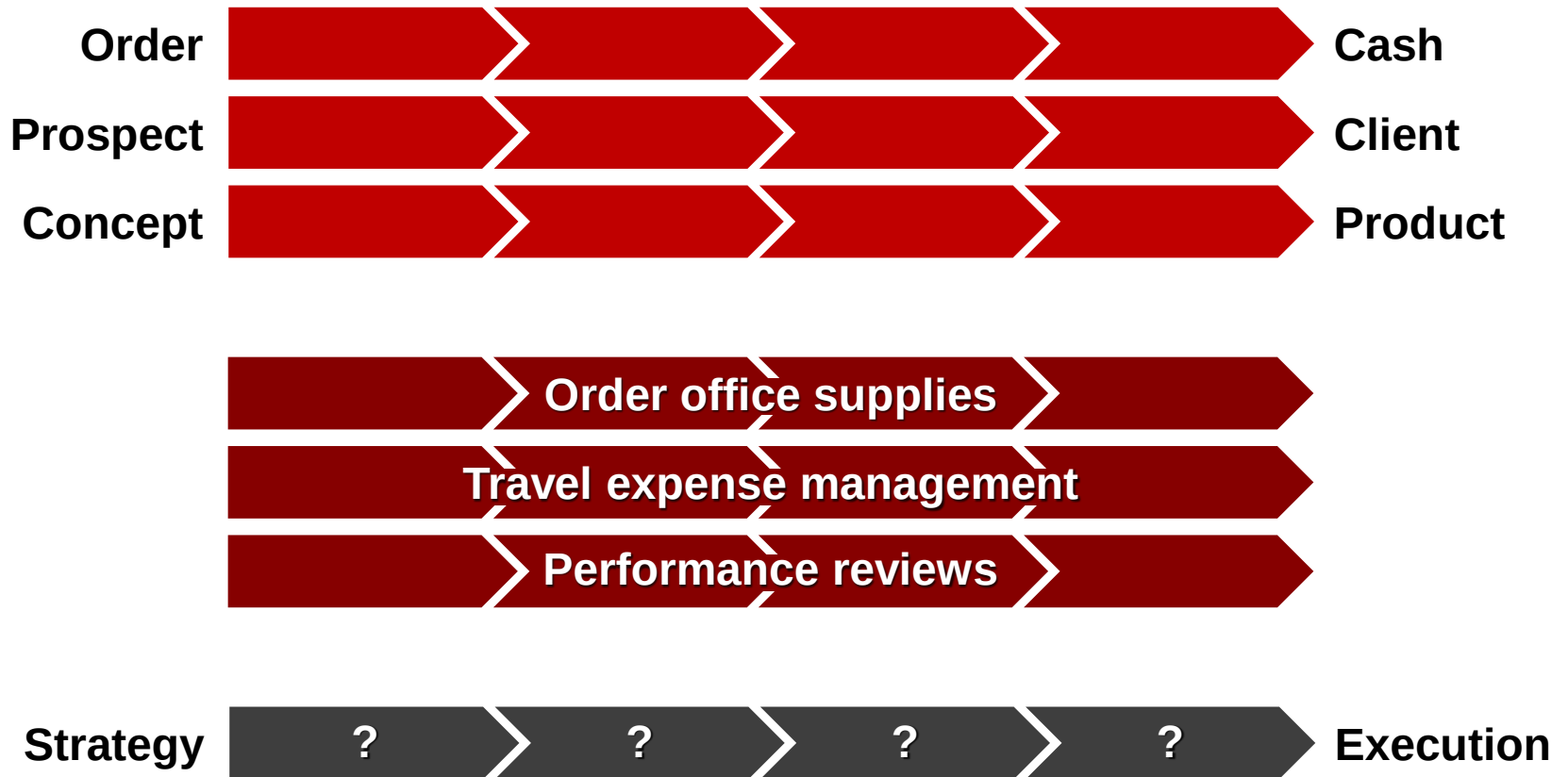
- **70%** of typical organizations do not link their strategic priorities to their budget

Source: Mark Hughes, Journal of Change Management

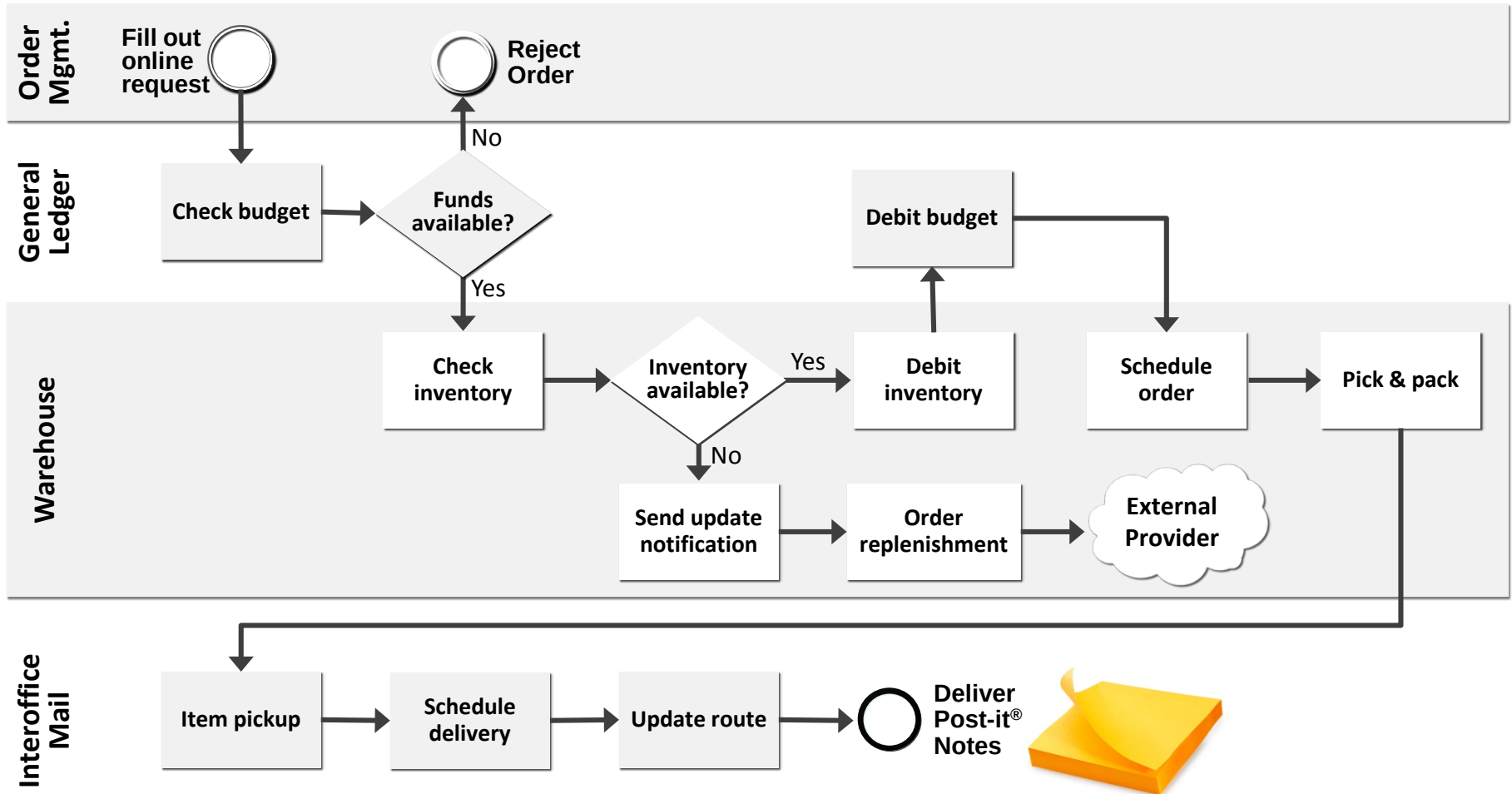
Strategy Diffusion Is the Norm



Where Is Your Strategy Process?



Order Post-it® Notes Process



Implement Strategy Process

Executive
Management



Go do something???

Everyone Else



Make the Strategy to Realization value stream a competitive advantage.

A good Strategy to Realization value stream enables you to:

- Design your future holistically and then implement it through real top-down planning, with continuous delivery
- Focus investments where they matter most
- Know exactly what you do and enable rapid change without doing “archeology” every time
- Make more informed decisions, faster
- Create integrated, customer-centric experiences
- Increase efficiency by streamlining, integrating and reducing redundancy of capabilities and their associated processes, people and technology

Strategy and Business Architecture

COMMON CHALLENGES

HOW BUSINESS ARCHITECTURE HELPS

Bad strategy or non-strategy		<i>Business Architecture can't fix strategy. However, Business Architects can ask good questions to guide or clarify it. They can also show the results later on to illustrate an "unintentional strategy."</i>
Uninformed strategy		<i>Inform strategy with current state and impacts.</i>
Siloed strategy		<i>Inform strategy by showing impacts across the enterprise. Ensure a holistic, integrated architecture.</i>
Thinly described strategy		<i>Map strategy to get it documented and ask good questions to guide or clarify it.</i>
Strategy diffusion		<i>Map strategy to get it documented and create Target Architectures to translate how the strategy will be "operationalized".</i>

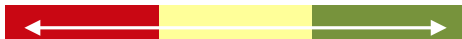
Not helpful  Very helpful

Planning and Business Architecture

COMMON CHALLENGES

HOW BUSINESS ARCHITECTURE HELPS

No enterprise-wide view of needs and gaps—or how and when they are being addressed	<i>Provide the enterprise-wide view of high-level, business-focused execution through strategic roadmap(s) and from a top-down perspective.</i>
Initiatives are not linked to strategies	<i>Provide end-to-end traceability.</i>
Poor visibility on how investments perform	<i>Provide end-to-end traceability; tie consistent metrics to architecture.</i>
Inability to prioritize	<i>Provide insights on what parts of the architecture will achieve desired business results. Provide insights on how to optimize investment within and across portfolios by using a common framework.</i>
Redundant investments	<i>Provide insights on how to optimize investment within and across portfolios by using a common framework.</i>
Initiative scope issues	<i>Provide high level scope for initiatives.</i>

Not helpful  Very helpful

So **with** Business Architecture:

- Strategic decision-making is better informed
- Strategy is better articulated
- All impacts are known (and quickly)
- People actually know how to implement the strategy and in a concerted way

So **with** Business Architecture:

- Planning and Portfolio Management decision-making is better informed
- Performance measurement is transparent
- Strategic investment is more balanced
- Initiatives are executed more efficiently

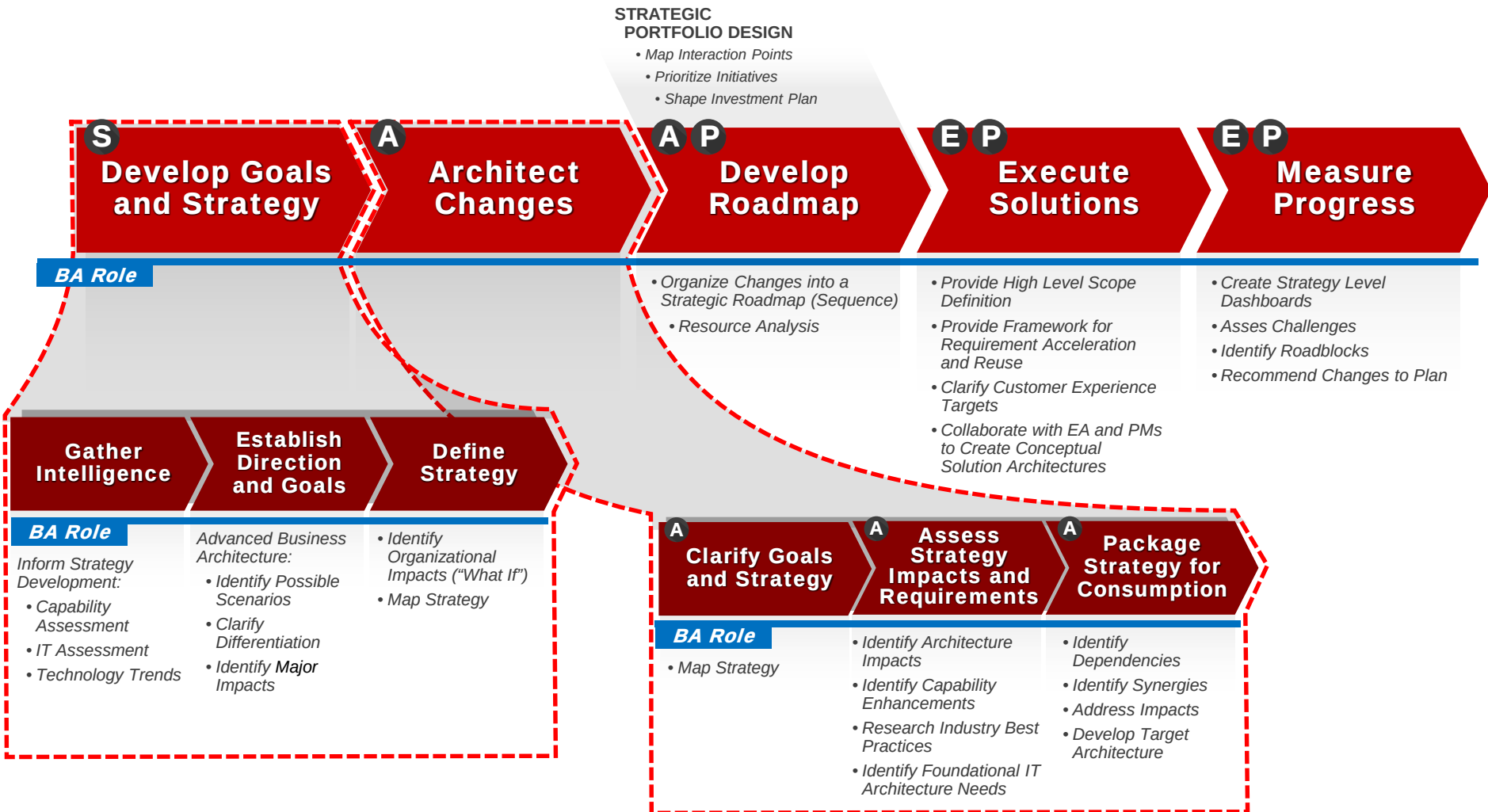


Bridge the gap between strategy and execution.

When evaluating or defining the Strategy to Realization value stream, keep in mind:

- The scope is the enterprise and requires close partnership across strategy, architecture, planning and execution functions
- Business Architects can help to steward this, but it needs an owner
- Not all of the necessary functions or stages may exist in your organization (or may not be working as well as they should)
- The role of Business Architecture may not be evident to many people in the organization; this will require dialogue and proving the discipline

Realize Strategy (From Strategy To Execution)



*It is assumed that the current architecture exists in a knowledge base as a baseline.

S Strategy **P** Planning **A** Architecture **E** Execution

Where Do I Start?

Defining/Refining the Realize Strategy Value Stream

THE PERFECT WORLD (Enterprise Definition)



THE REAL WORLD (Start Where You Can)

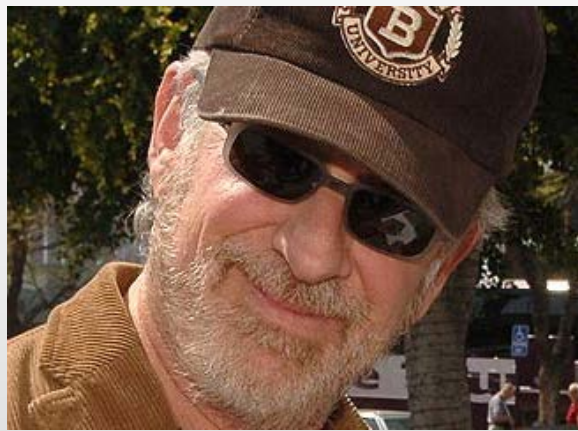


- This is a journey which takes time; be patient
- Be prepared for the challenges of change
 - Changes to roles and responsibilities
 - New collaboration points
 - Changes to ownership and decision-making
 - Introduction of accountability and formalization

- Strategy clarity is poor in most organizations
 - Challenge the organization to clarify strategy statements
- Recognize that strategy development $\neq$ strategy execution
 - Help “package” strategy for execution
- Executives need help in realizing their vision and strategy
 - Show them how business architecture can help
- You don’t need authority, permission, or a budget
 - Just do it!



J. K. Rowling
*Author
Harry Potter series*



Stephen Spielberg
First film industry job – unpaid intern



Jay Leno
First job - car washer

**BUSINESS
INNOVATION
PARTNERS**

Jeff Scott

E-mail: TJeffScott@gmail.com

Phone: 704.275.1725



STAGROUP

Whynde Kuehn

E-mail: whynde.kuehn@stagr.com

Phone: 347.880.1637

QUESTIONS?