

Surfing the Architecture Trends

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Goals of our Discussion

- The latest trends in **agile** frameworks and business agility are towards **T-skilled architects, digital transformation, and customer experience**. How then does a business architecture practitioner maintain a seat at the table, while also quickly providing **value** to agile programs?
- This view of the aforementioned trends and the role of business architecture will enable practitioners to **be better informed, consume and collaborate with related disciplines, and create business value** for their organization.

First, the Agile
revolution...

So what is
architecture?

Hey, we're going agile...

We don't need no stinkin' architecture!

- **Lasting**
- **Foundational**
- **Definitional**
- **Visionary**

These things all apply, regardless of what
methodology (or "how") you are implementing

So think about
what they do...

and they
actually help
each other!

Agile

- Defines business value, without a framework
- Is about implementation
- Breaks up the work to be done
- Focuses (primarily) on the team
- Is fun and exciting
- Has the promise of awesomeness

Business Architecture

- Provides a framework for business value
- Is about aligning strategy-to-execution
- **Defines** the work to be done
- Focuses on the whole business
- Is fun? And exciting?
- Is just plain awesome!

Architecture provides a map, but bear in mind...

- Some people need a map
- Some people need a map with directions down to the most detailed element
- Some people don't want a map at all...

- The power of business architecture is in providing the right level of detail to the right people for the right problem...
 NOT in a cookie-cutter approach for everyone.
- Keep your stakeholders in mind... meet them where they are...
and remember, our discipline is not the driver of what we want the organization to accomplish; it is the enabler.

Example: Aligning work to value stream

Epic Name	As a customer I want to be able to purchase the product at a restaurant
Description	Enable the ability of customers to review product information, evaluate our product against competitors, select their best option – preferably our product – and complete their purchase.
User/persona	Bobby Bierfanner

Value Stream	Purchase Product
Triggering Stakeholder	Retail Customer
Value Output	Product

This epic is just one of dozens that could potentially leverage/impact this same value stream.

Example: Aligning work to capabilities

ID	Feature Name	Description	Capability Alignment
1	Product information via the web	Provide product information to customers via the web	Product Marketing
2	Enable competitive advantage	Highlight how our product is better than our competitors using market, pricing, and ethnographic information	Marketing Analytics
3	Capture customer purchase information	Upon customer purchase at retail establishment, capture the demographics and profile of the customer who purchased the product.	Customer Profile Management

As in the previous slide, these are just a sample of the dozens of features that impact a capability.

Example: Aligning “users” to stakeholders

Stakeholder	<p>Retail customer</p> <ul style="list-style-type: none">• An internal or external individual or organization with a vested interest in achieving value through a particular outcome <p><i>Source: Business Architecture Guild, A Guide to the Business Architecture Body of Knowledge®, v 5.1 (BIZBOK® Guide), 2016. Glossary.</i></p>
User / Role	<p>Gen X'er, middle-class male, fan of beer</p> <ul style="list-style-type: none">• A prescribed or expected behavior associated with a particular position or status in a group or organization - Business Dictionary
Persona	<p>Bobby Bierfanner</p> <ul style="list-style-type: none">• “A fictional character with individual needs, goals and habits, created by ... as a representative user, to serve as a reference-point for usability during product development” – The Agile Dictionary

It is imperative to understand the connection between agile users, customer experience personas, and business architecture stakeholders in order to understand the total impact on your customer!

Example: Informing agile program with capability assessment

Capability	Dimension	Current	Target	Gap
Product Marketing	Process	2	5	3
	Information	2	3.5	1.5
	Technology	3	4.5	1.5
Marketing Analytics	Process	2.8	3	0.2
	Information	2.5	4	1.5
	Technology	2.5	3.5	1
Customer Profile Management	Process	2.5	4	1.5
	Information	2	3.5	1.5
	Technology	2	3	1

In which capability would you invest?
In which dimension of that capability?
Specific gaps may become themes or epics.

Example: Informing agile program with capability assessment (cont.)

Capability	Dimension	Current	Target	Gap
Product Marketing	Process	2	5	3
	Information	2	3.5	1.5
	Technology	3	4.5	1.5

Potential epics:

- As a server, I want to be able to receive real-time updates on products available in the restaurant in which I work so I can better inform my customers.
 - As a customer, I want to receive location-based product information as I enter a restaurant so that I know what options I have.
- 

Highlight: Work definition vs. business framework

- Work definition
 - Agile structures – epics, features, user stories, etc. – highlight pieces of work to be performed; they are temporary and used to align customer value to work the team will perform.
- Business framework
 - Business architecture – particularly value streams, stakeholders, and capabilities – provides a lasting framework to which the agile structures can be aligned, business improvement can be assessed, and customer experience can be mapped.

The new(?)
concept of
Customer
Experience

"To provide a distinctive experience for customers, an organization must unite around the goal of meeting their true needs."

-- McKinsey, 2016 --

"The purpose of business is to create and keep a customer."

-- Peter Drucker, 1960s --

Why Does Customer Experience Matter

(I shouldn't need to convince you of this!)



- It costs more than 7x more to acquire new customers
- 1 negative experience takes 12 good one to make up for it

Source: Mike Clark, Whynde Kuehn, Chalon Mullins, Eric Spellman. "Business Architecture and the Customer Experience: A Comprehensive Approach for Turning Customer Needs into Action – A Business Architecture Guild White Paper," Oct. 2016.

Customer Experience – an important partner in delivering business value

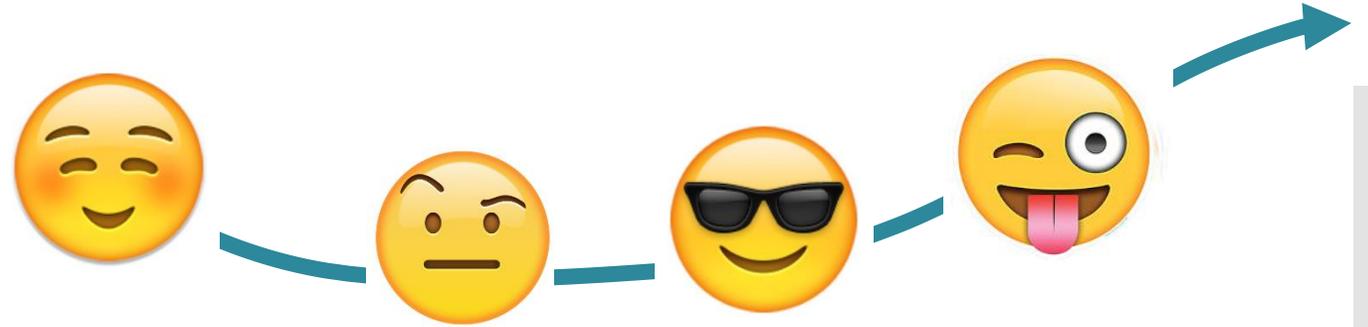
- Business architecture – as a discipline – has had mis-steps...
 - With process, there was admittedly a bit of a turf war...
 - Business analysis didn't understand us....
 - And technical architects, well, they wanted to be us....
- Customer experience professionals are an opportunity to align – their customer epics and journeys align to how we deliver value (value streams), which interact with capabilities and are the lynch pin to the rest of the
- The time for this alignment is NOW. We are on the frontier of this relationship:
 - Customer experience is coming together as a discipline
 - Foundational work is being done (reference white paper)
 - Both have compelling stories – if we work together at the start, we'll both be better for it

A compelling overview of this relationship available via the Business Architecture Guild's white paper, "[Business Architecture and Customer Experience: A Comprehensive Approach for Turning Customer Needs into Action](#)"

Let's continue our example with Benny Bierfanner

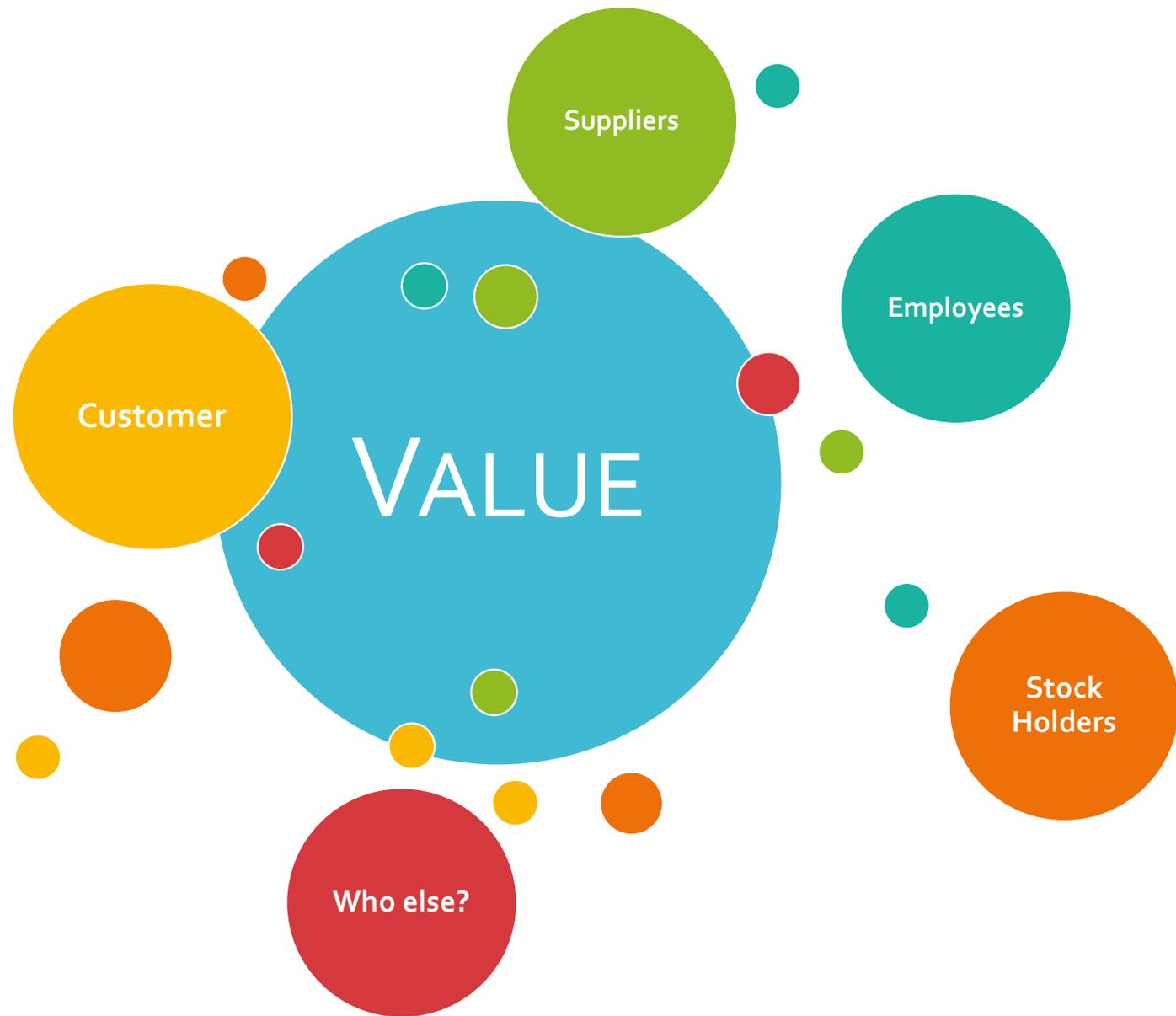
- “I love this company, brand, and products!”
 - I buy products at restaurants, the grocery store, I buy apparel, and perhaps want a party pack for my fantasy football draft
 - Averages 5 purchases a month
- In order to do this, Benny interacts with three value streams:
 - Purchase Product (through multiple channels)
 - Participate in Rewards Program
 - Provide Retail Customer Experience
- Lots of capability re-use
- Customer experience adds on the emotions, the feelings, the overall experience, the motivation, the value...

Example: aligning customer experience to business architecture



Touchpoint	Retail purchase	Restaurant	Web Merch Purchase	Retail Purchase
Experience	Grab 'n' go	Maybe his team lost; how would we know?	Buys a coupon and shirt with loyalty points	Got a great deal, feels like part of the team
Value Stream(s)	Purchase Product	Provide Retail Customer Experience; Purchase Product	Participate in Rewards Program	Purchase Product, Participate in Rewards Program
Selected Capabilities	Product Mgmt Distribution People Mgmt	Distribution Product Mktg	Customer Profile Management Channel Mktg	Product Mgmt Distribution People Mgmt Customer Profile Mgmt Channel Mktg

So what is
business
value?



So how do we define... value?

- Is it a stack rank? But that's just an opinion...
- Is it a 2x2 matrix? But that's just a better-informed opinion...
- Is it by using a framework? But that's just a formula...
- Is it by talking to our customers? But since when could they tell you what they wanted?

Sorry, you
wanted the
“right”
answer?

- There is no right answer...
- Find something that can be consistently applied and approached
- Find out...
 - What works?
 - What doesn't work?
 - What could be improved.
 - All approaches to this are just a proxy for what the customer really thinks....
 - So continually think what about make this better.
- Value, and prioritization, and focus – are not about “being right”, but brokering a common understanding, a consensus, and moving forward on the best answer, right now, with the given information... not making a decision once and hoping it is right for the next four years...

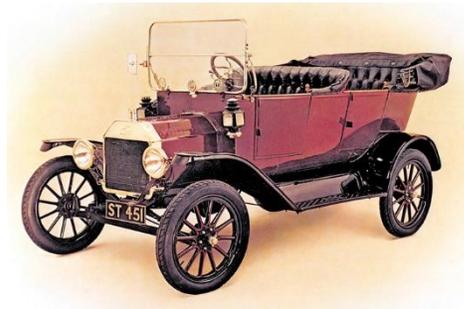
Example: Defining Value

Capability Name	Effectiveness	Efficiency	Capability Value Index	Heat
Care Management Market Offer Development	2.0	2.0	Strategic Support	5
Medical Guidelines Management	3.5	3.0	Essential	2
Payment Guidelines Management	2.5	2.0	Essential	3
Evidence Based Guidelines	3.5	3.0	Business Necessity	4
Pharmacy Plan Design	4.0	3.0	Essential	2
Formulary Management	3.5	3.0	Essential	2
Pharmacy Policy Management	4.0	2.0	Essential	3
Pharmacy Reimbursement	3.5	3.0	Strategic Support	1
Pharmacy Claims Configuration	3.0	2.5	Business Necessity	4

So what?! Digital transformation will solve everything!!!

BUT, Remember When...

(actually, none of us do)



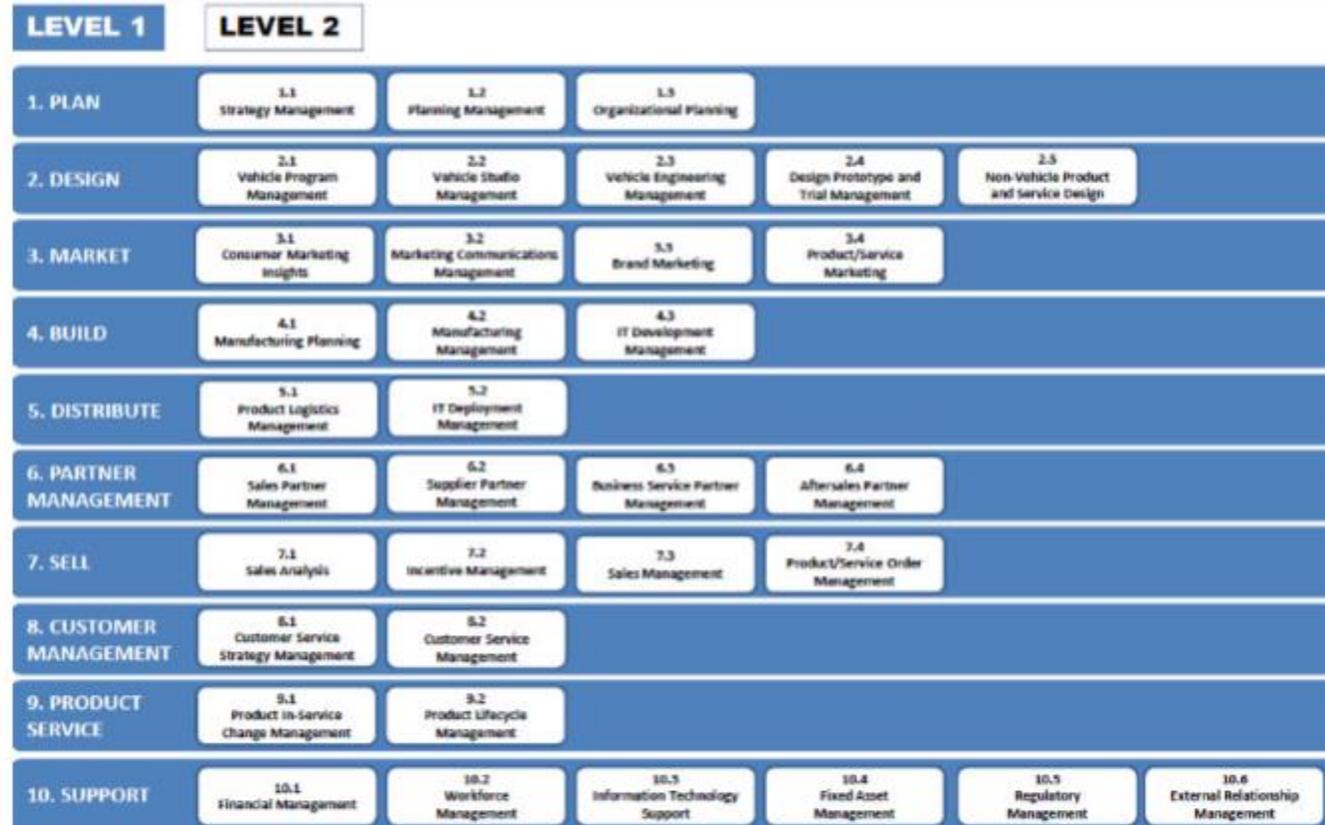
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DIGITAL TRANSFORMATION?
WE JUST STARTED THE INDUSTRIAL REVOLUTION?

Did the business architecture change?

Enterprise Capability Model



Source: Ford EBCM

What do we make of... “Digital”?

- Important? Yes. Even if it never amounted to anything, our executives care.
- Isn't it just process automation? No.
- Bring Customer Experience in to this... the focus isn't on us, it's on them. The **customer**.
- So it matters, and how do we business architects make it work for us...?

For an **outstanding** article on digital transformation, check out Robert Kost on LinkedIn:
<https://www.linkedin.com/pulse/architecture-change-business-meaning-digital-robert-kost>

Just an
example...

Cutter Consortium: Business- Driven Digital Transformation



- **Architecting Digital Transformation** by Raj Ramesh
- **Leveraging Business Architecture to Digitize Business** by William Ulrich
- **All About the Outcomes: Turning Needs into Experiences, From Ideas to Delivery** by Mike Clark
- **All the World's a Sound Stage: The Digital Transformation Journey in the Era of Hollywood Economics** by Borys Stokalski and Bogumil Kaminski
- **Achieving Digital Business Transformation through Strategic Acquisitions: The Role of Enterprise Architecture** by Stefan Henningsson and Gustav Toppenberg
- **Socializing Technology: Digital Transformation and Global Business Services at Dell EMC** by Jamie Griffin, Rob Gleasure, Philip O'Reilly, and Jeremy Hayes
- **The PIE Model: How C.In.O.s Can Plan, Implement, and Evaluate Business-Driven "Innovating Innovating"** by Yesha Sivan and Raz Heiferman
- **The Human Risks of Digital Transformation** by Sheila Cox

First, consider
definitions and
approaches to
“Digital”

- IDC’s 3rd Platform/SMAC
- Gartner’s Nexus of Forces and Pace Layering
- EMC 3rd Platform

Social...

Mobile...

Analytics...

Cloud...

Innovation Accelerators

You Must(!)
Check This
Slide Deck Out



Digital is about improving technology, but also process and information...

The whole capability



- **Technology:** “(There) will be highly fluid, self-correcting environments in which a vast amount of the technical activity occurs outside the walls of the enterprise — with organizations measuring and managing them exclusively from a value perspective.” - [Intellyx](#)
- **Process:** “Businesses should adopt the spirit of digital transformation with reasonable risks, streamlined processes, and relationships with third-party solution providers to implement new capabilities over time.” – [Forrester/Accenture](#)
- **Information:** “From re-active to pro-active - Organizations must begin pro-actively reaching out to customers with information, advice and where appropriate.” - [Deloitte](#)

Digital changes the focus

- We can't process efficiency our way to customer value
- We can't data govern our way to customer value
- We can't cloud, SOA, outsource, or Salesforce our way to customer value
- Digitization is about combining that "nexus of forces" and figuring out how we can better serve our customers through all of these things...
- It is a fascinating time to be in business... the tools have never been better... our customers have never (on this large scale) been closer... the information never been so readily available...
- But without understanding our business, what we do, how we apply information, and how delight customer value – what is it worth?

So...

What are we
business
architects
supposed to
do about it?

- How... do you break out of your silo?
- How... do you understand your customer?
- How... do you bring value back – from this conference – to your company?
- Pop quiz, which domain has more results? (in millions)
 - Application • 534
 - Technical • 229
 - Business • 22.5
 - Data • 15.4
 - Enterprise • 9.4

Business architecture is still in a “sell” mode. We need to be strong, broad, and have depth in order to show we provide customer and business value.

Architects for the 3rd Platform

- If we're on the 3rd platform, are we on the "3rd platform architect" ...
 - Enterprise Architecture 1.0 – was really just technical architects
 - Enterprise Architecture 2.0 – Business & IT Architecture
 - Enterprise Architecture 3.0 – T Skilled Architects
 - Enterprise Architecture 3.1 – Hashtag-Skilled Architects?

Architecture
Domains

Architecture

Application

Data

Business

Technical

T-Skilled Architects: Broad and Deep Expertise

Application

Data

Business

Technical

As business architects, we are deep in our domain, but we need to broaden our knowledge and understanding of other domains!

And then
expand to
hash-tag skills!

Application

Business

Architecture

Leadership or Analytics or Influence...
What's your next "dash" to make your #?

We provide even more value – and are more valuable – when we can go beyond our domain, and beyond architecture as a skill.

Where does this leave us?

- Calm down... the hype is just the hype... (dot-com, internet 2.0, 3rd platform, assembly line☺...)
- Keep adding tools and skills
- Harness the energy in the “next big thing” (agile, customer experience, big data, etc.)
- Focus on value



Takeaways and
things to
share...

1. Do you get agile; and do they get you?
2. What is your "hash"?
3. What have you done for your customer lately?



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