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Getting Started with ENTERPRISE BUSINESS ARCHITECTURE

EA teams must find ways to generate EBA artifacts and also leverage the business modeling efforts within projects. Doing so positions them to contribute to the high-level decision-making process of a strategic transformation effort driven by the enterprise's highest levels of leadership.

By Tim Westbrock

Many enterprise architecture (EA) groups struggle with affecting change in the ongoing activities and existing project portfolio that demonstrably moves the enterprise toward the future state business strategy. One of the reasons is a lack of understanding of business strategy, process, information, and operations from the perspective of business executives. Some EA groups are beginning to overcome this challenge with the help of an enterprise business architecture

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effort, with active participation from business professionals.

Many organizations, large and small, public and private sector are consistently faced with many of these problem statements:

- We have information. How can we make better use of it?
- How can our business leverage the cloud?
- What technology capabilities can we better exploit?
- Where do we need more integration between business processes?
- Why is it so hard to connect business processes?
- Where do we need business processes to be the same across our enterprise?
- Who is looking at the whole solution portfolio rather than just individual solutions?

From our perspective, we suggest that the EA program can help with these problems by identifying and then articulating the vision of the future business in a way that both business and IT executives will understand. Further, they not only can identify needed changes in the future, but also potential time- and cost-saving efforts to implement them within the existing project portfolio. A key to being able to do this for the business is the creation of an enterprise business architecture.

Enterprise business architecture (EBA) is gaining a lot of attention in EA programs, at industry conferences, in the press, and even in the boardroom at some progressive, mature companies. We have definitely seen an increase in the number of programs formally developing EBA as part of their overall EA, but those efforts are all over the place in terms of artifacts, methods, process, and participation. At one extreme, there are IT-only efforts, focused on business capabilities and business process modeling. At the other, although rare, there are business executive owned and sponsored efforts focused on making real business transformation occur in a planned fashion.

WHAT IS ENTERPRISE BUSINESS ARCHITECTURE?

Enterprise business architecture is a set of artifacts/methods that help business leaders make decisions about direction and communicate the business changes that need to occur in their enterprise to achieve their vision. The audience for EBA is business leadership, more specifically enterprise-level business leadership—the CEO, president, CXO, board of directors—basically the highest level of management in your enterprise. The purpose for EBA then is twofold:

- Assist the highest level of management in your organizations to make decisions about the future.
- Communicate the changes that need to be made across the organizations to follow those decisions.

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The reason that so many organizations have struggled, and will continue to, is that this work is not solely the domain of IT professionals. It requires real business expertise and an executive viewpoint to develop and leverage an EBA effectively. This happens to be the biggest issue for IT-centric EA groups as they try to get started with EBA.

We see three different scenarios under which EBA either gets started or takes another step forward. These are not mutually exclusive.

Scenario 1: The IT-centric EA group develops a set of EBA artifacts, including high level context diagrams of business processes and information flows, relationship matrices to map business process, information entities, and/or business applications to each other. Our experience has shown that involving business professionals in this scenario adds to the quality of these initial deliverables, if they are available to participate. The advantage of this scenario is that these types of artifacts position the EA team to communicate more effectively with business executives when they have a chance to have a discussion at a strategic, transformational level. The disadvantage is that the artifacts will lack credibility and alignment with true business direction until there is more involvement from business executives.

Scenario 2: There is a major implementation effort, such as an ERP, that requires a large presence of business professionals looking at business processes and information in the areas to be supported by the implementation. This effort usually involves some level of business process and information modeling, as well as some application portfolio analysis. If the EA team has previously created the artifacts mentioned in Scenario 1, they can be leveraged here. However, since this is an implementation effort with finite boundaries, scope, schedule, and budget, those deliverables are not usually part of the implementation team's plan. However, the EA group has a great opportunity to leverage this broadly scoped effort

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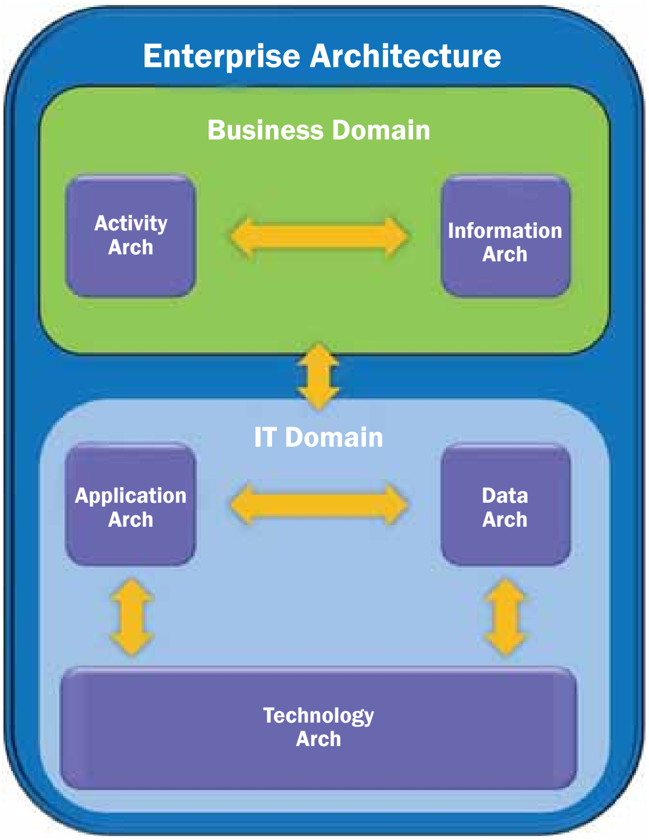
Figure 1



to both create more business-friendly artifacts and linkages between artifacts at different levels of abstraction. Most importantly, though, access to senior executives involved in the high level decision-making processes would allow the EA group to demonstrate that EA can help with the context, impact, and implications of those decisions.

Scenario 3: An enterprise is engaged in a long-term, broadly impacting, strategic transformation of the way that its business is fundamentally operating, such as Smart Grid in an electric utility, e-government, or a major merger/acquisition. This effort is driven by the board of directors, CEO, or highest level of management with an eye on the long-term growth and persistence of the enterprise. These tend to be multi-year, high-dollar investments with far-reaching impact on the way the company will operate, the way it is organized, the information needed, the skills and competencies of the work force, and the business applications and IT infrastructure. In more than one instance, we have seen senior executives proactively involve EA in these types of activities. Executives like that the EA group can speak their language, think long-term, create useful artifacts that simplify the enterprise's complexity, and also bring domain knowledge of a key enabling area of the company—information technology.

CONCLUSION

Let's wrap this up with a question that I have been asking most groups I have spoken to in recent years: "As an enterprise architect, are you architecting the enterprise, or are you architecting the IT environment?"

I dare say, most of you (if not all) would answer honestly that you are architecting the IT environment (apps, data, and infrastructure), albeit with a significant alignment with the business of your enterprise. In any case, I suggest that true EA requires both business-owned enterprise business architecture (EBA) and enterprise information architecture (EIA).

The implication of this suggestion is that EBA as thought of in the traditional sense is not within the domain of IT; but rather, it is owned, driven, and primarily developed and maintained by a group of business professionals within the enterprise. Further, there is also a separation of EIA and enterprise data architecture, with EIA in the business domain and data architecture joining application and technology in the IT domain. Figure 1 depicts the relationships described above. **A&G**

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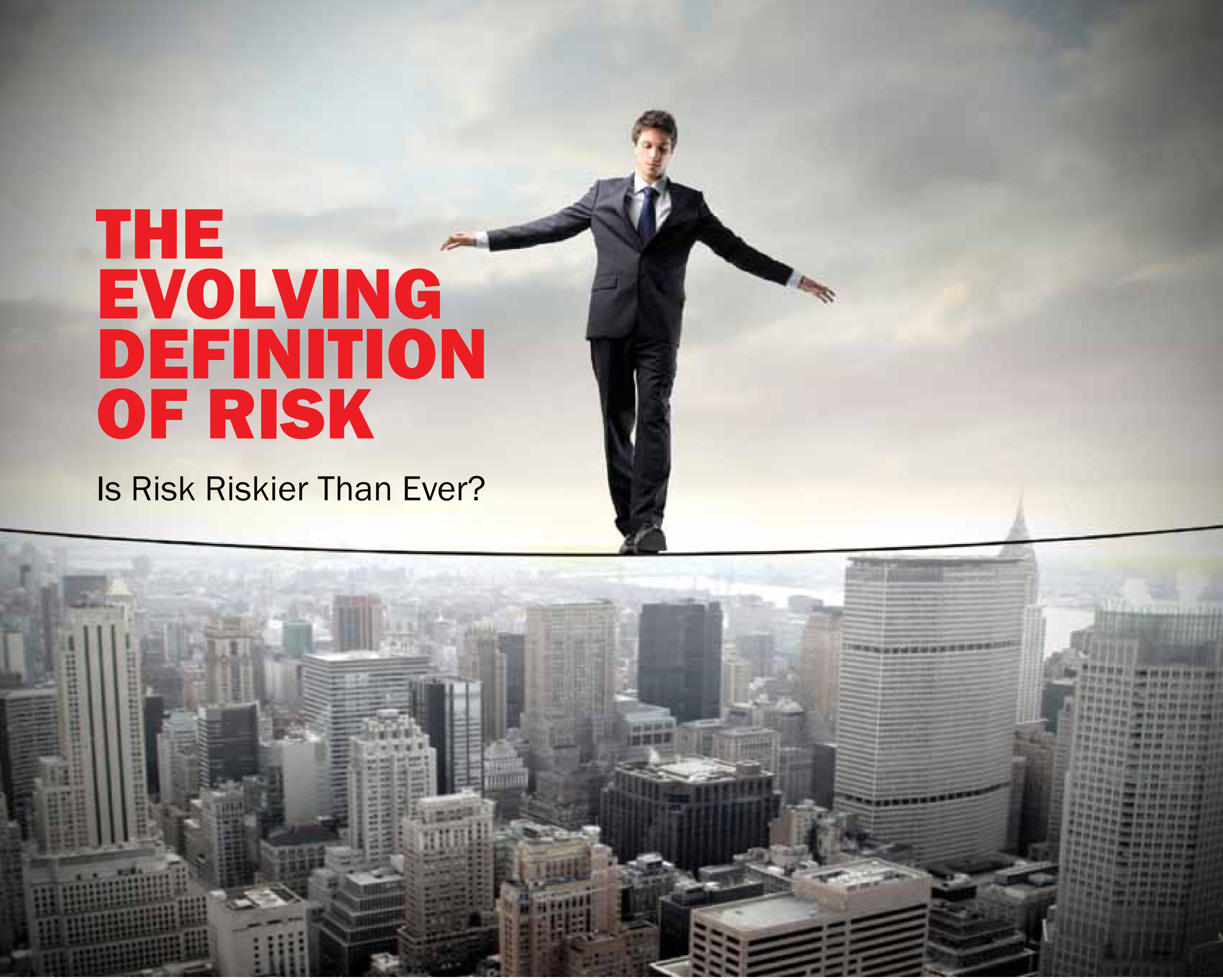
THE EVOLVING DEFINITION OF RISK



Is Risk Riskier Than Ever?

By Luis Ramos

Risk is an inherent part of an organization's life cycle. It is found within all departments, at all stages of growth, and is a factor for all employees, regardless of position or generation.

In the changing global environment, it can be difficult for companies to internally monitor risk and establish appropriate levels of governance. As compliance guidelines change and as the complexity of communicating and managing investments grows, it is increasingly challenging for organizations to stay ahead of the curve and effectively manage risks. These risks take form in many different situations and mediums, including social media and international compliance implications.

HOW HAS SOCIAL MEDIA CHANGED THE RISK FACTOR?

Social media brings a wealth of opportunities to organizations both large and small. The benefits include an efficient and low-cost medium for managing communications, contests, and customer service and for keeping a real-time pulse on consumer feedback and brand image. Social media also brings risk.

Potential Social Media Scenario

A young, new employee at a consulting firm is privy to some good news for the company and for its position.

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The employee wants to share this information with friends and family, and he does so with a Facebook posting, a tweet, and for good measure, a LinkedIn update. It states, "#ABC Firm just landed #XYZ Company as a new client—great news for the company and for me as I'll join the team."

In an instant, it's in the public domain and with the aid of social media monitoring tools, all involved companies will immediately pick it up. Based on your organization's social media policies, this may be a perfectly acceptable posting of company information; however, it may still prove to be a risk to the company. For instance, has the contract been signed? Or, has the new client not yet authorized the firm to announce the relationship?

Pulling from our original example, companies must establish guidelines to combat the risk associated with social media. Based on the nature of an organization, it may be wise to allow only a small group of individuals to share information on the company via social media sites. A global company or one with a younger audience and consumer base may choose for a more widespread but controlled use of these tools. Whichever the case, guidelines on how information on the company may or may not be communicated are essential.

> A governance, risk, and compliance (GRC) program will encompass wide-reaching policies and programs that will reveal best practices, resulting in improved risk identification and increased compliance, while at the same time fostering growth.

Discussion points for social media guidelines include:

- Are employees allowed to list the organization's name on their profile? If so, what version:
  - ABC Company
  - ABC Co., Inc.
  - ABC Company, Inc.
- Should employees be allowed to link to the company page, account, or Web site?
- Is it appropriate for employees post on the company page?
- Are employees allowed to post on other pages, such as a competitor's page?
- What possible implications and risks do these scenarios promote?

The next step is to determine what actions will be taken to manage misplaced or misused information, such as our original scenario.

EFFECTIVELY MANAGING RISK: LOCALLY AND GLOBALLY

As social media and technology blur national borders and pull the world together, differing laws and compliance guidelines among countries continue to add levels of complexity to organizations. Firmly in place among the executive offices of an organization, the management of risk reaches into every business sector, and therefore, a business-driven approach to managing risk for international organizations has proven effective.

This business-driven approach involves the elimination of one of the greatest threats to an organization's success: the compartmentalization of information or departmental silos. Until recently, risk management was handled separately for governance and compliance activities, resulting in the duplication of resources. Reflective of other business areas, the current economic downtown has aided in the reduction of duplicated resources and activities. When risk is managed autonomously in different areas of an organization, it creates a greater risk environment with multiple risk factors.

Therefore, removing the silos of information and developing a fluid business process that continuously identifies, manages, and acts upon risk is a key element in an organization's risk management success.

As a result, the phrase "Think Globally, Act Locally" is applicable to an organization's governance, risk, and

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compliance (GRC) initiatives. A strong GRC program adheres to the highest level of compliance, be it state, national, or international guidelines and laws, but contains the tools and resources to identify, act, and manage risk on a local level. A program of this type will encompass wide-reaching policies and programs that will reveal best practices, resulting in improved risk identification and increased compliance, while at the same time fostering growth.

The consequences associated with risk have always been high, and the ability to minimize risk while not interfering with organizational growth and activity is a delicate balance.

Latest GRC Legislation: UK Bribery Act and Dodd-Frank Act

The newest piece of international compliance legislation to impact corporate governance and compliance is the UK Bribery Act. The legislation was passed in April 2010 and is expected to be enforced in spring 2011. Developed on the original structure of the United States Foreign Corrupt Practices Act of 1977 and the enactment of the Organization of Economic Cooperation and Development's Convention on Combating Bribery in 1997, the act will bring a new level of oversight and accountability in the stand against corruption throughout the United Kingdom and within organizations that conduct business within the UK.

The increased level of accountability combined with the increased penalties for companies based in or engaged in business activities with the UK calls for changes to an organization's compliance procedures and governance oversight. The four new offenses brought forward by the act include:

1. Bribing another person
2. Being bribed by another person
3. Bribery of foreign public officials
4. Failure of an organization to prevent bribery

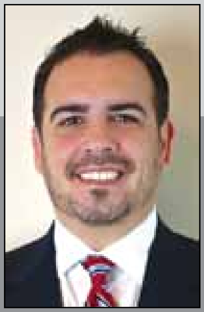
The fourth offense has a particularly strong impact on organizations, as the only acceptable defense to remove liability for an employee's illegal act is for the organization to deliver proof that it had in place "adequate procedures" to prevent bribery.

The U.S.'s new Dodd-Frank Act has added another level of corporate guidance for financial institutions. The impact of this law is still yet undefined as many of its sanctions are still in development. However, one of the act's most undeniably attention-grabbing elements is Section 922, which provides monetary awards to individuals whose whistle-blowing leads to the recovery of monetary sanctions of $1 million or more. This not only applies to public companies but also to private equity firms and hedge funds that manage more than $100 million; it has had a major impact on how companies manage their GRC programs to ensure organizational-wide protection.

IS RISK "RISKIER" THAN EVER?

The consequences associated with risk have always been high, and the ability to minimize risk while not interfering with organizational growth and activity is a delicate balance. That balance is increasingly difficult to find in today's rapidly changing marketplace, so yes, risk is riskier than ever. It falls across all aspects of an organization, and volatile situations can arise in every department or from any employee.

For an organization to achieve success, it must start with a fully developed GRC strategy, complete with education and awareness programs, which is communicated on a regular basis. Fortunately, there are many resources available to assist in every aspect of managing GRC programs: tools to monitor social media activities, interactive training solutions, aid in employee education, and enterprise IT software solutions that track allegations and reports while identifying trends. When combined with thoughtful leadership and strong governance programs, these tools aid in the minimization of risk throughout an organization. **A&G**



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How to Initiate an Enterprise Architecture Effort in an Austere Environment

By Ruth Burgess and John Forte

Imagine yourself driving but not knowing where you are going, why you are going there, or how much it is going to cost. Taking a vacation in this manner may not result in the desired outcome. To ensure that your vacation is successful, many factors need to be considered first, such as desired goals and budget limits. Like planning a personal vacation, the federal government and Department of Defense (DoD) must strategically plan their business services, operations, and information systems to achieve their end goals.

BACKGROUND OF ENTERPRISE ARCHITECTURE MANDATES

Enterprise architecture (EA) is currently mandated for federal government organizations. In 1996, the Clinger-Cohen Act reformed the federal government's approach to information systems acquisition. The intention of this act was to assist in controlling risks, minimizing costs, and improving the performance of federal enterprises. To build upon the Clinger-Cohen Act, the DoD adopted a similar approach in 2003 known as the Joint Capabilities Integration and Development System (JCIDS). Both approaches require the creation of disciplined architecture products to objectively provide key and accurate information for the architecture decision-making and assessment process.

The true intention of these mandates is often lost because federal organizations will sometimes focus on simple mandate compliance rather than the actual goals of the Clinger-Cohen Act and the JCIDS process. For example, EA products are often created to pass reviews, but there is no intent to use them as part of the decision-making process. The EA products should instead be tightly integrated into the strategic planning and acquisition planning activities to be effective and truly meet the objectives of the federal mandates.

COMMON PROBLEM: TRANSLATING THE MANDATES INTO PRACTICAL USE

Because EA products are mandated and may utilize an unfamiliar approach, many organizations become overwhelmed when deciding how to begin their efforts. Enterprises within federal government and DoD agencies are often very complex and usually quite large, as are their private sector counterparts. Tackling a structured, objective enterprise assessment with such complexity and magnitude can be quite intimidating. To add to the strategic planning and EA challenges, organizations often have limited funding to perform the full scope of EA analysis. With the intimidating size of the enterprise architectures and the challenge of limited resources creating an austere environment, organizations often find themselves quite overwhelmed and struggle with how to begin EA efforts.

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KEY STARTUP ACTIVITIES FOR A SUCCESSFUL EA EFFORT

To overcome an architecture's complexity and potentially limited resources, MorganFranklin recommends several key startup activities that have proven to be essential to effective EA efforts. In the vacation analogy, in order to not drive aimlessly, the destination, arrival method, and many other factors need to be determined before traveling. In our past experience, there have been organizations that spend large amounts of money to ramp up architecture teams without strongly defining the desired goals and visions of their enterprises. To ensure architecture assessment consistency and overall success, we recommend three fundamental steps to successfully begin an EA endeavor:

1. **Establish and prioritize strategic business goals.** What does the organization want to be as it evolves? What business services is it providing to the rest of the community and who are its users? What discriminators or strengths does it want to build or maintain? What overarching policies is it going to embrace?
2. **Create high-level capability and concept views for common vision.** Once the goals have been established, how will they be achieved? What is the common vision for the concept of operations? What options are there for new transformational concepts of operations and which concepts currently work successfully?
3. **Capture a catalog of "as-is" processes, systems, applications, infrastructure, services, and standards.** Too often the current systems, applications, and infrastructure are completely ignored. It is essential to have a validated, up-to-date catalog of all resources that currently support the organization's mission set.

HOW TO REALIZE IMMEDIATE VALUE-ADD WHILE OVERARCHING VISION IS BEING SET

In an ideal, theoretical world, an organization can wait until the entire "to-be" enterprise architecture has been described and vetted before analyzing and describing a strategic plan forward. However, if organizations were to wait, they would lose valuable architecture assessments that could be completed in the meantime. Organizations can quickly start realizing value from architecture engineering efforts if they are focused on narrowly defined and near-term solutions. While the key startup activities should continue to be carried out by a set of undistracted team members, experience has shown that organizations can have small-scale architecture development successes. The practical and tangible results can also provide the necessary traction and advocacy often needed to continue support and funding for overarching EA efforts.

What are some of these focused architecture analyses? Our experience has shown that an organization can focus on the top-priority systems being acquired and transitioned within the next year. These architecture efforts can make certain that the systems are defined well enough to ensure integration into the greater enterprise. Another focused effort can involve saving operations and maintenance (O&M) costs by analyzing legacy systems and determining what type of redundancies exist. Additionally, a federal organization can explore what potential solutions could be used by obtaining the lessons learned from other organizations' successes and failures. While the vision is being set, the organization can begin to adopt successful and applicable common practices and technologies.

WHAT IF A FORMAL EA TOOL IS UNAVAILABLE?

Would you delay your vacation if you owned a Corolla but always dreamed of traveling in a Cadillac? If you did not have the money to buy a new vehicle, you would most likely still take your vacation. For architecture product creation, organizations do not need to wait until they bring in a robust architecture tool before capturing the necessary information. Architecture analysis can occur without a formal architecture tool. The effort can begin by simply using standard desktop commercial off-the-shelf (COTS) products, such as Microsoft Word, Excel, Visio, and PowerPoint. Basic architectural analysis and data collection are essential in strategic and acquisition planning and can successfully occur without a robust tool.

It is important to keep in mind that EA analysis is an ongoing, long-term endeavor. While the architectural

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assessments should continue despite tool constraints, bringing in a more formal EA tool should be considered for the long-term solution. EA tools are built to support information sharing and expedite architecture product creation. In the long run, a more robust tool will save time and improve collaboration among a large group of architects.

CONCLUSION

To achieve the vacation of your dreams, capturing the desired goals, objectives, budget, and timeline is essential to successfully arriving at your ultimate destination. EA should be treated no differently. While the ultimate destination is being determined, one can take mini-trips or complete short-term architecture projects that will realize immediate value and potentially provide insight into the end goal. Lastly, the type of transportation, or architecture tool, should not be the primary focus or a limiting factor at the start of an EA effort. Following these guidelines will help any organization get closer to achieving its vision. **A&G**

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JOHN FORTE recently served as technical director at MorganFranklin, specializing in enterprise architecture, information systems modernization, and technology insertion. He currently serves as program manager for national command programs at the Johns Hopkins University Applied Physics Laboratory.

SHARON STRAN and DANIEL HUGHES also contributed to this article.

A&G CALENDAR

The Open Group Conference & Member Meeting
February 7–11, 2011
San Diego, CA
www.opengroup.org/sandiego2011/

Forrester's EA Forum 2011
February 17–18, 2011
San Francisco, CA
www.forrester.com/events/eventdetail/0,9179,2505,00.html

Zachman Enterprise Architecture: Framework Fundamentals
February 22–23, 2011
London
www.irmuk.co.uk/events/3.cfm

Integrated EA Conference 2011
March 1–2, 2011
London
www.integrated-ea.com

Troux Worldwide User Conference
March 23–24, 2011
Austin, TX
www.troux.com/conference

Enterprise Architecture Symposium
March 30–31, 2011
Toronto
www.easymposium.com

Enterprise Architecture Fundamentals: Practical Steps to Delivering Value
April 7–8, 2011
London
www.irmuk.co.uk/events/91.cfm

12th Annual Enterprise Architecture Conference Europe 2011
June 8–10, 2011
London
www.irmuk.co.uk/eac2011/

Gartner Enterprise Architecture Summit 2011
June 22–24 June, 2011
San Diego
www.gartner.com/technology/events/roles/enterprise-architecture-events.jsp

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