THE FUTURE OF BUSINESS ARCHITECTURE
Challenges And Opportunities

IIBA Cincinnati
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Why am I here today?

The problem is never how to get new, innovative thoughts into your mind, but how to get old ones out.

- Dee Hock
Business architecture provides a structured, disciplined approach to translate strategic intent into focused, effective action.
Business architecture is not enterprise architecture
Business Architecture
Today’s Reality
Some interesting facts

- Architects are among the best and brightest members of our organizations.
- Architects have more latitude than other organizations to create their role to be what they want it to be.
- Architects have fewer time dependent deliverables than most organizations so they have the time they need to develop a high quality product.
- Organizations are in desperate need of innovative business designs, strategy implementation, and transformation management

... and yet

Business Architecture teams struggle for success.
Today’s reality for business architects

- Struggling for success: 20.0%
- Failed initiatives: 60.0%
- Delivering good journeyman architecture work: 15.0%
- Fulfilling the architecture promise: 5.0%
We have met the enemy. . .

. . . and he is us

- We want change to happen our way
- We ignore culture and context
- Overly technology centric
- We place efficiency over effectiveness
- We want to control versus collaborate
- We focus on models versus results
- We would rather be right than successful
The global landscape

The global business architecture practice landscape

Business architecture today is characterized by a large number of people who aspire to do business architecture work with a much smaller group capable of building a sustainable practice. Smaller still are the number who are making a significant impact on their company’s strategic effectiveness.

- **Goal:** cost savings (IT)
- **Focus:** IT/business alignment
- **Approach:** modeling
- **Scope:** IT/single business unit
- **Sponsorship:** CIO/none
- **Culture:** ignored
- **Credibility:** Low

- **Goal:** investment rationalization
- **Focus:** strategy alignment
- **Approach:** analysis
- **Scope:** multiple business units
- **Sponsorship:** Jr. executive
- **Culture:** aligned
- **Credibility:** individual

- **Goal:** strategy realization
- **Focus:** strategic investment & organizational change
- **Approach:** consulting
- **Scope:** enterprise & LOBs
- **Sponsorship:** executive
- **Culture:** challenging
- **Credibility:** practice
The global challenge

The path forward is much more difficult

As business architects move forward from struggling toward excellence, each step becomes steeper. This is the primary reason we see leading business architecture practices largely clustered together in the middle. They have yet to understand the magnitude of the challenge ahead.

Effort curve

Struggling

Excellence

Only a handful of BA practices are here
What are the challenges

- What got you here won’t get you there
- Overcoming politics, culture and organizational contextual challenges
- Raising executive collaboration
- Implementing a top-down strategy execution process
- Creating broad senior level advocacy for business architecture
- Shift individual credibility to practice credibility
- Develop a strong consulting/engagement approach
- Reduce competition and increase collaboration
- Hiring and development of staff
- Thinking **BIGGER**
Business Architecture’s Opportunity
Leading business architects see business architecture this way

Business architecture is an approach to clarifying, elaborating, and illuminating an organization’s business strategy and operating models in a way that creates new insights, broader perspectives, and deeper understanding of how the organization as a whole creates value and that drives more strategic and collaborative decision making. It provides a structured, disciplined approach to translate strategic intent into focused, effective action by:

- Clarifying strategic intent and translating it into consumable elements that target investments to the work that is essential to the outcomes we desire.

- Creating a holistic, common understanding of business operations that can be used to design a responsive and agile organization.

- Building a repeatable strategy-to-initiatives process which dramatically increases the organization’s change velocity.

The ultimate goal of business architecture is to unlock organizational capacity.
Strategy execution is the **BIG** business architecture opportunity

- **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
The organizational reality — strategy diffusion
A structured strategy execution process is lacking

- Order office supplies
- Travel expense management
- Performance reviews

Order → Cash
Prospect → Client
Concept → Product
Strategy → Execution
A typical Post-it® notes ordering process

Order Mgmt.
- Fill out online request
- Reject order

General Ledger
- Check budget
- Funds available?
  - Yes: Debit budget
  - No

Warehouse
- Check inventory
- Inventory available?
  - Yes: Debit inventory
  - No: Send update notification
- Order replenishment

Interoffice mail
- Item pickup
- Schedule delivery
- Update route
- Deliver Post-it® Notes

External Provider
- Schedule order
- Pick & pack

The Future of Business Architecture
A typical strategy implementation process

Go do something!!!!
A more structured approach to strategy execution will deliver results faster and cheaper

- **Clarify strategy** – identifies valid approaches to strategy realization and offers guidance on how to operationalize strategy
- **Identify capabilities** – provides a high-level (strategic) view of the organization’s total resources
- **Assess capabilities** – identifies which capabilities are ready to enable strategy execution and which need further development
- **Determine gaps** – clearly identifies the root cause of capability deficiency and what needs to change to enable strategy realization
- **Choose investments** – produces a capability development roadmap that maximizes the return on financial and human resource investments
- **Monitor progress** – creates methods to monitor strategy progress as opposed to project progress
Unlocking financial capacity for strategy realization [example]

The core business architecture metric is improving this ratio

- Strategy aligned spending $60mm
- Underutilized capital $40mm
- Available discretionary funding $100mm

BA Opportunity

Redirected Capital

Spending on business value creation and innovation
Maintenance and mandatory spending
Unlocking employee capital is vastly underestimated

“We have great ideas, we just can’t seem to implement them.”

CEO

“We keep getting better at doing things that don’t matter.”

Department Manager

“I just put my head down and do what they tell me.”

Customer Service Representative
Unlocking employee potential

**What kind of employees do you have?**

- **Engaged Employees**
  - Work with passion and feel a profound connection to their company. They drive innovation and move organizations forward.

- **Not Engaged Employees**
  - Are essentially “checked-out,” they’re sleepwalking through their workday, putting time - but not energy or passion - into their work.

- **Actively Disengaged Employees**
  - Aren’t just unhappy at work, they’re acting out their unhappiness.

Measure & manage engagement at Q12.GALLUP.COM

**Drive**, by Daniel Pink

**Purpose**

**Vision and goal clarity**

**Autonomy**

**Strategic clarity**

**Mastery**

**Where to develop**
The Business Analyst Opportunity
What background do successful business architects at your company have? Select all that apply.

- Business analyst
- IT architect (enterprise, solutions, information)
- Strategic planning / strategy development
- Management consultant
- Process engineering / management
- Relationship management
- Business manager
- Project management
- Program management
- Non-management business roles
- Non-management IT roles
- Non-EA IT manager
- Other

n = 136

Business Innovation Partners, The State of Business Architecture In 2015
2013 Research findings

Figure 7. Business Architects Have a Wide Variety of Backgrounds

"What three prior roles did you have before you became a business architect?"

- Business Analyst: 44%
- Project Leader: 42%
- IT/Technology Consultant: 36%
- Business Consultant: 32%
- Business Manager: 26%
- Enterprise Architect: 24%
- Application or Solution Architect: 23%
- Non-EA IT Manager: 18%
- Other Business Role: 15%
- Other IT Role: 11%
- Information or data Architect: 10%
“What prior roles do business architects typically hold in your organization (immediately before becoming a business architect)?”

- Business analyst: 60%
- Enterprise architect: 42%
- Application or solution architect: 39%
- Information or data architect: 27%
- Business manager: 27%
- Project lead or lead developer: 26%
- Other business role: 12%
- Other IT role: 5%

(multiple responses accepted)

Why business architecture for the business analyst

- Strategy execution is the number one challenge for business leaders today
- Business architects can dramatically improve the strategy execution process – among other things
- Most business architecture practices are struggling

Business analysis provides a strong foundation for making the shift to business architecture. Business analysts:

- Have strong business relationships
- Are business centric in their approach
- Are highly collaborative
- Strive to help others succeed
- In tune with culture and context
- Understand that models and tools are a means to an end
Business architecture isn’t easy

- Business architecture is not simply business analysis at the enterprise level
- You have to master both “technical skills” and relationship skills
- You must be able to challenge management
- Business leaders aren’t asking for business architecture – you have to sell it
- Demonstrating value is difficult
- There is a lot of theory but not a lot of facts
Attributes of successful business architects

- A sound understanding of business principles and concepts
- An ability to think about business processes outside of the technology context
- Knows how to listen... well
- A really strong consulting mindset
- Have a strategic point of view
- Can innovate on the fly
- Good at design thinking
- A catalyst for change
Where to start

- The BA Guild/BizBOK – The business architecture body of knowledge is around 500 pages and will give you the BA basics as well as a good perspective of current traditional business architecture thinking.
- [http://www.businessarchitectureguild.org/default.asp](http://www.businessarchitectureguild.org/default.asp)


- For an overview of current issues in business architecture management and a more progressive view of business architecture you can read my blog at: [http://www.accelare.com/blog](http://www.accelare.com/blog)

- And if you want to see what business architects are talking about I recommend the LinkedIn group Business Architecture Community. [https://www.linkedin.com/groups/84758](https://www.linkedin.com/groups/84758)
QUESTIONS
THANK YOU

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Jeff Scott is President of Business Innovation Partners where he consults with Fortune 1000 companies on business architecture practice design and management, organizational change, and strategy development. He has substantial consulting and corporate experience working with senior leadership to set direction, build consensus, and translate business objectives into effective action. He is a strategic thinker with the analytical skills to create and implement practical, achievable solutions to the most complex problems.

Jeff is an internationally recognized thought leader in business architecture, strategy execution, and organizational transformation. He frequently speaks, writes, and teaches seminars on these topics. He has a Master of Arts degree in learning and experimental psychology from Wake Forest University. Jeff currently writes the blog, The Business Architect, chairs The Business Architect’s Roundtable, is a member of the Business Architecture Guild’s advisory board, and is the Editorial Director for the Business Architecture Institute.