

Essentials of Business Architecture Roger Burlton

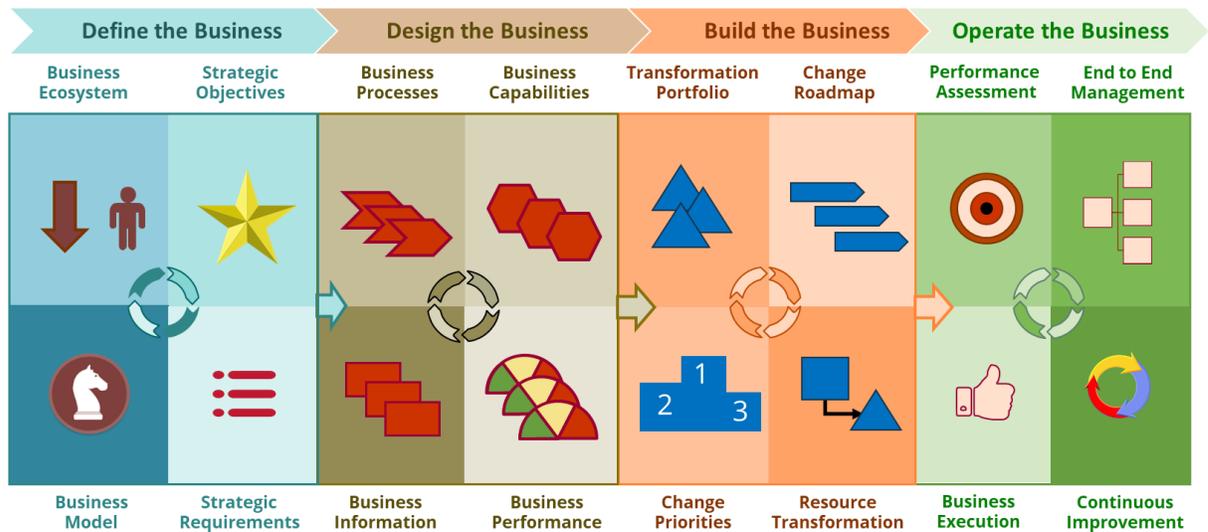
'The Business Architecture Concept Model: Design the Business Phase'

In the last Column in the series, I broached the idea of a concept model for the work described by the Framework that describes the major artifacts and the big buckets of work that we need to do in order to deliver a robust Business Architecture. In it, I cautioned that a model is not reality but a useful simplification that helps us see through the complexity and nuances of the real world. The models are developed to help us make some difficult design and prioritization decisions. As Henri Thiel said in 1971 'models are to be used but never believed'. However, any complex topic requires a way of looking at ideas and conceptualizing them in a way they can be understood; a difficult undertaking since there are many aspects to sort through, each with a myriad of interconnects with others. As mentioned previously, there are several points of view in the Business Architecture space, each accompanied by strong opinions from advocates, each with a particular opinion of what a Business Architecture should cover. Mine is a business value and performance point of view while striving to be pragmatic.

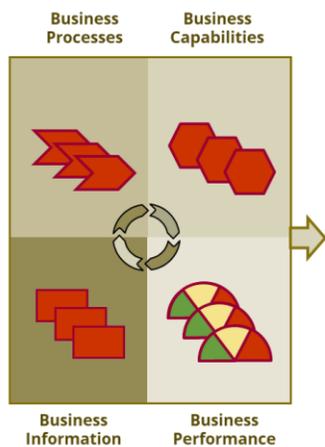
In the last Column, I looked at the initial major phase (Define the Business) of the approach and its main artifacts. In this one I will examine the second phase dealing with the main structural aspects that hold the knowledge of the translation of strategy into structural models for us to prioritize in a subsequent phase.

An update to the Business Architecture Landscape

The overall Process Renewal Group model was first presented in Column 1 and updated in Column 13. This Column (14) will reveal some additional small tweaks - mostly ones of positioning and some naming - to refine it once again based on its usage and my peer group's learnings. The diagram below shows the current logic of the discovery and design process with each phase being read from bottom left clockwise and tackled as a set of architectural agile iterations as implied by the cycle notation within each.



The Process Renewal Group Business Architecture Landscape



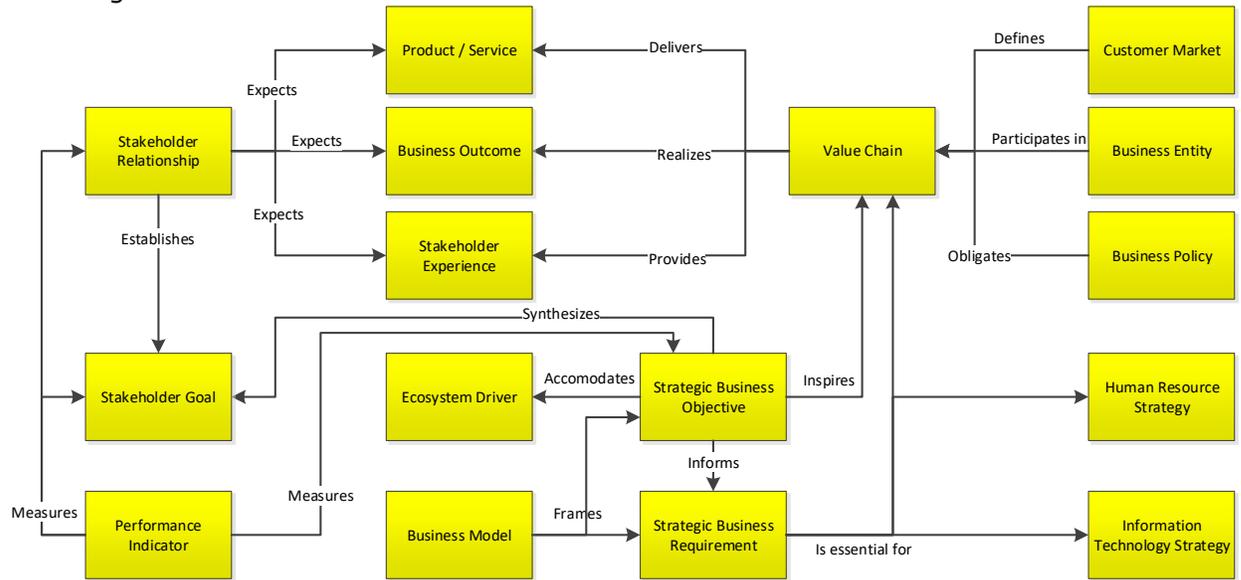
This diagram represents the main aspects – but not all – of the logic of the 'Design the Business' phase of the Business Architecture journey. It is tempting – but not practical – to think of this as a waterfall specification effort that requires the entirety of a particular phase component to have been completed in order to conduct the next. Instead, each major component will itself be subject to an iterative and agile learning style that requires progress on each item to inform and validate the others. In fact, no phase will ever be completed but will evolve over time as the business and its ecosystem continue to move forward. It should also be clear that the entire set of phases are always in flux and in play. There is a logic among the pieces but not a fixed flow. We will use this as the basis to add more knowledge as it's gained. Each component of

the 'Design the Business' phase have a distinct focus but should support one another.

The 'Design the Business' Phase

It is clearly the role of the Business Architect – perhaps with particular architectural methodological expertise as support – is to develop the design of the structural aspects of the architecture that can be built, acquired or somehow sourced. The architects are unlikely to have complete business domain knowledge of the specific business in scope, but they will be able to structure the appropriate business knowledge in a professionally consistent manner. Subject matter experts involved in the business will, of course, have to provide and validate the content. For business knowledge to be articulated and organized into the structural architecture framework, it is critical that the business architecture team ensures that the often fractured and inconsistently organized strategic business knowledge can be represented as a well defined set of business concepts that are used for design and decision making purposes. Having business design knowledge in a consumable and discoverable form is going to be required to ensure we know what the impacts would be once the change requirements come later. The architect should ensure that this is in place and accepted by the business representatives.

One of the key aspects of the Business Architecture method is the development of the business concept model for the value chains in scope. It is an essential starting point for any business communication regarding the architecture of the business. As a reminder, business concepts are about semantics, understanding and communication. The concept model for the 'Define the Business' Phase has been updated from Column 13 and is shown here for reference since several of its knowledge areas will be used next.

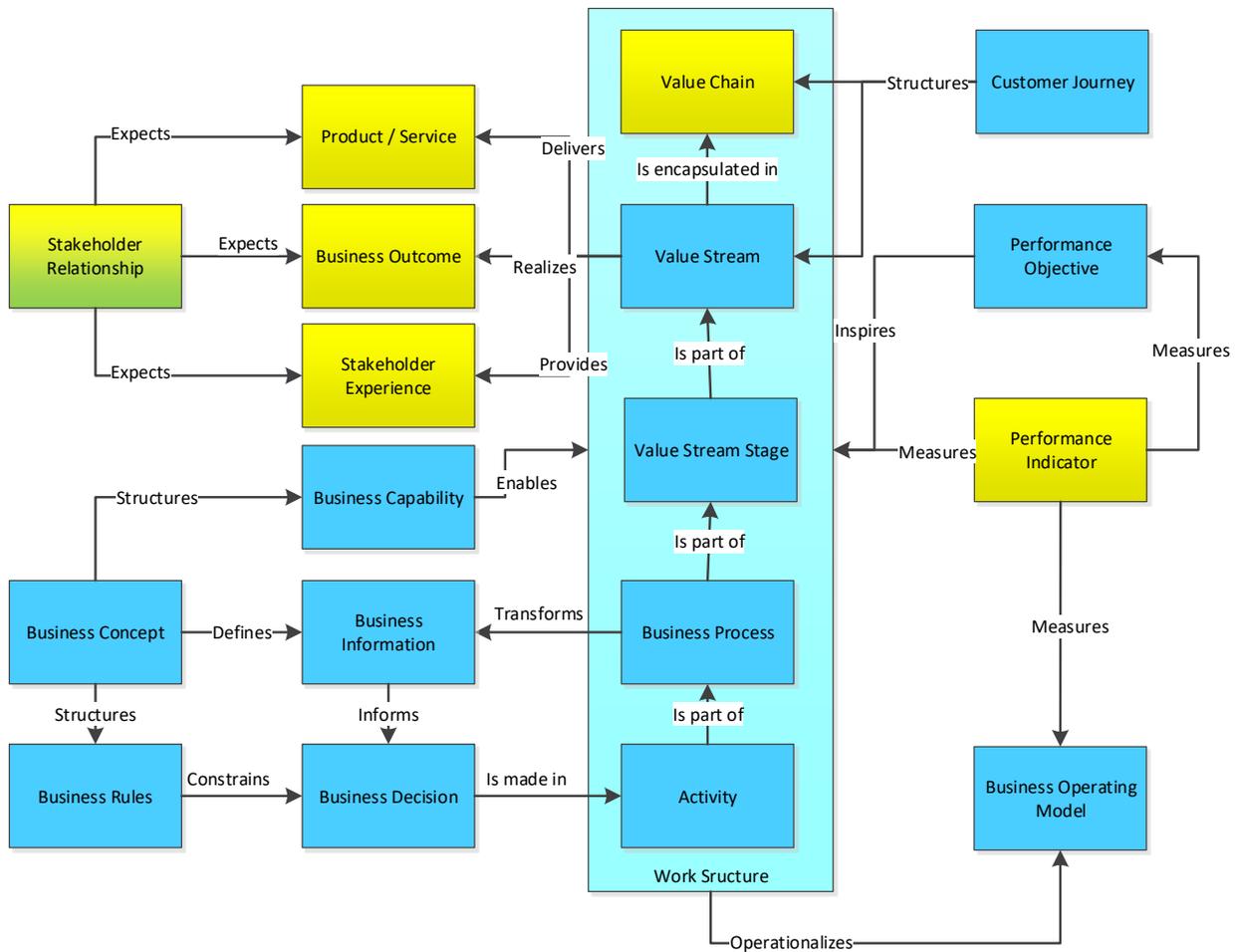


Concept Model for the 'Define the Business' Phase

Our concept model for the 'Design the Business' Phase is shown next. Other models for other phases will be produced in upcoming articles. The yellow boxes appeared initially in the concept model for 'Define the Business' phase but are in use in the 'Design the Business' Phase.

In the remainder of this Column I will describe some of the insights that are evident based on this set of concepts. In the spirit of the SBVR standard and the sage insistence of my friend and respected associate Ronald G. Ross, I know that all terms should be defined. I will do that in the appendix to the Column.

As a reminder, the arrows and verbs on them do not imply primacy of any one concept over another. They are simply there to help the reader read the picture. For several lines, the inverse would also have sufficed.



Concept Model for the 'Design the Business' Phase

Prime Concepts

Some concepts, for me, are the ones I can leverage most strongly in later phases of the method to make decisions and provide the main connections among the phases. These follow.

Work Structure: The Value Chain is a master scoping concept describing conceptually or logically the work performed within the Chain or Chains in focus. This highest level was described in the 'Define the Business Article'. Within that higher level we now find Value Streams and Value Stream Stages (high level business processes), Business Processes and Activities. Whereas different practitioners may name and level this in alternate ways, the key consideration is that there is a composition/decomposition structure that enables us to keep each level manageable, scoped and contained so we can keep some degree of easy understanding and communication. The work structure is one of the main hubs in Business Architecture connecting other structural architectural domains shown. As seen in prior articles, at

Ba-some level of the Work Structure stack, we will associate capabilities needed for that action to be able to perform. Business Information will be created, updated and deleted as well as referenced in the work performed. Business Decisions utilizing defined business rules will take place in the work structure at some level – most likely in an activity. At the higher level, the customer journey, at the overall lifecycle

or at the particular transactional level of the Value Stream, will define and leverage the processes needed to create value.

Business Concept: Business Concepts are described in an earlier Column. They are critical in this phase since every business object under management in the framework and every definition in the business vocabulary must be understood consistently for communication and cross reference purposes. The Business Concepts are the foundation for the Information and Data models since that is what we have to be able to describe, record, know about and make accessible. Business Capabilities are also structured around Business Concepts (aka business objects) of the framework. The Concept structure provides the foundation upon which constraints of Business Rules are written. These same terms show up in all other models including the Work Structure and the performance Indicators and measurement system.

Business Capability: Business Capabilities conceptually define the mechanisms we must establish in order to execute the work in the Work Structure to its required level of performance. It will tell us what we need to establish, build or buy to do the work to the required degree of maturity.

Performance Indicator: Measurement was discussed in the 'Define the Business' phase to capture strategic measurements. Moreover, as shown here, It will also show up at every level of detail and with every perspective we take in the world of Business Architecture. Starting with Strategic Context we will derive Performance Indicators for the strategic intent of the value chain or overall business, for relationships with all types of Stakeholders through their Strategic Goals. This will be the beginning of the measurement stack that we will incrementally develop down the Value Chain, Value Stream and Business Process Hierarchy in this phase therefore establishing the performance data for the performance scorecard.

Future Columns

The next Columns will delve into the concepts applicable to the 'Build the Business' and 'Operate the Business' phases. They will also address related concepts which are part of each of the other phases. I look forward to receiving your feedback on the concepts since structuring meaning can be one of the most challenging aspects of changing how work gets done and for defining what knowledge is sufficient to communicate to get sharing of approaches.

That's the way I see it.

Roger Burlton

Author

Roger T Burlton, P.Eng., CMC, is the President of Process Renewal Group and co-founder of BPTrends Associates, the services arm of the BPM knowledge portal BPTrends.com. He is the author of the thought leading book 'Business Process Management: Profiting from Process'. He is considered the industry leader in the introduction of realistic ways of implementing enterprise BPM programs as well as innovative approaches for organizational and process change. He is the author of the 'Business Process Manifesto' which is now available in fourteen languages. He is regarded as a realistic practitioner, who delivers pragmatic solutions for his clients. He has helped over one hundred organizations implement BPM as a corporate strategy in many different industries, countries and cultures. An exceptional speaker, he has chaired over forty high profile conferences on Advanced Business Architecture and Process Management around the world. To date, he has conducted over seven hundred seminars and has presented



to over sixty thousand professionals. His seminars have been translated for diverse audiences around the globe.

Appendix: Definition of the Usage of Terms

- **Activity:** something that is done. The term 'activity' will be used to represent any unit of work. The term does not imply any hierarchical level in the *Business Concept* Model, however, it is often applied to a lower level of well-defined action.
- **Business Capability:** the ability of an organization or a component of the *Work Structure* to achieve a desired outcome.
- **Business Concept:** an abstraction of things in the real world: anything in the business that you must know about and manage.
- **Business Decision:** operational decisions in business that are easily repeatable, because one of its primary characteristics consistency in following defined rules or guidelines.
- **Business Information:** structured data regarding something of importance to the business conveyed with the context with which it is relevant.
- **Business Operating Model:** a description of the way an organization conducts or wishes to conduct business.
- **Business Policy:** A means that limits or establishes a degree of freedom for day to day business activity.
- **Business Process:** an organization's Business Processes clearly describe the work performed by all resources involved in creating outcomes of value for its customers and other stakeholders. (Business Process Manifesto)
- **Business Rule:** a criterion used to guide operational business behavior, shape operational business judgements, or make operational *Business Decisions*. (source Ron Ross - Building Business Solutions)
- **Customer Journey:** the path of activities and interactions that a customer experiences with a *Business Entity or Value Chain* and its *Products and Services*.
- **Performance Indicator:** A unit of measure evaluating how well an organization or *Business Process* delivers results
- **Performance Objective:** the specific target desired of the *Performance Indicator* at some defined time in the future,
- **Value Stream:** an end-to-end set of value creating processes (activities) that create a result of value for a customer or other external stakeholder in response to a specific trigger.
- **Value Stream Stage:** a logical component of a *Value Stream* that contribute value towards the intentions of the *Value Stream*
- **Work Structure:** the organization of the physical, mental or automated effort required to produce an outcome of value in a hierarchy from low level of detail to high level of detail. In the framework model this is from *Value Chain* to *Value Streams* to *Value Stream Stages* to *Business Processes* to *Activities*.