Microsoft's Approach to Business Architecture and Service Modeling

Agenda

- SOA Challenges
- Why is Business Architecture Important
- What is MSBA
- Using MSBA as the Foundation for SOA
- SOA in context
SOA for the CEO’s…?

Harvard Business Review
July 2008
“The Next Revolution in Productivity”

So what’s going wrong with SOA?

SOA holds out enormous promise to revitalise the business value of IT

... but early experience has too often been less than compelling.

There are currently no suitable business models to base an SOA on

... but Capability Mapping has the credentials.
Business Agility Depends on IT Flexibility

But Today's IT Architectures can be the Roadblocks

“Today’s IT architectures, arcane as they may be, are the biggest roadblocks most companies face when making strategic moves”

McKinsey
“Flexible IT, Better Strategy”

A Need to Bridge the Gap…
What is Microsoft Services Business Architecture (MSBA)?

It is important that you focus on “doing the right things” and then focus on “doing them right”

Context and Prioritization:
- Business architecture mapping and prioritization:
  - Provides structure to focus on “doing the right things” within the implementation
  - Logical, rational, and defensible

Optimization:
- Services orientation, technology automation, and process improvement
- Increased efficiency is about “doing things right”

A Definition of MSBA

MSBA is a methodology to organize, measure & evaluate business *capabilities*.

The methodology provides a systematic approach to understanding complex business models and offers a set of tools to help map, quantify and prioritise the *capabilities* of an organisation.
Typical SOA and BPMS Perspectives

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<th>BPMS</th>
<th>SOA</th>
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<td>Horizontal Focus</td>
<td>Vertical Focus</td>
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<td>Business Oriented</td>
<td>Technology</td>
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<td>Process Model</td>
<td>Services Model</td>
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<td>Project Application Driven</td>
<td>Enterprise Infrastructure Driven</td>
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<td>Success measured by business metrics and KPIs</td>
<td>Success measured by IT reuse / integration metrics</td>
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What Does MSBA Provide?

- Schematic language that is easily understood by business and IT stakeholders
- Industry templates and tools
- Exposes high-value business areas
- Risk mitigation approach for large SOA projects (typically 2–8 week projects)
- Structured methodology to analyze governance and compliance
- Business case for initiating SOA projects
Foundational Core Capabilities

Level-1 Operational Capabilities
1. Develop products and services.
2. Generate demand for those products and services.
3. Produce and deliver the products and services.
4. Plan and manage the business.
5. Collaborate with constituencies.

Environmental Capabilities
A. Customer
B. Customer-facing Channel Partners
C. Suppliers
D. Logistics Providers
E. Financial Providers
F. Infrastructure and Compliance

Modeling Business Architecture

MSBA uses the analytical structures of go-in → go-up → go-out and only then… with that context, → go-down
Service Level Expectation

- Who owns it?
- Who is the customer of it?
- What is the measure of success?
- Inputs and outputs
- Alternative paths to take when part or all of the capability is inoperable
- Escalation path

MSBA Project Entry Points

- Exploration – to identify opportunities for performance improvement related to a specific problem.

- Sourcing – to consider a change in the source of a business capability; whether it is performed internally or outsourced, at what cost, benefit, and risk.

- Expansion/Contraction – to identify an opportunity to consolidate operations, divest or acquire other businesses.

- Service Enablement – to identify which capabilities should be transformed into services to create organisational value.
Using MSBA as the starting point for a developing a SOA
Using MSBA to Initiate SOA Projects

- Effective in capturing business requirements in clear and objective language that IT uses as the foundation for asset deployment.

- The MSBA business capability model provides a common framework through which IT, Finance, and Operations can all discuss service level expectations.
Modeling Business Architecture
Aligning the Business and Technology Perspectives

- A three-part service model in between the business model and technology model to align IT with business requirements.

- Represents what a particular business is capable of – its key functional capabilities – rather than how the capability is performed.

- Business capabilities have a close relationship with the service contract defined within the service model.

Modeling Business Architecture
Advantages of the Service Model

- A logical place to define the service contracts to align business requirements with technology.

- Helps architects discover artifacts at the right level of abstraction.

- Better to talk about service level expectations when evaluating business capabilities because business people already understand that value.

- MSBA uses business capabilities to expose the business model of an organization to understand service level expectations, and then applies that information to inform business and IT for architecture transformation.
1.0 Develop Product/Service
1.1 Product Development Concepts and Plans
1.2 Product Design and Process Management
1.3 Product Development
1.4 Product Launch
1.5 Product Lifecycle Management
1.6 Retire Product

2.0 Generate Demand
2.1 Customer Relationship Management
2.2 Partner Channel Management
2.3 Offer Management
3.0 Fulfill Demand
3.1 Contract Processing
3.2 Quote Management
3.3 Order Management

3.4 Product Delivery
3.5 Manufacturing Planning
3.6 Procurement
3.7 Product Production
3.8 Logistics and Distribution
3.9 Business Intelligence

4.0 Plan and Manage Enterprise
4.1 Strategic Planning
4.2 Capital Management
4.3 Corporate Values
4.4 Financial Management
4.5 Project Management Office
4.6 Human Resource
4.7 Legal and Corporate Affairs
4.8 Compliance and Risk
4.9 IT Services Management
4.10 Vendor Management

4.11 Strategic Collaboration
4.12 Planning Collaboration
4.13 Organizational Collaboration

5.0 Collaboration Management
5.1 Strategic Collaboration
5.2 Planning Collaboration
5.3 Organizational Collaboration

Capability Hot Spots

High Risk Capabilities; poor performance with high business value
1.6 Retire Product
2.9 Sales and Marketing Intelligence
4.10 Vendor Management

Group 2 Risk Capabilities; poor performance with intermediate business value
3.6 Procurement
3.9 Business Intelligence

Group 3 Risk Capabilities; poor performance with low business value
4.8 Compliance and Risk
1.4 Product Launch
3.3.1.5 Supplier Selection

3.6.1.1. Supplier Certification
3.6.1.2. Create Supplier Profile
3.6.1.3. Conduct Supplier Assessment
3.6.1.4. Analyze Supplier Performance
3.6.1.5 Supplier Selection
3.6.1.6. Manage Requests for Quotations
3.6.1.7. Screen Suppliers
3.6.1.8. Manage Bid Auctions
3.6.1.9. Analyze Supplier Bids
3.6.1.10. Supplier Contract Management
3.6.1.11. Develop Service Level Agreements
3.6.1.12. Contract Development
3.6.1.13. Manage Negotiations
3.6.1.14. Finalize Contracts
3.6.1.15. Establish Mechanisms for Procurement
3.6.1.16. Create Purchase Requisition
3.6.1.17. Manage Requisition Approval Process

Candidate Service Assessment

Assess the level 4+ capabilities against the criteria of:
1) Degree of Reuse
2) Scale of Transaction
3) Level of Automation

Validate with Use Case Analysis

Map Capabilities into Services

Service Oriented Modeling Tools
SOA in Context
Service Lifecycle

Service Analysis
Service Decommission
Service Change Management
Service Consumption
Service Provisioning
Service Operation
Service Testing

Governance

Management

Envision
Plan
Develop
Manage
Stabilize
Deploy

SOA Phases and Tools

Envisioning
Planning
Developing & Stabilizing
Deployment
Management

Envisioning:
- Capability Assessment
- Project Management
- Programme Management
- Reporting
- Portfolio Management
- Asset Management

Planning:
- Service Design
- Service Development
- Service Testing
- Service Publishing
- Service Discovery

Developing & Stabilizing:
- Service Versioning
- Build Processes
- Service Monitoring
- Dependency Analysis
- Exception Management
- Reporting

Deployment:
- SLA Enforcement
- Rogue Service Discovery
- Exception Management
- Reporting
- Notification Services

Management:
- MSBA
- SOM
Service Oriented Architecture Maturity

Basic
Enterprise is capable of writing and consuming standards-conformant Services with excellent reach

Standardized
Enterprise implements, consumes, and reuses Services efficiently and consistently

Advanced
Enterprise can effectively manage increasing numbers of Services to guaranteed SLAs

Dynamic
Enterprise is capable of aggregating Services and extending their usage to mission-critical processes

Value to the Organisation

Enterprise Platform Optimization

Cost Center
Basic
Evaluating the beginnings of SOA and composite apps
Short term ROI on primarily technical solutions
Visioning, planning & communicating

More Efficient Cost Center
Standardized
Common enterprise service bus
Existing capabilities exposed as services
Consistent use of services across the organization
Cost reduction from (reuse) efficiency
Increase in business agility from contract based systems

Business Enabler
Advanced
Secure, transactional services environment
Business processes reengineered as services
Services federated across business ecosystems
Monolithic systems reengineered as components
Real time data and business intelligence

Strategic Asset
Dynamic
Real time business services
Service is basis for virtualized resource management
Federated services management
Always start from the **business need** – not the IT **here and now**

Design the **services** – then design the **implementation**

The key benefit is **business value** – not **component reuse**

Start **small** and **prioritise** – don’t **boil the ocean**

Expect **change** – don’t **avoid it**