Aligning Enterprise Architecture and Business Architecture

Business Architecture Innovation Summit
OMG/Business Architecture Guild
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About Export Development Canada (EDC)

- Canada’s fully self-funded Export Credit Agency
- Mandate is to support & develop Canada’s export trade
- Operates like a bank & insurance company with about 1200 staff
- Facilitated approx $90B of Cdn trade in 2013
- Offers financial tools, trade expertise, market connections
- Partnership-Preferred philosophy
Contents

- Why would an existing EA team support the creation of a new, independent Business Architecture team?
- How EA can help
- Success factors
- “Gotchas” we encountered
Enterprise Architecture function at EDC

**Description**
- **Optimize EDC technology investment by translating business strategy into effective enterprise change**
- Technology = any systemic enabler of people, process, information, IT interactions, not limited strictly to IT or IS
- Concerned with coordinated outcomes at enterprise level
- Business strategy is where we want to go; EA is putting the pieces together to get us there in the most effective way

**Responsibilities**
- Business & IT strategy alignment
- EA principles development & application
- Enterprise target architectures & roadmaps development & upkeep
- Promotion of shared services & infrastructure
- Architecture assurance & solution certification
- IT investment portfolio alignment
- Solution Architecture direction & best practices
- Solution options evaluation context & input
- Ownership & management of EDC Technical Reference Model
- IT trends research & contextualization
- Development & integration of multiple views into the enterprise architecture – business, information, application, infrastructure
- Development & communication of EA vision
- Architecture mentoring & practice throughout the enterprise
What’s wrong with this picture?

EA ideal state:
swim upstream to sit at the table with the business to define their business strategies with them

Enterprise Architecture

Business is a subset of EA...?
EDC context

- Multiple, major & overlapping business transformations
- Transformation projects encountering frequent “resets”
  - Business pulled off operational front lines onto projects with no orientation
  - Jumped right from Idea into Requirements leaving no “time to think”
  - Would hit a wall, reset, and work back upstream to lack of business strategy
- Flat, linear initiative delivery process that abetted these tendencies

<table>
<thead>
<tr>
<th>Stage</th>
<th>IDEA</th>
<th>DIAGNOSTIC</th>
<th>FUTURE STATE</th>
<th>IMPLEMENTATION</th>
<th>SUSTAIN</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage Outcome</td>
<td>Sponsor Go/No-Go Decision to proceed to Diagnostic &amp; Future State based on Opportunity Defined</td>
<td>Demonstrated Understanding of Current State &amp; Customer Requirements defined</td>
<td>Sponsor Go/No-go Decision to proceed to Implementation based on proposed Future State Design</td>
<td>Future State implemented and ready to be transitioned to business owner</td>
<td>Transition to Business Ownership Completed</td>
</tr>
<tr>
<td>Checkpoints</td>
<td>Go/No-Go</td>
<td>Business Check-in</td>
<td>Go/No-Go</td>
<td>Business Check-in</td>
<td></td>
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Disentangling the value stream – gaps & enablement

- **Problem**
  - **Strategy**
  - **Business Operating Models**

- **Countermeasures**
  - **Innovation**
  - **Plan Requirements Design Build Deploy**

- **Solutions**
  - **Implement**
  - **Adopt**

- **Benefits**
  - **Benefits management**
  - **Change management**
  - **Industry standards**

- **Strategic Planning**
- **Problem Solving**
- **Project Management**
- **SDLC**
Semantic decomposition of the disentangled streams

- Business strategy
- Investment
  - anticipates
  - modifies Business Capability-Value Stream-Operating Model
- Benefits
  - enable
- Outcomes
  - deliver solutions to achieve
- Initiatives
  - comprise
- LOB Operational Workplans

- provides return on
- realized through
- Included in

Strategic Planning
Problem Solving
Project Management
SDLC
Functional accountabilities overlay to address the gaps

- Business strategy drives Investment, which modifies Business Capability-Value Stream-Operating Model.
- Investment anticipates Outcomes to achieve.
- Benefits enable Outcomes to achieve.
- Benefits are realized through Benefits Management.
- Business Architecture identifies initiatives that comprise LOB Operational Workplans.
- PPM includes Business Architecture.

**Benefits**

- Realized through Benefits Management.

**Outcomes**

- Deliver solutions to achieve.

**Initiatives**

- Comprise LOB Operational Workplans.
Enterprise Business Issues overlay on EDC Business Capabilities Map

Legend:
- Business architecture
- EIM-Information architecture
- Tier 1
- Technology strategy

Direction-Setting

Core / Customer Differentiator

Supporting
Clarification of EA & Business Architecture functions

**Strategic Planning**
- Business & IT strategies
- Operating models
- Benefits frameworks
- Prioritized investment list

**Problem Solving**
- Enterprise business issue resolution
- Business diagnostics & countermeasures
- Continuous Improvement

**Project Management**
- Structured deliveries
- Standards & procedures

**Solution Delivery Life Cycle**
- IT outcomes that enable benefits to be achieved

**Business Architecture**
- Business & IT strategies
- Operating models
- Business problem solving
- Demand Management
- Benefits Management

**Enterprise Architecture**
- Business & IT alignment
- Investment calibration
- Architecture direction
- Architecture assurance
- Architecture governance

**Value Supply Chain**

**Value Chain**

**Project & Portfolio Management**
Keys to success

- Mindset: EA never considered Business Architecture an incursion of territory – rather, filling a gap in what we needed to do our jobs
  - Bus Arch is an enabler not a constraint of EA, with useful separation of duties
  - Allows us to focus & retrench our core competencies, actually increasing our value prop
  - I.e. translate, inform & enrich - not define - business strategy
  - EA likely established first – build early rapport with Business Architecture

- Don’t start from scratch if you don't have to: for its own sanity EA developed methods, models & insight that Business Architecture could leverage – and take over the maintenance of
  - Business Capability Map
  - Enterprise Value Streams
  - Mappings between Lean processes, value streams & capabilities
  - Develop a robust sharing & stewardship arrangement that goes both ways
  - At EDC, had a joint EA & Business Architecture 2 day workshop
Gotchas to avoid

- Nomenclature
  - Business Architecture – Enterprise Architecture – Business Analysis

- Communication
  - E.g. at EDC what we didn’t do was get out in front of the message early enough with this type of definition

  **Business Architecture** is a description of the organization, including its components and their relationships to each other, that provides a common understanding of the business used to align strategic objectives and tactical demands

  This can include facilitation of business and business IT investment strategies, development of operating models* and business future states, business problem resolution, benefits oversight and IT demand management

  *Where Operating Model refers to the working model that a business wants to operate by, including its core mandate, vision, services, organizational structure, performance metrics, information, processes and applications, and how they relate to each other
For us in our situation, was useful to separate the 2 functions

Does not need to lead to conflict: we will be and already are a better EA team for having a Business Architecture team that can facilitate business strategy, IT demand and business problem resolution, separate from what we do with those outcomes