From Capability-Based Planning to Competitive Advantage
Assembling Your Business Transformation Value Network

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INTRODUCTIONS
Marc Lankhorst:
- Service line manager Enterprise Architecture
- Responsible for BiZZdesign’s EA proposition
- Enterprise architect, trainer, coach, project manager
- Manager of the original ArchiMate development project
- TOGAF and ArchiMate certified

BiZZdesign: Building Strong Organizations!

Organizations increasingly need to deal with time-pressured business improvements and high-impact transformation in a truly complex business and IT reality.

BiZZdesign enables this by providing proven change capabilities through integrated solutions consisting of:
- professional services
- software solutions
- training
- best practices
BiZZdesign Worldwide: Offices and Resellers

BiZZdesign office BiZZdesign reseller

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Iver Band:
• Enterprise Architect at Cambia Health Solutions
• Vice Chair, Open Group ArchiMate Forum
• Co-Chair and Co-Founder, Oregon Enterprise Architects
• TOGAF and ArchiMate certified, CISSP, Certified Information Professional

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Our Story

Our Roots
Born from an inspired idea

Our Cause
To serve as a catalyst to transform health care, creating a person-focused and economically sustainable system

Our Vision
Delivering a reimagined health care experience

About Cambia

A tax-paying nonprofit headquartered in the Pacific Northwest

5,300 employees in 30 states

Nationally recognized: Top 100 Healthiest Workplaces

22 companies and growing

100 million people touched nationwide
Cambia Health Solutions

Agenda

• Introduction
• Enterprise architecture
• The use of models
• Capability-based planning
• Enterprise portfolio management
• Agile realization
• Conclusions
The Challenge

- The ‘Digital Enterprise’ requires **major business transformations**
- The **speed of change** makes classical top-down strategy implementation obsolete
- Few organizations have a **systematic** and **reliable** way of translating a business strategy into action
- Organizations invest in **many disciplines**, to improve their transformation capability and effectiveness
- A **lack of coherence** between these disciplines compromises their success

**ENTERPRISE ARCHITECTURE**
What is Enterprise Architecture?

- **A product**
  - A design that shows the coherence between products, processes, organization, information supply and infrastructure, based on a vision and certain explicit starting points, principles and preferences

- **A practice**
  - Way of working
  - Aimed at the development and use of enterprise architectures within an enterprise
  - With people and resources

What Kinds of Enterprise Architectures Are There?

Enterprise architectures can be partitioned by enterprise segment or capability
What Kinds of Enterprise Architectures Are There?

- Core domain architectures
- Cross-cutting domain architectures
- Business segment architectures
- Specialization by both domain and business segment
- Roadmaps

How do Enterprise Architectures Relate to Solution Architectures and Roadmaps?

Solution architectures arise at the EA segment and capability levels. They solve problems that stand in the way of progressing from one plateau to the next along a roadmap.
Enterprise Architecture and Other Disciplines

• **Enterprise architecture** focuses on *coherence* and *alignment*
  – between strategy, business, information, applications and technology
  – enterprise-wide, high-level descriptions
• **Business architecture**, as part of EA, describes how the business operates
  – relates strategy & business model to business functionality, operating model, capabilities, products and processes
• **Business analysis** translates business goals & needs into solution requirements
  – focused, more detailed

TOGAF® - The Open Group Architecture Framework
What is ArchiMate®?

- A language to describe architectures
- A graphical notation with formal semantics
- A framework that describes and relates the business, application, and technology layers
- Extensions for motivation, implementation & migration
- Techniques for visualizations and analyses for different stakeholders
- An open standard maintained by The Open Group
EA as Knowledge Hub in Business Transformation

- Enterprise architecture provides different views on the enterprise’s make-up for the various disciplines involved
- It aggregates and integrates information from these disciplines in structured models
- Which are ideal for performing various analyses
  - costs, benefits, risks, complexity, impact of change, dependencies, planning, ...
- In order to manage enterprise-wide interdependencies
- To realize business transformations in a coherent manner

EA Relates and Supports Other Disciplines

- Strategy
- Governance, Risk & Compliance
- Process, Rule & Data Management
- Service Management
- Design, Development & Delivery
- Enterprise Portfolio Management
- Program & Project Management
- Capability-Based Planning
THE USE OF MODELS
Implementation Guidance

- As you build your own organization’s capabilities, create formal representations
  - unambiguous meaning that can reconciled with EA repositories
- Use models to describe enterprise architectures
  - e.g. ArchiMate, BPMN, ERD, UML, The Decision Model, etc.
- Models can be checked, visualized, analyzed, managed, integrated, transformed, interpreted, and sometimes even executed

Model-Based Architecture Repository

- Ensure coherence between strategy and operations
- Keep track of large and complicated architectures
- Support timely and accurate decisions with clear views, analyses and dashboards
- Facilitate collaboration in teams and across disciplines
- Speed up the change process
- Support a maturing practice, from small team to large organization
Model-Based Architecture: Business Layer

Model-Based Architecture: Application Layer
Use ArchiMate to Connect Other Models

Relating Goals & Capabilities to Target Architecture & Programs
CASE STUDY: IMPROVING PROJECT MANAGEMENT TOOLING IN RESPONSE TO THE CHANGING ROLE OF THE CONSUMER

US Healthcare Payer Challenges

Typical Disconnected Project Management Toolset Hampers Decision-Making and Execution

Architected Project Management Toolset Enables Better Decisions and More Efficient Execution
Business Capabilities

- A business capability is something an enterprise does or can do, given the various resources it possesses
- Which capabilities do you need for your strategy, business model and operating model?
- What are the required capability levels?
- What are the necessary resources?
- How do plan the evolution of your enterprise architecture?

- Input for investment decisions: portfolio management
- Helps you plan and manage programs & projects
Business Capability Map

Capability Based-Planning: Capability Increments in Different Dimensions

- Product management - baseline
- Product management - target
Enterprise Portfolio Management
What is Enterprise Portfolio Management (EPM)?

- **Enterprise portfolio management** manages the enterprise landscape (projects, capabilities, assets, services, etc.) in portfolios
  - Group things of the same type based on some criteria,
  - manage this set as a whole,
  - providing an enterprise-wide overview,
  - that supports analyses and comparisons,
  - resulting in consistent and informed decision-making at all levels
- Manage on **business value**, not only on costs

How Are Portfolios and Architecture Related?

- Based on the architecture, portfolios are defined and managed in a consistent way:
  - Capability portfolio
  - Product portfolio
  - Application portfolio
  - Infrastructure portfolio
  - Program and project portfolio
  - ...
- Add attributes and metrics to your architecture models to support analyses and dashboards
Adding Data to the Architecture

- Asset inventories
- Contract information
- Project planning
- Architecture Repository
- Presentations
- Checklists
- Architectures

Portfolio Dashboard: Actionable Information

- Risk overview
- Business value
- Costs
- Technical value
- TIME

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Application Landscape with Life Cycle Advice

REALIZATION
Towards Agile Realization

Strategy

Portfolio
- Business epics
  - Program portfolios
    - Architecture epics
  - Iteration

Program
- Architectural features
  - Iteration
- Agile Release Train
  - DevOps
- Architecture runway

Team
- Agile development
  - Continuous integration

Sustainability with an Architectural Runway

Balanced Investment

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How Do We Make That Work Within Our Teams?

Informed by Prioritized Business Capabilities

- High Level Business Case
- Business Objectives
- Functional Requirements and Use Case Development

Owned by Product Owner and overall Business with review by Architects and Leads

Informed by Enterprise Architecture

- Solution Architecture and Non-Functional Requirements (Architect)
- Feature/Epic and User Story Development (PO)

Owned by Architect and Product Owner with support from Leads

- Data Modeling and Detailed Requirements
- Build and Test
- User Acceptance

Owned by Scrum Team (including PO) with support from Architect

Conclusions and Discussion
Consistent and Integrated Modeling...

- Is a kind of knowledge management
- Supports enterprise-wide analyses, e.g. traceability, cost calculations, dependencies, risks
- Fosters **coherent decision-making**
- Links **vision** to **realization**, by relating various disciplines in your business transformation value chain

Business Transformation Management is a Composite Capability That Benefits from An Architectural Approach
Call to Action

• Business architects & analysts:
  – Collaborate with enterprise architects to assemble your organizations’ business transformation capabilities into a coherent value network

• Enterprise architects:
  – Use the ArchiMate Business Layer and Motivation extension to integrate the work of business analysts into your business transformation value stream network

• Implement tools step-by-step: Think big, start small
  – For a simple start, use the Archi open-source tool
  – Easy to upgrade to more mature tools like BiZZdesign Architect

Think like an architect when building your business transformation value network!
Questions?

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