Praxeme
Meaning in action

dominique.vauquier@praxeme.org
+33 (0)6 77 62 31 75

Component

PCD-02 **"Modus: Praxeme methodology"**

Business Architecture Value Proposal

Objective

As a discipline, Business Architecture analyzes the strategy and helps to transform the enterprise.

As an artifact, the business architecture describes the business aspects of the enterprise and outlines its main structures.

This paper is aimed at decision-makers, in order to introduce the potential contribution that Business Architecture can bring to the enterprise transformation.

Content

- Introduction to Business Architecture
- Illustration of Business Architecture outcome
- Conclusion: value proposal of Business Architecture

Author

Dominique VAUQUIER

Contributors

Business Architecture working group at AXA,
Joanne TOWARD, Praxeme Institute

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Executive Summary

Many companies are in the process of transforming themselves in order to adjust to their environment and to fulfill their ambitions.

Transforming an object as complex as a group is not an easy task and we face the risks of waste and missed opportunities, due to misunderstandings, lack of visibility and insufficient coordination of various specialties.

As a facet of Enterprise Architecture, Business Architecture is one of the means at our disposal that can help to build a better understanding of the enterprise and to drive its transformation.

Definition: Business Architecture is a transformational discipline that translates the strategy and helps to transform the enterprise.

Beyond this tenet, we have to clarify how this discipline interacts with others, such as strategy, organization, the process approach, IT…

Deliverable: A business architecture is a blueprint of the enterprise that covers its business aspects. It shows the implications of the strategic directions in terms of value, organization, processes… The architecture embraces the enterprise as a whole and considers its long-term evolution.

Business Architecture adds a sense of consistency and efficiency to the other approaches. By emphasizing the quality of the whole, it compensates for the flaws commonly found in the project mode.

This document introduces and promotes the discipline of Business Architecture and its role in the enterprise transformation.

Figure PCD-02_1. Summary of main benefits expected from a Business Architecture approach

Benefit	Comment	Asset
Common understanding	Saving time by using a common business language	Enterprise Terminology and semantic model to capture the core business knowledge…
Transparency	Reveal the dependencies between business elements (activities, information…)	Representations of the business activity (Business Capability Model, Process Model, logical architecture…)
Holistic point of view	With endeavor to expel redundancy and simplify the system	A single view of the enterprise: the Business Architecture blueprint
Steering of development	Based on a view of the entire system and promoting convergence	Optimized development plan (balancing immediate focus with long-term vision)
Savings in projects	By capturing and sharing requirements, models, solutions…	Business representation repositories
Abstraction	Encouraging innovation and facilitating the alignment of IT with business	Business Object Model and Business Activity Model obey formal rules that guarantee their quality (genericity, agility, non-redundancy)

Introduction to Business Architecture

Objective of this document

This document is aimed at decision-makers, as an introduction to the Business Architecture function. It presents the potential contribution Business Architecture makes to the enterprise transformation.

Business Architecture is an emergent discipline, inside the group as well as in the market. Nevertheless, it can rely on an existing body of knowledge. It is up to the Business Architects to harness techniques that come from a long-standing tradition and to arrange them for the purpose of transforming the enterprise.

This document first clarifies the meanings of "Business Architecture" as an expression. Then, through several illustrations, it raises awareness on what is at stake. The conclusion outlines an action plan for implementing the Business Architecture function, in the wake of a transformation strategy.

Context: enterprise transformation

Large companies or groups generally are pursuing many endeavors, with the aim of improving their way of working. Their strategies frame these endeavors, comprising several initiatives in fields as diverse as culture, behaviors, processes, performance, and information systems.

The transformation is jeopardized by the diversity of the endeavors and the size of the group. It risks being scattered among an assortment of unrelated projects, leading to either redundancies or missed opportunities.

This situation calls for a big picture to link all constituents of the transformation together, in order to guarantee consistency. This is the very goal of Business Architecture.

Definition of Business Architecture

Business Architecture emerges as an answer to the complexity of the Enterprise and its transformation.

The expression "Business Architecture" refers to both a discipline and an artifact:
- As a discipline, Business Architecture is a transformational discipline that analyzes the strategy into detailed recommendations and helps to transform the enterprise.

- As an artifact, the business architecture is a blueprint of the business aspects of an enterprise.

Core tenet

This section introduces the basic notions that constitute the mindset of Business Architecture and characterize its approach.

Enterprise System

"The Enterprise System is the Enterprise that perceives itself as a system… Considering the Enterprise as a system emphasizes its nature as a complex object, made up of many interconnected parts working together."[1]

Aspects

"It is not possible to understand and master the Enterprise without first untangling its many aspects"[2]. An aspect is part of the enterprise reality, which has been isolated for the sake of study. Distinguishing the aspects is based on the "separation of concerns" principle and allows us to simplify the topics and to assign responsibilities more efficiently.

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[1] This is a quotation from the Enterprise Transformation Manifesto (http://www.enterprisetransformationmanifesto.org). This section is inspired by this open document that summarizes the "golden principles for improving enterprises while respecting society's fundamental values and interests" (sic).

[2] Ib.

Coverage of Business Architecture

Business Architecture has its starting point in the corporate strategy and takes care of three of the Enterprise System aspects: the business knowledge, the business activity and the geography.

Architecture

As opposed to other approaches (process design, business analysis, software development…), architecture is about the big picture in the long run. It embraces the entire system, thus focusing on the consistency and quality of the whole rather than the immediate delivery. It avoids efforts being dispersed by local or specific motivations. In doing so, it optimizes the investment by identifying commonalities and reducing redundancy.

The discipline of Business Architecture

Analysis of the definition

"Business Architecture is a transformational discipline…"

> Meaning it is not an operational discipline but a discipline which is involved each time we need to transform the business.

"…that translates the strategy into actionable recommendations…"

> The strategy is the constant starting point to which Business Architecture refers. It analyzes the strategy and determines its implications in every term of the "business" aspects. In the process, it is possible that Business Architecture raises questions or elaborates suggestions that can refine or enrich the strategy.

"…and helps to transform the enterprise."

> This last statement expresses the ultimate goal of Business Architecture. It is about building the future Enterprise System.

Positioning

Many disciplines play a role in transforming the enterprise. First and foremost, the strategy elaboration states the directions. It provides Business Architecture with its starting point. Nevertheless, the relationship between both disciplines can be bidirectional, the latter sometimes being in a position to suggest potential directions to the strategist. Business Architecture examines every bit of the strategy, reveals its content and implications and determines what changes are necessary.

While Enterprise Architecture embraces all aspects of the enterprise and aims to connect them, Business Architecture focuses on the business aspects: business knowledge, business activities and the geography of the enterprise. These include organization, processes, semantics... The Business Architect cannot be an expert in every field, but he/she is in charge of the overall design of these aspects. The Enterprise Architect helps him/her to align the IT architecture with the business needs and strategic directions.

Business Architecture, just like every architecture discipline, is concerned with the overall design. With this in mind, it maintains a sense of consistency and interacts with Business Analysis or process design, in order to guide them towards a designed target for the enterprise. Based upon consolidated repositories, its action seeks to drive business analysis as well as the design of processes and organization, so as to optimize the overall structure and to encourage simplification, factorization and reuse.

Figure PCD-02_2. Positioning Business Architecture among the transformational disciplines
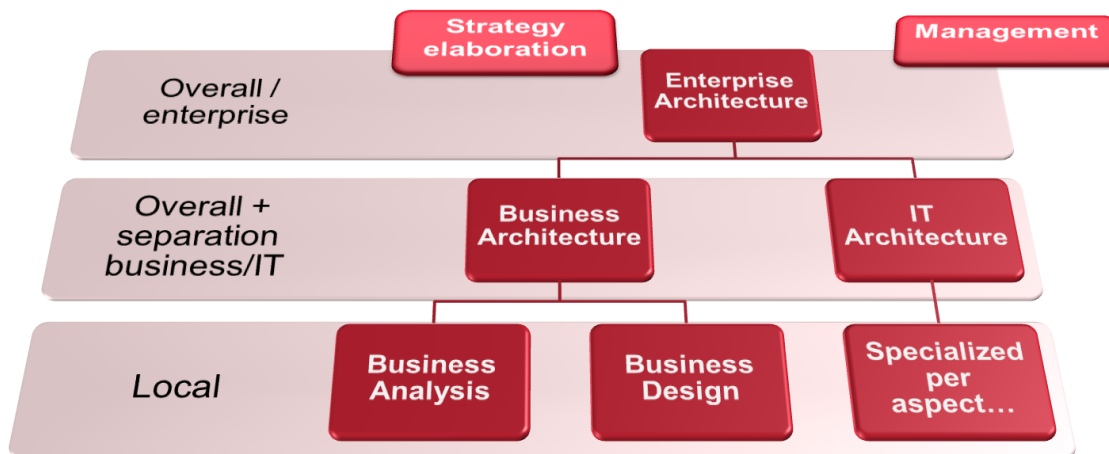
Taken in its broadest extent, Enterprise Architecture embraces every aspect of the Enterprise System, while Business Architecture focuses on the business aspects, with the exclusion of the IT system. Therefore, it can be seen as a part of the comprehensive approach to the Enterprise, preparing the transformation.

Illustration of Business Architecture outcome

Analyze the strategy

The corporate and business strategies are the starting point for Business Architecture. The first step consists in thoroughly examining the strategy and determining both its implications and its articulations. Then, architecture links the resulting decisions together and builds a cohesive picture of the whole.

To give an example, customer-centricity may impact processes, behaviors and organization. It may also spur a new way of defining and presenting the offer. Each individual change would bring value, but putting all the changes together in a consistent and comprehensive approach makes the transformation far more powerful and valuable. Thus, Business Architecture will analyze the very notion of customer-centricity and deduce its impact on every aspect of the functioning of the enterprise – from the operating model through to formal representations of its implications.

This kind of approach has to be applied to every item of the strategy, so as to detect potential dependencies and synergy. As a result, the business architecture will factorize measures that contribute to several strategic objectives.

The "Target Business Architecture" is the document that results from this analysis and articulates the main requirements and decisions in terms of business objects, business activities, and organization. It contains an examination of the corporate strategy.

Capture business knowledge

Transforming the enterprise demands a proper level of knowledge. Moreover, the context of a group and the search for synergy add the requirement for convergence. Sharing a common representation of the core business knowledge is a prerequisite.

A critical asset of Business Architecture is an Enterprise terminology. It enables common understanding and speeds up the transformation as it makes it possible to exchange at a global level.

Another asset expresses the business knowledge in a more formalized – and so more actionable – form: the semantic model. This model clarifies the notions and concepts and establishes the relations among them. It can be a source of innovation. If we go back to the example of customer-centricity, a semantic model would select one of

the possible interpretations of the concept. It would answer questions such as "What is a client?", "What kinds of information do the business objects convey?", "What is the nominal path a lead should follow?"…

Describe the business activities

Projects and initiatives generally produce partial descriptions of the business, in line with their scope. Business Architecture is concerned with collecting these descriptions, driving and capitalizing on local efforts toward a common and unified view. This not only saves resources, but it tends to reduce redundancies and discrepancies in the outcome, whether in terms of process or data or software…

Process models and the capability models provide examples of business activity representations, shared at group level.

These reference representations help to address the business transformation and to evaluate solutions.

Architect the enterprise

While the detailed representations fall within the remit of other disciplines (business analysis, process and organization design, modeling…), the high-level decisions in terms of structure pertain to Business Architecture. It leads to a canonical list of the domains that make up the structure of the semantics and activities. Architecture is the rigorous approach to the structure. This implies a particular focus on structural quality: expelling redundancy, reducing coupling, increasing cohesiveness. The proper architecture – as an output – measures these features and proposes the optimal way of putting things altogether.

In doing so, the targeted business architecture incorporates the strategic concerns and directions in the high-level representation. Structure in terms of domains, as well as the way main processes are delimited, encourage certain forms of cooperation through the enterprise. They therefore translate organizational choices. To give an example, if customer relationship management is confined to a specific domain (say Marketing or Sales), there is a risk that part of the interactions with the customer will escape from the "single view". What is the best place for CRM in our enterprise architecture? This is a typical question for business architects.

Specify the information system

The high-level decisions made by the Business Architects when addressing the business aspects of the enterprise influence the IT architecture – that is: the architecture of the IT system. Ideally, the optimal structure of the IT system is one which strictly aligns itself with the main structures of the business architecture. In practice, IT architecture copes with the legacy system as well as with the packages and various constraints. As a result, there must be a "negotiation" between Business Architecture and IT Architecture. This should ideally take place in the "logical" aspect, an intermediary aspect between business and IT, which provides the architects with a common language for this negotiation.

When it comes to a specific transformation, Business Analysis establishes the detailed specifications, hopefully inside the frame that the Business Architect has set up. The way these specifications are expressed is of paramount importance for the quality of the implementation. Business Architecture enforces requirements in terms of form, structure and content, which lead to a quicker and better alignment of IT solutions. Notably, the services in a SOA-style of IT architecture can be partly derived from a well-formed business specification[3].

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[3] It is worth noticing that SOA is a direction stated by the Group IT Strategy.

Conclusion: value proposal of Business Architecture

The main value of Business Architecture lies in linking together the disciplines that analyze and design the business reality. It articulates each of the contributions with the other ones.

Establishing the overall frame for describing the enterprise, it creates the conditions for synergy, as well as aiming to preserve the rigor of the approach to the Enterprise.

What is at stake?

Figure PCD-02_3. Summary of the value proposal
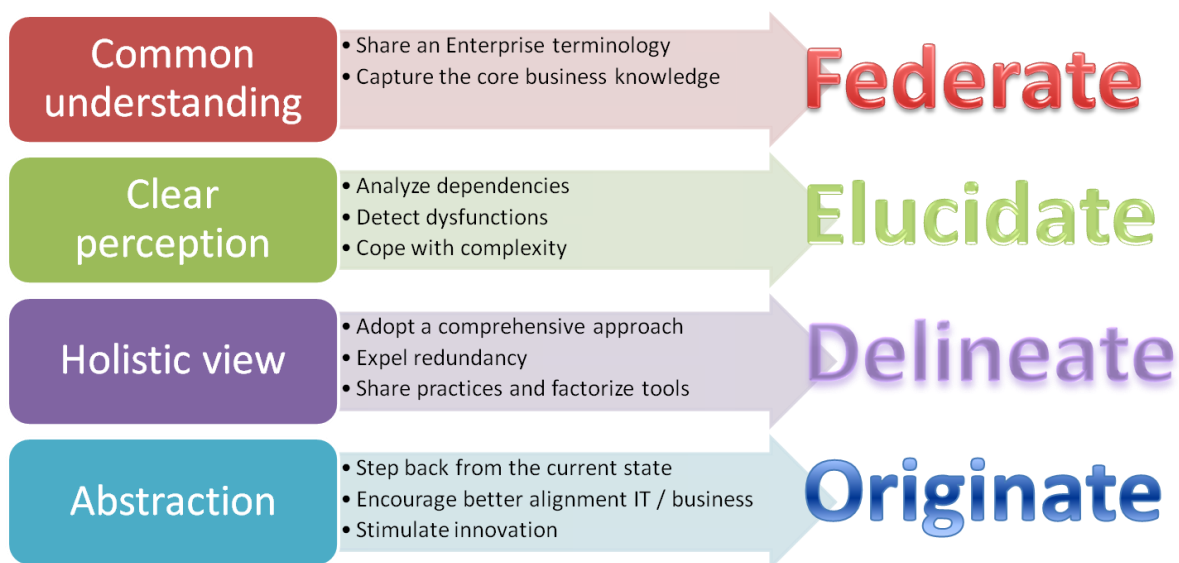
Federate
Business Architecture begins with an attempt to capture and homogenize the business language. The benefits include:

- facilitating exchange and reflection in the business field;

- making it possible to share views across functional silos as well as among companies;

- protecting and spreading the business knowledge by fixing it in a proper way.

In addition to the above, when rigorously expressed in the form of a semantic model, the business knowledge becomes a visible asset that materializes the intellectual capital of the enterprise. Based on this, the transformation approach can be articulated in a more rigorous manner.

Elucidate
Business Architecture is the discipline that applies the architectural approach to the business reality. As such, it equips the enterprise with the means and techniques that enable it to face its inner complexity and its evolving environment. It analyzes the way business proceeds and it detects dependencies, redundancies, and dysfunctions… anything that hinders the performance or generates useless complication.

Based on a clearer perception, which takes into account the necessary complexity, decisions can be made to improve the enterprise in depth.

Delineate

As opposed to the usual approach taken by projects, Business Architecture adopts a comprehensive approach, linking the various aspects of the enterprise together and considering the enterprise as a whole in the long run. Seeing the enterprise as a system helps to simplify and redesign it with economy in mind: economy of language, economy of means, and economy of actions… Business Architecture elaborates a structure for both business knowledge and business activity, so as to expel redundancy and optimize the operations.

This holistic view contributes to balancing business and IT viewpoints and to correcting the bias introduced in Enterprise Architecture. Indeed, while Enterprise Architecture is supposed to be an interdisciplinary approach to the enterprise – in theory –, it often happens to confine itself to IT – in practice. Setting up a demanding Business Architecture function contributes to reinvigorating the project of a comprehensive and rational approach to the enterprise, with respect to its complexity.

Originate

Abstraction characterizes the Business Architect's posture. This means that the Business Architect not only investigates the business reality but also steps back from the current state of business practices. The outcome is an ability to think the enterprise anew. Some specific techniques stimulate the imagination and increase the opportunities for innovation. Beyond general orientations, Business Architecture methods and techniques bring to the table the potential of a radically innovative transformation. At a minimum, the expected benefits stem from the top-down and holistic approach to the business reality, deriving a coherent and effective overall design from the strategy.