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NITEWORKS



Capability Architecture : Mind the Gap

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Capability Architecture

IT & The Business



Capability Architecture



A well-known Telco provider ran a sales promotion, offering a free laptop to customers signing up to its broadband package. The problem was that the company's outlets were physically not capable of receiving, storing and displaying the PCs. The capability required to achieve the goal of capturing broadband market share had not been defined, nor had plans been put in place to address deficiencies in the existing capabilities.



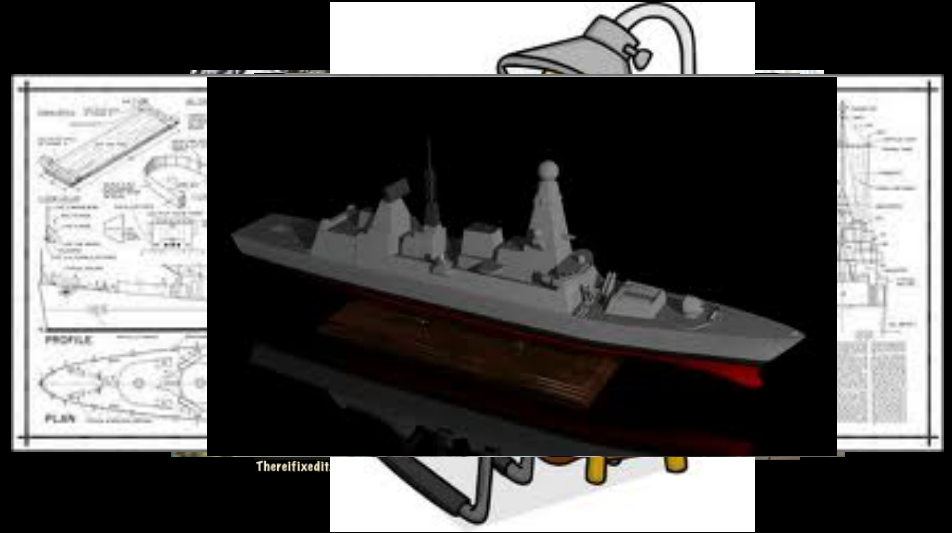
Why IT Fails?

- $((yM - ?m) \times S) \div Y =$
- or
- $((12 - 3) \times 0.8) \div 5 = \text{£XXX,000,000's}$
- Business Plans 5 years + : IT Plans for 12 Months
- Business looks for Outcome & Benefit : IT looks for Clicks & Functionality
- Business wants to rationalise : IT multiplies
- IT & Business get straight to solutions

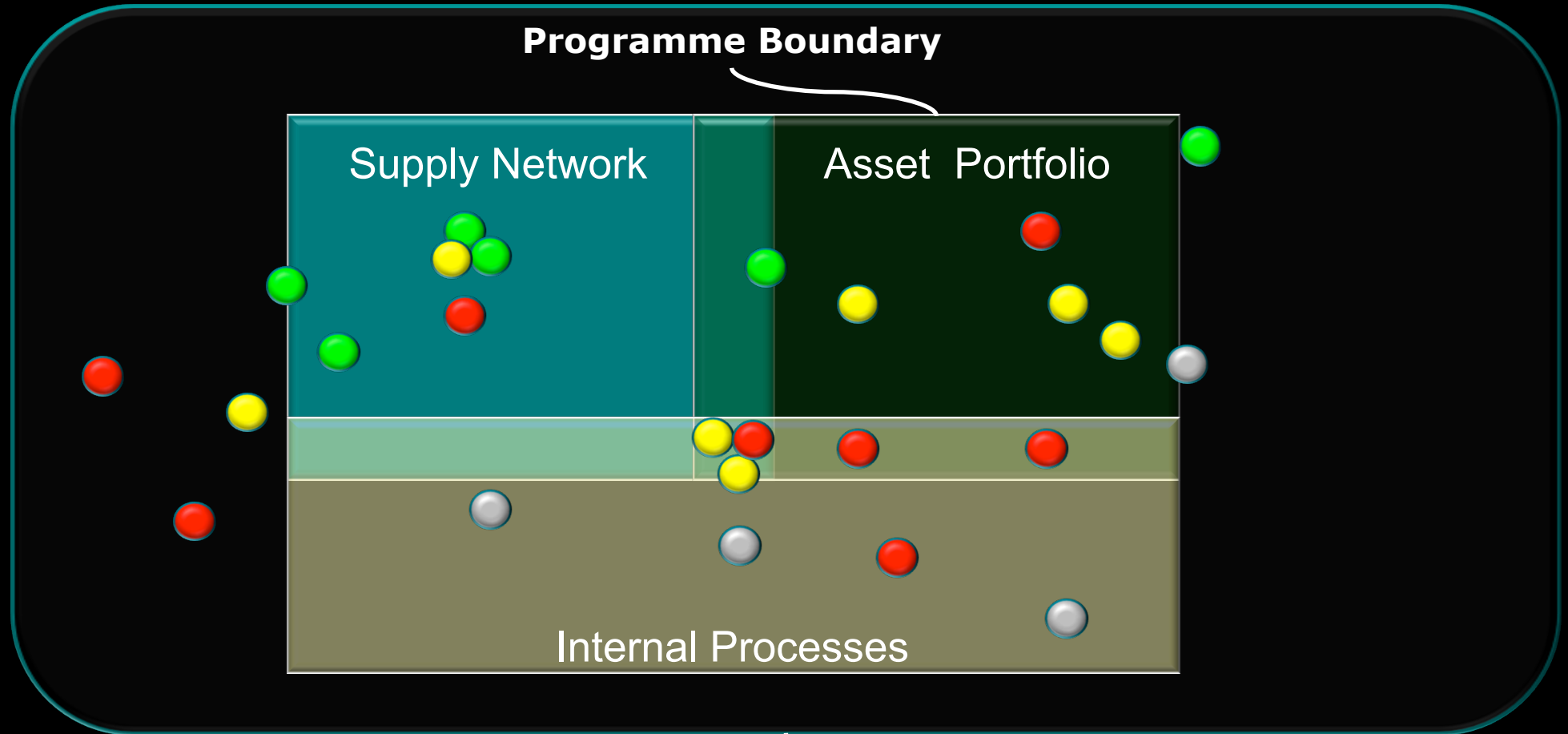


Architecture Can Help?

- Too much focus on Technology
- Artists impression
- The future based on today
- More simplicity!



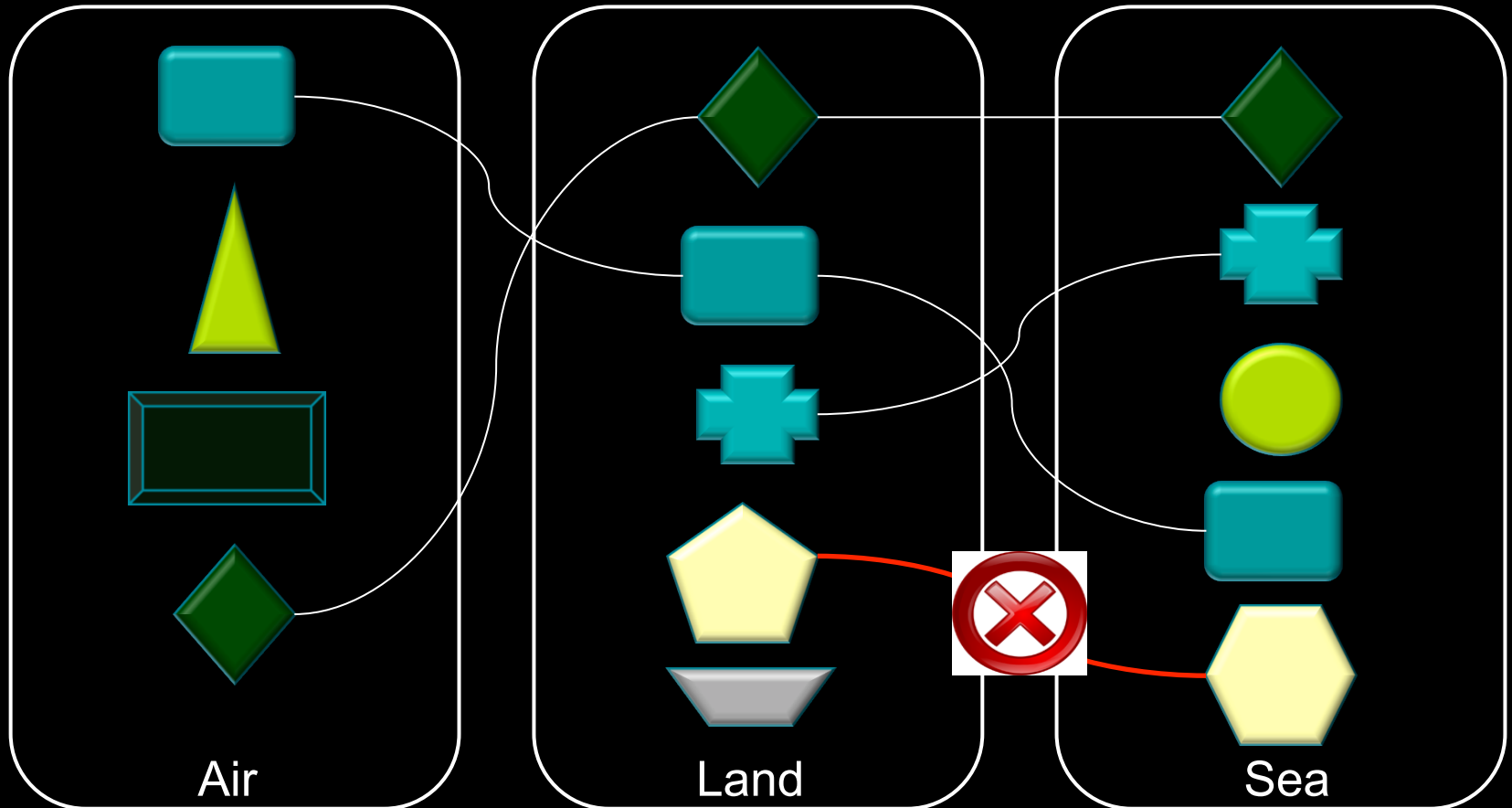
Domains & Capability



- Capability Gap
- Immature Capability
- Mature Capability
- Not Aligned

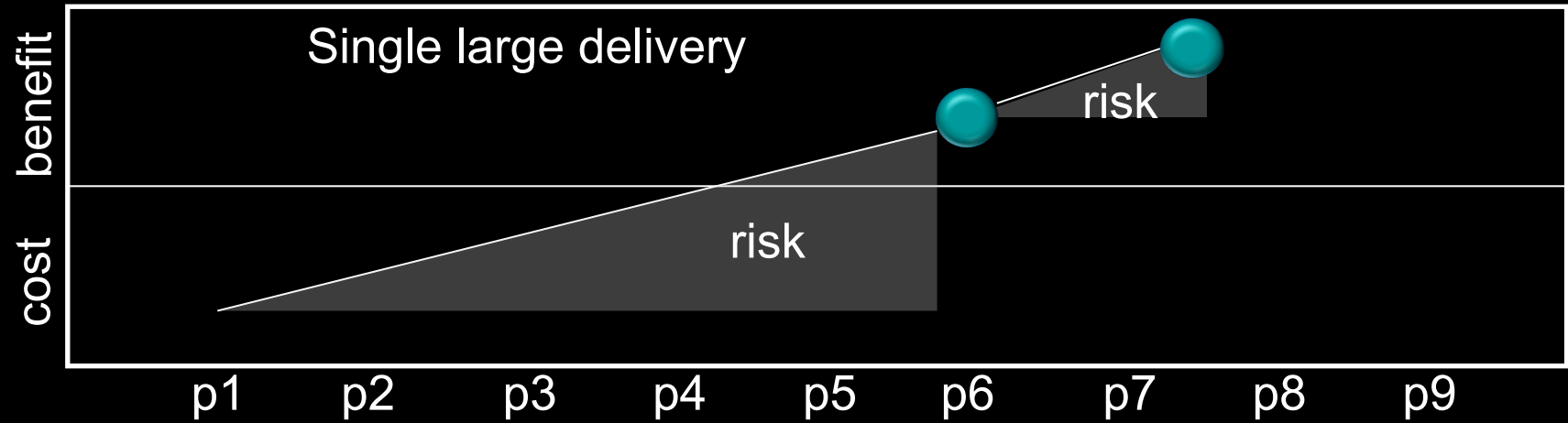
Capability Delivery

Can common capabilities be delivered once?
Can similar capabilities be merged or removed?



A well know high street retailer took a capability led approach and discovered 17 projects impacting point of sales systems within a 12 month period.
DON'T MESS WITH PEOPLES MONEY!

Typical Programme Delivery



Capability Architecture

How do we do it?

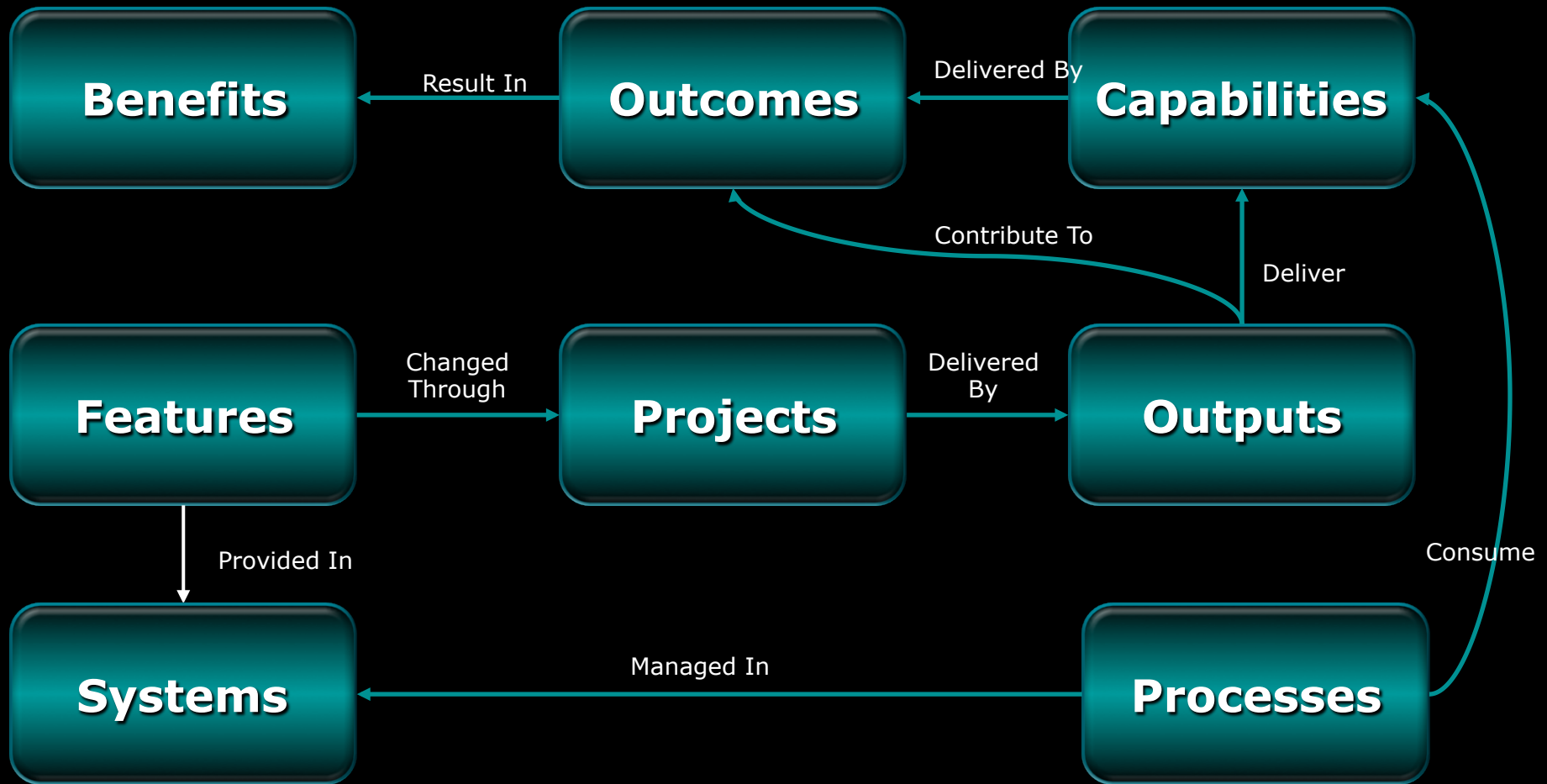


Simple Things

- Start at the beginning
- Common goals
- Common starting point
- Common language



Capability Map



Capability Architecture

WHAT:

The capability / action

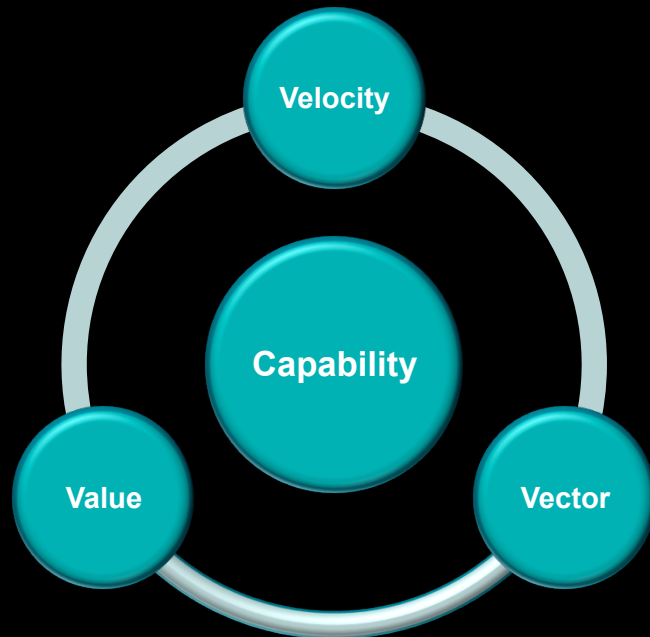
WHY:

The outcome / objective

Do something in a specific way to achieve an outcome

HOW :

The method / approach



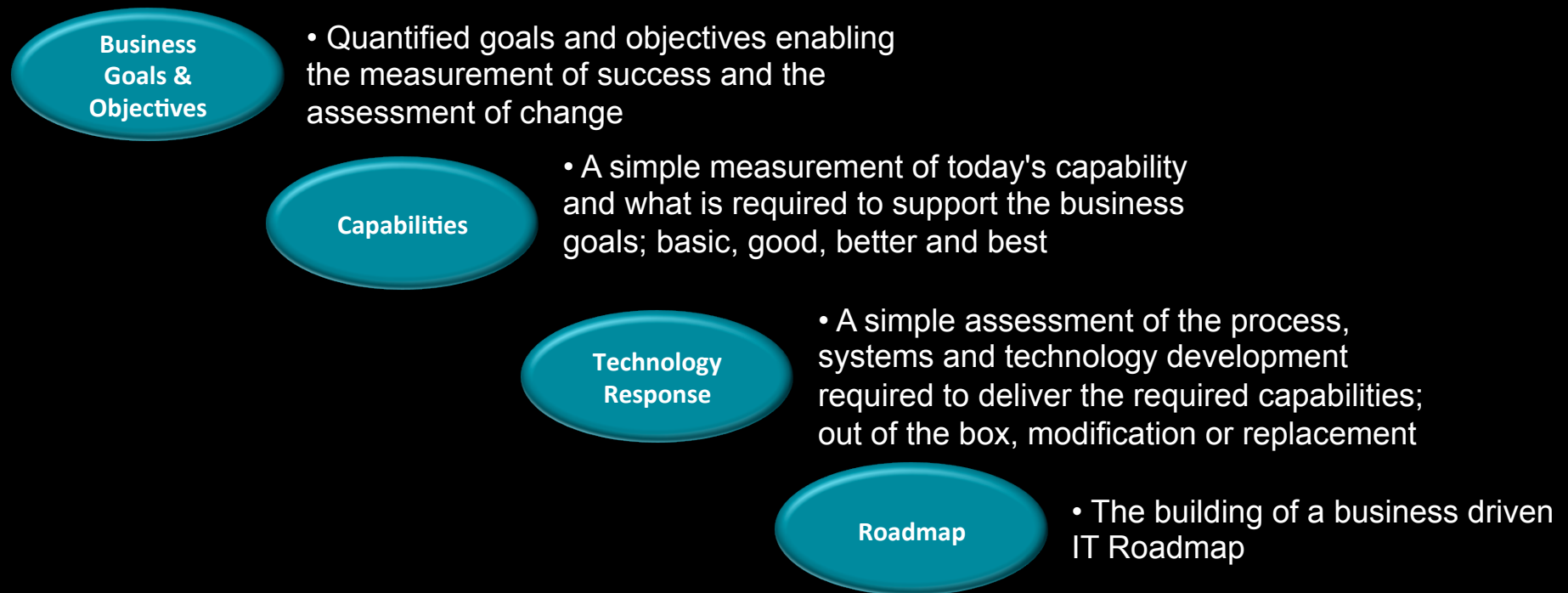
- **Value:** the scale or dimension e.g. increase profitability by 50%
- **Velocity:** the speed and direction of change: e.g. Reduce stock holding by 15% over two quarters
- **Vector:** the space or location e.g. Forward distribution facilities



A Simple Framework

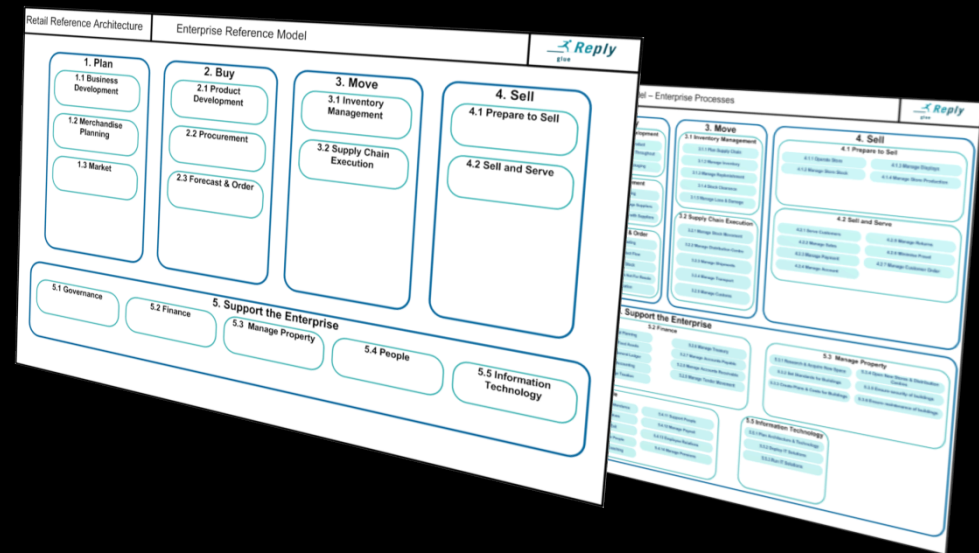
Enterprise Architecture can be over complex. We have taken the best from the many frameworks and created a pragmatic approach appropriate for large, complex organisations & networks.

These are the simple steps to follow:



The Reference Model

- Simple Enterprise Reference Models are used to ensure all the component parts are aligned; drivers, capabilities, technology and projects
 - Industry templates or, start with the value chain
 - Always adapt to your business
 - Build appropriate levels of detail and all the definitions as required



Business Drivers

To ensure all projects deliver real business value it is important to indentify the key business drivers and goals for the organisation

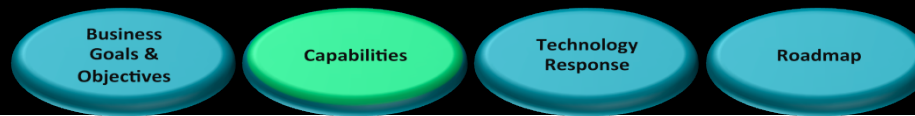
- These are often well defined, but not necessarily written down
- About 5 to 8 drivers work well
- All projects should contribute to at least one business driver
- When drivers change, you can quickly identify the impact of this change



Business Capabilities

The focus now shifts to the business capabilities needed to deliver the business drivers. More than simple requirements (so often systems orientated), but articulation of the business capability needed to be carried out in a certain way to achieve a qualitative or quantitative outcome

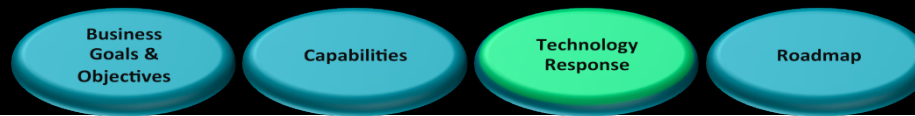
- Use SWOT analysis and industry best practice reference model to ensure a stretch target
- Have a simple scoring mechanism to give priority



The Technology Response

The emphasis is now responding to the defined business capabilities, ensuring the technology is fit for purpose and the investment in IT delivers tangible business value

- The technology is divided into a number of architecture themes (DLODS)
- For each theme, a transition pack is produced
 - As-is architecture
 - Target architecture
 - For each transition step required, candidate projects
- Each transition demonstrates how the capabilities are turned from current state (red) to desired capability level (green)
 - Each application and project indicate how the capability improvement is delivered
 - Each application and technology component is assessed and recommendations are made; upgrade or replace, candidate packages, required infrastructure, appropriate hosting



Business Aligned Roadmap

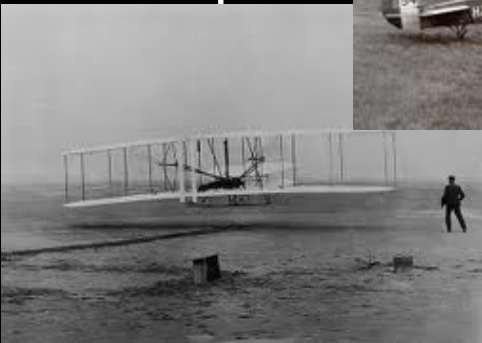
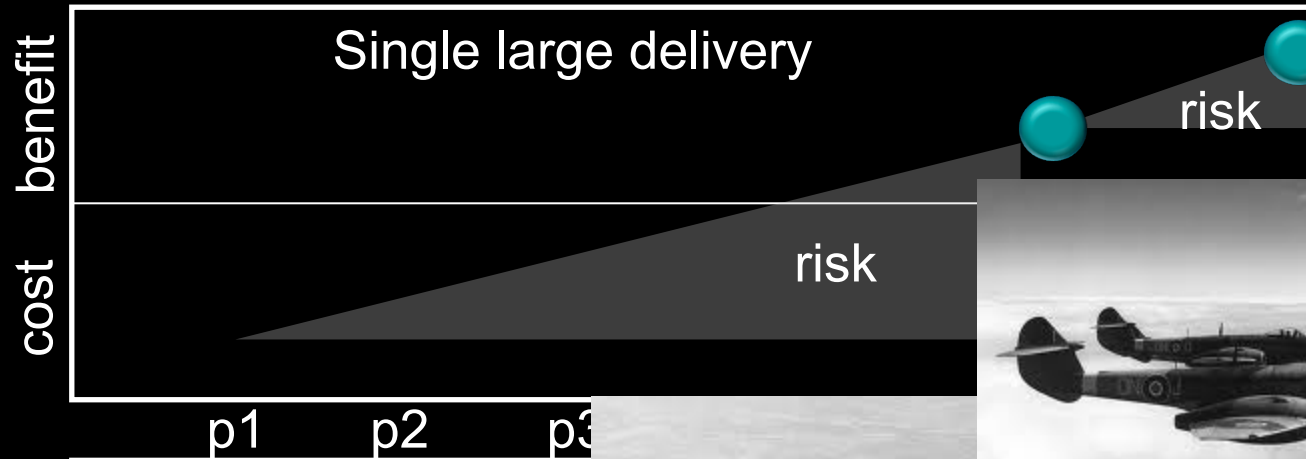
The final phase is to consolidate the transition architectures and candidate projects to form the first cut business aligned roadmap

- Mapping to the enterprise model will identify overlapping projects and where too much change is focused on one area
- The combined view of applications, technology and services required will identify dependencies
- The dependencies will identify where benefit is not realised until the last of a series of projects is delivered

The result will be an adjusted roadmap where the number of projects has been reduced, the technology is simplified and business benefit is realised throughout the plan



Capability Portfolio Delivery



Grabbing the in year money means big inflexible programmes
 Each initiative has a lower risk exposure
 Benefits are release incrementally & frequently
 Programme releases are defined by business benefit expectation

Capability Architecture

It delivers a common language that is understood by both business and IT colleagues, as both discuss 'capabilities' rather than the 'business' talking about strategies and IT focussing on specific, lower level design details

The adoption of a holistic or cross-function position means that everyone can work to the same agenda and the scope and outcomes can be identified more accurately. This means that better decisions are made and IT budgets can be used more effectively

It helps to ensure the practical and timely delivery of value, by linking business goals to projects

In considering capabilities, organisations are better informed to understand, plan and manage related risks.



Thank you

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