



Business Architecture

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Introducing Business Architecture

Welcome to the new BPTrends Column on Business Architecture. Readers may recognize me from the BPM and SOA Articles and Columns that I've been writing for the past eight years (Wow, has it really been that long? How time flies?). SOA has been mainstream for a while now, and it's time to move on to another, new, leading edge topic related to business processes: Business Architecture. The field of Business Architecture is quickly evolving as businesses start to recognize the value it can bring, especially to business transformation and competitive advantage. In this Column, I'll explore the fundamentals of Business Architecture (BA), its relationship to BPM, best practices, and more. Let's get started by looking at what Business Architecture is.

Business architecture is defined as "A blueprint of the enterprise that provides a common understanding of the organization and is used to align strategic objectives and tactical demands." While this definition comes from the BASIG of the OMG, the definition has been vetted repeatedly by multiple standards committees and practitioners. If we dig into the definition, it has several important elements that create the foundation for business architecture and related best practices. The most fundamental aspect of business architecture is that it represents a business enterprise. This implies that various aspects of the enterprise and real world must be represented in some abstract format by the architecture. In BA, we call these abstract formats domains. You are undoubtedly already familiar with the business process domain and its standard views (or perspectives).

Figure 1 illustrates the high-level domains within a business that can be represented within the business architecture.

At a very high level, a business can be broken down into business or organization units, which have certain business capabilities. Capabilities are delivered through a series of value streams that are supported by business processes, which change business information (that capabilities are dependent on). Businesses also have suppliers, customers and partners. Businesses also make many decisions, driven by strategies, policies, rules and regulations, many of which result in funded initiatives and projects. To determine how well all of these parts of the business are collectively achieving goals and objectives, management uses a series of metrics and measures.

Business architecture attempts to represent these real world aspects of a business, along with how they interact, to help executives answer commonly asked questions: who, what, where, when, why and how. Notice that these are the same six fundamental interrogatives of the Zachman Framework for Enterprise Architecture and other frameworks. Answers to these questions, derived from the business architecture, are used to develop plans and make and carryout better business decisions. This is the essence of business architecture.

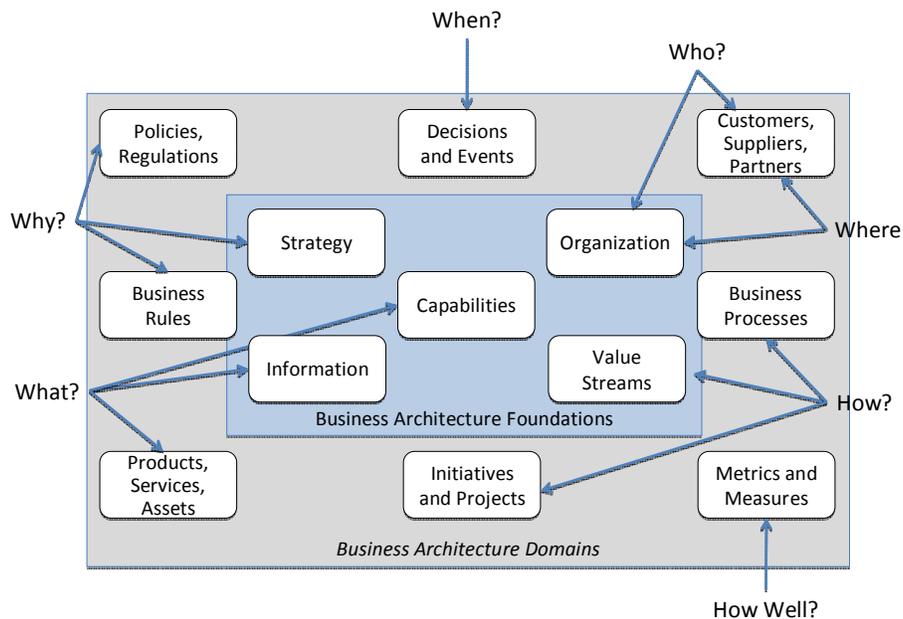


Figure 1 - Aspects of the Business represented by Business Architectureⁱ

Business architecture also addresses the question of 'how well' from a variety of perspectives. First, as part of the strategy, it defines a set of specific tactics and objectives. Then, it defines the metrics and measures to determine if those objectives are being met so they can determine how effective the business decisions have been, and how effective the organization is at carrying them out.

We can divide the business architecture into a set of foundational domains, and a set of supporting domains that help implement the foundations. The Business Architecture defines five foundational aspects and the specific perspectives and visualizations that describe them:

Capabilities – defines 'what' the business does (not how) in terms of the fundamental capabilities of the enterprise. The capability map provides a categorized and hierarchical organization of those capabilities.

Value Stream Mapping – provides a stakeholder perspective of value accretion across their end-to-end interaction with the business. Typical external stakeholders are customers, partners, and suppliers. Typical internal stakeholders are back office personnel, operations staff, etc. Value streams are broken down into Value Stages, which are typically implemented by Business Processes.

Information Mapping – identifies the critical information (fundamental business entities) that is needed to support the capabilities and operate the business. Particularly important is the information that is shared across the enterprise.

Organization Mapping – identifies the organizational structure of the enterprise and the responsibilities and resources of each organizational unit.

Strategy Mapping – defines the intentions of the enterprise in terms of business strategies, goals, tactics and objectives.

In addition to the foundational concepts, business architecture defines the relationships between them, as illustrated in figure 2. This is where the 'mapping' activity takes place. This mapping

allows us to relate one of the foundational domains to another without confusing concepts or inadvertently coupling them together. For example, we would typically 'map' the business capabilities to the organizational units that are responsible for them. This allows us to identify redundancy and to evaluate the optimal structure.

At the same time, we may map the information concepts to each of the capabilities that require them. However, we might not care that much about the relationship of organizational units to information at the time. Keeping the concepts and the mapping activities separate, but related, provides for concise and flexible analysis of the overall business.

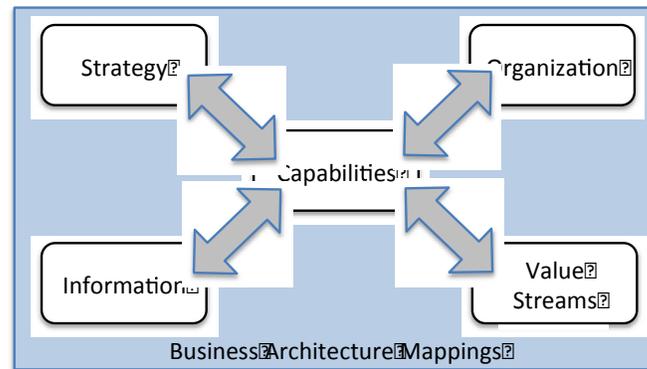


Figure 2 - Business Architecture Mappings

Core Business Architecture Principles

Business architecture is a principles-based discipline. This means that it is not a prescriptive, discipline focused on specific deliverables. Rather, it is focused on achieving specific outcomes. Five core principles of business architecture areⁱⁱ:

Business architecture is about the business

Business architecture focuses on helping determine the root cause of critical issues, building consensus on resolution options, and evolving horizontal solutions across business silos. When the focus is on delivering business requirements to IT, the value of business architecture is radically diminished.

Business architecture is not prescriptive

Business architecture is principle based, not rule and procedure based. How an organization achieves business architecture is less important than that organization's ability to leverage business architecture. Principles are descriptive, not prescriptive.

Business architecture is iterative

Business architecture is not a one time thing, it evolves continuously over time, and does not necessarily fit into waterfall or other architecture framework lifecycles. Because business architecture only delivers what is required at the time, there are always subsequent steps that build on prior steps.

Business architecture is reusable

Every step involved in evolving the business architecture becomes a building block in the iterative evolution of subsequent business architecture efforts. The business architecture is a living thing, with an evolutionary approach to building up knowledge about the whole.

Business architecture is not about the deliverables

Business architecture focuses on aligning thinking and on building consensus on root cause analysis and resolution strategies. When business architecture focuses only on deliverable development and project delivery, it loses its power and influence.

There are of course many other concepts, principles and topics of interest for business architecture, which we will explore in subsequent Columns, in particular, the relationship between BA and BPM. For now, I hope you at least get a sense of the scope, flavor, and intent of Business Architecture.

ⁱ Based on the Business Architecture Guild Business Architecture Body of Knowledge Handbook V2

ⁱⁱ Melaragno, 2010, Five Core Principles of Successful Business Architecture,
<http://static.mega.com/wp/active/document/company/mega-white-paper-five-core-principles-of-successful-business-architecture.pdf>

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