

Business Architecture Overview & Essentials

By

Krishnapriyan Sridharan

Agenda

- Business Architecture : Defined
- Business Architecture : Business Challenges
- Business Architecture : Advantages
- Business Architecture : Value of Business Architecture
- Business Architecture : How it Works
- Business Architecture : Design Components

Business Architecture : Defined

- Business Architecture is “A blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands”
- Business Architecture outlines the necessary phases an organization must move through to achieve its strategic objectives.
- Business Architecture bridges the divide between the planning and execution of strategy, and translates a strategic plan into tactical & measurable actions performed at a functional, departmental and Line of business level.
- Business Architecture promotes project governance & synergies, cross- departmental alignment, and best- practices
- Business Architecture is achieved through changes in
 - ✓ organizational design (people)
 - ✓ systems architecture (process)
 - ✓ technical architecture (technology)

Business Architecture : Business Challenges

❑ **Business Challenges :**

- ✓ Global business competition
- ✓ Rapid innovation and fast-changing business requirements
- ✓ Regulatory compliance challenges
- ✓ Increasing cost pressures

❑ **Technology Response to Business Challenges**

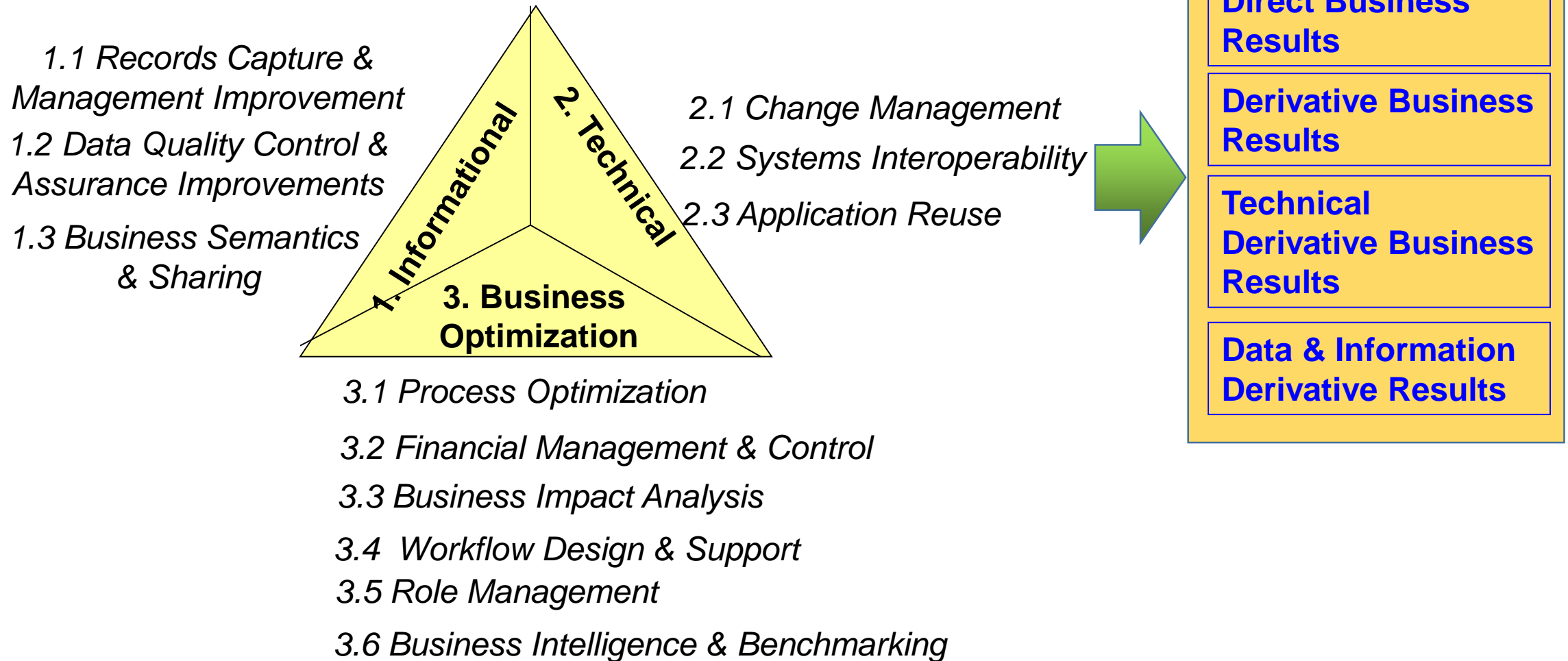
- ✓ Slow delivery timelines
- ✓ High maintenance costs
- ✓ Brittle solutions
- ✓ Piped functional applications
- ✓ Redundant development efforts and operations
- ✓ Redundant and costly investment in multiple technical solution
- ✓ Alignment issues of IT with Business

Business Architecture : Advantages

- Digitization
- Faster time to Market
- Agility in Market
- Customer Centricity
- End to End Orientation
- Capability aligned to Strategy
- Process managed business
- Governed Business sustainment

Business Architecture : Value of Business Architecture

- Focusing on supporting the business, and casting technology in an enabler mode, will generate direct and derivative results.



Business Architecture : Value of Business Architecture

✓ **Direct Business Results** include the following steps

- ❖ End-to-end business process analysis and adjustment (*process optimization, improvement and simplification*)
- ❖ Alignment of resource management and analysis by business areas and with business goals (*financial management and controls*)
- ❖ Pre-impact and pre-incident detection of business events and business targets, and the ability to assess the impacts and lead times in order to mitigate the business impact (*business impact analysis and business continuity*)

□ **Derivative Business Results** include..

- ❖ Cross-organizational role discovery, provisioning and management based on common groups of privileges and permissions (*increased effectiveness in role management and identity provisioning*)
- ❖ More effective and targeted benchmarking with peers and enable more efficient measurement, reporting and evaluation (*business metrics and intelligence*)
- ❖ More efficient business processes based on automated workflows and business process management (*workflow design and management*)

Business Architecture : Value of Business Architecture

□ **Technical Derivative Results** include

- ❖ Smarter and rapid deployment/redeployment of new platforms and services, providing sufficient information to plan and manage the change cost effectively (*change management*)
- ❖ Interchangeable functional component design through increased access to and reuse of technical resources (*applications reuse*)
- ❖ Optimization of use of the organization's technical resources by all contributors or consumers, regardless of location (*systems interoperability*)

□ **Data and Information Derivative Effects** include

- ❖ More rigorous, visible and auditable records capture throughout business processes (*records management*)
- ❖ Identification and management of quality control checkpoints and improvements in data quality and trustworthiness (*information quality assurance*)
- ❖ Access to management information from a *business perspective* rather than an application perspective (*business semantics*)

Business Architecture : How it Works

- Strategy Design
 - ✓ A Clear strategy must be agreed, which consists of the plan-of-action that will accomplish a specific goal.
 - ✓ Strategy will help in defining the following parameters:
 - What goal the organization is trying to achieve?
 - Where should it achieve it, eg. market, geography, customer?
 - How will it succeed, eg. competitive advantage?
 - What are the metrics when the organization has achieved it's strategy?
- Portfolio Management
 - ✓ Portfolio (management) balances deliverables needed to achieve a strategy, ensuring appropriate resources, time & scalability.
 - ✓ Portfolio ensures following parameters are acheived
 - Business cases are complete
 - Cost- benefit analysis has been completed
 - High- level project management, reporting is complete
 - Projects link to organizational, operational or technological changes
- Target Operating Model
 - ✓ The T.O.M. outlines the “to-be” state of an organization, that will achieve it's strategic goal(s).
 - ✓ T.O.M. defines the number of: distinct market facing entities , unique value propositions , and capabilities required.

Business Architecture : Design Components

- ❑ In order to align technology with business, we need to design a business architecture

- ❑ Business architecture includes design of the following components,
 - ✓ Business framework to which all business definitions and models can be mapped. Business framework includes setting up definition for Business areas, Lines of Business, Business Process, Business subprocess & Tasks

 - ✓ Business process management best practices for representing business processes which are manageable by business analysts, understandable to business managers and executable by developers