

The Importance of Aligning Project Portfolios with your EA Practice

Russel Jones



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Executive Summary

The Project Management Office (PMO) and the Enterprise Architecture (EA) practice within organizations are often quite separate disciplines, with the PMO focused on prioritizing and delivering change and the EA aimed at documenting and understanding the complexity of the organization in its current and future states.

Having these two critical capabilities misaligned can lead to a number of challenges for an organization. The impact of projects and their cost and timelines cannot be accurately assessed without a view of the interdependencies across the organization. This view should be a key outcome of a mature EA practice. Similarly, an EA baseline of the organization will quickly become out of date and inaccurate if changes brought about by projects are not accurately captured.

The outcomes of the EA practice need to be used as a key input into the planning cycles of the PMO in order to reduce the risk of portfolios and projects, and to support sustainable change.

Driving vs. Integrating Change



According to Zachman, Enterprise Architecture is traditionally aimed as bridging the gap between organizational and technology aspects.ⁱⁱ

As mentioned, the outcomes of this discipline include a documented 'as-is' landscape of capabilities and supporting systems in the organization, as well as integrating new systems, solutions and changes.

By contrast, the Project Management Institute (PMI) defines PPM as the 'centralized management of one or more portfolios that enable executive management to meet organizational goals through efficient decision making on portfolios, projects and operations.'ⁱⁱⁱ This function has a key objective of driving change in order to meet organizational goals and objectives.

Traditionally, the PPM function is housed within the Project Management Office (PMO), which is often not aware of the end-to-end view of the enterprise being curated by EA. Silo structures such as these can be caused by adoption of discipline-specific frameworks in the EA and PPM domains such as ITIL, TOGAF, COBIT and PRINCE2, for example. Silos are often reinforced through PPM functions being carried out using separate toolsets to those used by the EA teams, often with little or no integration, meaning data cannot be easily shared between these teams to achieve common goals.^{iv}

From an EA perspective, the rate of change of the business environment poses a number of risks and challenges.^v Lengthy initiatives to document the current state of the organization are no longer feasible as they often become outdated before they are complete. A number of popular 'agile' EA frameworks propose an incremental approach to architecture in support of targeted business outcomes in the short term, or on a project or solution basis.

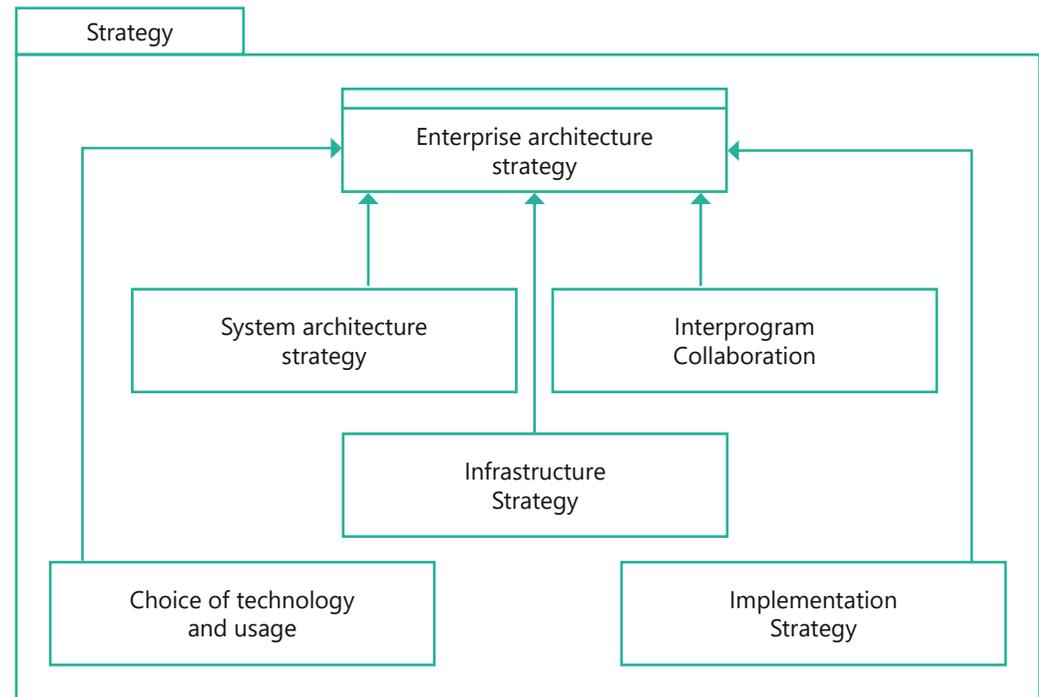


The Scaled Agile Framework (SAFe) is an example of such a framework. According to SAFe, the Enterprise Architect is the 'responsible authority with the requisite knowledge to work across value streams and programs, and help provide strategic direction that can optimize enterprise outcomes.

This can include recommendations on the technology stack for a project, system interoperability, target operating models, etc.'^{vi} Specific outcomes of the EA role in the context of change include 1) promoting adaptive and scalable design with the future in mind, 2) driving collaboration across programs and value streams to identify duplication and synergies, and 3) ensuring governance and compliance.

EA has a mandate to integrate organizational change and ensure the enterprise architecture strategy is adhered to in support of activities such as risk management, compliance and reporting. According to SAFe, there are five elements of an EA Strategy (Figure 1).

Figure 1 - The five elements of enterprise architecture strategy (source: SAFe)^{vii}



Two of the five elements, namely interprogram collaboration and implementation strategy, are likely to rely heavily on input from the PMO and the PPM function.

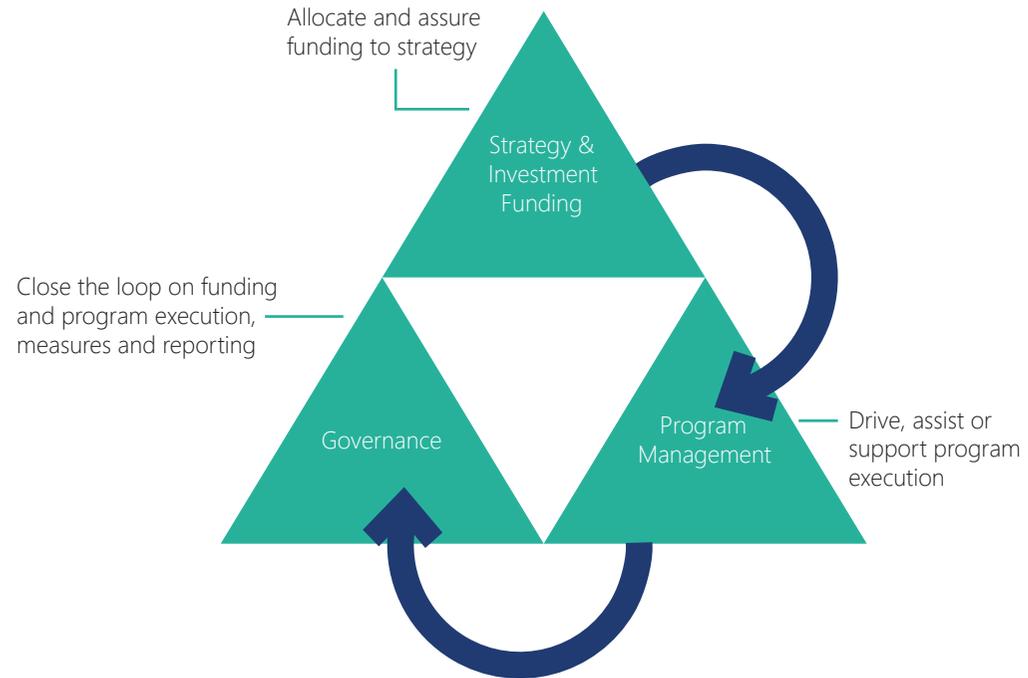
PPM, being part of the PMO, has the primary objective of driving organizational change through the most efficient means. Portfolio planning, a key activity of PPM, involves assessing, defining and managing strategic investment portfolios that align with the demands of the business as well as the strategic goals and objectives.^{viii}

Figure 2 outlines the three high-level focus areas of Program Portfolio Management according to SAFe.

The Governance focus area is likely to involve EA from a best practice and compliance perspective. The Program Management focus area will need support from EA in two main areas, namely;

- 1) implementation activities such as system integrations, process re-engineering etc., and
- 2) sustaining and embedding change in the organization by supporting the development of target operating models, future state architectures and capability models.

Figure 2 - Three Focus Areas of PPM (source: SAFe) ^{ix}



A common theme shared between the EA and PPM functions is to reduce the risk of change to the organization.

From a PPM perspective, understanding the holistic impact of an initiative and how the proposed change may be integrated into a Target Operating Model (TOM) would certainly assist in activities such as stakeholder and risk management, leading to increased project success.

Towards Common Goals and KPI's

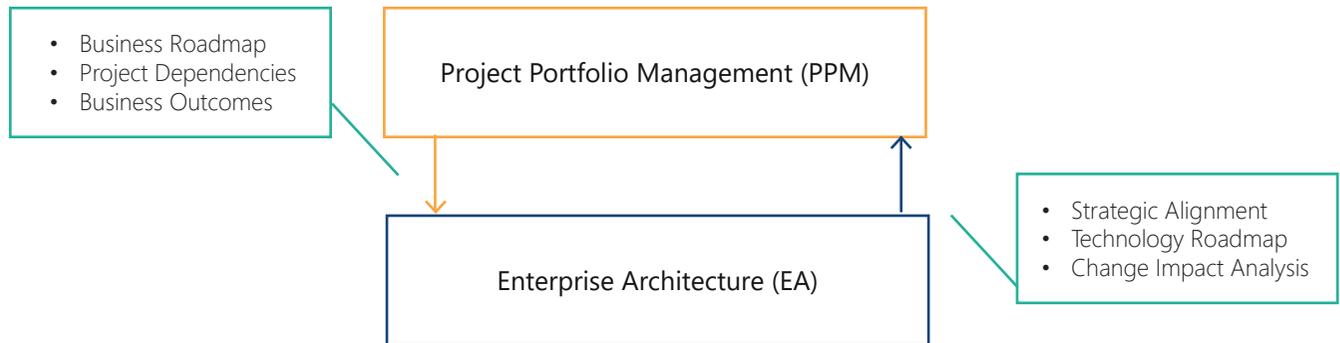
In order for PPM functions to reduce the risk of project portfolios, and for EA teams to increase the value added to the organization, there is a need for common goals and KPI's shared between these two critical functions.

Integration of EA outcomes such as integrated, multi-disciplinary views of the enterprise, the baseline and target state architectures, TOM's, change impact assessments and technology roadmaps for example, can greatly reduce the impact of change as well as assist with project planning, prioritization and budgeting.

Conversely, integration with PPM roadmaps, governance and processes will ensure the enterprise architecture stays current and operations are governed and managed efficiently.

Figure 3 identifies a number of examples of the data and information that may be shared between PPM and EA for improved collaboration and alignment.

Figure 3 – Information Sharing and Integration of PPM and EA teams



PPM manages business roadmaps in planning support of business outcomes and goals. Project schedules and dependencies provided information on the rate of change and potential organizational impact.

Sharing this information with EA will support capacity planning from the perspective of the technology landscape, allowing for improved IT governance and better support for business objectives, both in the short and longer term.

A 'feedback loop' from EA to PPM may involve information on technology roadmaps and change impact assessments, allowing PPM to better prioritize initiatives and reduce project and portfolio risks.

EA is well positioned to be able to advise on key project implementation decisions such as 'build versus buy' questions that will likely affect project costs and timelines. Strategic alignment of business and technology roadmaps is only possible through information sharing and shared goals between these teams.

Common goals may include an integrated portfolio management approach, taking both business and technology roadmaps into account. Table 1 lists several suggested common goals and KPI's.

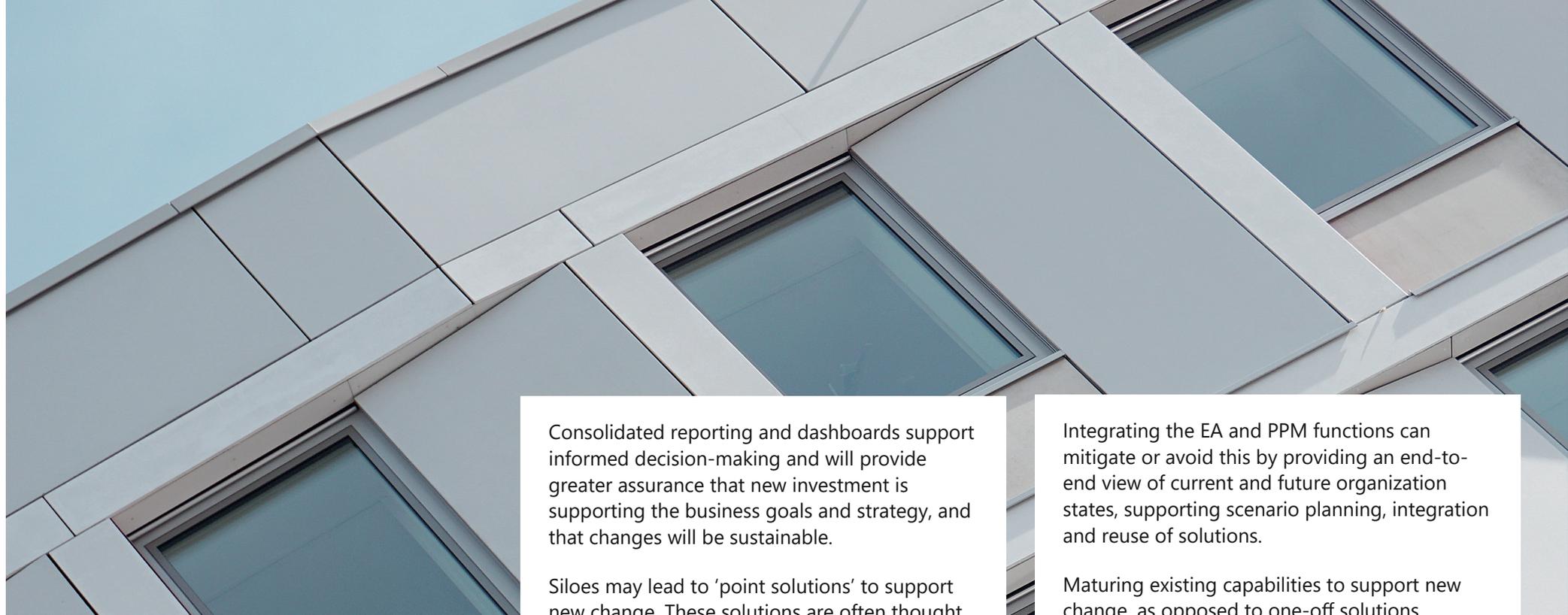
Business Outcome	Common Goal	Common KPI's
Integrated Business Roadmaps	End-to-end business and technology roadmaps and reporting	'Dashboard of change' (business and technology) ^x
Reduced Risk of Change	Holistic impact analysis of change initiatives taking other projects and the technical landscape into account	Common risk management framework and consolidated risk reporting
Reduced Duplication (Project overlaps)	Analysis of duplication of technical and business change efforts	Rationalized business and technical change portfolios
Improved Reuse / Reduced Technical Redundancy	Improved technical governance through avoidance of 'point' solutions for projects and encouraged reuse	Reduced project cost and consolidated technical support systems
Improved Project Success (On Budget, On Time)	Improved visibility of upcoming projects and integrated portfolio planning (business and technical)	Improved project success ratio

Table 1 - Business Outcomes, Common Goals and KPI's of EA and PPM



One critical success factor (CSF) for an end-to-end approach to change is the establishment of a change acceptance board (CAB) governing new solutions while also ensuring an integrated approach to business and technology implementations.

This board should have the ability to assess the common KPI's of both teams. A second CSF in supporting information sharing and integration is the use of common and integrated tooling used by EA and PPM functions.



The Synergies of Integration



One of the obvious benefits of integrating the PPM and EA functions is the ability to report on business and technology roadmaps holistically.

Consolidated reporting and dashboards support informed decision-making and will provide greater assurance that new investment is supporting the business goals and strategy, and that changes will be sustainable.

Siloes may lead to 'point solutions' to support new change. These solutions are often thought to be quicker and less costly than identifying existing systems and integrating with the current technical landscape and operations.

This may lead to isolated systems and non-conformant processes, with functional overlap and redundancies. Over the longer term, this approach is more costly due to the increased complexity and maintenance it creates.

Integrating the EA and PPM functions can mitigate or avoid this by providing an end-to-end view of current and future organization states, supporting scenario planning, integration and reuse of solutions.

Maturing existing capabilities to support new change, as opposed to one-off solutions, may create a virtuous cycle as organizational complexity will eventually be reduced, leading to lower risk and improved project success.



Conclusion



Strategic and portfolio planning helps organizations assess, define and manage investment portfolios in support of their strategic goals and objectives.

The alignment of PPM and EA functions is a key requirement to support end-to-end strategic planning and execution, from driving change through to integrating and sustaining it.

While siloed EA and PPM disciplines do allow for well-defined KPI's and focused outcomes, there needs to be integration between these two critical capabilities in order for them to add the most value to the organization. Portfolio planning activities can be optimized with the inclusion of EA work products and information, which can lead to improved budgeting and scheduling estimates. EA teams can increase their contribution towards supporting enterprise strategy by reducing the complexity and risk of changes.

With well-defined change governance structures (e.g. a mature Change Acceptance Board) organizations can ensure both the business and technical roadmaps are well aligned by managing common goals and KPI's of both teams. The end goal is to produce scalable and sustainable solutions while reducing risk and cost of change.

ⁱ Janssen (2010), Can enterprise architectures reduce failure in development projects?, Delf University of Technology

ⁱⁱ Zachman (1987), The Zachman Framework

ⁱⁱⁱ PMI (2017), Portfolio Management, <https://www.pmi.org/learning/thought-leadership/series/portfolio-management>

^{iv} Peyret (2011), Forrester: Building and IT Strategy for IT Tooling

^v Visitacion (2015), Forrester: The Next Step In The Evolving BT Toolbox

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^{vii} SAFe (2017), The Scaled Agile Framework, <http://www.scaledagileframework.com/enterprise-architect/>

^{viii} Barnett and Visitacion (2015), Forrester: Strategic Planning Solutions Emerge As Critical Tools In Corporate Toolboxes

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^x Peyret (2011), Forrester: Building and IT Strategy for IT Tooling

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