

Avancier Method (AM)

“EA as Strategy”

After “Enterprise Architecture as Strategy” by
Jeanne W. Ross, Peter Weill and David C.
Robertson)

It is illegal to copy, share or show this document
(or other document published at <http://avancier.co.uk>)
without the written permission of the copyright holder

- ▶ Does not mean
 - Strategy is EA
 - Business strategies are goals and high level plans that reflect the decisions of chief executive officers (CxOs)
 - Strategies must be implemented by EA teams
 - Many business strategies do not depend on EA teams

- ▶ Does mean we have the ambition to
 - Elevate EA goals and plans to the status of strategy
 - Commit CxOs to EA goals and plans

What is EA?

- ▶ A strategy to
 - Digitise core business process
 - Integrate processes across the business
 - Standardise processes across the business

High BP integration	Coordination	Unification
Low BP integration	Diversification	Replication
	Low BP standardisation	High BP standardisation

- ▶ Maintain an enterprise description
 - A conceptual or logical description of business structure and behaviour
 - Business activities, data and resources
- Why? To
 - optimise business operations
 - improve business and technical agility
 - improve the speed, cost and quality of future solution delivery
 - facilitate understanding and management of the business
 - improve business – IT alignment

Positioning the “operating model” of core business processes

<p>High BP integration</p> <p>One business unit depends on timely and accurate data from other units</p>	<p>Coordination</p> <p>Shared customers, products & data Different organisations and processes</p> <p>TELCO Phone Broadcast Broadband</p> <p>AKCO Shops, Phone Internet</p>	<p>Unification</p> <p>Globally integrated Standard processes & data Central IT</p> <p>Retail Bank</p>
<p>Low BP integration</p>	<p>Diversification</p> <p>Different customers, products & data Different organisations and processes</p> <p>Brand</p>	<p>Replication</p> <p>Local customers, products & data Shared organisations, processes & definitions</p> <p>Local Gov</p> <p>Franchise</p>
<p>Low BP standardisation</p>	<p>High BP standardisation</p> <p>The enterprise benefits from different business units working the same way</p>	

For example?

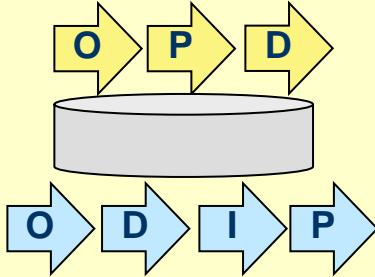
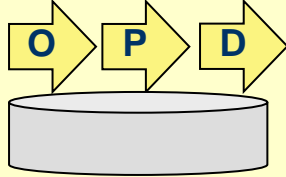
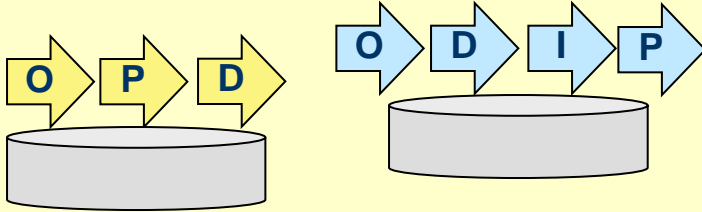
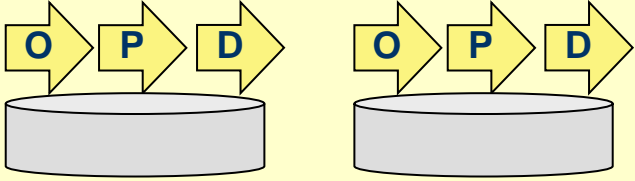
Standardisation and integration are not benefits per se

- ▶ A role of EA is to standardise and integrate core business processes.

- ▶ Standardisation should
 - give economies of scale and
 - facilitate *global* change or innovation
 - but naturally tends to strangle *local* change or innovation.

- ▶ Integration should
 - reduce redundancy
 - increase quality.
 - but naturally widens the impact of a change.

Which Operating Model fits your business or division?

<p>High BP integration</p> <p>One business unit depends on timely and accurate data from other units</p>	<p>Coordination</p> <p>Shared customers, products & data Different organisations and processes</p> 	<p>Unification</p> <p>Globally integrated Standard processes & data Central IT</p> 
<p>Low BP integration</p>	<p>Diversification</p> <p>Different customers, products & data Different organisations and processes</p> 	<p>Replication</p> <p>Local customers, products & data Shared organisations, processes & data definitions</p> 
	<p>Low BP standardisation</p>	<p>High BP standardisation</p> <p>The enterprise benefits from different business units working the same way</p>

High level

Management consulting process

Fluffy cloud process

Process

1. Analyse your foundation for execution
2. Define your Operating Model
3. Design your Enterprise Architecture
4. Set Priorities
5. Design and implement an IT Engagement Model
6. Exploit your foundation for execution for growth

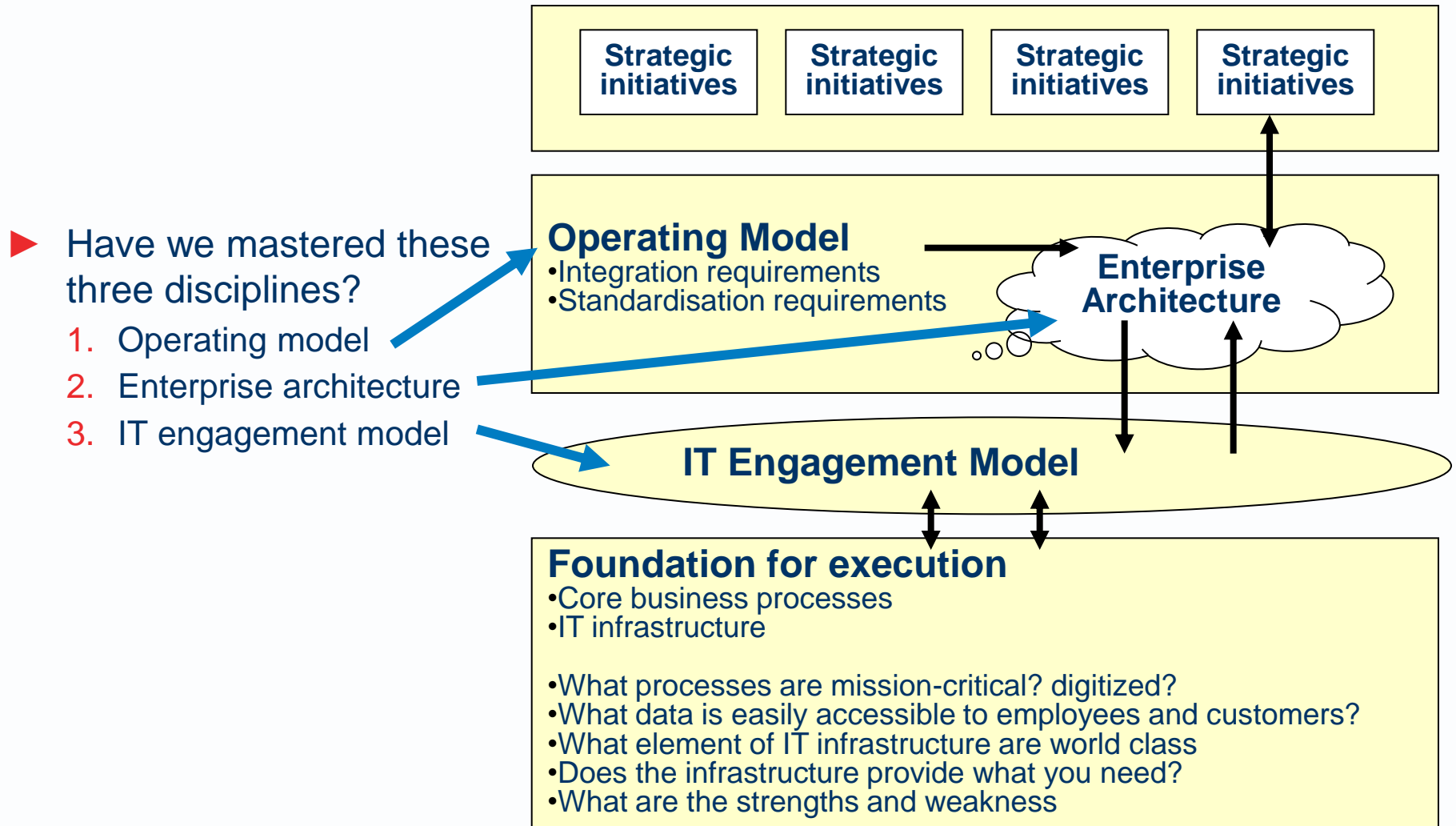
1 Analyse your [IS/IT] foundation for [business] execution

- ▶ What processes are mission-critical? digitized?
- ▶ What data is easily accessible to employees and customers?
- ▶ What element of IT infrastructure are world class?
- ▶ Does the infrastructure provide what you need?
- ▶ What are the strengths and weakness?
 - Business services provided to customers?
 - Consistency and quality of business processes?
 - Integrity of data about customers, products, employees etc.?
 - Global accessibility and availability of applications?



**Where are
your
weaknesses?**

1 Analyse your foundation for execution (cont.)



IT engagement model

1. IT governance at the senior levels of the company
2. Disciplined project management across all major projects

Links to ensure 1 and 2 reinforce one another

2 Define your Operating Model




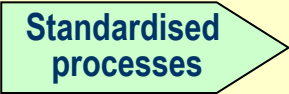
- ▶ Identify the processes that distinguish you competitively
- ▶ Envision your customer's experience as it ought to be
- ▶ Decide how you would like your company to grow
- ▶ Pick the dominant operating model (1 of 4) at each level in yr company

- ▶ Positioning a business (or part of it) in a quadrant of this grid.

High BP integration	Coordination	Unification
Low BP integration	Diversification	Replication
	Low BP standardisation	High BP standardisation

After "Enterprise Architecture as Strategy" by Jeanne W. Ross, Peter Weill and David C. Robertson.)

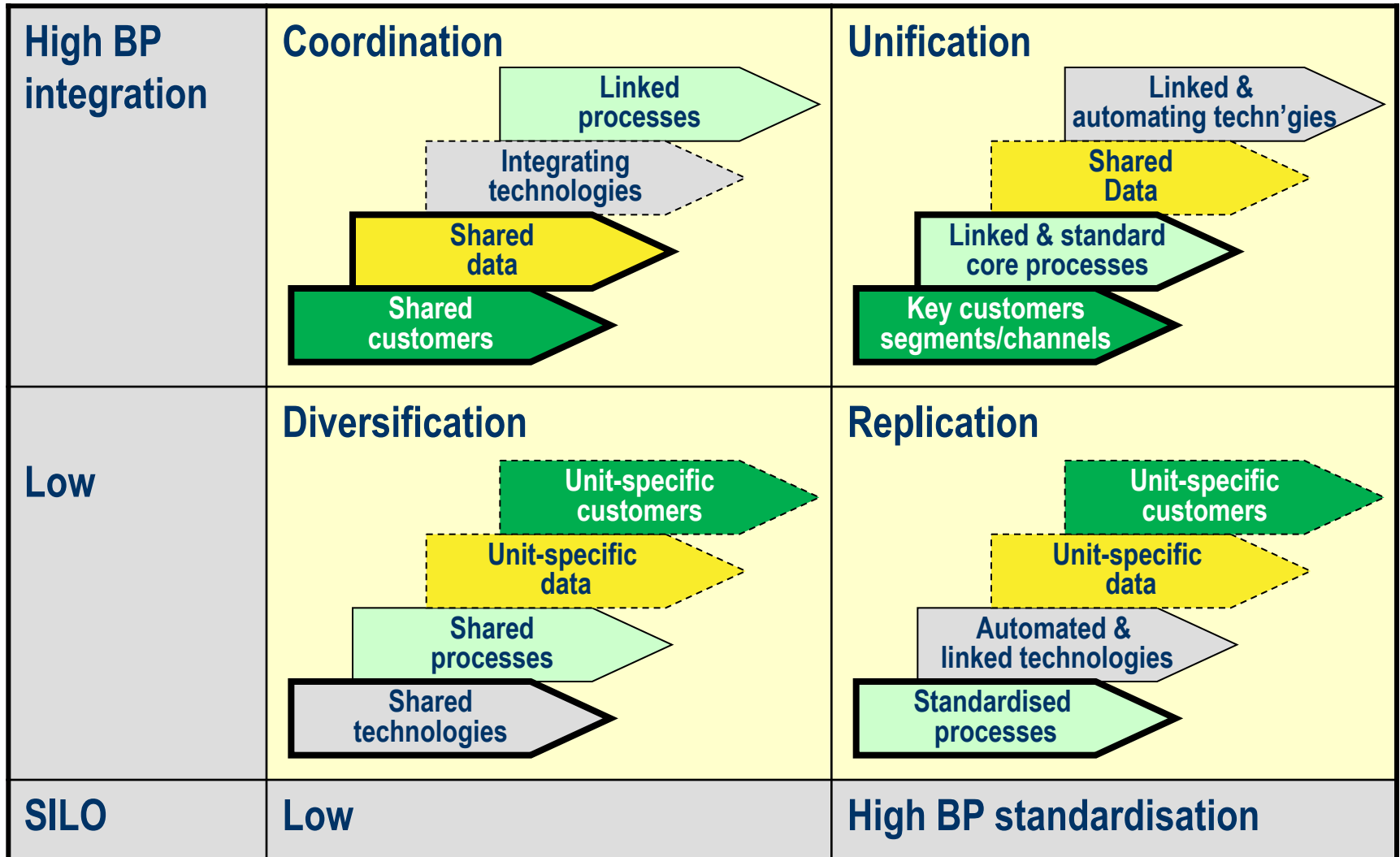
Deriving Operational Strategy from Operating Model

<p>High BP integration</p> <p>One business unit depends on timely and accurate data from other units</p>	<p>Coordination</p> <p>Shared customers, products & data Different organisations and processes</p> 	<p>Unification</p> <p>Globally integrated Standard processes & data Central IT</p> 
<p>Low BP integration</p>	<p>Diversification</p> <p>Different customers, products & data Different organisations and processes</p> 	<p>Replication</p> <p>Local customers, products & data Shared organisations, processes & data definitions</p> 
	<p>Low BP standardisation</p>	<p>High BP standardisation</p> <p>The enterprise benefits from different business units working the same way</p>

3. Design your EA to implement the Operating Model

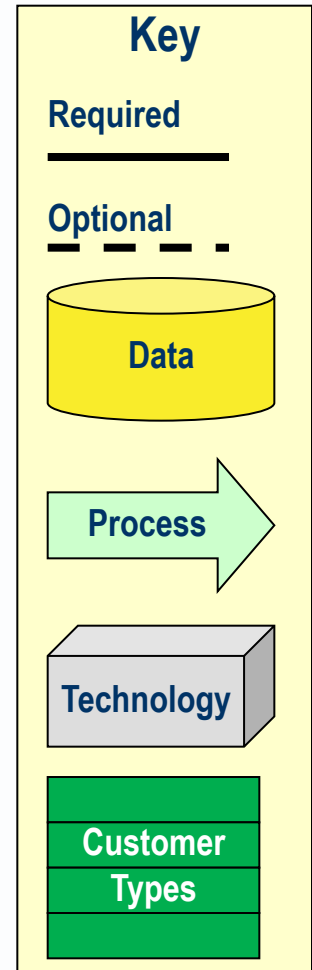
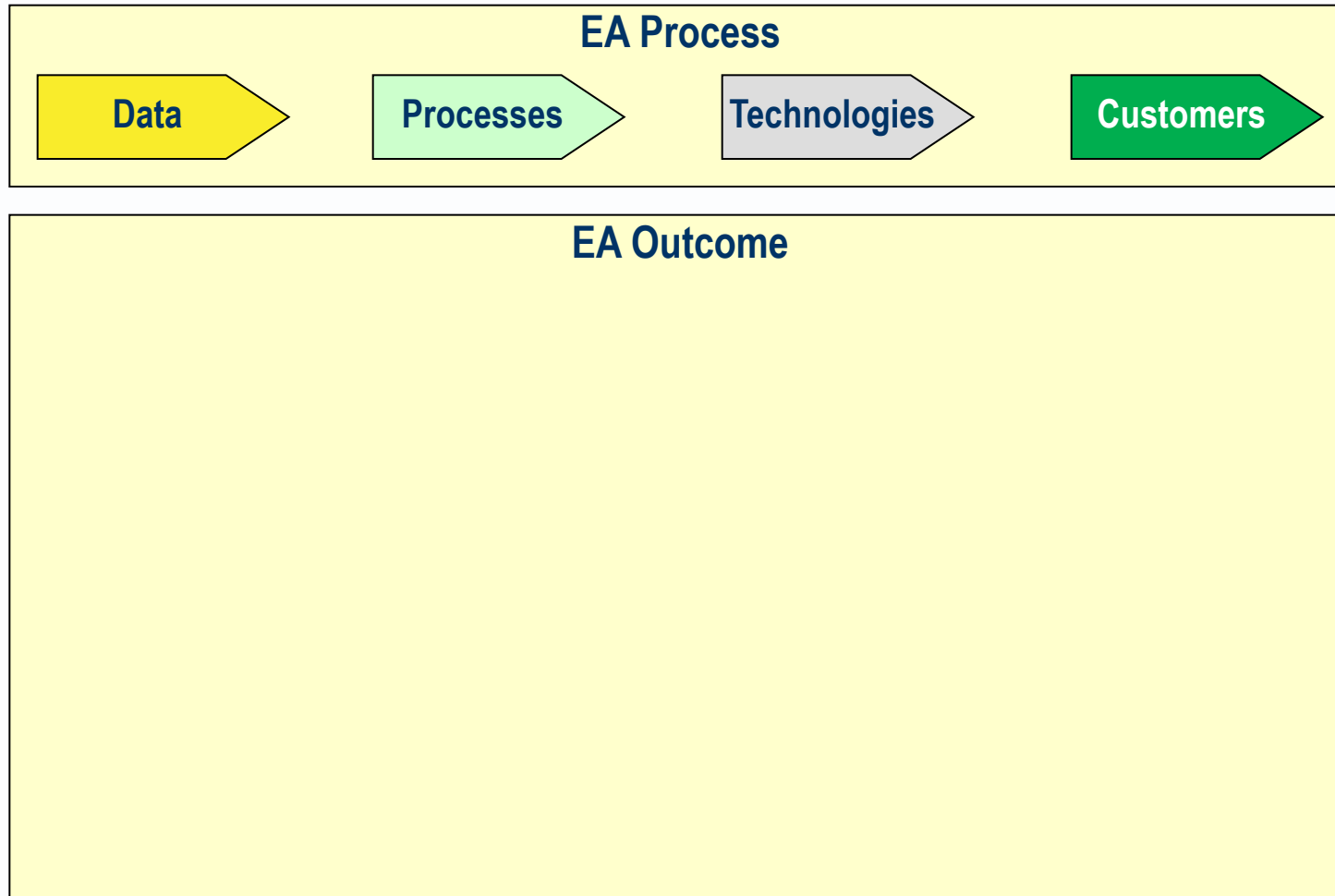
- ▶ The next step is to draw a cartoon that represents your own business's operating model.
- ▶ The cartoon represents the interaction of processes and data at a very high level of abstraction.
- ▶ The main use of this cartoon is in discussion with business managers.
- ▶ It may or may not be formal enough for traceability to models in the next level down.

3 Design your EA (to implement the Operating Model)



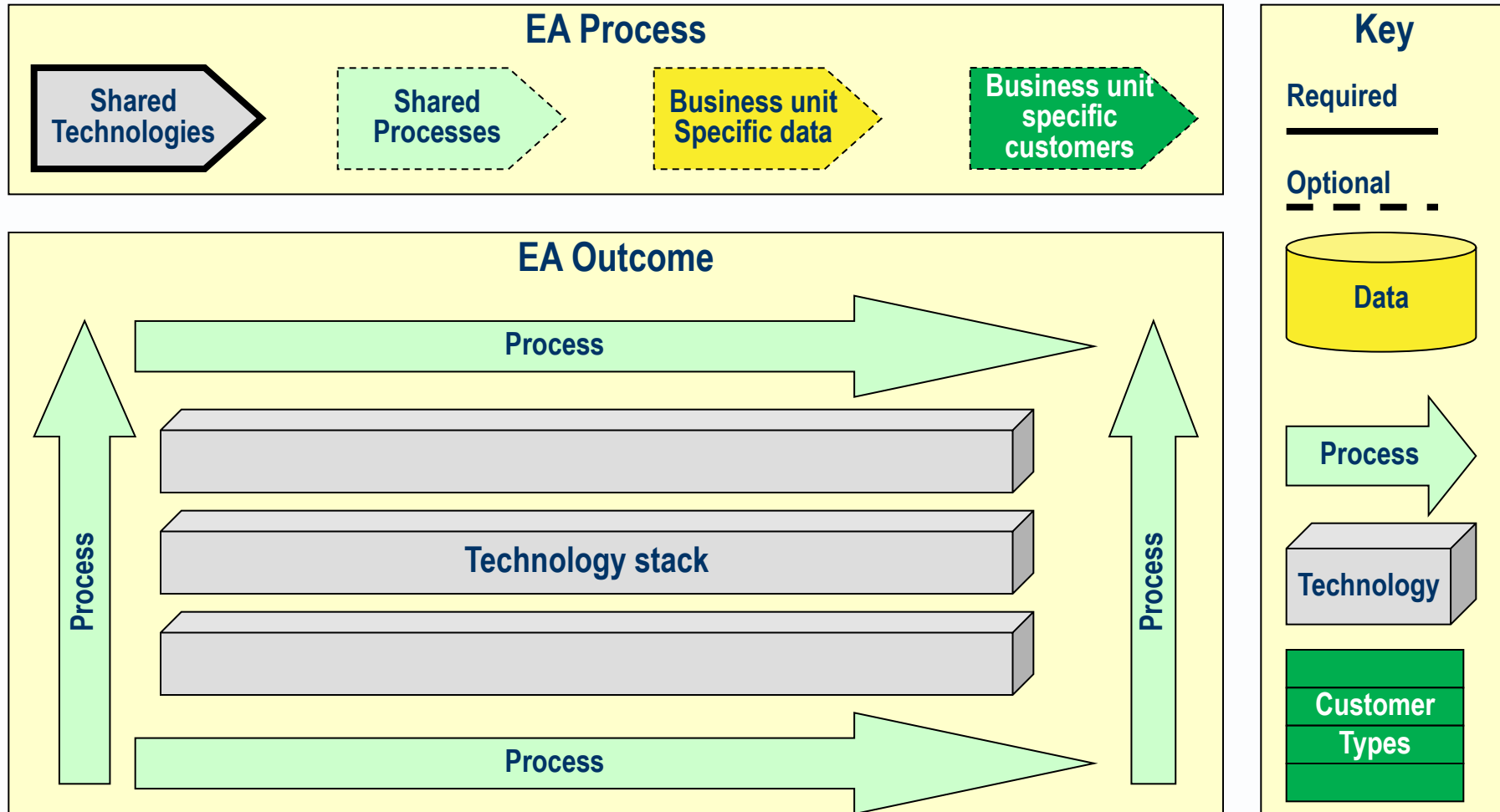
3 Design your EA

▶ Agree a Core Diagram [a cartoon] of the chosen Operating Model



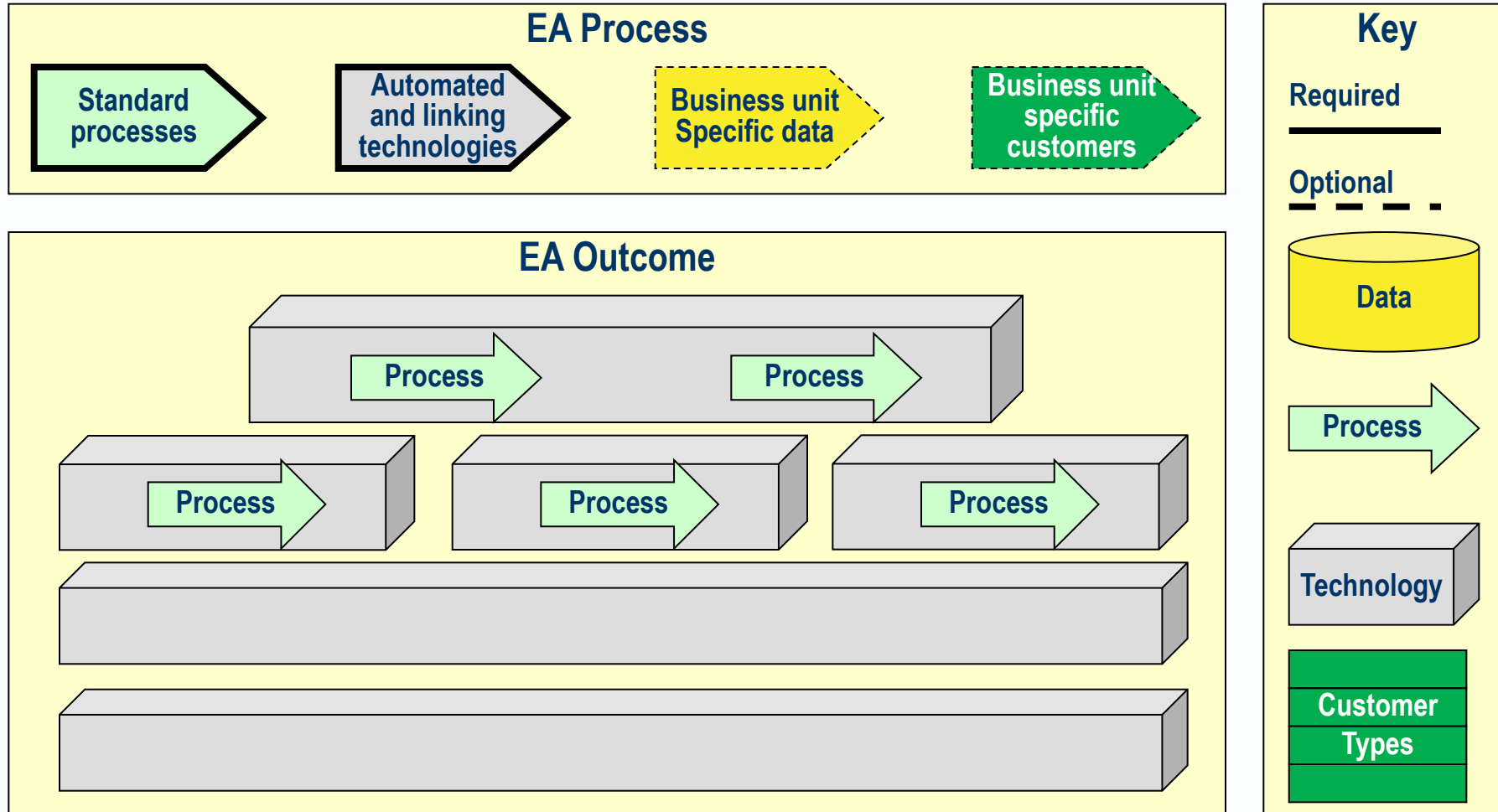
Example core diagram – diversification

▶ A Core Diagram of the chosen Operating Model



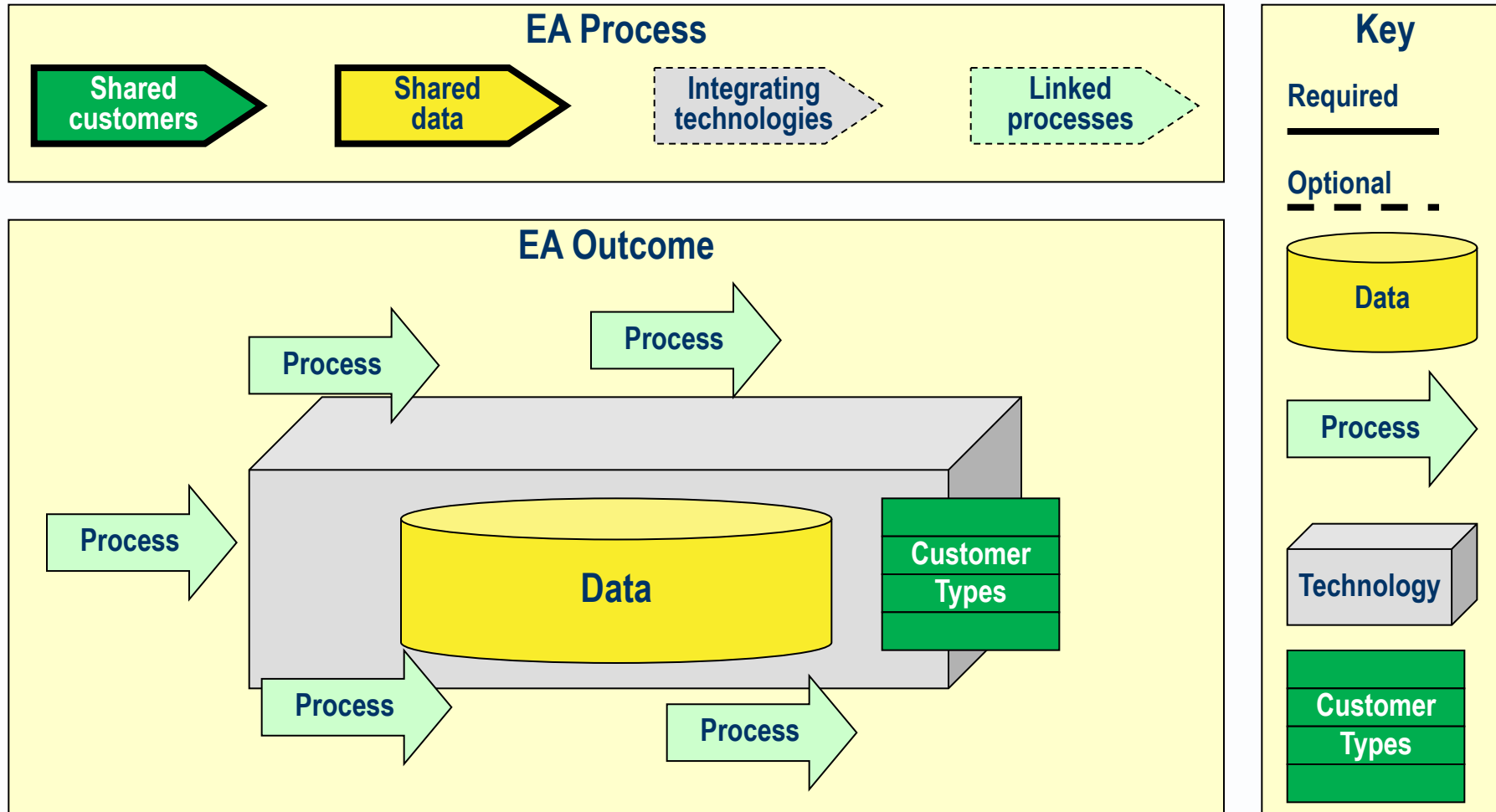
Example core diagram – replication

▶ A Core Diagram of the chosen Operating Model

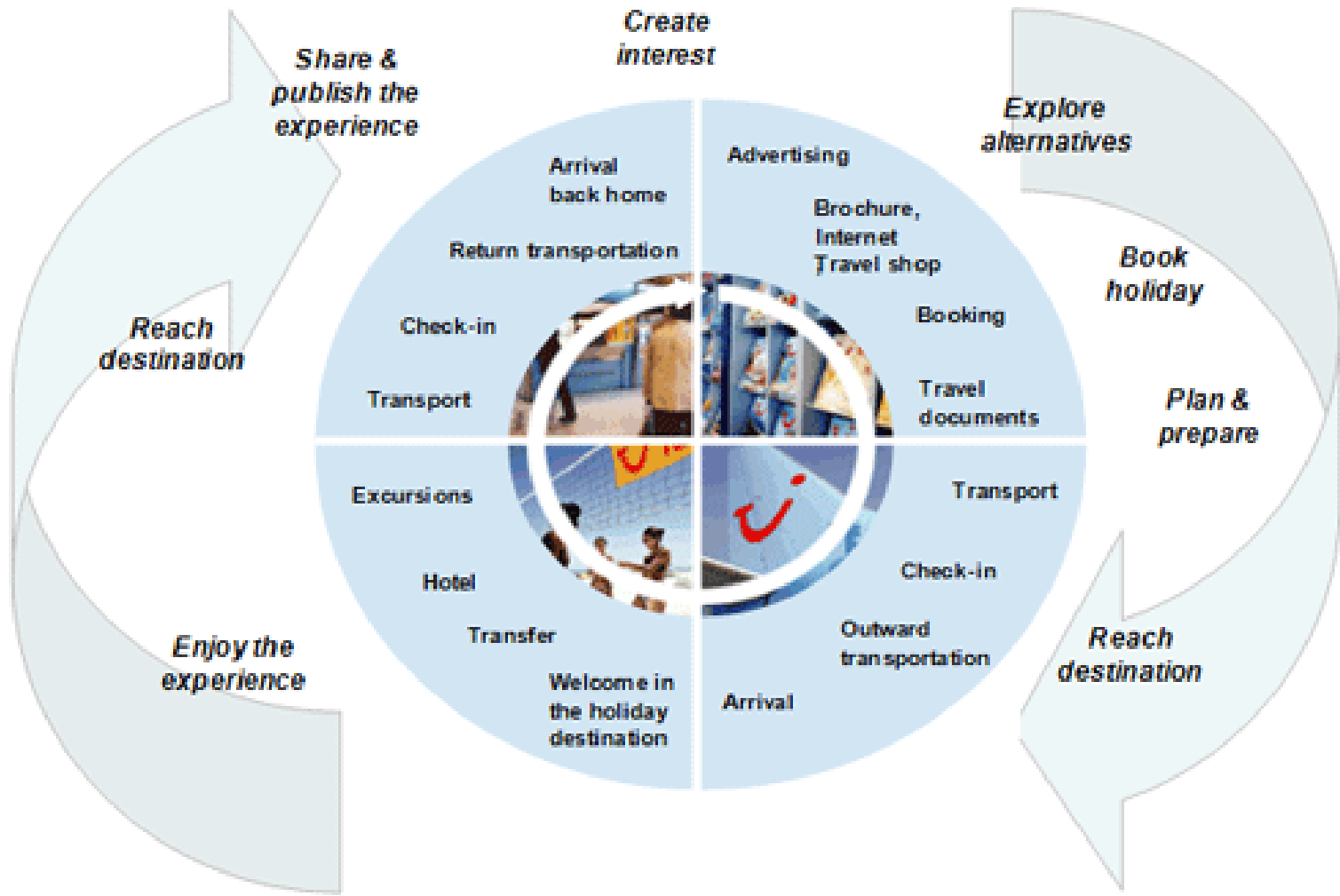


Example core diagram – coordination

▶ A Core Diagram of the chosen Operating Model

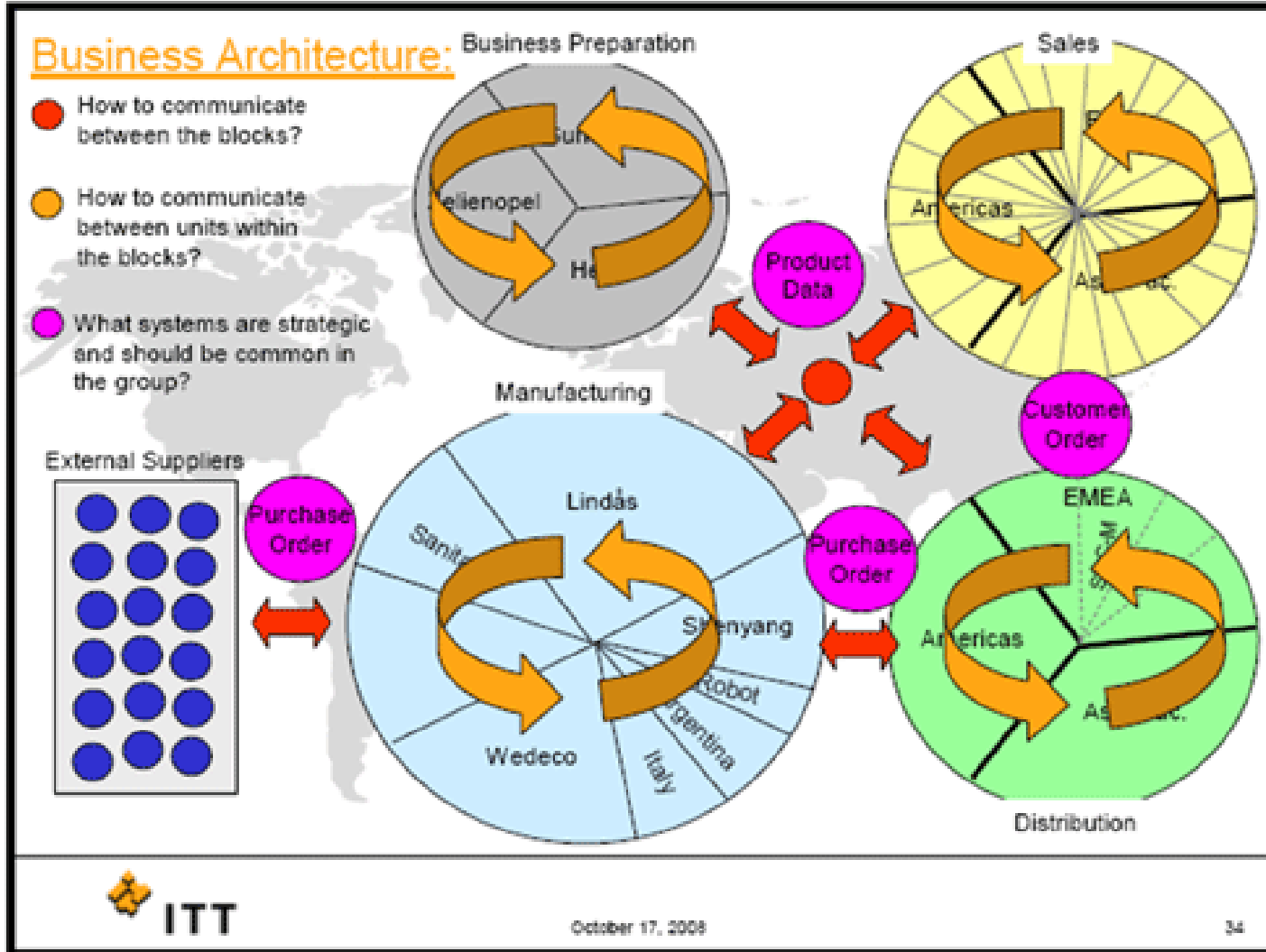


Example – Fritidsresor. Processfokus & tjänsteinventering



TUI Nordic | DAMA meeting October 2008 |

Example - ITT W&WW



See case study exercise



- ▶ Assess projects against the strategy

- ▶ Navigate the Stages of Enterprise Architecture Maturity
 - Business silos (12%)
 - Local apps and infrastructure
 - Standardised technology (48%)
 - Shared infrastructure,
 - Technology standards
 - Fewer platforms
 - Optimised core (34%)
 - Enterprise systems (shared apps)
 - No data redundancy
 - Business modularity (6%)
 - Reusable modules

Using Avancier Methods to increase your EA maturity

Avancier Methods for ENTERPRISE ARCHITECTURE

Rationalisation processes

Generic rationalisation process

Business structure rationalisation

Data store rationalisation

Application portfolio rationalisation

Technology portfolio rationalisation

▶ “navigate the stages of EA maturity” (MIT)

The stages of EA Maturity (MIT)

4 Business modularity (6%)

Reusable modules

3 Optimised core (34%)

No data redundancy

Enterprise systems (shared apps)

2 Standardised technology (48%)

Fewer platforms

Technology standards

Shared infrastructure

1 Business silos (12%)

Local apps and infrastructure

5 Design and implement an IT Engagement Model

1. IT governance at the senior levels of the company
2. Disciplined project management across all major projects

Links to ensure 1 and 2 reinforce one another

In essence

- IT linked to business
- IT linked to PMO

6 Exploit your foundation for execution for growth

- ▶ Build the Foundation one Project at Time
- ▶ From the start – Cash In on the Learning
 - ▶ Train
 - ▶ Incentivise
 - ▶ Encourage and reward creativity

Taking the process-oriented view

High BP integration	Coordination 2/1	Unification 2/2
Low BP integration	Diversification 1/1	Replication 1/2
	Low BP standardisation	High BP standardisation

- ▶ The “operating model” grid refers to business processes:
 - 1/1) Diversification: Different processes, not integrated
 - 1/2) Replication: Same processes, not integrated
 - 2/1) Coordination: Different processes, integrated (share data)
 - 2/2) Unification: Same processes, integrated (share data)
- ▶ In 2/1 and 2/2), integration implies processes share data

Taking the data-oriented view

High BP integration	Coordination 2/1	Unification 2/2
Low BP integration	Diversification 1/1	Replication 1/2
	Low BP standardisation	High BP standardisation

- ▶ Suppose we look at all data created and used during processes?
Then we see a slightly different perspective
 - 1/1) Different processes, using different data
 - 1/2) Same processes, using different data
 - 2/1) Different processes, using same data
 - 2/2) Same processes, using same data
- ▶ In 1/2), can you standardise processes without standardising data types?

See case study exercise

