



## BPM and SOA

### Mike Rosen

Chief Scientist  
Wilton Consulting Group

[Mike.rosen@WiltonConsultingGroup.com](mailto:Mike.rosen@WiltonConsultingGroup.com)

## Business Architecture Scenarios

In a lot of discussions I have with other consultants about architecture and process, they start the conversation with the assertion that “What the business really wants to do is improve performance”. Well, that may be one of the things they want to do, but certainly not the only thing. There is a similar confusion about Enterprise Architecture where someone makes an assumption that everyone else has the same needs and goals as they do. And just as it leads to unnecessary debate and confusion with EA, the same is true with Business Architecture. The fact is that there are many different reasons to help the business, many different goals, and many different approaches. The list below shows some common scenarios where Business Architecture is a proven approach:

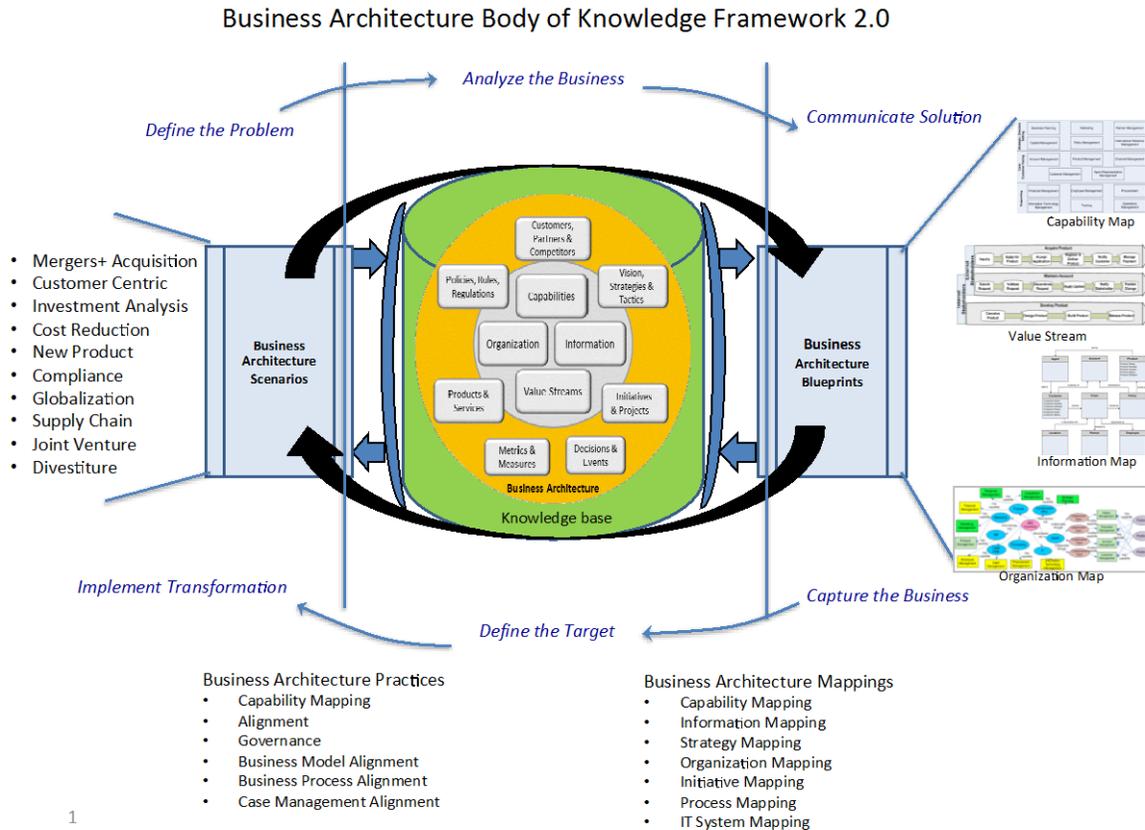
- Customer attrition reversal
- Building a 360 degree customer view
- Investment analysis & funding
- Strengthening the supply chain
- Business unit consolidation
- New product or service deployment
- Operational cost reduction
- Merger & acquisition planning & deployment
- New line of business rollout
- Regulatory compliance
- Business-driven approach to Services-Oriented Architecture
- Outsourcing a business capability
- Change management

While some of these scenarios could be equated to improving performance, such as customer attrition reversal, strengthening the supply chain, and cost reduction, often, focusing on performance may not be the best approach. As well, many scenarios, such as new product or line-of-business rollout or mergers and acquisitions are not about improving performance. The approach you take to any problem, the questions you ask, and artifacts you produce are different depending on what you are trying to achieve.

For example, I'm working with a company that specializes in insurance benefits packaging and claims processing for their own insurance business units. They have decided to offer these capabilities as a SaaS model to other companies. Their first customer is a bank that currently does not have insurance products but wants to offer them. While there seems to be a very good business case for this, it is a major shift in the business model of the insurance company, requiring a major adjustment to their portfolio of capabilities. Not only do they need to strengthen some specific insurance capabilities, but they need to add new ones that support being a SaaS provider, they need new expertise in sales and marketing for the new market they are entering, and they need to significantly enhance their product management and product development

capabilities. In addition to understanding what they need to do, they need to understand how to organize the initiative, how to prioritize the different activities, and where to focus funding to get the best results, balancing short term deliveries with medium and long term asset development.

Figure 1 shows the Business Architecture Body of Knowledge Framework for addressing problems such as this.



**Figure 1 – Addressing Business Architecture Scenarios**

On the left of the diagram, in the ‘Define the Problem’ phase, we start by understanding the business scenario and the specific questions that need to be answered to address that scenario. That moves us into the center of the diagram in the ‘Analyze the Business’ phase. In this phase, we select the set of foundational and extended business architecture domains that we need to explore. Like all good architecture and models, each domain has a specific set of concepts and relationships that describe the specific subject areas of that domain. The knowledge base keeps this information in accordance with a metamodel that ensures consistency between domains, concepts and relationships. The final phase of the approach is to ‘Communicate the Solution’. Again, there are many different ways to communicate a solution and the skilled architect must understand their audience, what they are trying to influence, and the stakeholder’s skills and culture when selecting the appropriate model to communicate. So, this phase of the approach chooses and develops the architecture models or blueprints.

At the bottom of the framework there is a complementary path for other scenarios. For example, where we need to make a significant business transformation, perhaps the first step is to ‘Capture the Business’ with the specific blueprints. Then, we make a determination about the business architecture domains during the ‘Define the Target’ phase, similar to what we did in ‘Analyze the

Business', finally, a gap analysis between the 'as-is' and 'to-be' allows us to help plan and 'Implement the Transition'. And of course these two paths are not exclusive, we often need to do some of each simultaneously to solve a business scenario.

Let's look at another example of where business architecture was applied. Although mobile computing is not new, there has been a lot of discussion lately about it, and about having an effective mobile / social strategy. I was recently asked to help a company consider what their strategy should be. First off, this ought to be related to the business strategy, but how often is that well formulated and articulated. We still have to dig into a lot of details and answer a lot of questions to properly formulate the strategy, do a cost / benefit analysis, and come up with a roadmap and plan. So, how can we go about investigating this?

It should come as no surprise that I suggested Business Architecture as an approach. The first step was to identify the stakeholders that they were trying to address with the mobile strategy. As expected there are a variety of external stakeholders, such as customers, partners, suppliers etc. and a variety of internal stakeholders such as field agents, employees, operations staff, etc. Clearly, the interactions that you would have with customers are different than with field agents, which are different than with suppliers (if a mobile strategy even made sense for them), and so on.

So, the interaction with each stakeholder can be expressed in a value chain. In reality, there was more than one value chain for most stakeholders. Analysis of the stages of the value chains then provided insight into the opportunities for new interactions via mobile devices and social networks, and allowed us to associate the potential value to the stakeholder and the internal value to the organization through that new interaction. Each new interaction was evaluated in terms of how it supported the business strategy as well as the opportunities it created.

Having identified potential and beneficial areas for new interaction, we then identified the new capabilities that would be needed to support them. Each stage of the value stream would require one or more new capabilities. Of course, many of those capabilities would be common for multiple value streams and multiple stakeholders. For each new capability, we identified different sourcing options. Some capabilities may be available from the cloud, some as COTS products, and others as new or enhanced implementations of existing capabilities.

Let's take a step back and review what we've done so far. First, we identified the overall set of potential stakeholders that could be affected by a mobile strategy. Then, we examined opportunities to add value with that strategy, across all stakeholders and scenarios. Finally, we identified the capabilities that would be required to provide the complete scenario, and where those capabilities could be leveraged to maximize their value. Now, we are ready to do a cost benefit analysis.

For each new interaction, there is potential benefit, and cost. If we don't understand the value and the associated cost, we can't perform a realistic evaluation of making the change. At the same time, the cost is shared across multiple different stakeholder interactions, and if we don't understand this, we will be evaluating the tradeoff incorrectly. Conveniently, with the analysis afforded by the big-picture, architectural view, we could make realistic decisions about what should and should not be part of the strategy, and how to measure the results to see if the strategy is delivering the expected value. We could also prioritize the new capabilities based on dependencies, how often they are used, and what scenarios they support. The result is a mobile strategy and plan that addresses business goals, identifies opportunities, value measures and costs, optimizes the implementation of capabilities, and prioritizes actions.

At some level, architecture is a set of skills and methods that we can use to identify requirements, put them into context, analyze problems and approaches, conceptualize solutions, and communicate and formalize those solutions so that they can be executed on. Do you have some business problems where this kind of approach would be useful?

### **BPTrends LinkedIn Discussion Group**

We created a BPTrends Discussion Group on LinkedIn to allow our members, readers and friends to freely exchange ideas on a wide variety of BPM related topics. We encourage you to initiate a new discussion on this publication, or on other BPM related topics of interest to you, or to contribute to existing discussions. Go to LinkedIn and join the [BPTrends Discussion Group](#).