



Role of Enterprise Architecture in a Business Change Environment

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ROLE OF ENTERPRISE ARCHITECTURE IN
A BUSINESS CHANGE ENVIRONMENT



- **BUSINESS CHANGE**

- What is a change environment
- Why do organisations need to change
- How do Businesses change

- **CHANGE MANAGEMENT FRAMEWORKS**

- P3M3 and Enterprise Architecture (TOGAF)
- Portfolio, programme, project management

- **SUMMARY**

WHAT IS A BUSINESS CHANGE ENVIRONMENT

WHAT IS A BUSINESS CHANGE ENVIRONMENT

What is a Business Change Management? Transition of individuals, teams, and organizations from a current state to a future state with the least amount of resistance.

Generally the general industry standard of change includes

- evaluating the organization issue/problem,
- initiating action to make change,
- planning the change while encouraging stakeholder buy-in,
- executing the plans while being flexible to the changing landscape,
- Sustaining the change and make it “stick” so that the organization truly gains benefits of the change.

WHY DO BUSINESSES NEED TO CHANGE (AND FAIL)

WHY DO BUSINESSES CHANGE

- **Crisis**
 - **Crisis:** September 11 is an example of a crisis which caused countless organizations, and even industries such as airlines and travel, to change.
 - **Capability development**
 - **Performance gaps:** the organization's goals and objectives are not being met or other organizational needs are not being satisfied.
 - **Reaction to internal & external pressure:** management and employees, particularly those in organized unions often exert pressure for change. External pressures come from many areas, including customers, competition, changing government regulations, shareholders, financial markets, and other factors or threats in the organization's external environment such as cyber, physical, terrorism
- **Competition/profitability**
 - **Sounds good:** another reason organizations may institute certain changes is that other organizations are doing it and 'sounds good'
 - **Identification of opportunities:** opportunities are identified in the market place that the organization needs to pursue in order to increase its competitiveness.
 - **Planned abandonment:** changes as a result of abandoning declining products, markets, or subsidiaries and allocating resources to innovation and new opportunities.
- **New technology:** identification of new technology and more efficient and economical methods to perform work.
- **Mergers & acquisitions:** mergers and acquisitions create change in a number of areas.

WHY DOES ORGANISATIONAL CHANGE INITIATIVES FAIL

- There is insufficient board-level support
- Leadership is weak
- There are unrealistic expectations of the organizational capacity and capability to change
- There is inadequate focus on benefits
- There is no real picture of the future capability
- There is a poorly defined or poorly communicated vision
- The organization fails to change culture
- There is not enough engagement of stakeholders.

HOW CAN BUSINESSES CHANGE

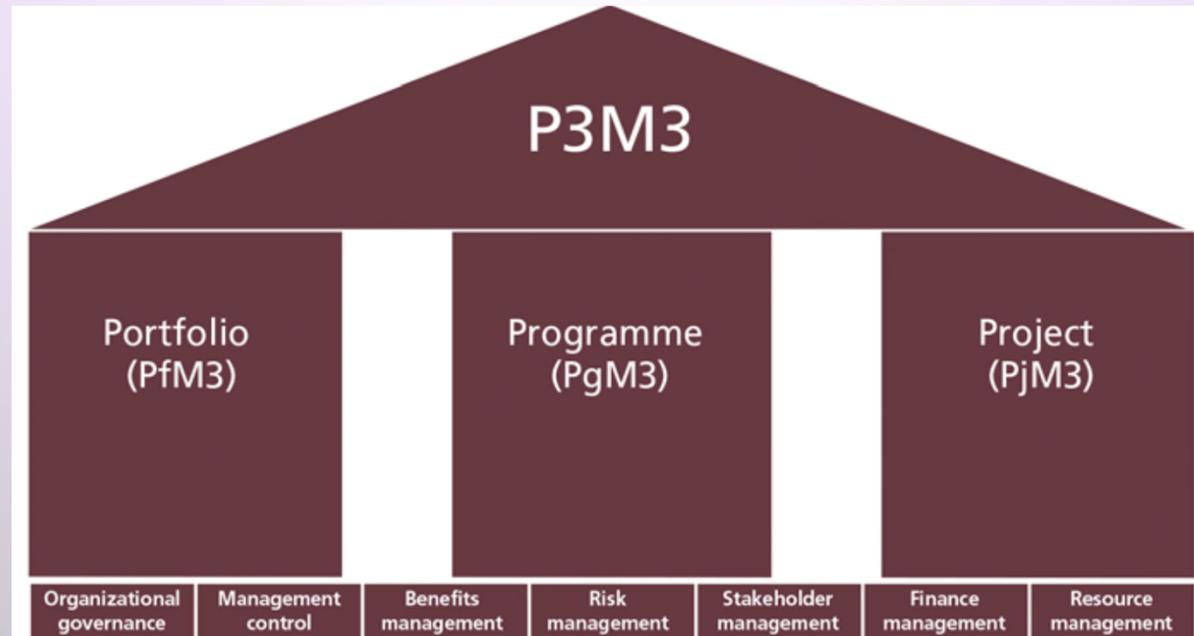
- **Mission, vision, & strategy:** organizations should continually ask themselves, "what is our business and what should it be?" Answers to these questions can lead to changes in the organization's mission (the purpose of its business), its vision for the future (what the organization should look like), and its competitive strategy.
- **Technology:** organizations can change their technology in order to increase efficiency and lower costs.
- **Human-behavioural changes:** training can be provided to managers and employees to provide new knowledge and skills, or people can be replaced or downsized. As result of the recent financial crisis, many organizations downsized creating massive unemployment that continues to this day.
- **Task-job design:** the way work is performed in the organization can be changed with new procedures and methods for performing work.
- **Organizational structure:** organizations can change the way they are structured in order to be more responsive to their external environment. Again to be more responsive to the marketplace, this also includes where decisions should be made in the organization (centralized or decentralized).
- **Organizational culture:** entities can attempt to change their culture, including management and leadership styles, values and beliefs. Of all the things organizations can change, this is by far the most difficult to undertake.

Why Change	Portfolio Principles	Programme Principles	Project Principles	TOGAF
Crisis				
Capability Development				
Competition				
Mergers/Acquisitions				
New Technology				

BUSINESS CHANGE MANAGEMENT FRAMEWORKS

- Portfolio management
- Programme management
- Project management

BUSINESS CHANGE FRAMEWORKS



P3M3 has been built to highlight areas of risk that can cause delivery failure. There has been regular and extensive research into the causes of failure for programmes and projects in recent years. The UK cabinet office released the ‘causes of confidence’ document for management of projects and programmes.

Reasons for failure (Slide 6)	UK Cabinet Office : Causes of Confidence
There is insufficient board-level support	Programme leadership – having the right people
Leadership is weak	Position within the organization – knowing your environment
There are unrealistic expectations of the organizational capacity and capability to change	Initial assessment – getting off on the right foot
There is inadequate focus on benefits	Managing the time, cost and quality (TCQ) triangle
There is no real picture of the future capability	Scope aims and benefits – defining the task properly
There is a poorly defined or poorly communicated vision	Assumptions, risks, issues – knowing what could go wrong.
The organization fails to change culture	Skills and expertise – having the right know-how
There is not enough engagement of stakeholders.	Stakeholder management – understanding who can help or harm you. Managing suppliers and consultants – getting through to the end

P3M3 focuses on seven perspectives that exist across the three models. The perspectives group together one or more processes, and are as follows:

Organisational governance

Management control

Benefits management

Risk management

Stakeholder management

Finance management

Resource management

THE OPEN GROUP ARCHITECTURE FRAMEWORK (TOGAF) IS;

A framework for enterprise architecture that provides an approach for **designing, planning, implementing, and governing** an enterprise information technology architecture.

Togaf is a high level approach to (technical) design.

It is typically modelled at four levels: business, application, data, and technology.

It relies heavily on modularization, standardization, and already existing, proven technologies and products.

TOGAF DOMAINS

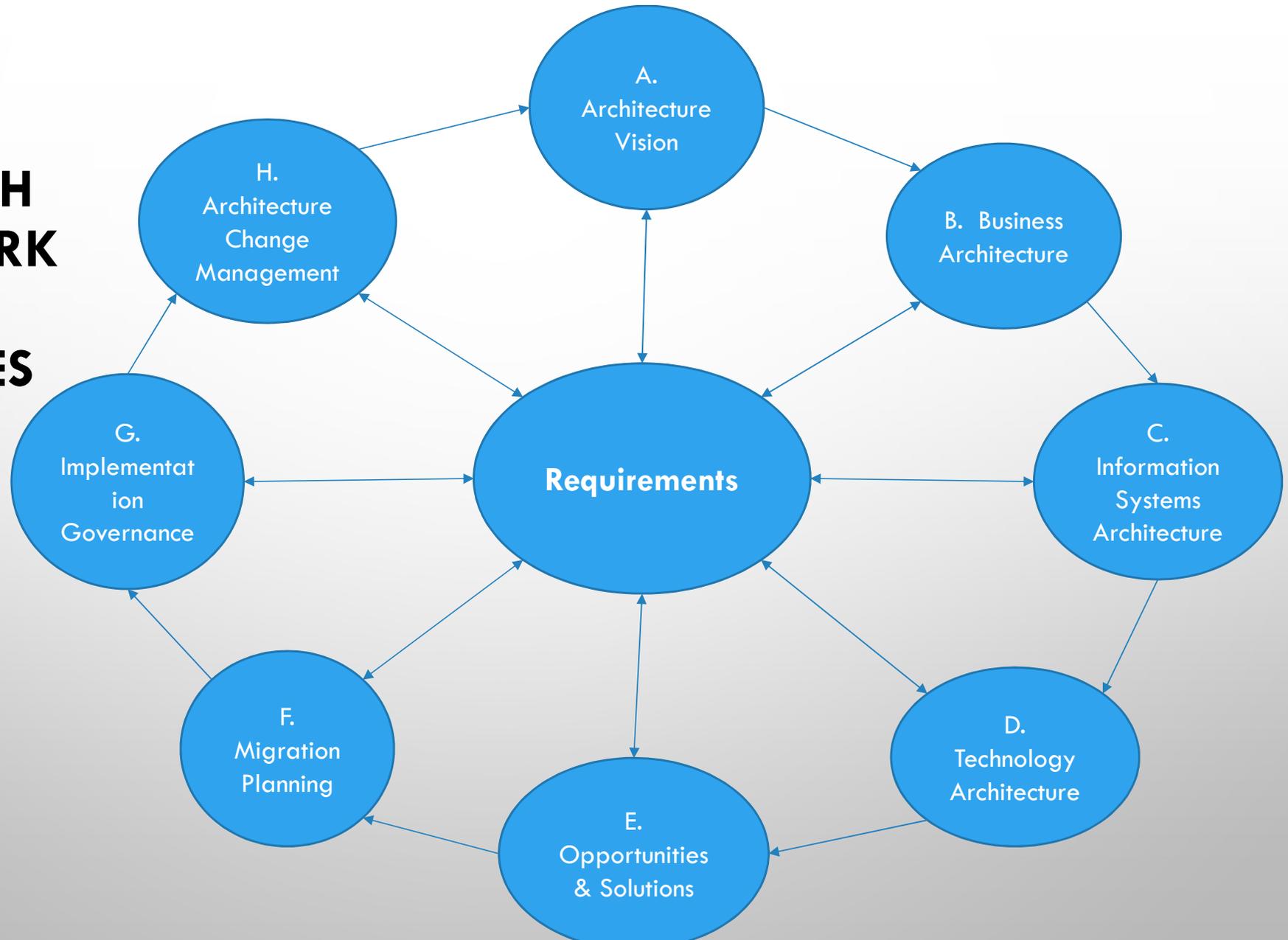
Business architecture defines the business strategy, governance, organization, and key business processes of the organization

Data architecture describes the structure of an organization's logical and physical data assets and the associated data management resources

Applications architecture provides a blueprint for the individual systems to be deployed, the interactions between the application systems, and their relationships to the core business processes of the organization with the frameworks for services to be exposed as business functions for integration

Technical architecture which describes the hardware, software, and network infrastructure needed to support the deployment of core, mission-critical applications

TOGAF APPROACH FRAMEWORK AND PRINCIPLES



P3M objectives / TOGAF objectives

Transparency – line of sight into decisions, performance, and benefits

Accountability – ownership and decision-making thresholds defined and governed

Compliance – comply with organizational and public sector policies, regulations, and guidelines

Cost savings – eliminate wasteful spending, out-of-control execution, re-invention, and disconnected operations

Funds optimization – obtain optimal benefits for amount budgeted and expended

Benefits realization – achieve the intended benefits as described in the business case

TOGAF specific – reuse existing approaches.

Why Change	Portfolio Principles	Programme Principles	Project Principles	TOGAF
Crisis				
Capability Development				Architecture Vision
Competition				
Mergers/Acquisitions				Business Architecture and Information Architecture
New Technology				Applications Architecture
				Technology Architecture

PORTFOLIO, PROGRAMME AND PROJECT CHANGE

PORTFOLIO, PROGRAMME, PROJECT DEFINITIONS

- **Portfolio Management (PFM)** – the centralized management of one or more portfolios, which includes identifying, prioritizing, authorizing, managing and controlling programs, projects, or other related work, to achieve specific business objectives.

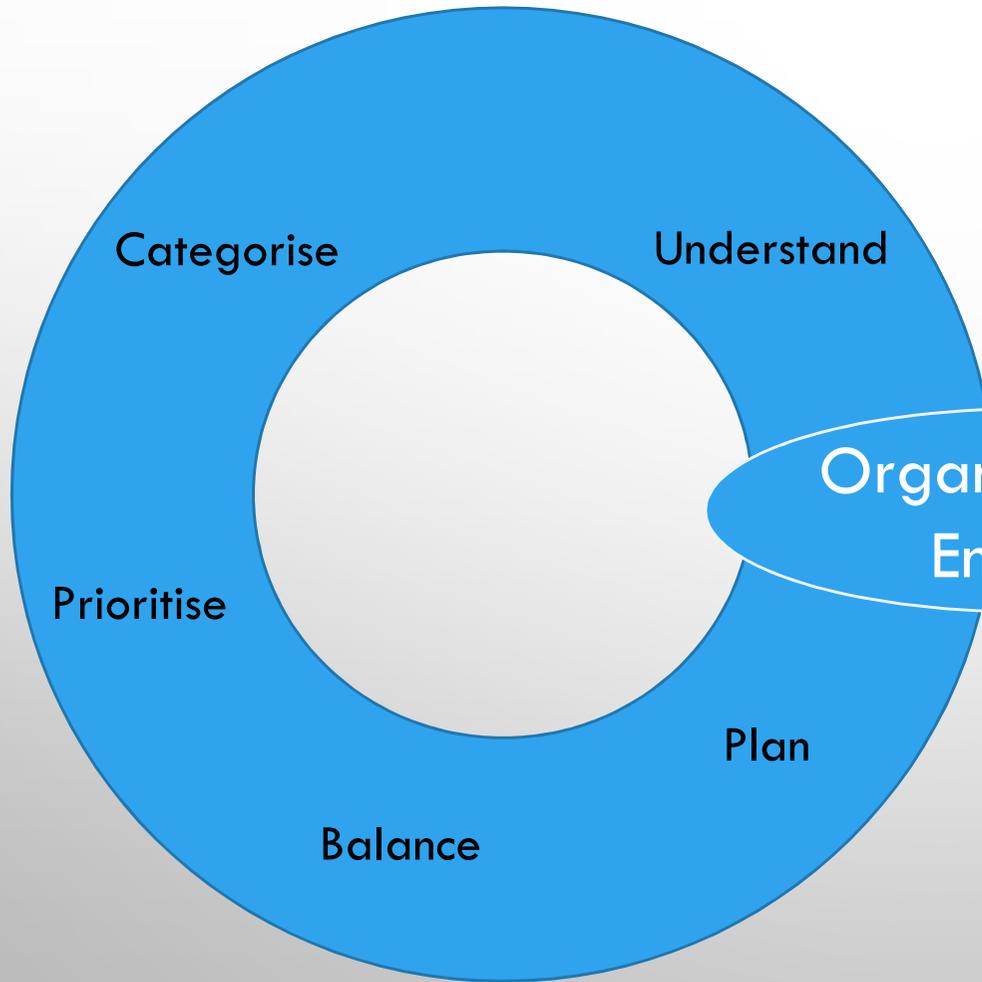
Key themes include strategic alignment, value management, risk management, resource management, and performance management.

- **Program Management (PGM)** – the centralized management of a group of related projects to obtain benefits and control not available from managing them individually.

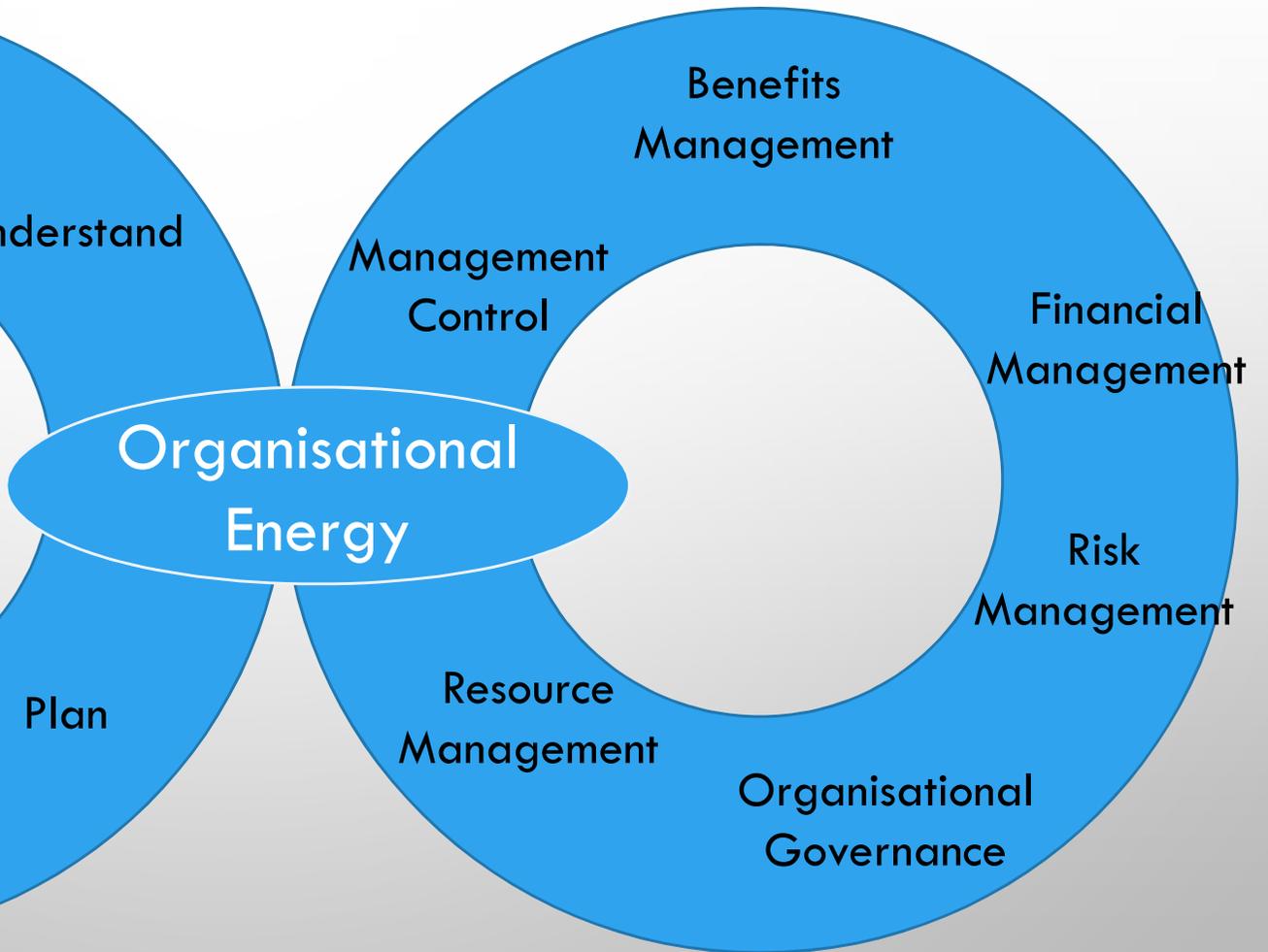
Key themes include benefits management, stakeholder management, financial management, and programme governance

- **Project Management (PM)** – the application of knowledge, skills, tools and techniques to project activities to meet project requirements. Projects are temporary and create a certain product, service, or result. Consequently, project management has a defined time period and results that can be determined successful or unsuccessful.

Portfolio Definition

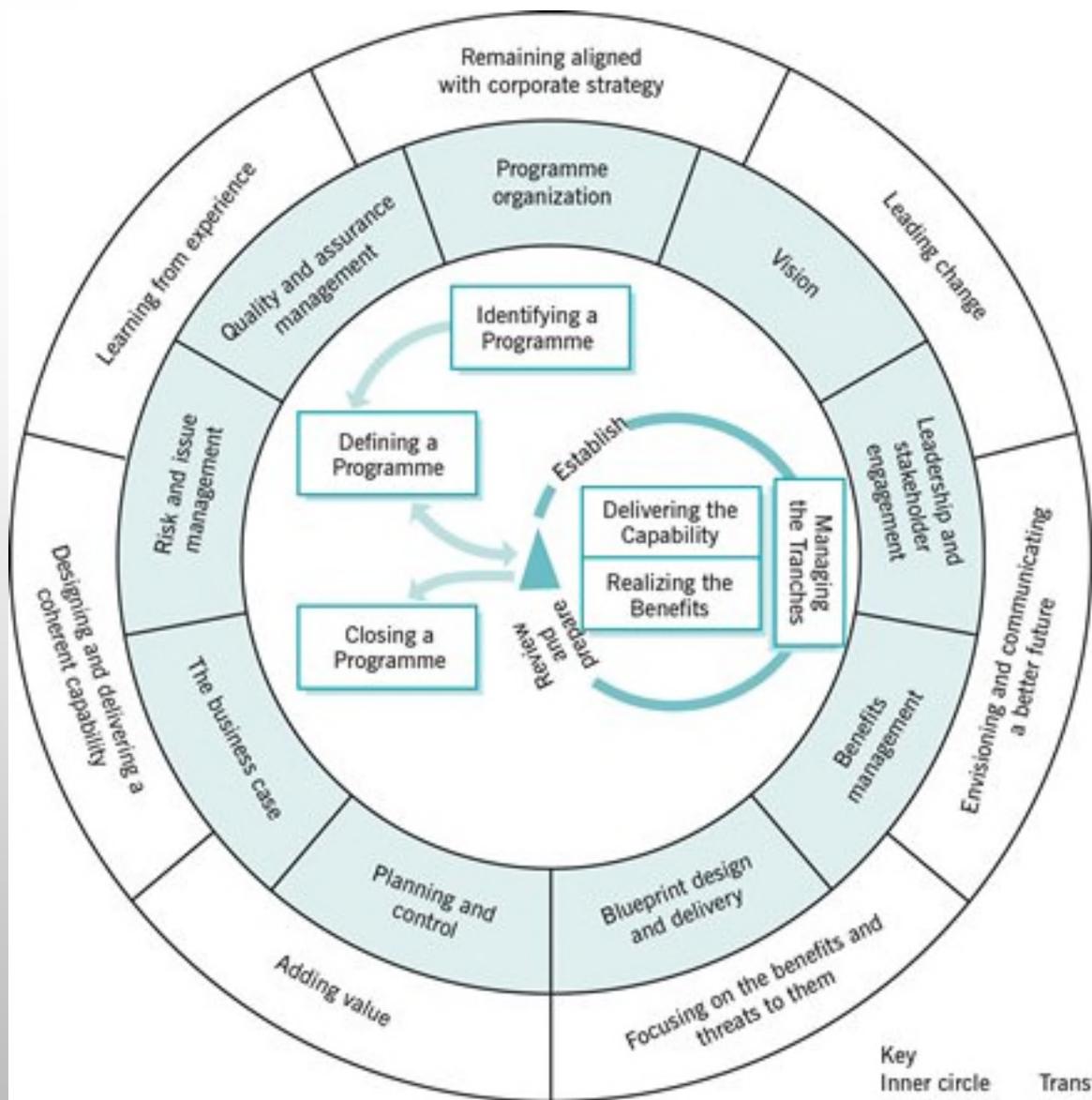


Portfolio Delivery



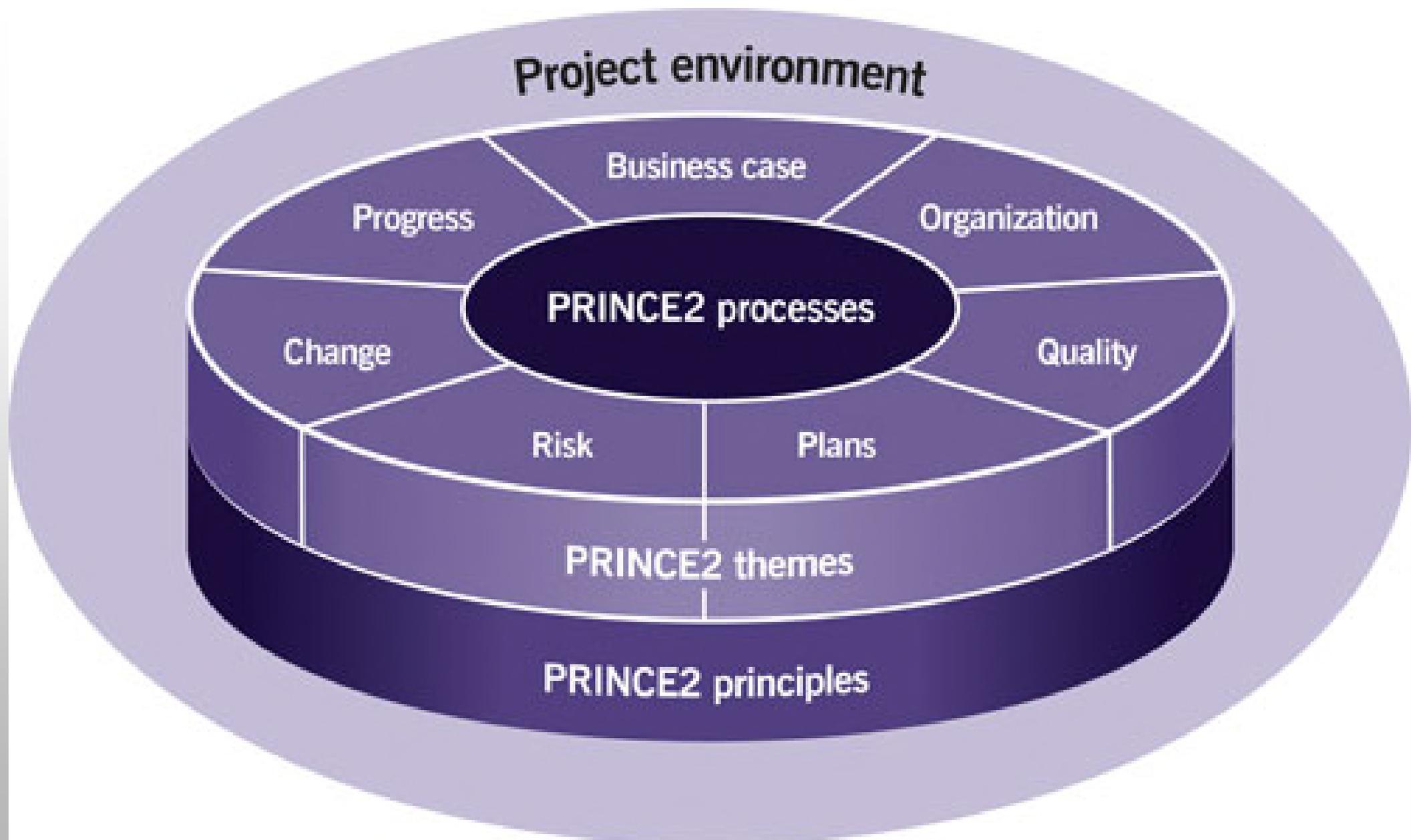
Organisational Energy

Why Change	Portfolio Principles	Programme Principles	Project Principles	TOGAF
Crisis				
Capability Development	Strategic Alignment			Architecture Vision
Competition				
Mergers/Acquisitions	Value Management			Business Architecture and Information Architecture
	Risk Management			
New Technology	Resource Management			Applications Architecture
	Performance Management			
				Technology Architecture



Key
 Inner circle Transformational flow
 Second ring Governance themes
 Outer ring Principles

Why Change	Portfolio Principles	Programme Principles	Project Principles	TOGAF
Crisis				
Capability Development	Strategic Alignment			Architecture Vision
Competition				
Mergers/Acquisitions	Value Management	Benefits Management		Business Architecture and Information Architecture
	Risk Management	Financial Management		
New Technology	Resource Management			Applications Architecture
		Stakeholder Management		
	Performance Management	Programme Governance		
				Technology Architecture



Why Change	Portfolio Principles	Programme Principles	Project Principles	TOGAF
Crisis				
Capability Development	Strategic Alignment			Architecture Vision
Competition				
Mergers/Acquisitions	Value Management	Benefits Management	Quality	Business Architecture and Information Architecture
	Risk Management	Financial Management	Cost	
New Technology	Resource Management			Applications Architecture
		Stakeholder Management		
	Performance Management	Programme Governance	Time	
				Technology Architecture

TO SUMMARISE;

To enable effective Business Change it is critical that Enterprise Architecture (eg TOGAF) principles are applied at the initial point that business change is identified to help shape both Business and Information Architecture.