



## Business Architecture

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## Business Architecture and IT

In my last Column, I introduced Business Architecture (BA) and the foundational domains and practices and I received a lot of feedback from readers. I was a little surprised that I had hit a nerve with a few readers for “taking an IT perspective to business architecture”. I’m still slightly confused by this because I did not mention IT once in the Column, but obviously this is a touchy subject. Perhaps quoting the OMG definition of BA raised a red flag about a perspective of BA that is common among IT professionals, which is that business architecture is an IT concern or responsibility. In any event, I thought that the comments deserved some follow up and a positioning (at least my opinion) of Business Architecture which I address in this Column.

To start the discussion, Figure 1 shows one approach to how business and IT architecture fit together.

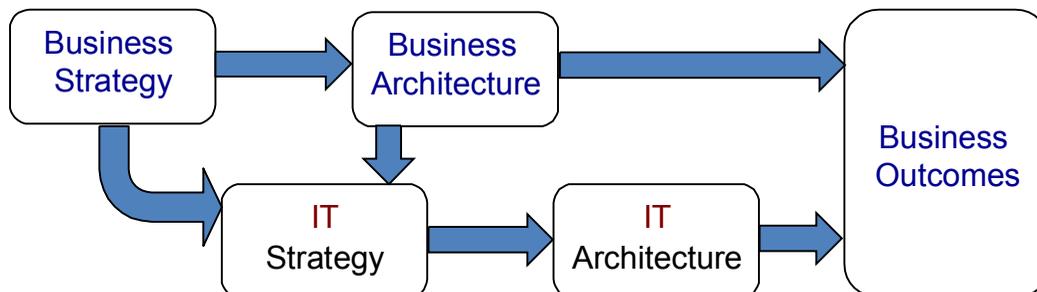


Figure 1 – Business Architecture and Business Outcomes

The business strategy deals with issues such as executive priorities, goals and objectives, customers and competition, and strategic intentions. This represents the intent of the business, but not the details of how it will be achieved. Instead, the Business Architecture translates the business strategy into action through understanding capabilities and information, value stream interactions, organizational alignments and so on. Both the business strategy and architecture are independent of IT concerns.

Of course, IT may be a significant component of achieving the intended business outcomes. In this case, the IT architecture can take a parallel track. The business strategy may be accompanied by an IT strategy that describes what IT will do in order to support the business’ strategic intentions. The IT strategy might also take technology trends and opportunities (like big data) into account. The Business Architecture, which is a refinement of the business strategy, will be a primary input to the IT strategy. The IT architecture is then a refinement of the IT strategy which describes the information, systems, and technology that will be required to support the IT

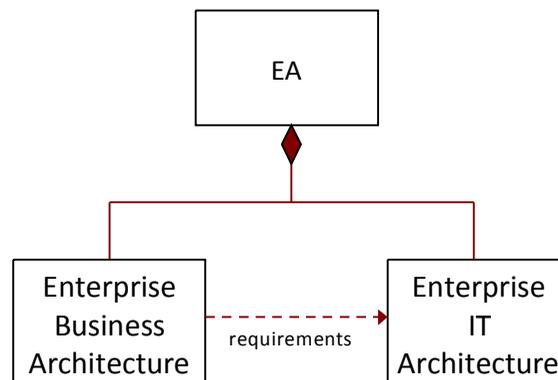
strategic intentions. Finally we can combine the Business and IT architectures together in an initiative or funded program. When this initiative is sponsored and run by the business, the result is a business driven transformation supported by well aligned IT, and hopefully a set of achieved business outcomes.

But here's the big 'if' (or when). How often does the business take ownership and responsibility for these transformations? How often does business, IT, and all the other required organizations partner together to achieve success? Or, how often does business abdicate responsibility and let some other group (PMO or IT) be in charge?

I don't want to cast blame because I'm quite sure there is plenty to go around encouraged by a culture that reinforces it, but I will agree with the reader who said:

“Business people (executives, strategists, entrepreneurs, etc.) think that business architecture is the concern of IT and the CIO - when in fact it is core to the success of an organization's end-to-end / operational / cross functional business processes (and the IT which enable them). And, IT people (enterprise architects, application architects, technology architects, etc.) think that defining, refining and implementing a business architecture is something that they can take ownership over and drive from within the IT function.”

Obviously, neither of these ideas is healthy for the success of a project or the enterprise. Let's examine BA from another perspective that may shine some light on the confusion. Figure 2 illustrates the relationship of enterprise architecture, business architecture, and IT architecture as typically seen from an Enterprise Architecture (EA) perspective.



**Figure 2 – Architectural Relationships**

What Figure 2 says is that BA provides the requirements for IT Architecture (as I also showed in Figure 1). There is general agreement about that, but where things start to become contentious is the relationship of BA and EA. Figure 2 shows that EA contains the total architecture for the enterprise, including Business Architecture and all the IT architecture domains (information, application, and technology). From the context of architectural subject areas, this makes sense. (Although perhaps it is incomplete and should also include some architectures not pictured that intersect with both BA and ITA such as security and performance).

However, Figure 2 should not imply an organizational structure. Yet, too often subject area (domain) is confused with organizational structure. I typically see two different approaches:

1. **Business Architecture is managed under EA** (and hence, usually IT) – This has the advantage that achieving BA / ITA alignment may be slightly easier since both teams work in the same organization. But, this slight advantage is usually heavily outweighed by the disadvantages, which are that BA won't be taken seriously by the business. This organizational structure can easily lead to the issues expressed by the reader above.

Note that often this structure emerges innocently enough. I have seen many EA organizations that have been very successful at reducing complexity and redundancy, managing a common platform and enterprise semantics, and more. Then, in an effort to deliver additional value to the organization, they add a business architecture function.

2. **Business Architecture is managed under the lines of business** – This has the advantage that the business owns the architects and the architecture. So the architects are generally better engaged with the business, and the business takes more responsibility for the outcomes of initiatives. The disadvantage is that more often than not, BA is a line of business function, rather than an enterprise business function. Another disadvantage is that since the architects work for different organizations (and hence have different priorities and rewards), alignment between LOB goals and enterprise goals can be compromised and alignment between business and IT is more difficult to achieve.

Given the choice, I would much rather have the business architects fully engaged with the business. I find that architects (even from different organizations) have an easier time working together than architects from IT will have working with business leaders. But, organizational factors are so different from one organization to the next, that I don't think a single factor is sufficient to adequately design the architectural structure in an organization.

Regardless of the organizational structure, it is important to keep Business Architecture free of IT complexities. I have a simple rule of thumb that I use to help architects think about this. To illustrate the rule of thumb, refer to Figure 3.



Figure 3 – Fiat Lingotto Plant -1928

This is the famous Fiat Lingotto plant in Torino Italy. While innovative and industry leading at the time, that is not the point. Instead, ask yourself these questions: Could you create a business architecture for Fiat in 1928? How would it compare to the business architecture today?

Well of course you could create the architecture for 1928. It would include R&D, manufacturing, sales and marketing, supply chain, logistics, support functions, etc. The Business architecture for Fiat today, would not be that different, perhaps with the addition of some joint ventures. But, how would the enterprise architecture of Fiat in 1928 compare to that of today? In that case, it would be entirely different. Besides the fact that manufacturing today is very different, in 1928 there was no IT, while today it is used to support all aspect of the company's operations.

So back to the rule of thumb. How would your business architecture look if there were no IT at the company? If it would be pretty much the same, then you have successfully separated out the concerns of IT from your Business Architecture. If not (unless you're an IT company), you probably want to revisit some of your assumptions and scope. I'll leave it to others to worry about organizational structure.

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