DEVELOPING A BUSINESS ARCHITECTURE BLUEPRINT SERVICE

TROY NELSON, CARESOURCE

INTRODUCTION

Troy Nelson

- Enterprise Architect III, CareSource

- Member-at-Large Board Member, TCBAF

- Insurance Industry Reference Model Team, Business Architecture Guild

- Certified Business Architect, Business Architecture Guild (2016)

- https://www.linkedin.com/in/troynelson/

CARESOURCE QUICK FACTS

- CareSource's managed care business model was founded in 1989 and today CareSource is one of the nation's largest Medicaid managed care plans.

- Headquartered in Dayton, Ohio

- CareSource serves more than 2 million members across six states supported by a growing workforce of 4,500.

- Our Mission
  - To make a lasting difference in our members' lives by improving their health and well-being.

- Our Vision
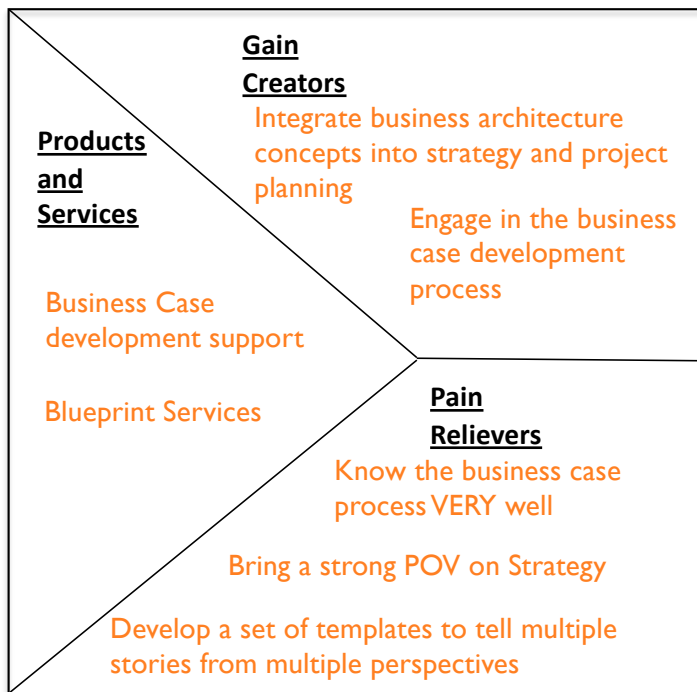 - Transforming lives through innovative health and life services.

CARESOURCE'S BUSINESS ARCHITECTURE PRACTICE

- CareSource's Business Architecture practice is part of the Enterprise Architecture team

- EA team uses Orbus iServer as our primary architecture tool

- In 2020, launched a reset / maturing focus on the business architecture practices:

  - Existing capability model rebuilt leveraging Business Architecture Guild's industry reference models

  - Defined initial Information Map

  - Introduced Value Stream concept

  - Integrated Strategy Mapping into annual portfolio planning process

  - Refresh of EA Services catalog

VALUE PROPOSITION: BLUEPRINT SERVICE

Products and Services

Business Case development support

Blueprint Services

Gain Creators

Integrate business architecture concepts into strategy and project planning

Engage in the business case development process

Pain Relievers

Know the business case process VERY well

Bring a strong POV on Strategy

Develop a set of templates to tell multiple stories from multiple perspectives

Gains/ Positive Outcomes

Clear Strategy Story

Ability to segment the strategy into funding-ready units

Jobs/ Outcomes

Define & Communicate business unit strategy

Establish roadmap for executing the strategy

Pains/ Obstacles

Business-case focused funding model

Multiple definitions of a "strategy"

No standard templates

EA'S GOALS FOR THE STRATEGIC BLUEPRINT SERVICE

- Provide IT with earlier visibility into strategy discussions (part of EA's "Shift-Left" strategy)

- Must be EA-led, some support from Solution Architecture

- Leverage the new Business Capability Model; drive capability-based thinking in the organization

RESOURCES AND INFLUENCES

- "Good Strategy Bad Strategy: The Difference and Why It Matters" Richard Rumelt
    - Formed the basis for the Strategy discussions
- Gartner Case Study: "Interconnected Business Capability Mapping (Medtronic)" ID G00728396
    - Influenced how we zeroed in on "capability clusters" and organized Initiatives around those clusters
- What is Strategy? An Illustrated Guide to Michael Porter
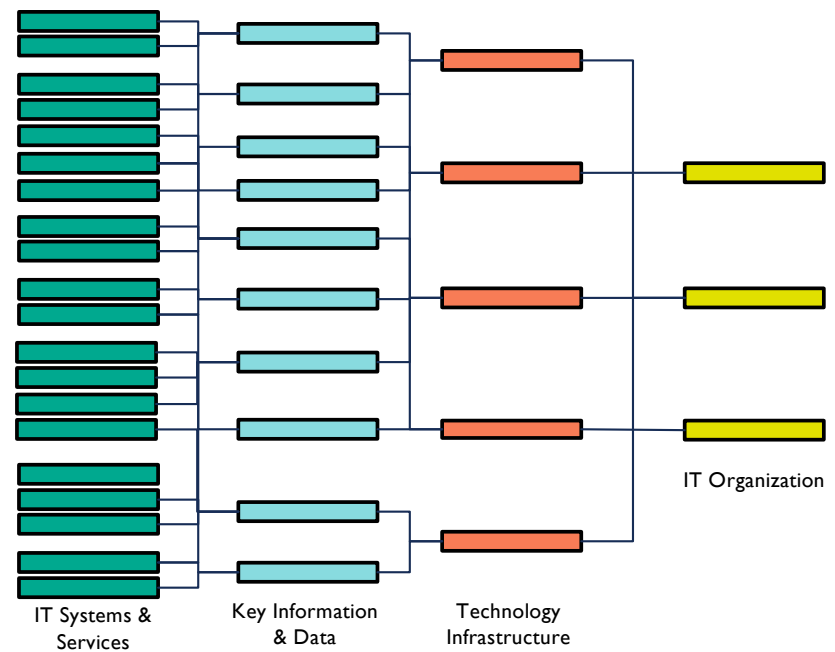   - Greatly simplifies explaining the Value Chain concepts
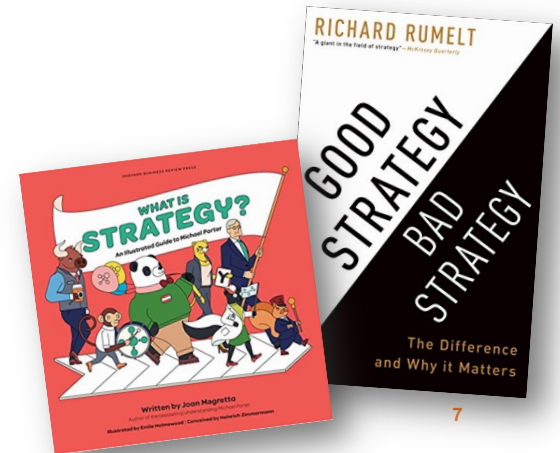
FRAMEWORK
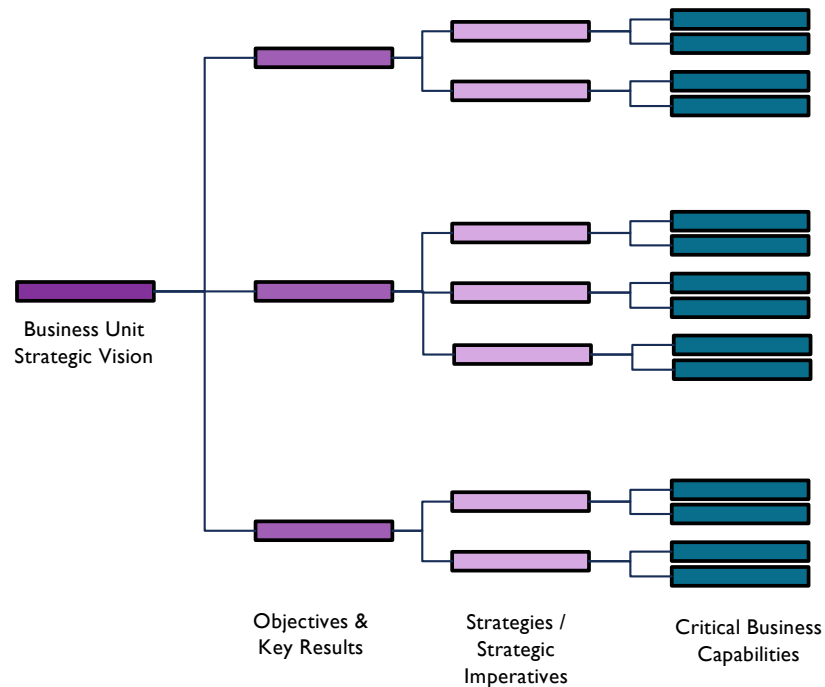
We start with the business perspective,

breaking down the <subject area> strategic

vision into its components objectives and

key results, the strategies for achieving

those objectives and the capabilities
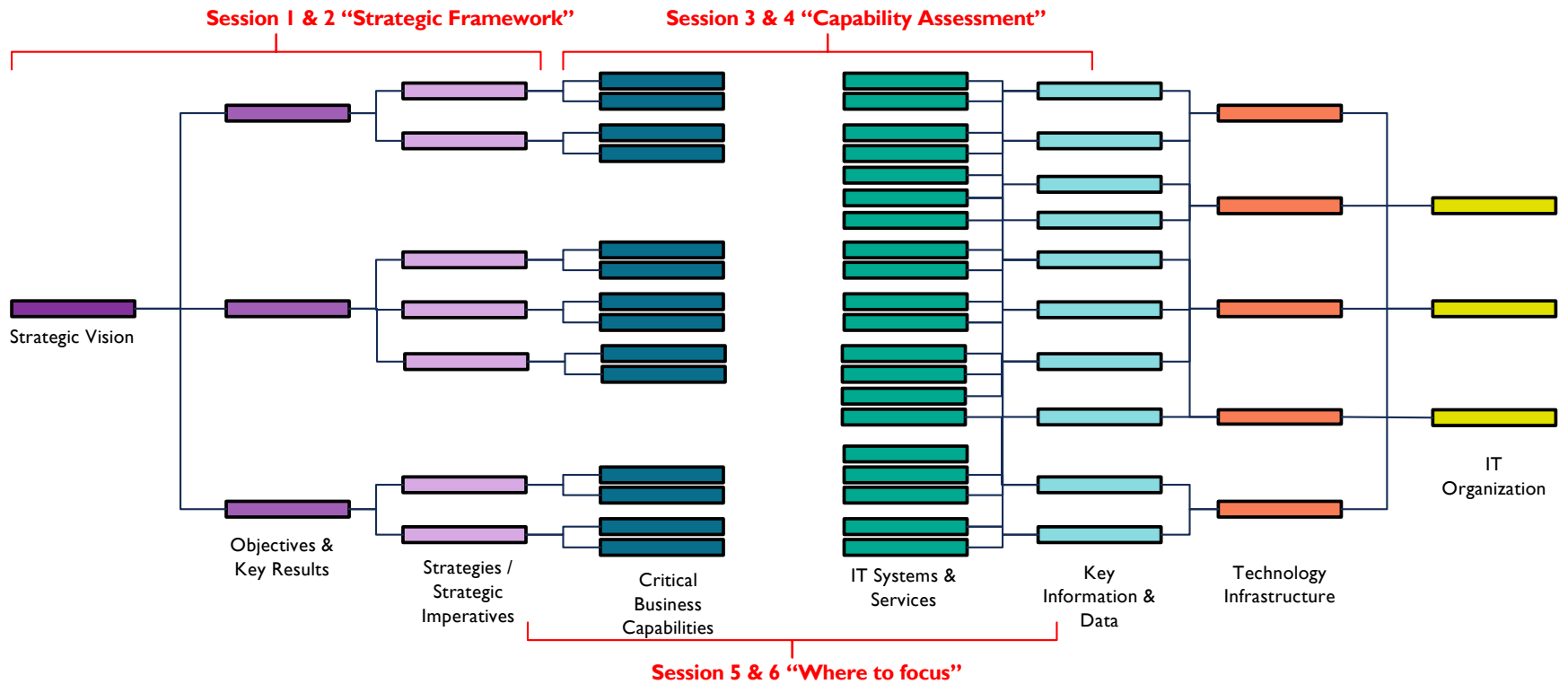
required by those strategies

FRAMEWORK

Separately, an assessment of the IT systems, data and infrastructure delivering the needed capabilities will be completed to determine gaps or opportunities to improve business capability performance

IT Systems & Services

Key Information & Data

Technology Infrastructure

IT Organization

COMPLETE MODEL AND OUTCOMES

Session 1 & 2 "Strategic Framework"

Session 3 & 4 "Capability Assessment"

Session 5 & 6 "Where to focus"

Strategic Vision

Objectives & Key Results

Strategies / Strategic Imperatives

Critical Business Capabilities

IT Systems & Services

Key Information & Data

Technology Infrastructure

IT Organization

FACILITATION "CANVAS" TEMPLATE (EXCEL SPREADSHEET)

- Ends
  - Goal/Objective
  - Key Results

← After 1st pass, you will likely have too many goals. Roll up to "Drivers" (think "Growth", "Ops Efficiency", etc.) then started prioritizing and cutting to get to the goals which best achieve the Drivers

- Barriers
  - Diagnosis / Barriers

← Used this to build the heat map of critical capabilities

  - Desired Outcomes
  - Related Capabilities
    - Capability Gaps – break out by People, Process, Information and Technology
  - Supporting Value Streams (optional)
- Approach to Barriers

← These helped clarify and focus the Strategies and Tactics

  - Guiding Policy
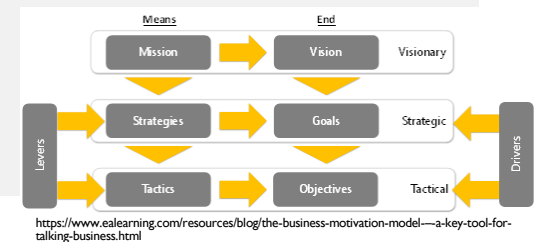- Means
  - Strategies and Tactics

SUPPORTING TOOLS

- Value Chain – if you use it, introduce it early to establish where this business unit sits in relation to the overall industry and identify the other players who may influence the overall strategy

- Business Model Canvas – start populating during the discussions on Vision and Objectives; continue to populate throughout the process

- Value Proposition Canvas – optional; use if you need to dive deeper into specific value prop designs for specific customers

BUSINESS ARCHITECTURE INFLUENCES

Means   End

Mission → Vision — Visionary

Strategies Goals — Strategic

Tactics → Objectives — Tactical

Levers   Drivers

https://www.ealearning.com/resources/blog/the-business-motivation-model-—-a-key-tool-for-talking-business.html

- Strategy and Goals (and slogans) often get mixed
  - The Strategy is the "means" to an "end" (the Goal)

    ← Basic Business Motivation Model concepts

- Framework emphasizes defining Goals first (the "Ends")
  - Enterprise goals and annual incentive metrics as starting point
  - Business unit goals added in

    ← Alignment Check – is the business unit aligned to the enterprise?

- Then focused on the barriers to achieving the goals
  - Points to capability gaps and issues

    ← Start introducing capability-based thinking here

- Captured actions required to overcome the barriers (the "Means")   *← Basic Business Motivation Model concepts*
  - Bucketed the actions into tactics and strategies based on scope and level of effort
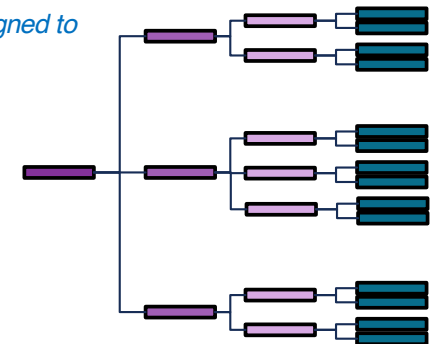
DELIVERABLE DECK SUMMARY

- Executive Summary – written by the business unit leader

- Business Unit Goals and Outcomes
  - Driver → Goals → Outcomes

- Strategy on a Page
  - Driver → Goals → Key Initiatives

- Architecture Perspectives
  - Value Chain View – Industry level and Organization level (heat mapped)
  - Business Model Canvas (focus on the business unit)

- Summary of Barriers
  - Goal → Barriers → Course of Action
  - Capability Heat Map
  - Breakout of the capability gaps ("Critical Capabilities" only)

- Technology Architecture

- Initiative Map and Roadmap

← Don't build this slide until the very end

← This group of slides used with senior execs to tell the overall business unit story, sections below the line become more "appendix" in those discussions

← Value Chain concept requires a lot of explanation, use with caution
← BMC a key communication tool with leadership and key stakeholders

← If there are few IT issues, place near the end. Move up if more IT issues need to be addressed

LESSONS LEARNED FROM INITIAL BLUEPRINTS

- The Business Model Canvas was a big win; business unit leaders using it beyond just their immediate strategy planning needs

- The structure of the framework, and the order of discussions, provided the structure missing in many strategy discussions

- Value Chain getting some traction but can be a sensitive subject when you apply heat mapping at this level; must insure solid socialization before use

- In a distributed work environment, everything takes 2-3x longer than you plan; schedule your sessions and set expectations accordingly