

Business Strategy Modeling

Bringing your Enterprise Architecture Together



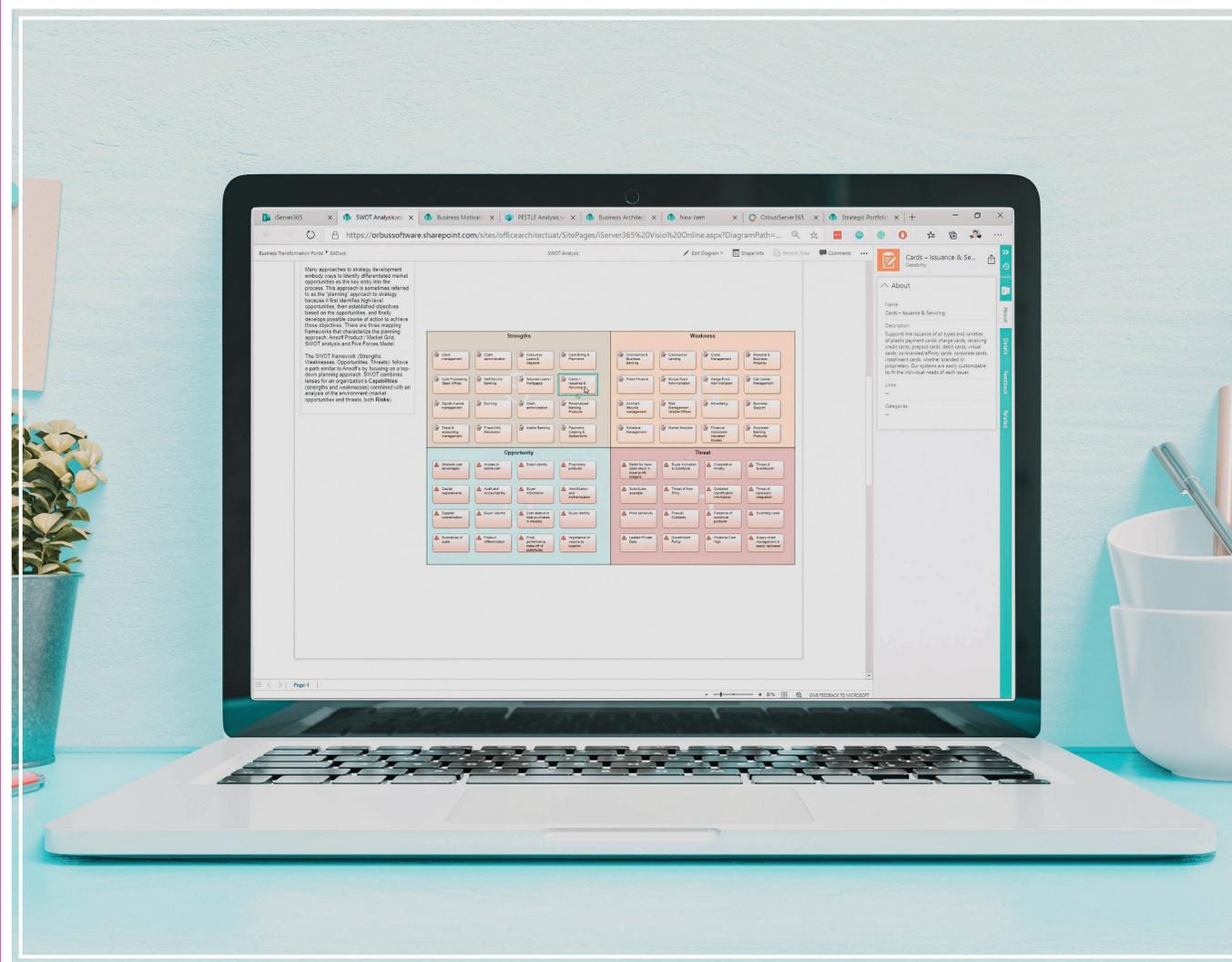
Business Strategy Modelling occupies an odd place amongst the popular domains of Enterprise Architecture; for example, many enterprise architecture stakeholders see the benefit in an Enterprise Architecture Capability when project context and technology viewpoints are developed that help resolve tactical issues and immediate concerns. Therefore, they think: “Why do EA’s need to worry about business strategy modelling? Isn’t that the job of C-Level executives, after all they are steering the ship?” Thus they look oddly at Enterprise Architects when they start using techniques that concentrate on longer term concerns. Shouldn’t you be worried about technology and application portfolios?

Business Analysts already occupy the business domain in most organizations. This again puts Enterprise Architects practicing Business Architecture techniques like business strategy modelling in an awkward, sometimes un-popular position. For example, by using strategic thinking it may uncover requirements already being actioned by projects that serve no purpose. This is the opposite of bringing an enterprise architecture together and can cause more harm than good.

As Enterprise architects these points surely put us in a tricky position. So how do we prove value to our stakeholders and show them the practical benefit of bringing Enterprise Architecture domains together into a Strategic Plan using Business Strategy Modelling?

When you link long term plans to short term tactics you bring your Enterprise Architecture together. This ensures clarity of vision aligned to goals and measured by objectives. Business Strategy Modeling is the culmination of a mature enterprise architecture.





Visualizing Business Strategies.

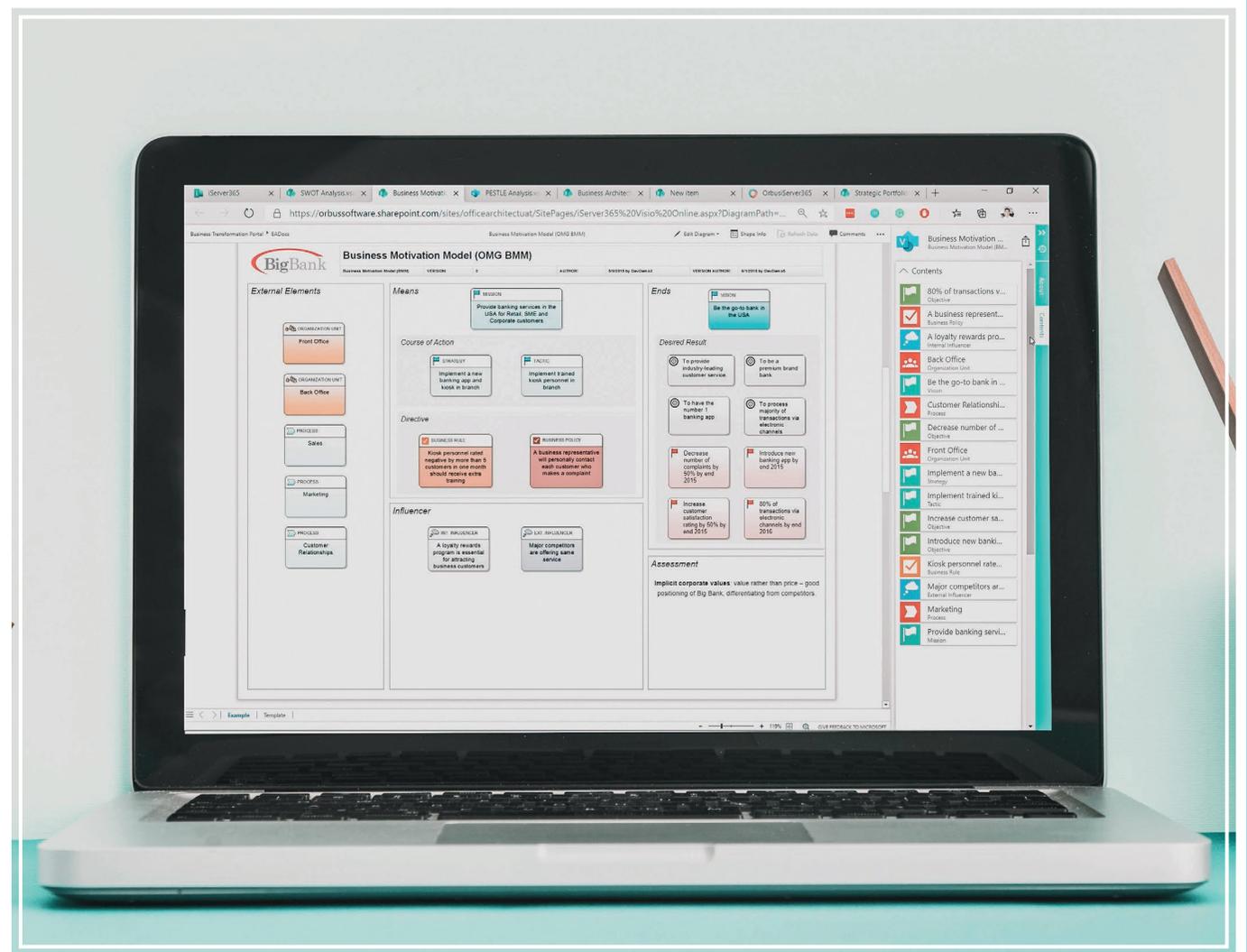
One well known technique to analyze then visualize business strategy is the SWOT analysis, which is shown using iServer (see image inset).

You can see that this is visually appealing, and a template included with iServer. Creating one through an EA tool such as iServer has big advantages for example. The SWOT made through iServer can draw on business capability models to reference strengths; a technology roadmap could provide information for opportunities. Elements of the SWOT can be linked back to other objects in the central repository, providing traceability for everything. All of this is done in a visually appealing way, therefore maximizing stakeholder engagement.



Now let's clarify our Business Vision, Goals and therefore objectives. We can look to something a bit more complicated, shown below is a Business Motivation Model (BMM), from the Object Management Group (See inset image)

If you're unfamiliar with the BMM, here's a simple summary: a Business Motivation Model is a method of communicating business plans in a structured manner. It identifies why a business plan is established, what elements are part of the plan, and how these elements inter-relate. OMG describes 3 main parts of the BMM: the Ends, the Means, and the Influencers. The Ends are what the business hopes to achieve, the Means how they will achieve these goals, and the influences the elements that may impact upon the overall plan. The BMM fits very naturally in an EA environment; Means can be linked to business capabilities, Ends can be tracked in the repository through linked files, while Influences could come from other strategy models such as a SWOT analysis.



Driver	Relationship	Goal	Relationship	Objective
Am I running an efficient and resilient IT operation?	creates	5. Financial transparency	is realized through	Benefits Realisation
Am I running an efficient and resilient IT operation?	creates	5. Financial transparency	is realized through	BSC Financial
Am I running an efficient and resilient IT operation?	creates	5. Financial transparency	is realized through	Resource Optimisation
Am I running an efficient and resilient IT operation?	creates	5. Financial transparency	is realized through	Risk Optimisation
Am I running an efficient and resilient IT operation?	creates	7. Business service continuity and availability	is realized through	BSC Customer
Am I running an efficient and resilient IT operation?	creates	7. Business service continuity and availability	is realized through	Risk Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	2. Portfolio of competitive products and services	is realized through	Benefits Realisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	2. Portfolio of competitive products and services	is realized through	BSC Financial
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	2. Portfolio of competitive products and services	is realized through	Resource Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	2. Portfolio of competitive products and services	is realized through	Risk Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	5. Financial transparency	is realized through	Benefits Realisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	5. Financial transparency	is realized through	BSC Financial
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	5. Financial transparency	is realized through	Resource Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	5. Financial transparency	is realized through	Risk Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	10. Optimisation of service delivery costs	is realized through	Benefits Realisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	10. Optimisation of service delivery costs	is realized through	BSC Customer
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	10. Optimisation of service delivery costs	is realized through	Resource Optimisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	12. Optimisation of business process costs	is realized through	Benefits Realisation
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	12. Optimisation of business process costs	is realized through	BSC Internal
Are sufficient IT resources and infrastructure available to meet required enterprise str	creates	12. Optimisation of business process costs	is realized through	Resource Optimisation
Are the total IT effort and investments transparent?	creates	2. Portfolio of competitive products and services	is realized through	Benefits Realisation
Are the total IT effort and investments transparent?	creates	2. Portfolio of competitive products and services	is realized through	BSC Financial
Are the total IT effort and investments transparent?	creates	2. Portfolio of competitive products and services	is realized through	Resource Optimisation
Are the total IT effort and investments transparent?	creates	2. Portfolio of competitive products and services	is realized through	Risk Optimisation
Are the total IT effort and investments transparent?	creates	4. Compliance with external laws and regulations	is realized through	BSC Financial
Are the total IT effort and investments transparent?	creates	4. Compliance with external laws and regulations	is realized through	Risk Optimisation
Are the total IT effort and investments transparent?	creates	5. Financial transparency	is realized through	Benefits Realisation
Are the total IT effort and investments transparent?	creates	5. Financial transparency	is realized through	BSC Financial
Are the total IT effort and investments transparent?	creates	5. Financial transparency	is realized through	Resource Optimisation
Are the total IT effort and investments transparent?	creates	5. Financial transparency	is realized through	Risk Optimisation
Are the total IT effort and investments transparent?	creates	15. Compliance with internal policies	is realized through	BSC Internal
Are the total IT effort and investments transparent?	creates	15. Compliance with internal policies	is realized through	Risk Optimisation
COBIT 5 Driver				
Did I address all IT-related risk?	creates	3. Managed Business Risk	is realized through	BSC Financial
Did I address all IT-related risk?	creates	3. Managed Business Risk	is realized through	Resource Optimisation
Did I address all IT-related risk?	creates	3. Managed Business Risk	is realized through	Risk Optimisation
Did I address all IT-related risk?	creates	7. Business service continuity and availability	is realized through	BSC Customer
Did I address all IT-related risk?	creates	7. Business service continuity and availability	is realized through	Risk Optimisation



Here we can see a variety of architectural elements reused within the model, providing linkages through the repository. All elements are listed in a contents tab for easy understanding, and any object can be accessed from here to discover its origin, further information, or leave feedback for other team members.

Even new information related directly to strategy can be introduced easily into the central repository. Shown to the right is an Excel sheet showing strategic drivers, goals and objectives, and how they are related. This information can be easily imported into the architecture.



How Does Strategy Modeling Bring EA together?



Clarity of Vision and Focus;

The above section has demonstrated a principle advantage of performing business strategy modeling – This being gaining clarity of vision and focus on objectives. This ensures the links become clear between the architecture landscape and the strategies themselves. This is truly bringing your Enterprise Architecture together

Data driven strategy becomes far easier, without having to invest resources in sourcing and utilizing the organization's data. To return to the SWOT example, let's say a weakness is e-commerce sales in a particular region. In order to be certain of this, strategists would have to track down regional sales figures, break them down by type of sale and then demonstrate that a region underperforms on e-commerce sales. There's the initial investment of time to find all this, and even afterwards any other stakeholders viewing the SWOT analysis won't be able to see the data behind this weakness. With a model built on a central repository, tracking down data is simple because there is a single source of truth for the enterprise, and the weakness can be linked directly to a file containing the relevant data.





Realtime Collaboration:

What is more, the models can potentially become living documents, able to be updated in real time whenever their linked objects are updated in the repository, which could have transformative impacts for strategy given the need to constantly adapt.

Aside from the links created through a central repository, there are three other significant advantages to business strategy modeling. First is the improvement of communication between teams involved in strategy creation. Traditional strategizing suffers from a lack of collaboration & information sharing between corporate strategy teams and enterprise architecture teams, which stems from different working practices and tools used.

Since critical business information has been created and stored ahead of time, management and modelers will be working from the same source and avoid misunderstandings creeping into strategy. In addition, models are much more likely to adhere to the organization's strategic direction, as you remove a lot of potential ambiguity.



Clear Stakeholder Visualization

A related advantage comes from presentation to stakeholders. The old adage that a picture is worth a thousand words applies just as much to business strategy as anything else; being able to present visual models can make complicated plans much more digestible to a wide range of stakeholders. The dashboards and templates that iServer can provide are going to be higher quality than something thrown together in PowerPoint. That's in addition to the communication abilities of EA tools, which enable information to be quickly disseminated across the organization.





Standard viewpoints OOTB

Finally, some firms may struggle with a lack of standard templates and viewpoints with which to formulate business strategy models. While there are some well-known models such as the SWOT analysis, these can hardly cover every strategic necessity. iServer, for example, offers a variety of commonly used business strategy and business architecture templates and techniques that can help smooth the process of creating models.



Getting Off The Ground.

It almost goes without saying, but the first thing you'll need to do for business strategy modeling is to have an effective enterprise architecture, otherwise you will be missing some of the largest benefits from the process. Assuming that this is the case, the "first" step is to gather existing data and artifacts representing business strategy and consolidate these within the central repository.

Next are the goals of the initiative. What kind of lifecycle are you looking at for your strategies? Is it a five-year roadmap? Which areas of the business are going to be addressed? What are the key business questions? These are all standard to any strategic initiative, so it should not come as a surprise that they are just as important for architects performing strategy modeling.

Once the preparation is complete, the next steps are to actually perform the modeling process. This will involve identifying which strategy models are to be used and how they will utilize data, how elements of the strategies are linked to other aspects of the enterprise architecture and your overall architecture metamodel. By completion, you will have a set of visualizations that link strategy to architecture concepts in real time.

The only remaining step is to present and engage your strategy models with key stakeholders. What kind of deliverables can you expect? Aside from the obvious of a set of strategy models, enterprises can also gain links between the organization's strategic direction and its enterprise architecture layers, improved communication on strategy, and the ability to monitor progress towards strategic objectives.





Quick Summary.

Orbus Software have published a great deal of white papers, eBooks and other resources about enterprise architecture and its processes. Perhaps the most common sentiment we have repeated is that Enterprise Architecture is still a young discipline, with a lot of room to develop and for individual enterprises to find new functions, and develop an architecture that works for them. Business Strategy Modeling is a use case that suits those with mature EAs, and wouldn't deliver a lot of value without that supporting infrastructure. At the start of this paper, we talked about strategy modeling as a culmination, but it's better to describe it as a multiplier, taking everything you've done so far and combining it to supercharge the value you can generate.

Strategy Modeling brings the efforts of Enterprise Architecture together. Effective strategy modeling provides clarity over the entire enterprise, while ensuring strong collaboration between strategy and architecture teams. Stakeholders receive better, richer information about the direction of the firm and overall the strategy function becomes less onerous for the enterprise.

In a sense, Business Strategy Modeling is the most difficult function to perform for an enterprise architecture department, simply because there is so much groundwork. But what we have also demonstrated is that once you do have that maturity, there is almost no reason not to proceed with strategy modeling. The benefits that can accrue are very large, and the process of modeling itself is neither difficult nor resource heavy. Once you have strategic models within the architecture, these can then inform other EA initiatives, providing strategic direction to any digital transformation or architectural mapping and giving stakeholders visibility over a much greater part of the organization.



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