



THE EVOLUTION OF ORGANIZATIONS AS ECOSYSTEMS

INTRODUCTION

Historically, architectures have formed the catalyst for eliminating silo culture and repositioning thinking towards a service orientated approach. They lay the foundations which underpin organizational integration and enable project implementation. The idea is to offer services to both internal and external customers.

The concept is not new, but the approach (having stalled somewhat in recent years) has regained momentum under the buzzword, 'ecosystem'. When using the term in a business context, it refers to the organization's interactions with their current trading partners and customers.

The new role of the architect will be to assess and recommend solutions, which result in internal and external network integration, spanning systems, applications, people and devices to deliver upon an organizational strategy and/or contribute to a particular ecosystem strategy. It will require architects to work in a bimodal fashion, addressing

current domain shortfalls and recommending platforms that enable data sharing amongst ecosystem participants.

The biggest hurdles to this concept will remain the maturity of domain data, as well as identifying a complete overview of each organization's capabilities. A traffic light capability model should be produced for each organization, as well as the ecosystem, to highlight best practice and fledgling capabilities. Ultimately, this will ensure the value proposition is approached from a common baseline.





TWITTER AND BUSINESS MODELING CAPABILITIES

The ability of an infinite amount of people to use a single hashtag which positions information, and makes it available across the spectrum, is coincidentally the objective of modelling, and increasingly, ecosystems.

We can therefore look at the future generation of business in one of three ways; a transition from traditional organizations to collaborative networks and ultimately, ecosystems.

Traditional Organizations – This is the model where organizations seek to maximize their self-interests, evolving products and services and collaborating differently. The primary value here is shareholder value. (In a for-profit context anyway.)

Collaborative Networks – This is a model where specific organizations seek to co-create or join a

collaborative network around a shared vision of value. The primary value here is stakeholder value.

Ecosystems – This is a model where, “value creation, delivery and capture are shared activities among economic agents, with established peer-to-peer relationships allowing value to accrue to all ecosystem participants.” It could even lead to fully decentralized, autonomous cooperative networks. The primary value here is society value.

Architects will increasingly be required to produce models across a widening spectrum, which facilitates business model differentiation, cross organizational operating models and value streams, in conjunction with varying levels of capability maturity.

HOW DOES ENTERPRISE ARCHITECTURE CONTRIBUTE?

Architecture is perfectly positioned to lead the charge in 'big picture thinking,' and has over the years led many discussions on breaking down silo based organizations. Moreover, it enables the organization to build a strategy that moves away from isolated solutions, and towards a holistic business focus. However, designing ecosystems requires business acumen, coupled with an in-depth understanding of architectural domains.

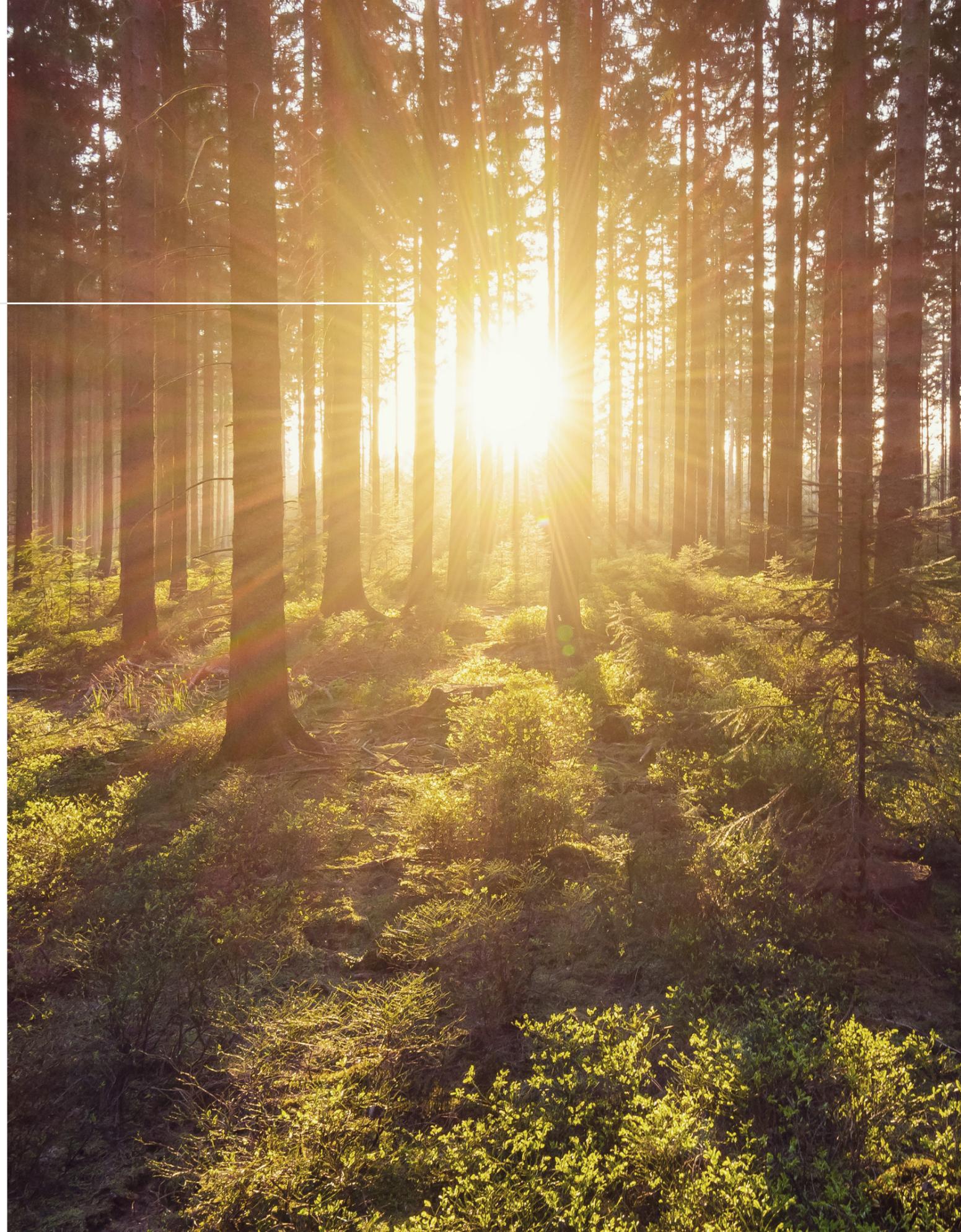
As a result, architects should take the lead in translating organizational direction into actionable items, addressing value beyond the boundaries and confines of their own departments to meet the strategic goals set by the wider ecosystem. Changes in the mindset of stakeholders across silos both internally and externally will be required to reap the correct level of executive support for any ecosystem proposal.

By collaborating with other ecosystem architects, views can be created which address the shortcomings of each participant's business model,

operating model, and capability maturity shortfalls. These views will be the catalyst for discussions on end-to-end execution of direction at both a global ecosystem and participant level.

By attaching a simple hashtag to the components of these views, we can now review single verticals / horizontals within an organization, or the same vertical / horizontals across participants, or the entire ecosystem verticals / horizontals. These enhanced views will enable us to see capability maturity levels across the ecosystem. A quick deliverable can subsequently be derived by means of a service level agreement and/or deploying technologies and personnel to participants struggling to match the best in class maturity level capabilities.

All of these findings should be relayed to the strategic portfolio management team for the appropriate decision making and funding.





HOW DOES BUSINESS ARCHITECTURE CONTRIBUTE?

Business architecture as a subset of enterprise architecture is increasingly taking on a consultancy role between the C-suite, business heads and IT. At the core of this engagement, the following questions need to be answered.

ADVANTAGE	PROSPECTS	PRACTICALITY
Who is the sponsor?	Is this something we should be doing?	Is this something we can do?
What problem are we solving?	What is the business case? (ROI, etc)	Is the technology supportable?
Is it the right problem to solve?	Contribution to organizational growth potential?	Do we currently have the desired level of capability for this?
What impact will this have on customer experience?		What is the availability of required skills to support the initiative?

Once the answers to these questions have been established, the business architect will be provided with the C-suite's priorities and a high level overview of the envisaged advantage. The practicality column now comes into focus, and the business architect can evaluate the differential between as-is and future state capability requirements.

The business architect report should

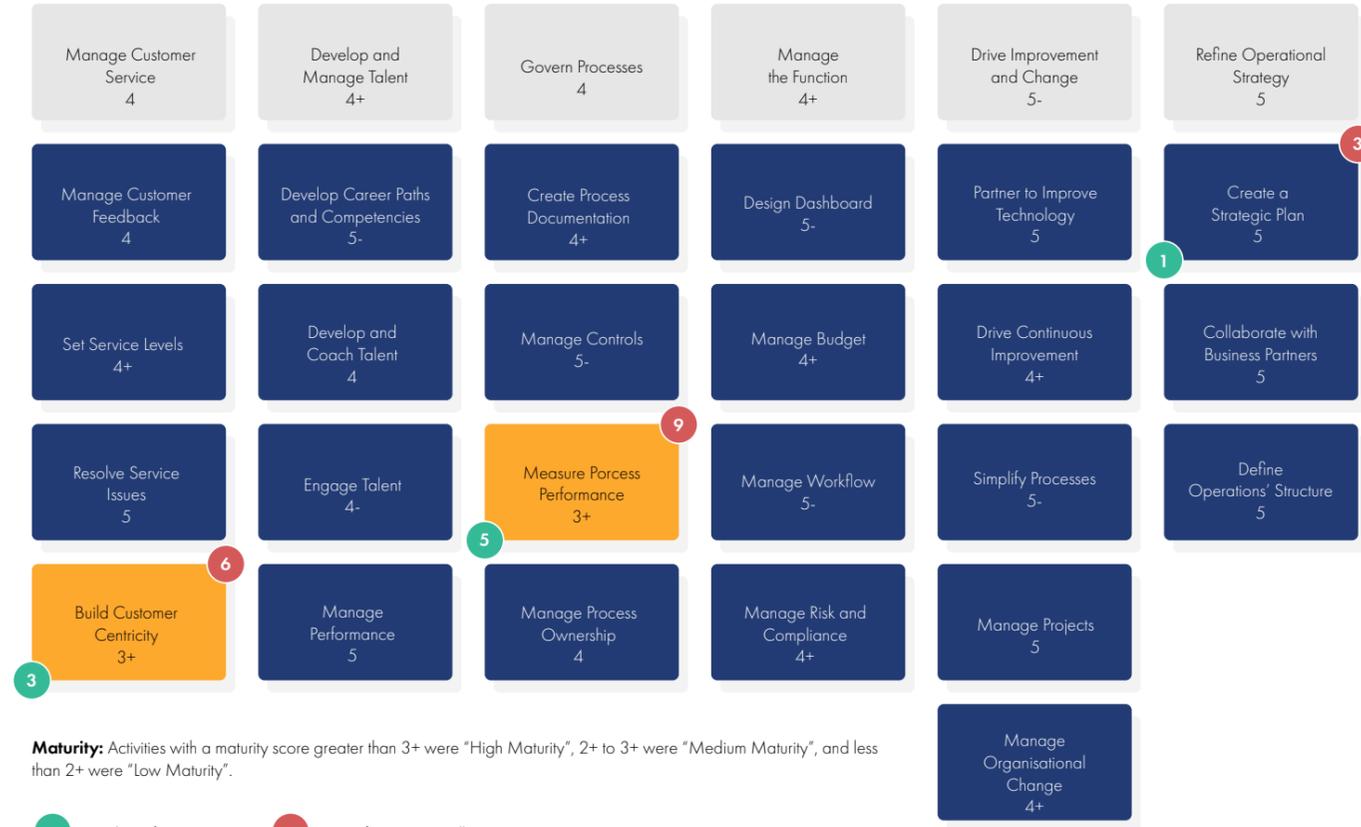
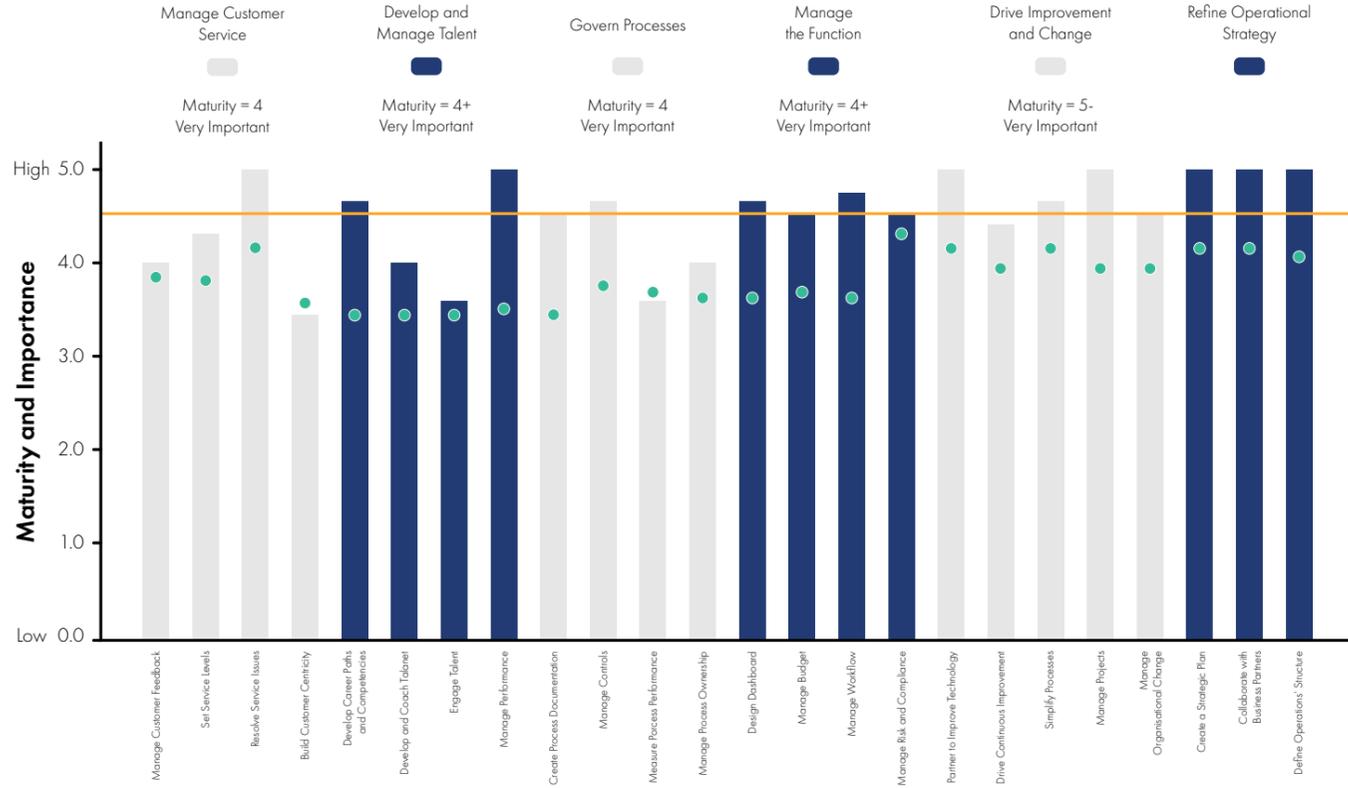
evaluate internal capability versus ecosystem partners to enable cost estimations in the business case. This report should be utilized as part of program/project initiation. The funding exercise, together with critical success factors, enables the production of the C-suite dashboards, which provide oversight of progress against project milestones and critical success factors.

To review future state versus as-is state, the business architect needs

to utilize the current organizational operating model, which consists of the end-to-end value stream and enabling capabilities. Once an understanding of the maturity levels has been ascertained, the business architect can review the organizational book of work, ensuring that the projects are correctly constituted to deliver the correct enablement, while projects delivering the same components for the same capability are deduplicated.

HOW MATURE ARE BUSINESS CAPABILITIES? - EXAMPLES

The diagram below is constructed based on responses from the sponsor as to the maturity and importance of each capability and subcapability.



Maturity: Activities with a maturity score greater than 3+ were "High Maturity", 2+ to 3+ were "Medium Maturity", and less than 2+ were "Low Maturity".

● Number of Projects ● Cost of Projects in millions



BUSINESS ARCHITECTURE **REPORT PROCESS**

As can be seen from the models, the areas which required attention were:

1. Build Customer Centricity: (3 projects costing 6m to deliver)
2. Measure Process Performance: (5 projects costing 9m to deliver)
3. Create a strategic Plan: (project needs to be investigated as capability is rated a 5)

We now need to review the project deliverables to ensure cost effective and efficient delivery strategy. This is undertaken by completing the matrix and applying lean principles to remain cost effective.

BUSINESS ARCHITECTURE REPORT PROCESS

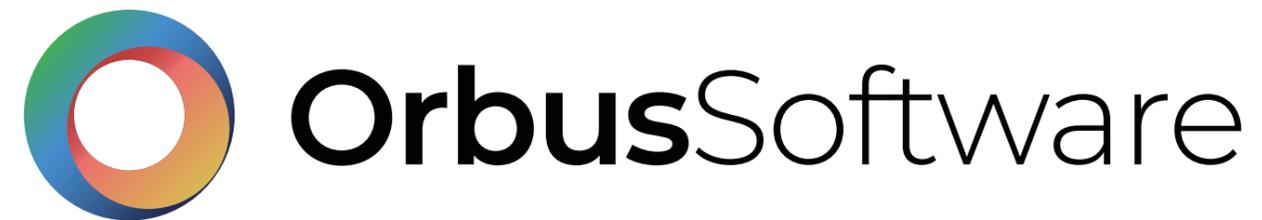
A quick overview of the projects within “Build Customer Centricity” indicates that, except for client segmentation, the project 1 and 3 requirements are identical. Moreover, architecture should report that one of the projects should proceed but the other project should be absorbed with the resultant cost savings on the bottom line. Thus, project 3 should only be funded for competitor overview and provide project 1 with their requirements.

	CLIENT STRATEGY	CLIENT SEGMENTATION	CLIENT MARKETING	CLIENT ON-BOARDING	CLIENT SALES
Project 1	Skills Shortage	Data Analysis	TV, Radio Slots	Branch	Decentralised
Project 2	Research	Data Analysis	Newspapers, Magazines	Digital	Central
Project 3	Skills Shortage	Competitor Overview	TV, Radio Slots	Branch	Decentralised

This approach will ensure that scarce resources are allocated appropriately, across the book of work. In the previous example the project impacting “create a strategic plan” should be reviewed as the sponsor has rated this capability as a 5 and would appear to have no reason to require improvement.

This exercise can be completed for a single organization or multiple ecosystem partners. Once complete, the resultant book of work can be handed to the PMO and DevOps teams to execute.





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