

Business Architecture for Business Analysts

Linda Finley
Leadership Advantage
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Presentation Focus

- The definition, scope and the current state of business architecture, available resources, and activities.
- The practical value of a business architecture for business analysts.
- Business architecture tools and techniques for business analysts.

A Brief History of Business Architecture

- 1995 – The Open Group Architectural Framework (TOGAF)
- 2007 – Object Management Group (OMG) Business Architecture Special Interest Group (BASIG) and Business Architecture Working Group (BAWG)
- 2010 – Business Architecture Guild Formation & subsequent publication of the BIZBOK Guide™ Business Architecture Body of Knowledge
- 2010 – Twin Cities Business Architecture Forum Community of Practice is launched
- 2012 – The Business Architecture Institute is established
- 2012 – Metro State Business Architecture Certificate is created
- 2016 – The Business Architecture Summit
- 2017 – IIBA PDD collaboration with TCBAF September 20th!
- 2017 – The 2nd annual Business Architecture Summit December 7th!
- Tomorrow--TBD

What it is and What it isn't

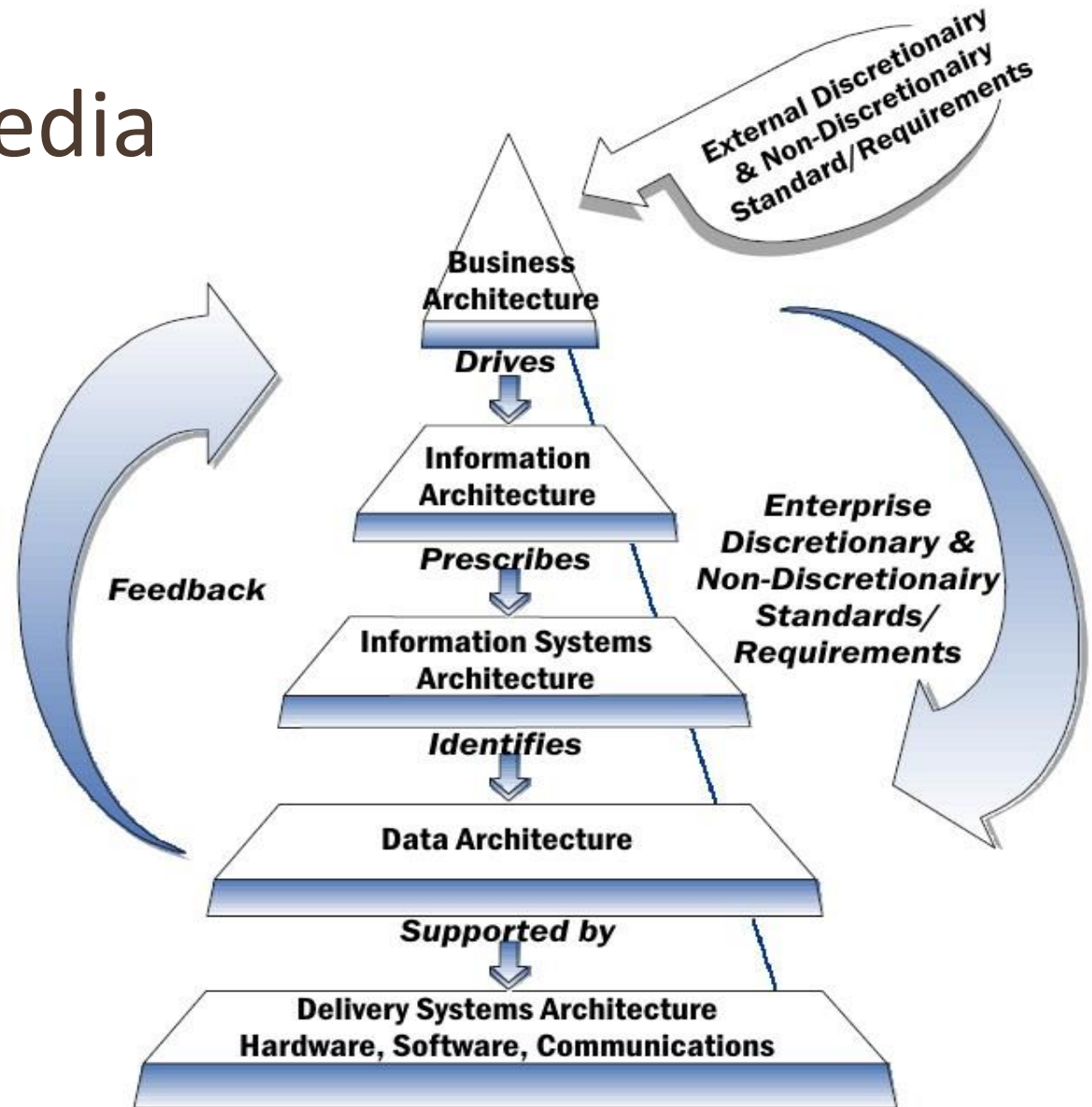
- Business architecture is not a buzzword or a quick fix solution for a broken process, a computer system, or a single project or business unit.
- It is a holistic discipline that is most effective when applied across business units, practices, disciplines, and stakeholders.

Chapter 2, Part 1, of Business and Dynamic Change: The Arrival of Business Architecture, Published by Future Strategies, Inc. © 2015

Definition

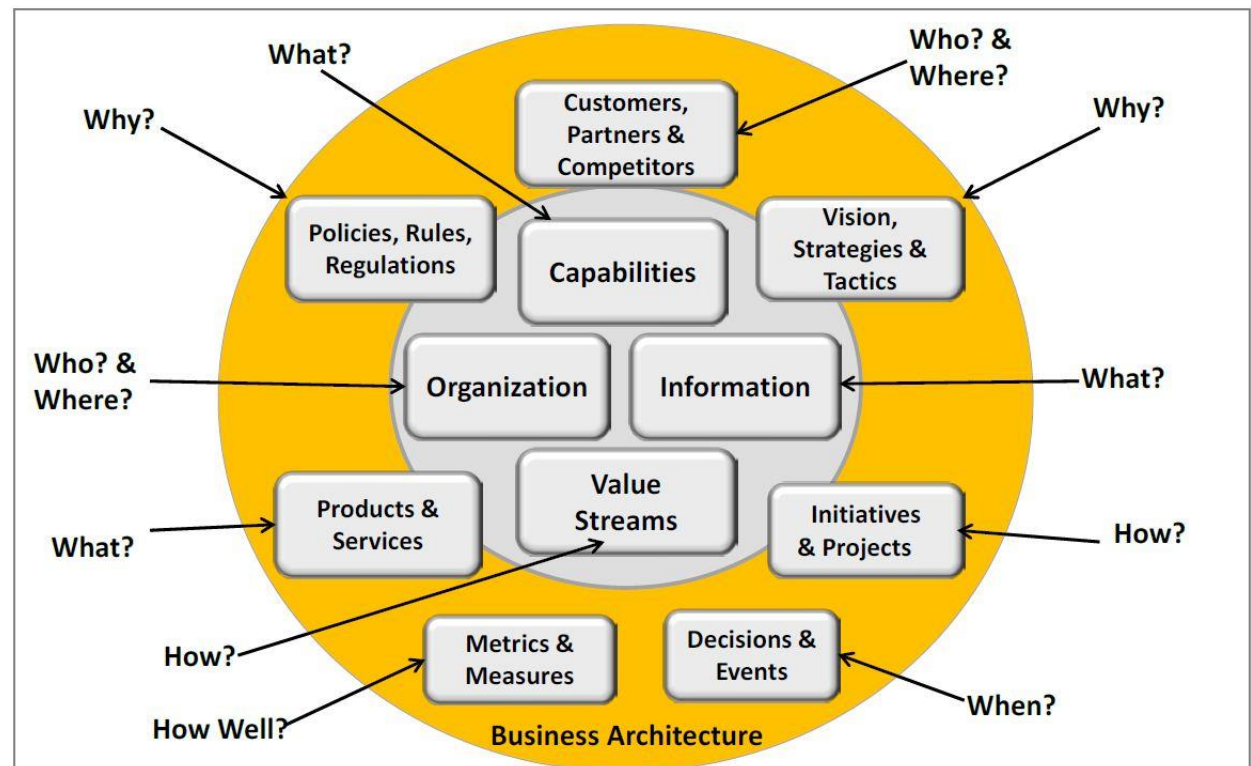
- The scope of business architecture is the **scope of the business**.
- Business Architecture aids in defining and creating your enterprise to deliver your purpose.
- It enables you to understand and optimize your organization's capabilities and competencies.
- It links business and technology through applications and information.
- It helps us visualize and convey current and future business opportunities to the organization.
- It is the discipline to align people, process, tools, and information with current and future business goals.

From Wikipedia



Business Architecture knowledgebase

“A blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands.”



Four core domains

The Guide to the Business Architecture Body of Knowledge (BIZBOK Guide®) defines four core business architecture domains:

- Value Streams
- Capabilities
- Organization
- Information

Foundation

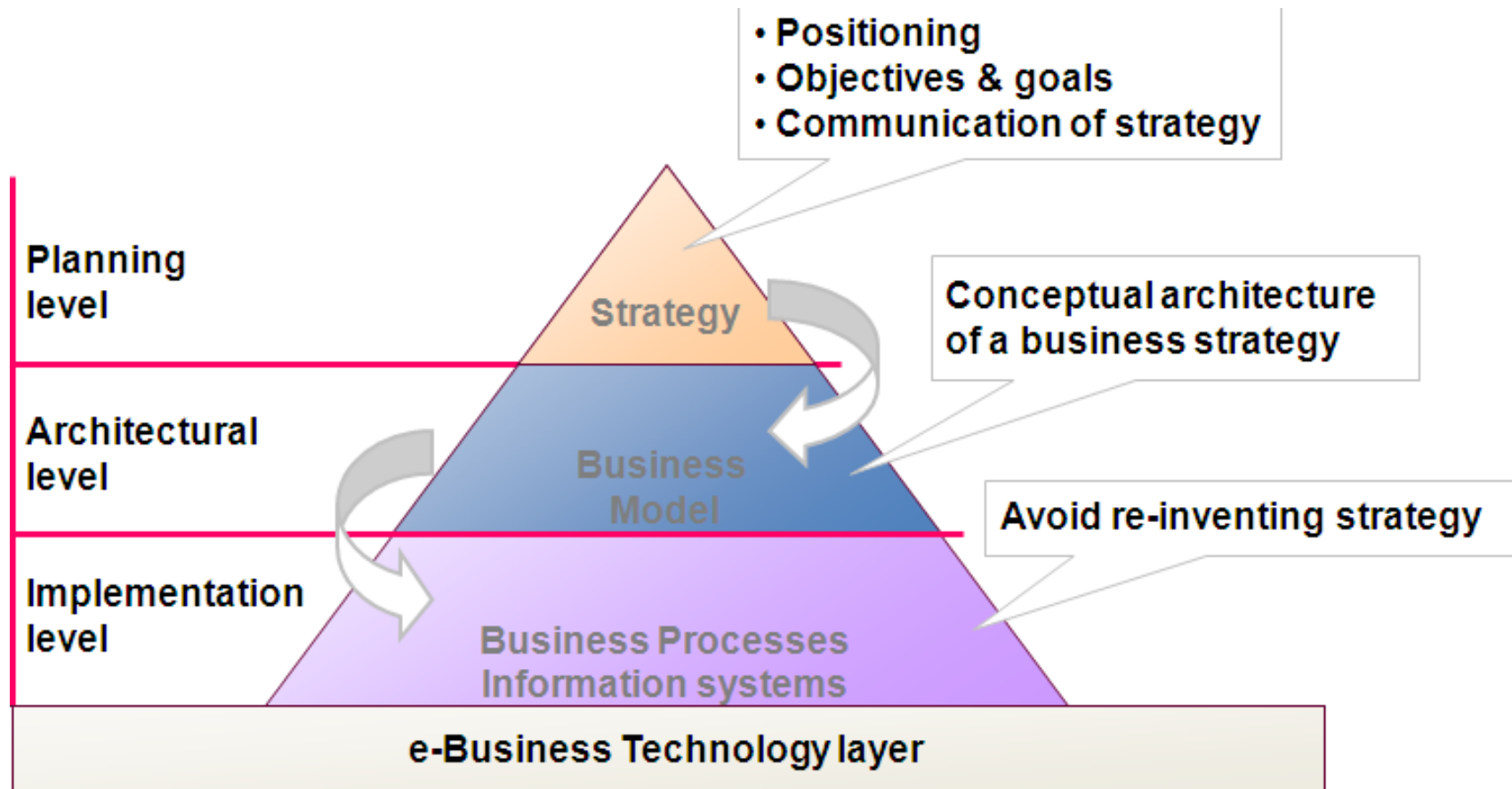
- Multi disciplinary
- Differing, blended perspectives
 - IT
 - Business
 - Executives
- Arose out of a need



The Role

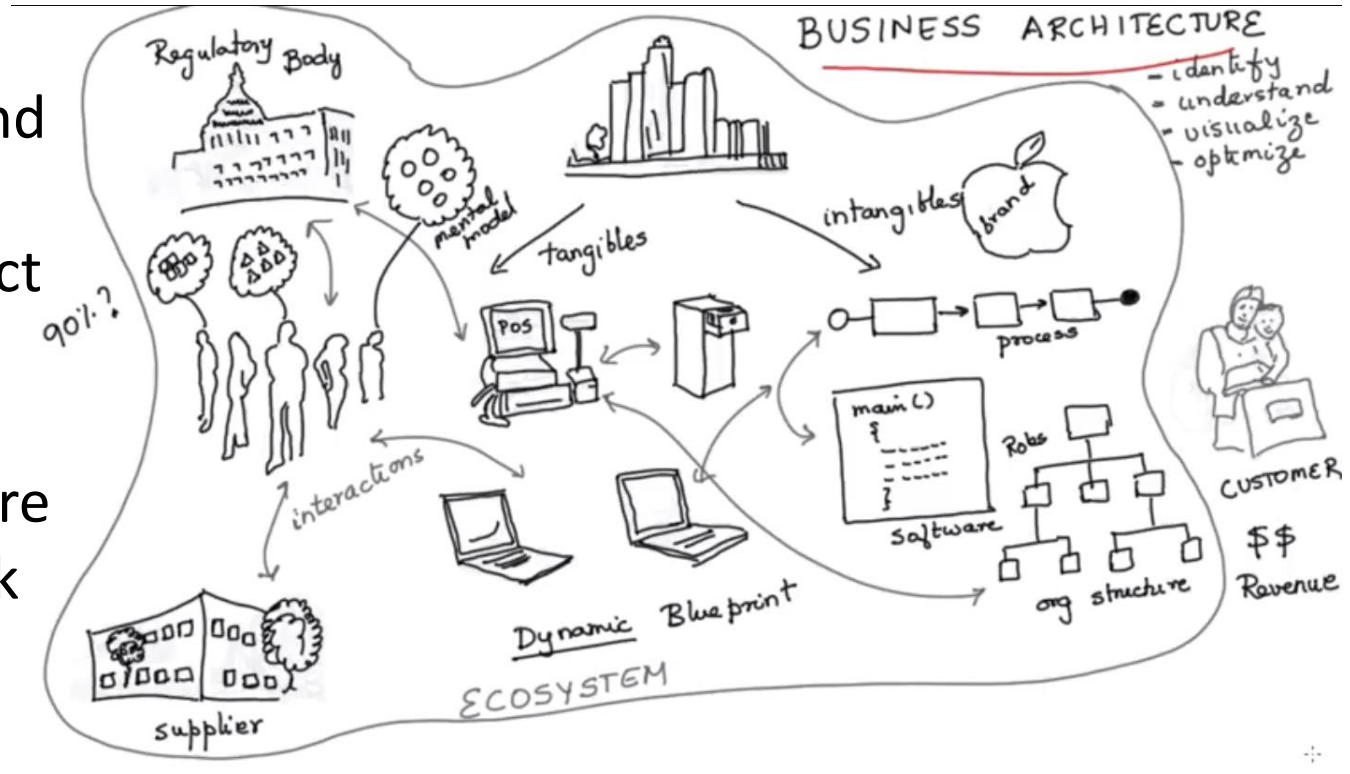
- **"Business architecture is about making sure the whole business holds together"**
- *It's a role built around business planning, pointing out opportunities to utilize IT more effectively -- in sales, customer service, and all other areas.*
- *...fashioning high-level company strategy with technology in mind.*
- **The job of the business architect is to arm leaders with the knowledge they need to choose wisely.**
 - *Identify*
 - *Understand*
 - *Visualize*
 - *Optimize*

Business Architecture Fit



A Business Architecture Framework

Identify and describe each aspect within the business architecture framework



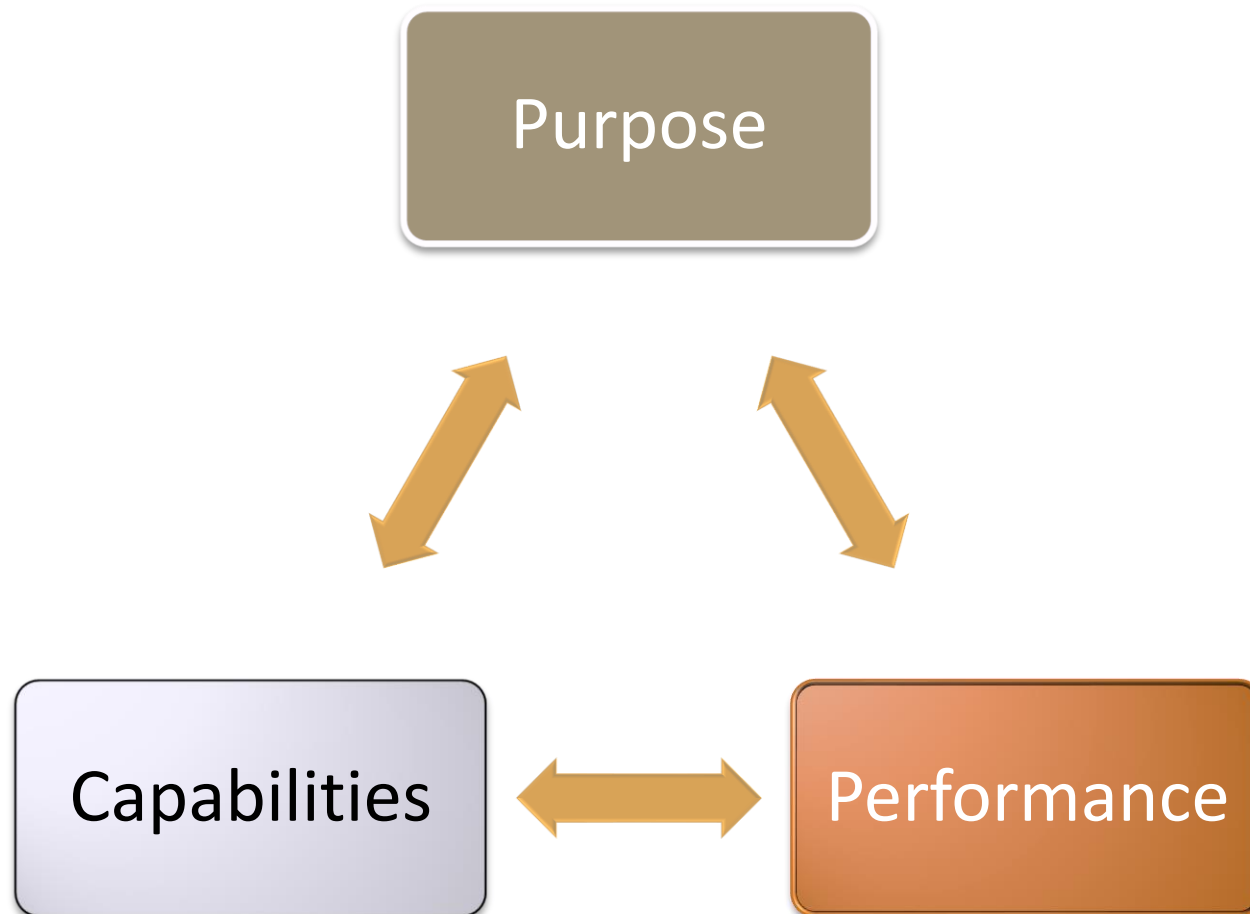
Business Change Drivers

Business architecture building blocks are combined based on different business scenarios in order to provide executive management with the information it needs to make strategic decisions. Scenarios where business architecture has been and can be used include:

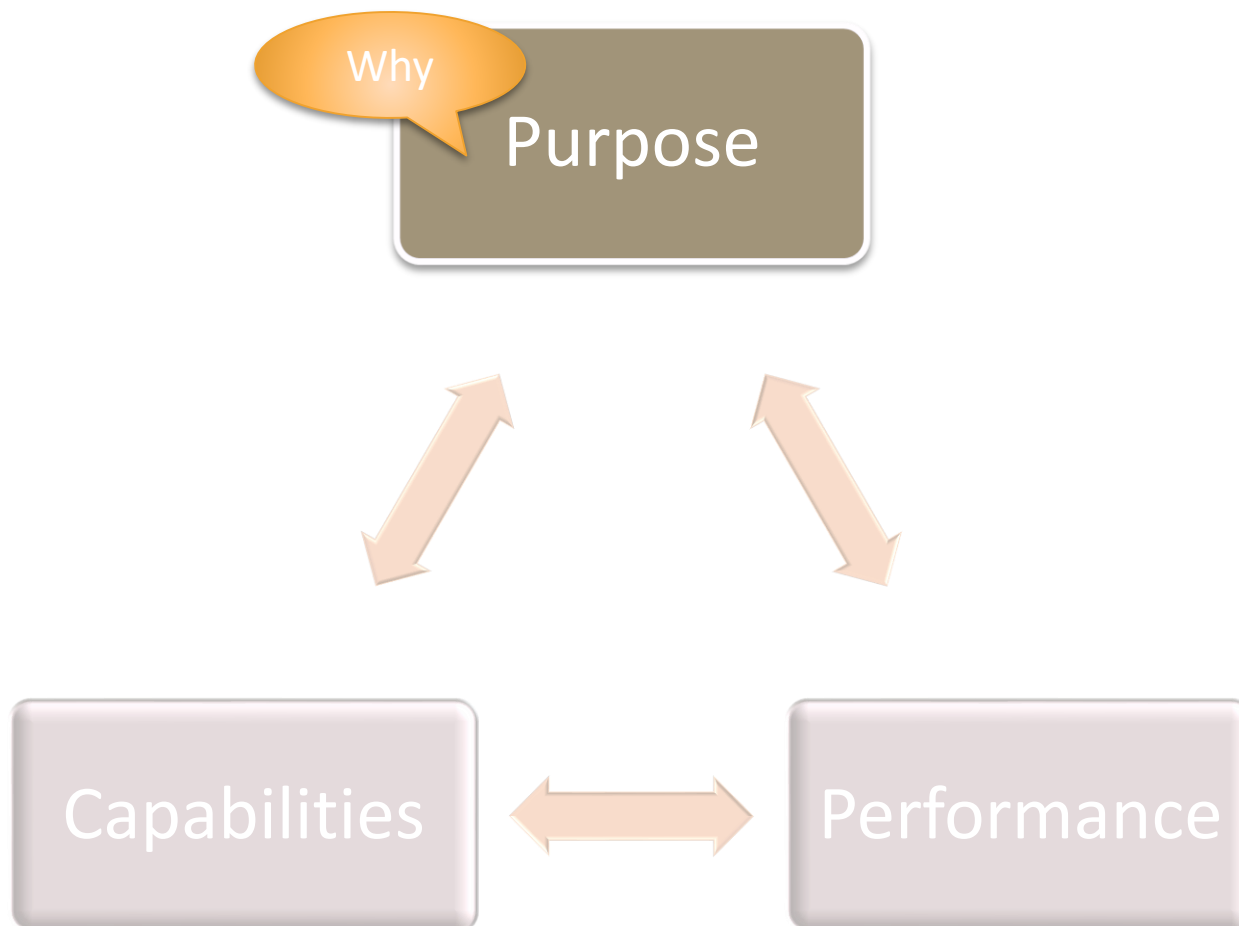
- Investment Analysis
- Shift to a Customer Centric Business Model
- Merger and Acquisition Analysis
- New Product/Service Roll Out
- Globalization
- Business Capability Outsourcing
- Supply Chain Streamlining
- Divestiture
- Regulatory Compliance/Impact
- Change Management
- Operational Cost Reduction
- Joint Venture Deployment

Different business architecture views are combined to support different business scenarios

The Business Architecture



The Business Architecture—ask “Why”



Start with “Why”

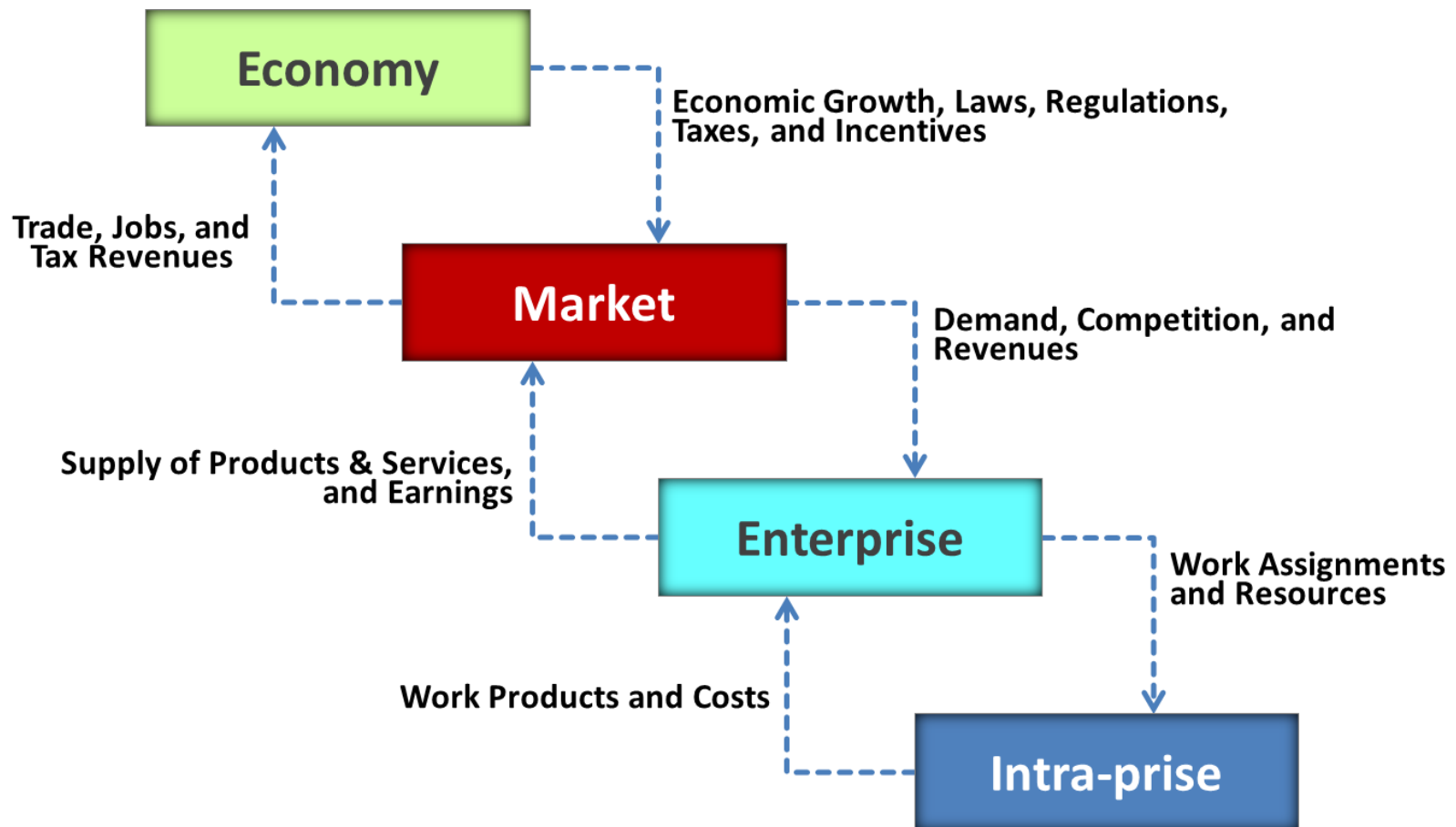
The Difference We Make

- Purpose
- Vision
- Mission
- Value Proposition
- Business Model

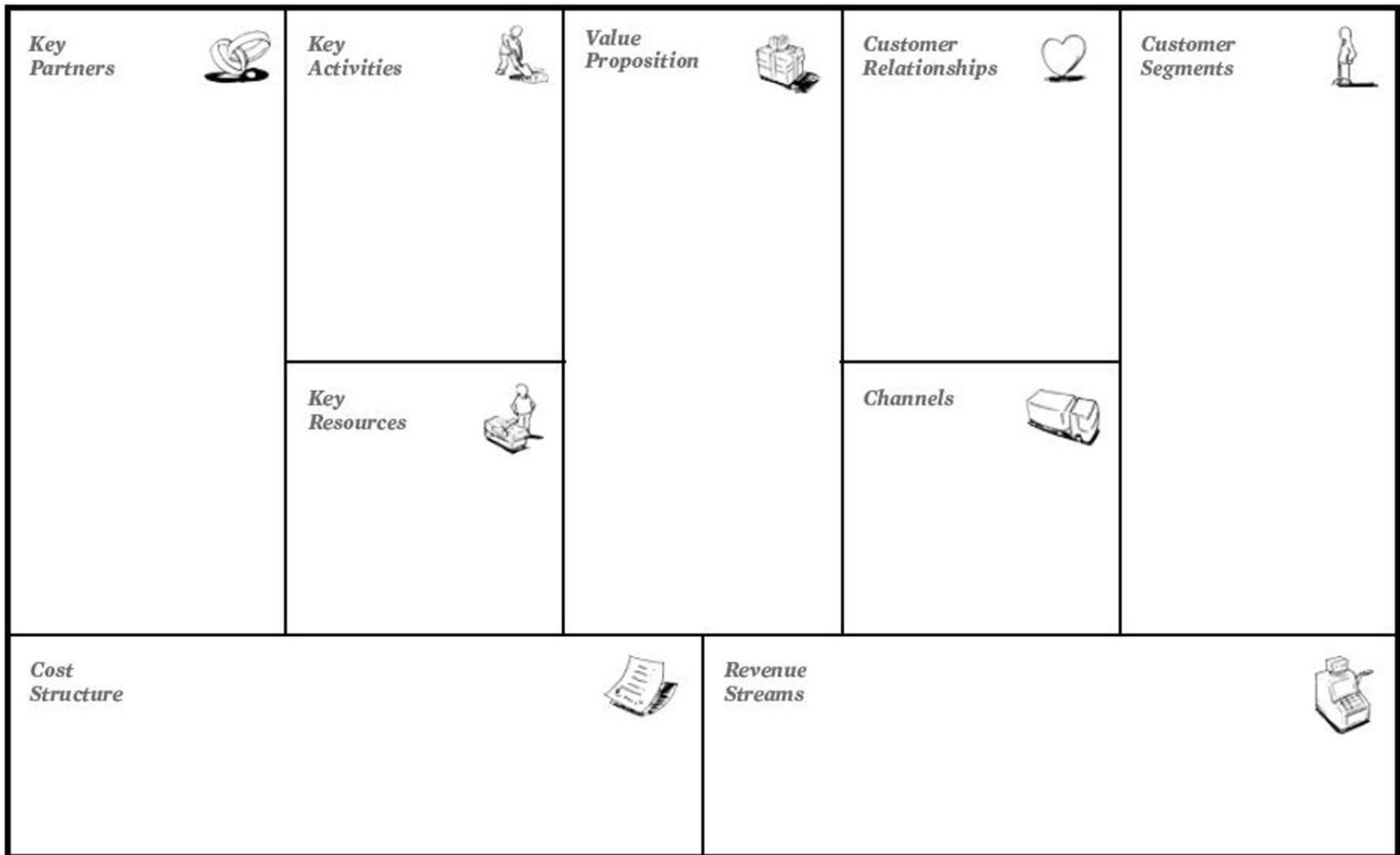


- *Who are we?*
- *What is our organization’s **purpose**?*
- *Who do we serve?*
- *What is the Value Proposition we offer?*
- *Why do we exist?*
- *What makes us special—how do we differentiate ourselves?*
- *Why do we matter to the marketplace...and to the world?*

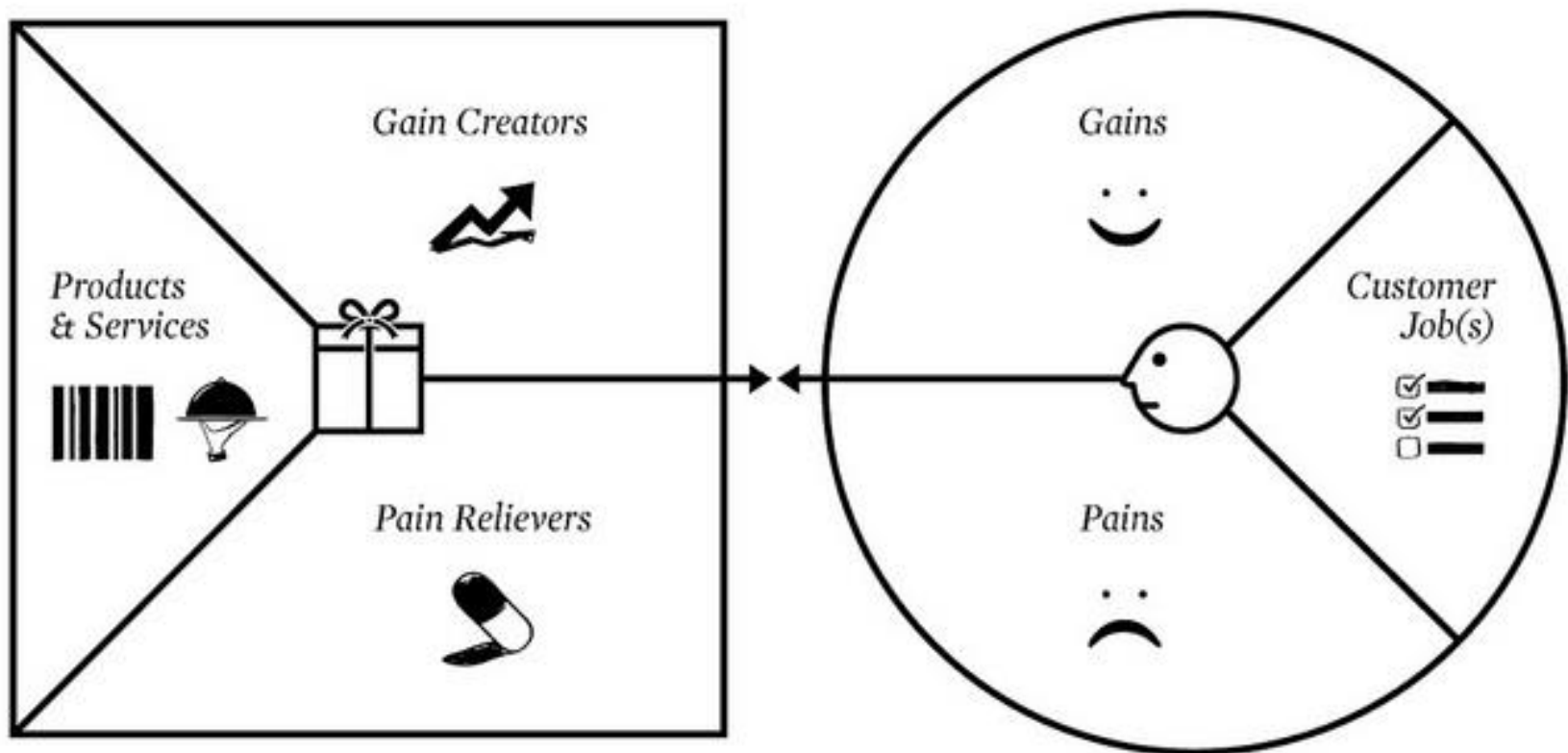
Business Model Triggers



Business Model Canvas



Value Proposition



Customer Profile

Customer Profile

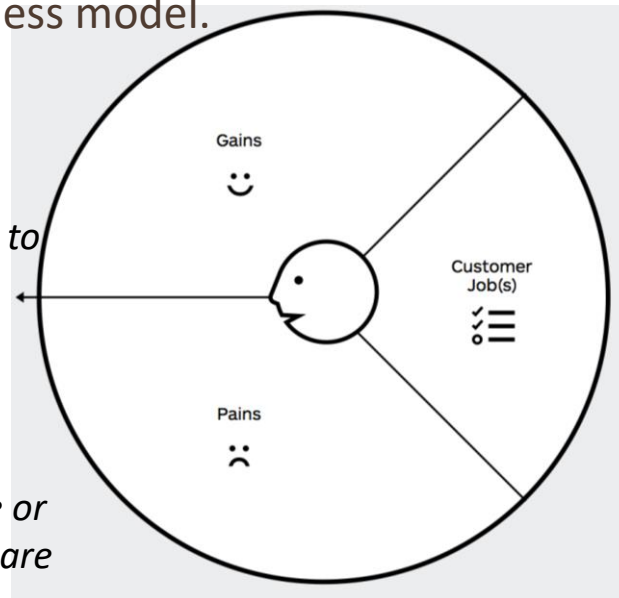
The Customer segment profile should be used to describe a specific customer segment in your business model.

Customer Pains

Describes bad outcomes, risks and obstacles related to customer jobs.

Customer Gains

Describes the outcomes customers want to achieve or the concrete benefits they are seeking.



Customer Jobs

This sector describes what customers are trying to get done in their lives.

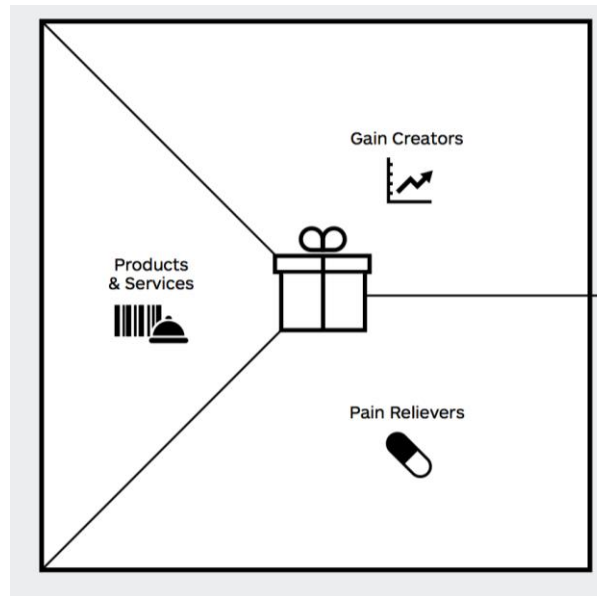
Value Proposition Value Map

Value Map

The Value Map profile should be used to describe the features of a specific value proposition in your business model.

Products and Services

This should include a list of all the Products and Services a specific value proposition is built around.



Gain Creators

Describes how your products and services create customer gains.

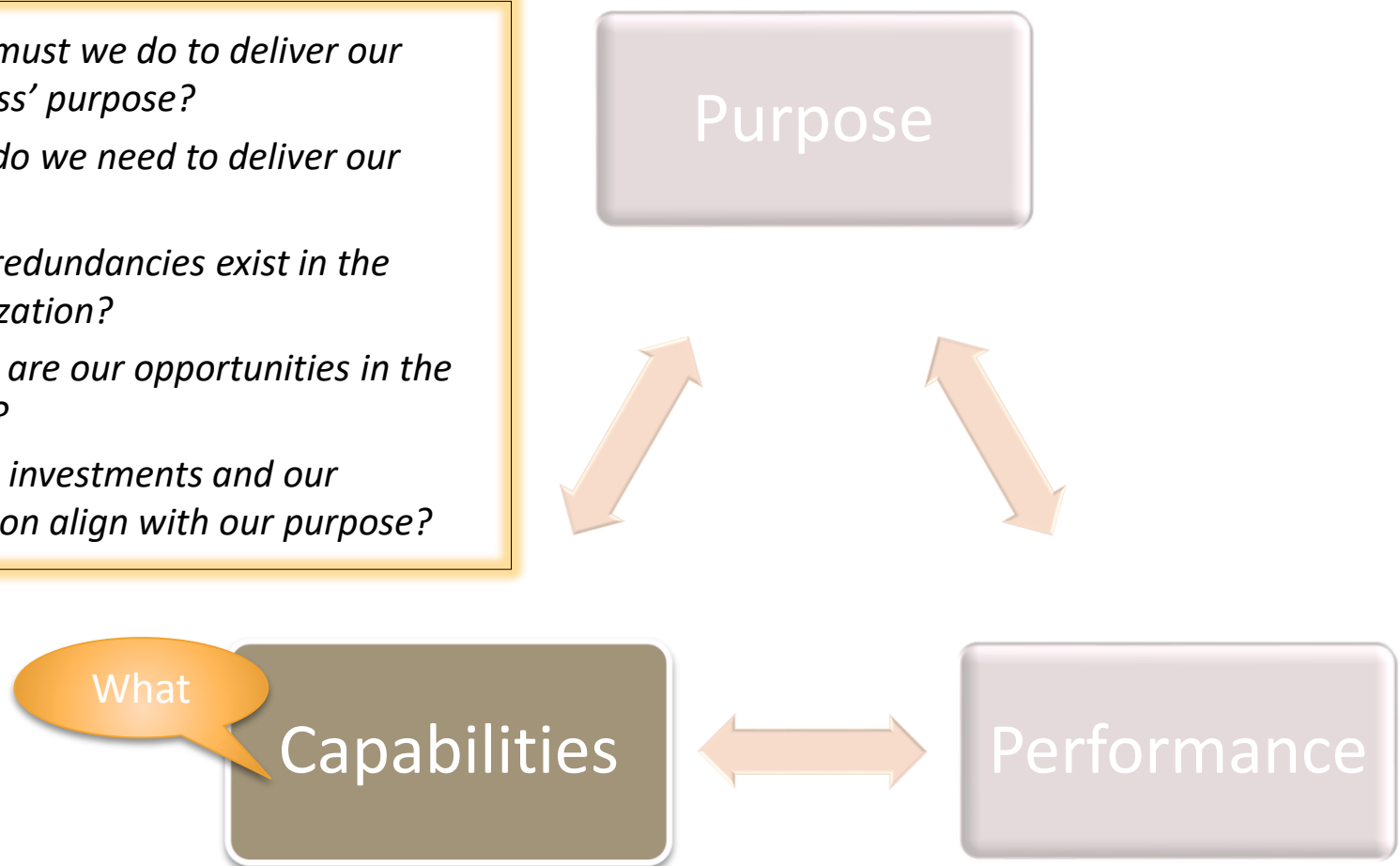
Pain Relievers

Describes how your products and services alleviate customer pains.

Source: Value Proposition Design, A. Osterwalder, et.al.

The “What” of Business Architecture

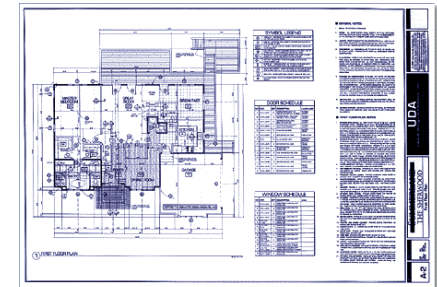
- *What must we do to deliver our business’ purpose?*
- *What do we need to deliver our why?*
- *What redundancies exist in the organization?*
- *Where are our opportunities in the future?*
- *Do our investments and our attention align with our purpose?*



Align the “What”...

Capability Enablers...

- Organization
 - People
 - Skills and Competencies
- Process
 - Value Streams
 - Information Flow
 - Business Rules
- Tools and Technology
 - Models
 - Maps
 - Charts
 - Diagrams
 - Applications
- Information
 - Data



Business Capabilities

Business Capabilities:

- Represent “what” we do as a business to consistently **deliver** an expected result to the marketplace
- **Defined** by people, process, technology (including data)
- Capability modeling and analysis pictorially **shows how functions are organized** to deliver the business purpose

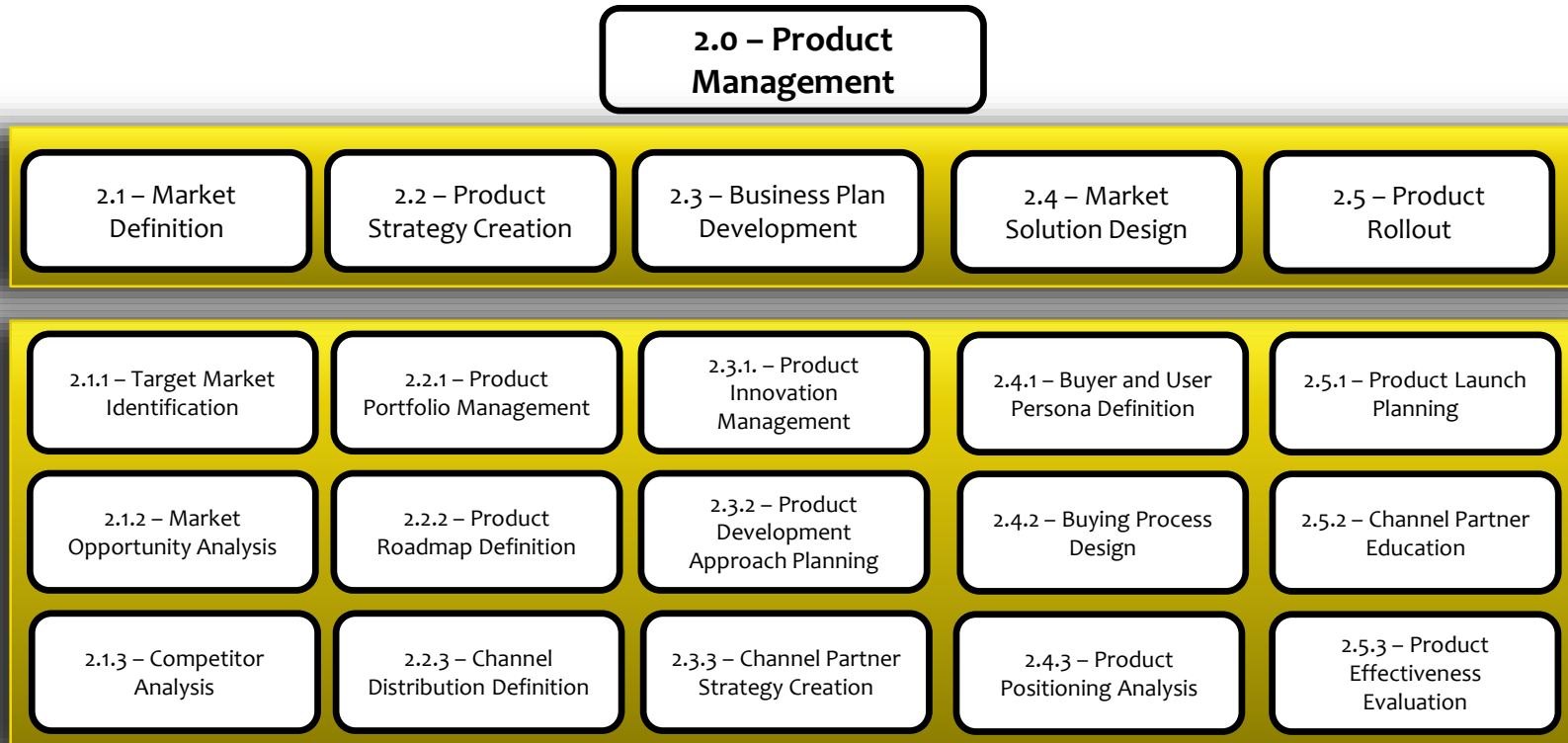
Business Capability Planning:

- **Encourages** and **facilitates** cross-organizational discussions
- Provides a common framework and language for defining, aligning and **optimizing our business purpose**, monitoring and planning investments, and achieving operational effectiveness
- Identifies **redundancy**, **synergies** and **reuse** opportunities across the enterprise

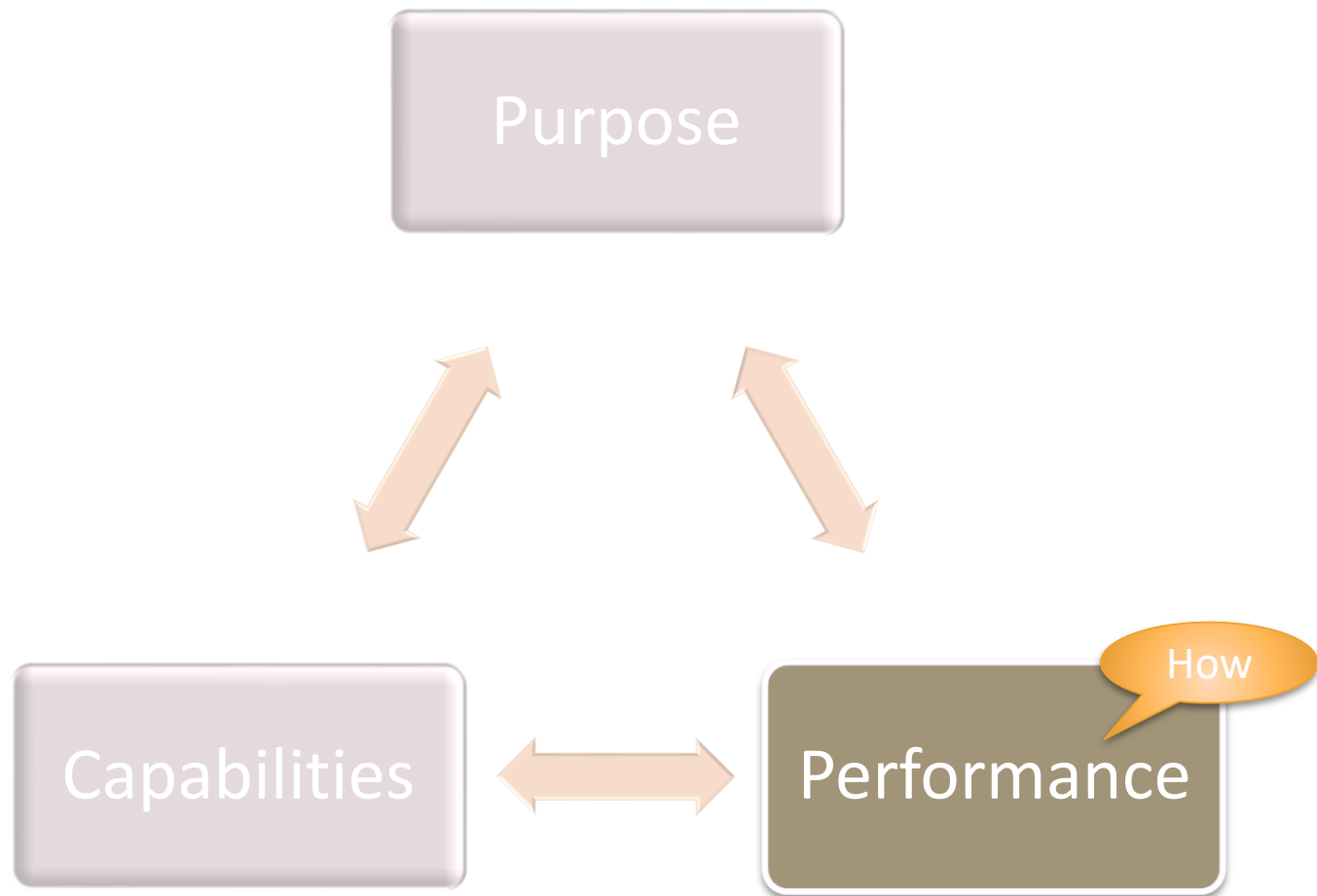
Capability Map



Example: Business Capability Map



The Business Architecture—how well?



How Well...

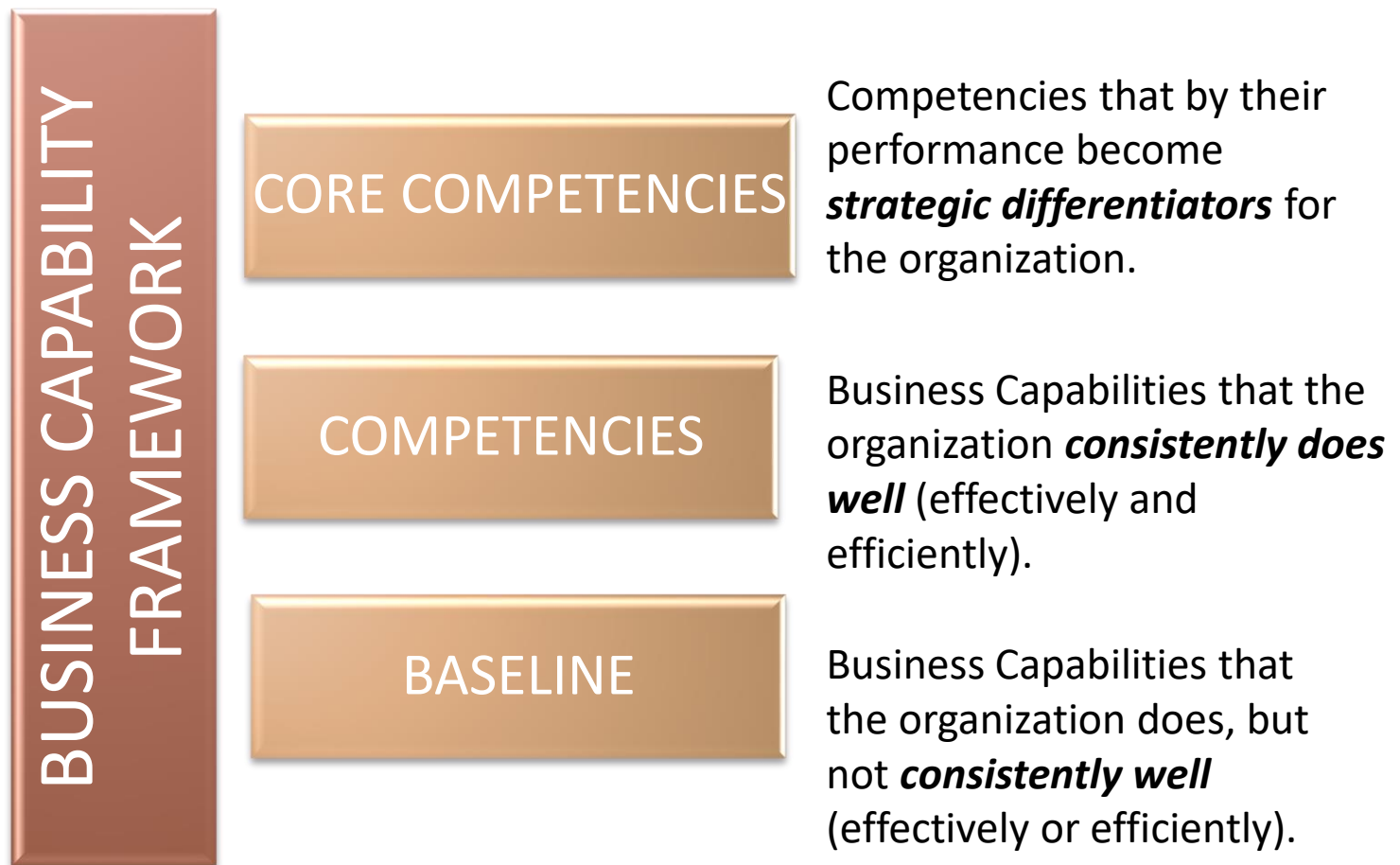
Behaving and Performing

- Capability Maturity
- Assessment
- Competency
- Organizational inhibitors
- Change Management
- Decision-making Models
- Metrics and Measurement
- Leadership
- Culture
- Roadmaps
- Roles and Responsibilities



- *What is enabling or inhibiting our ability to deliver our business' purpose?*
- *How can we more successful?*
- *How do we measure our achievements and our success?*
- *Is our culture supporting our people, process and tools?*
- *How do we anticipate and manage change?*
- *How well is our "what" delivering our "why"?*

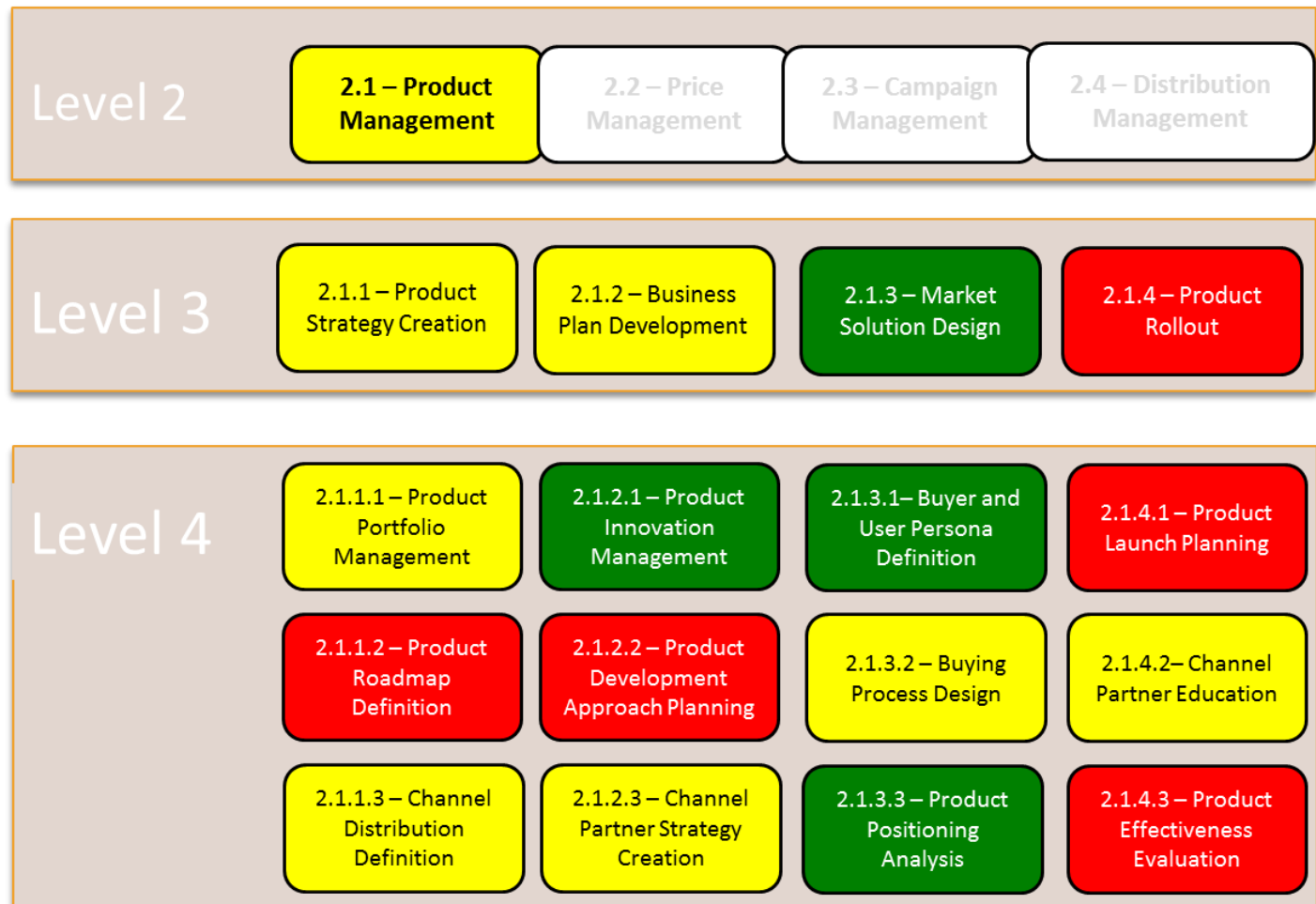
Business capabilities and competencies



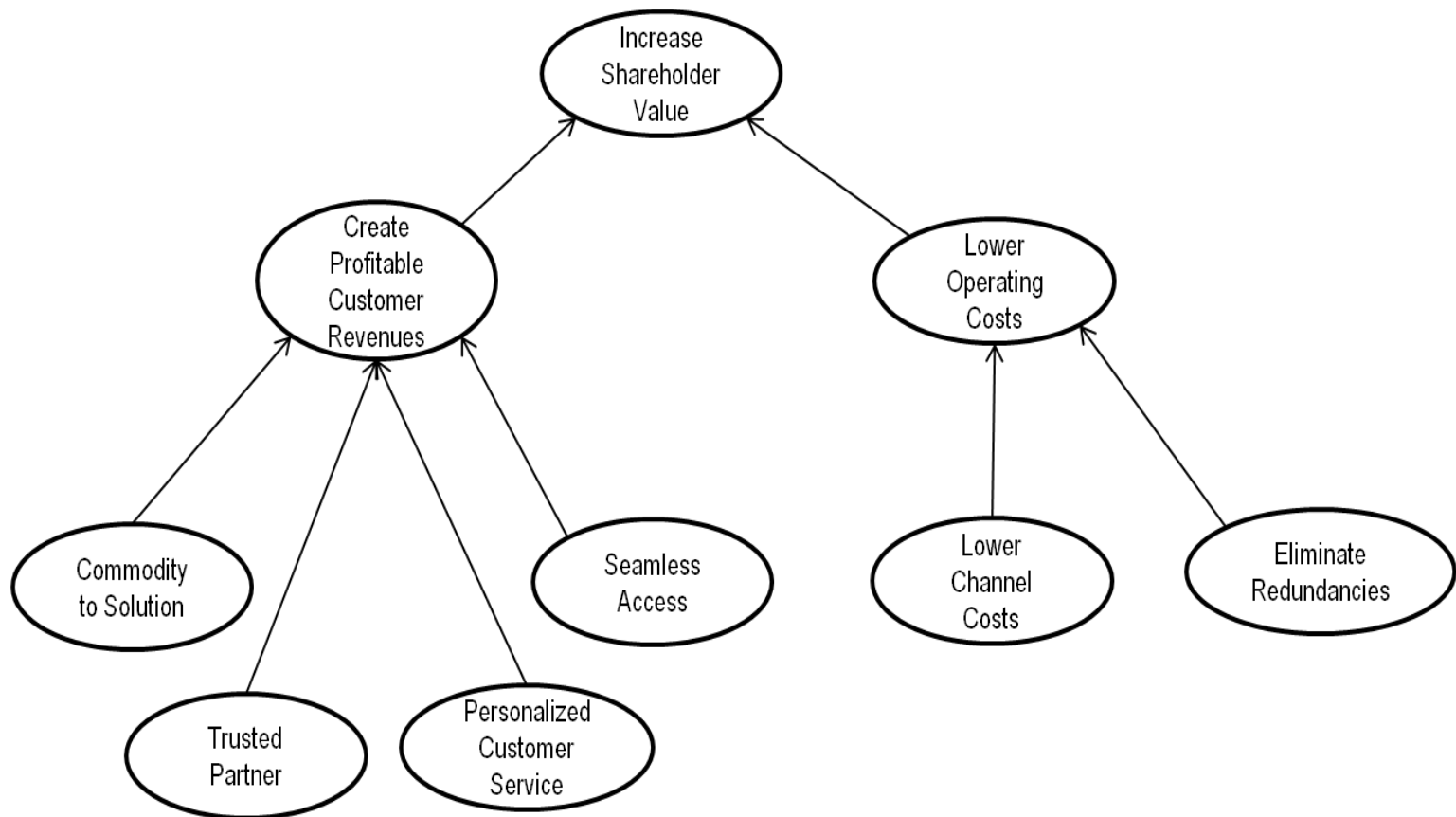
Maturity report

REMEMBER:
“Parent”
business
capabilities
inherit from
their “children”.

A common
method to
report results is
to use a Heat
Map concept.



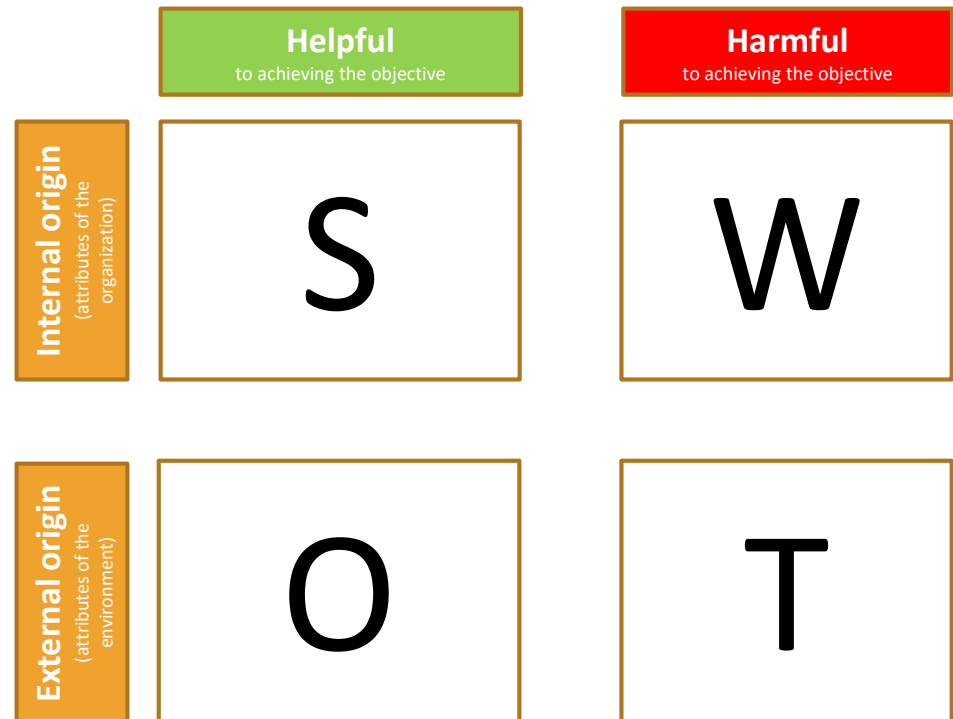
Simple Strategy Map



Basic SWOT Analysis

The technique is credited to Albert Humphrey, who led a convention at the Stanford Research Institute (now SRI International) in the 1960s and 1970s using data from Fortune 500 companies.[1][2]

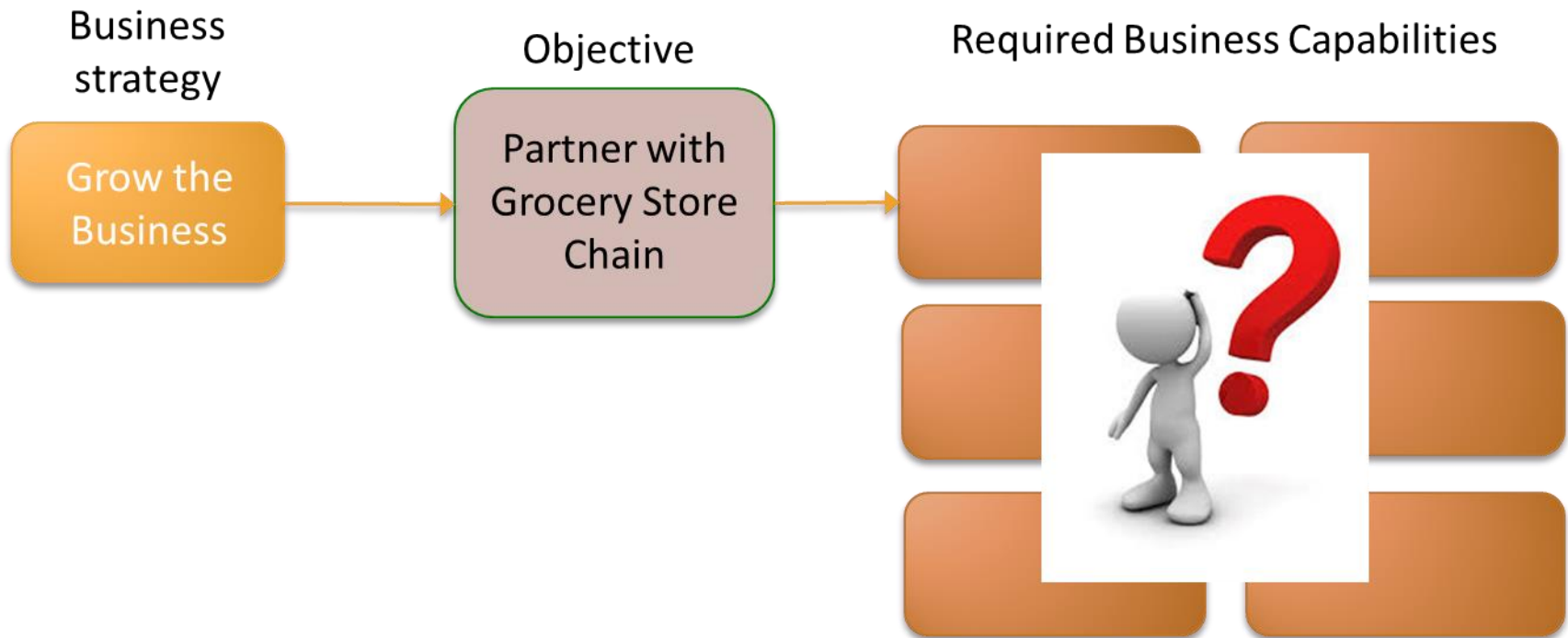
- **Strengths:** characteristics of the business or project that give it an advantage over others
 - **Weaknesses:** are characteristics that place the team at a disadvantage relative to others
 - **Opportunities:** external elements that the project could exploit to its advantage
 - **Threats:** external elements in the environment that could cause trouble for the business or project
- Identification of SWOTs is important because they can inform later steps in planning to achieve the objective.



^ Humphrey, Albert (December 2005). "SWOT Analysis for Management Consulting". SRI Alumni Newsletter (SRI International). <http://alumni.sri.com/newsletters/Dec-05.pdf>.

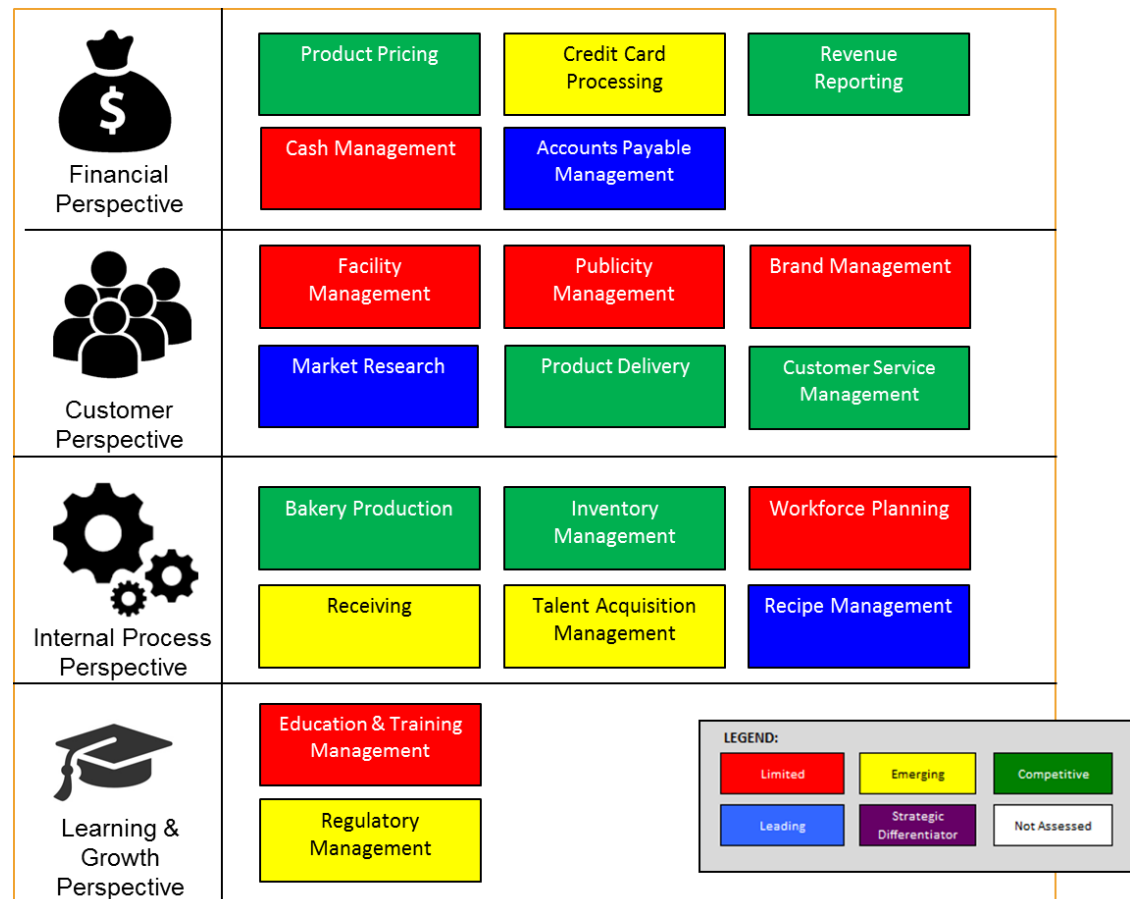
^ "Albert Humphrey The "Father" of TAM". TAM UK. <http://www.tamplc.com/Humphsprofile.htm>. Retrieved 2012-06-03.

Capabilities aligned to strategy



Strategy map

Strategic objective:
Partner with Grocery Store Chain to successfully expand product into a new market.



Enabling Strategy



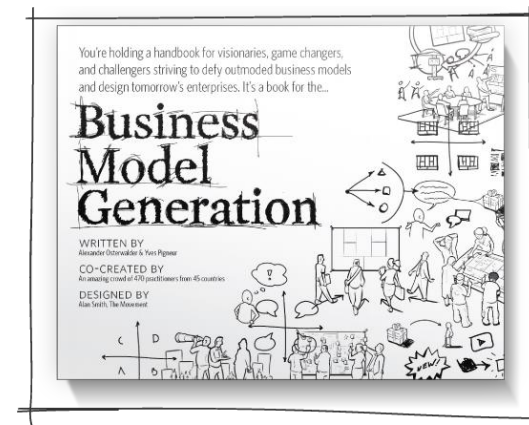
References

A Guide to the Business Architecture Body of Knowledge (BIZBOK™). The content is released to practitioner members for review and feedback. It is written with the input of the organization's authors, advisory board and members.

www.BusinessArchitectureGuild.org

Business Model Generation is a book which will give you deep insight into the nature of business models.

www.businessmodelgeneration.org



Resources

Business Architecture Institute

A peer to peer exchange for business architecture professionals

<http://www.bainstitute.org/>



The Twin Cities Business Architecture Forum (TCBAF) is a Minnesota-based organization dedicated to the understanding and advancement of the role and professional practice of Business Architecture.

www.tcbaf.org



The Twin Cities Business Architecture Forum

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The Business Architecture

- Links and solidifies the *Why, What* and *How well*
- *Identifies the highest level of business requirements*
- Ensures that the operating model can deliver the business purpose
- Provides mechanisms to “connect the dots” throughout the organization to define and drive delivery
- Identifies common cross-organizational needs and captures synergies for collaborative investment decisions
- Used to help the organization focus on the highest impact capabilities through analysis and prioritization
- Is used to identify redundancies, reuse and improvement opportunities...and strategy

Questions



Contact Information

Linda Finley

finleylinda@gmail.com

763.639.6564

Business Model Canvas

<p>Key Partners</p> <p>The key partnerships describe the network of suppliers and partners that make the business model work</p>	<p>Key Activities</p> <p>What are the key activities required to make the business model work?</p>	<p>Value Proposition</p> <p>What value do we deliver to the customer?</p> <p>Which of our customer's problems are we helping to solve?</p> <p>Which customer needs are we satisfying?</p> <p>What bundle of products and services are we offering to each customer segment?</p>	<p>Customer Relationship</p> <p>What type of relationship have we established with each of our customer types/segments?</p>	<p>Customer Segments</p> <p>For whom are we creating value?</p> <p>Who are our most important customers?</p> <p><i>Remember – Proper segmentation either enables or inhibits differentiation.</i></p>
<p>Cost Structure</p> <p>The cost structure describes all the costs incurred to operate the business model.</p> <p>Think about the most important costs inherent in our business model.</p>		<p>Revenue Streams</p> <p>A revenue stream represents the cash we generate from each customer segment.</p> <p>What are the revenue streams generated by each customer segment? How much does each revenue stream contribute to overall revenues.</p>		