# Driving the Digital Agenda Requires Strategic Architecture
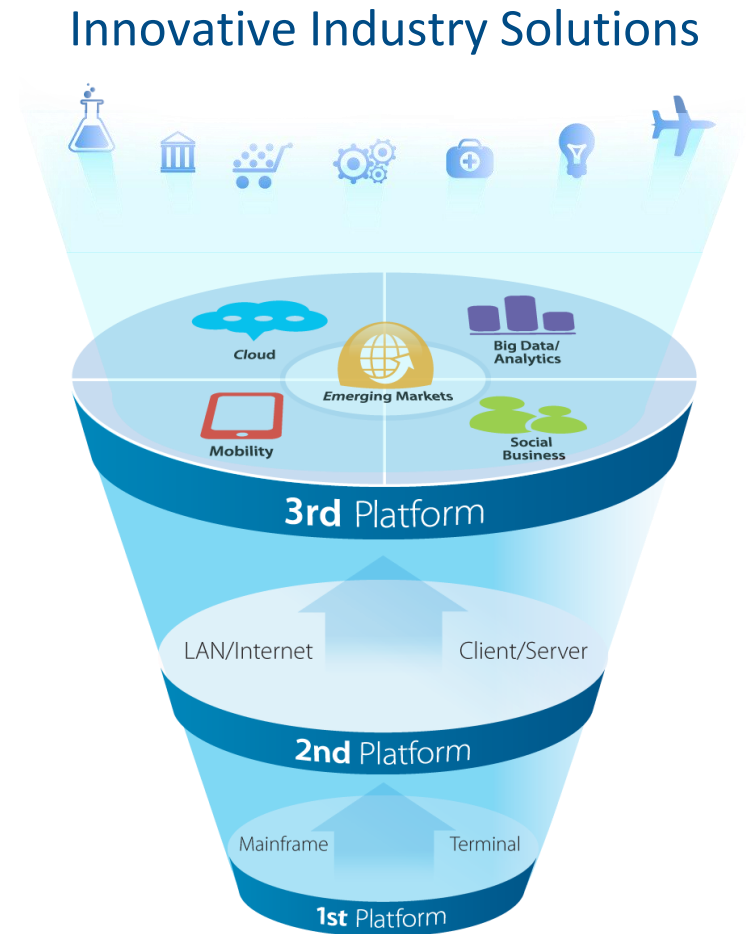
Mike Rosen

Research Vice President

IDC IT Executive Program

# The 3rd Platform is Enabling Transformation

1/3rd of leading businesses will be disrupted by new 'born on the 3rd platform' competitors.

The 3rd Platform allows businesses to:
- Build deeper relationships with their **customers**
- **Innovate** around new products and services
- Improve their own internal **operations**

Innovative Industry Solutions



3rd Platform

Cloud
Big Data/ Analytics
Emerging Markets
Mobility
Social Business

LAN/Internet     Client/Server

2nd Platform

Mainframe     Terminal

1st Platform

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# Innovation Accelerators

# Will these Technologies Transform Your Industry?

## In the Next 3-5 Years

**Robotics**

**Surgery Automated**
Surgeons use computer-assisted or robotic surgery techniques to assist in 50% of the most complex surgeries.

**Cognitive Systems**

**Fraud Reduced**
Cognitive analytics reduce fraud, waste, and abuse by 10%, resulting in $300 billion in global savings

**Internet of Things**

**Public Safety Transformed**
75% of State and Local Governments Use Citizen Data in Transportation Management and Real-Time Crime Centers.

**Next Gen Security**

**Data Breaches Mitigated**
50% of the top 100 global retailers encrypt all customer data in flight and at rest, declaring "Trusted Data Certification"

**3D Printing**

**Logistics 'Last Mile' Revolutionized**
60% of manufacturers are able to choose between same day supply chain and 3D printed

**Augmented & Virtual Reality**

**Field Service Revolutionized**
Field service team staffs drop by 40%

# The Transformations are Everywhere...



**Not a dental scanner, but a revenue center**
Orthodonture platform



**Not a bed**
The latest, cloud connected, biosensor and fitness platform



**Not an airplane, but a flying datacenter**

# A380





"The A380 was a real step in technology compared to other aircraft we maintain," says Air France's Trigona. Operators needed to develop new IT capabilities and processes to keep the software up to date and in good working order. "You have more than 700 software [modules] on the A380," adds Menegat, "but they can be fitted on nearly 1,500 positions on the aircraft. So you just cannot manage that on an Excel table...

700 applications, 7 million lines of code

# 2017 Ford GT







- Carbon Fiber part yields "best power to weight ratio'
- 3.5 L V6 produces 600 + hp
- Active suspension
- Turbocharged intercoolers

- 10 M lines of code

# The Dark Side of Digital Transformation



Hackers Remotely Kill a Jeep on the Highway—With Me in It

ANDY GREENBERG  SECURITY  07.21.15  6:00 AM



" two researchers managed to take control of an unaltered vehicle's electronically controlled subsystems (radio, AC, wipers, transmission, steering, brakes) from afar, using the Internet connection its entertainment system makes through the cellular network"

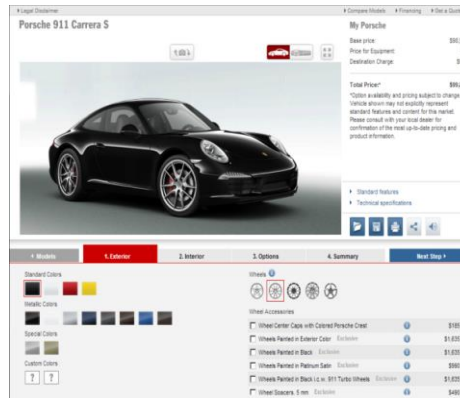Update: Chrysler recalls 1.4M vehicles after Jeep hack

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# The End Game…New Digital Products and Services



**IT-enabled Business Processes**
Automating Business Processes

**IT-enabled Services**
Transforming Business Processes

**Digital Products**
Creating Digitally-enabled Products and Services

# The Internet of Things



The Internet Of Things

Smart Products

Platforms

Home IoT

Industrial IoT

Operations Technology

Smart Utilities

Wearables

Connected Health

Smart Energy

*'Users'*

*'Makers'*

Smart Analytics

Consumers

Intelligent Gateways

Connected Car

Smart Transportation

Smart Factories

Enterprise

*'Edge'*

Information Technology
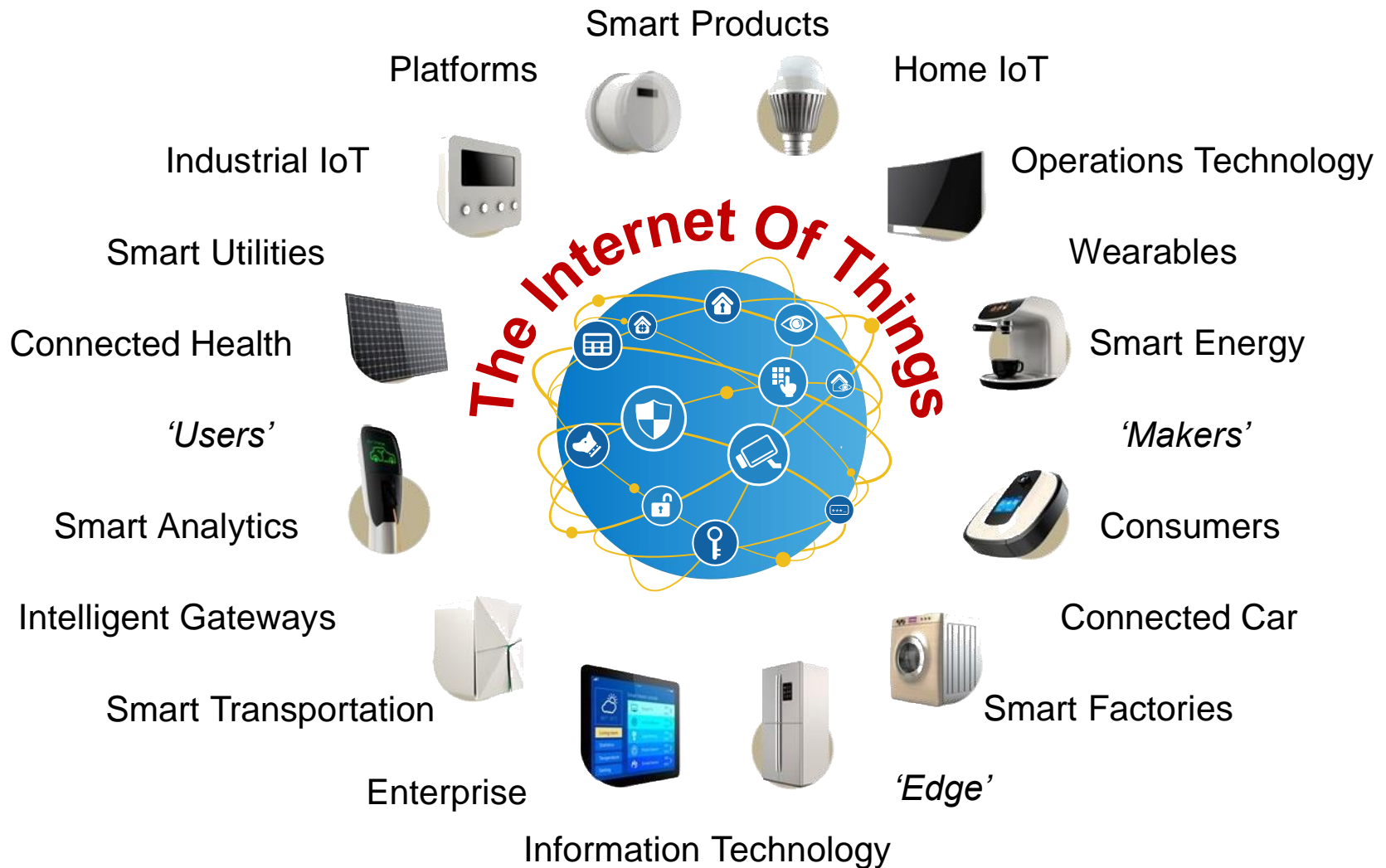
# IoT Connected Device Forecast



By 2025 **152,200** connected IoT devices per minute

Billions

90
80
70
60
50
40
30
20
10
0

2015　2016　2017　2018　2019　2020　2021　2022　2023　2024　2025

# IoT Data Sources



Chart legend: Classically Created, IoT Relevant, IoT Actionable

Y-axis (ZBytes): 200, 180, 160, 140, 120, 100, 80, 60, 40, 20, -

X-axis (years): 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025

Growth From 2020 - 2025: 8.6 X, 3.8 X, 1.3 X
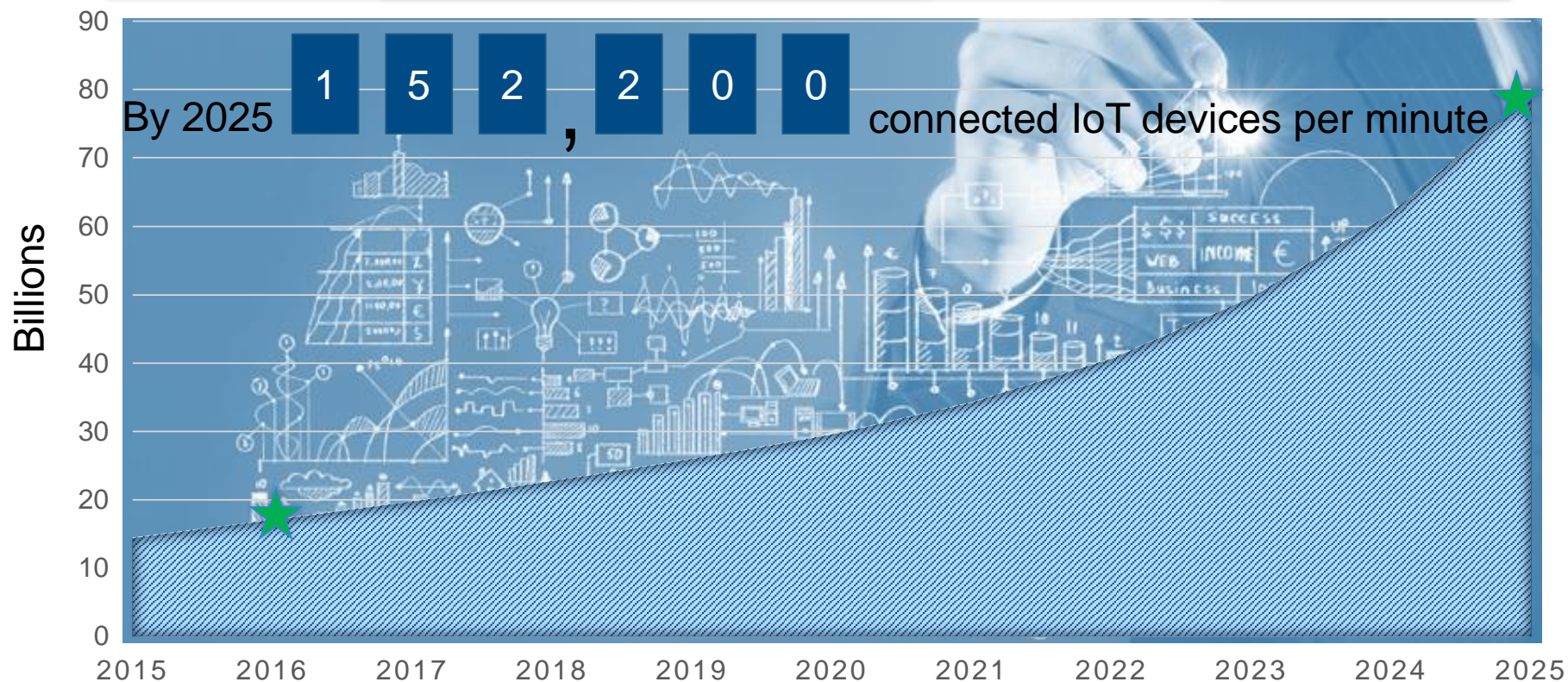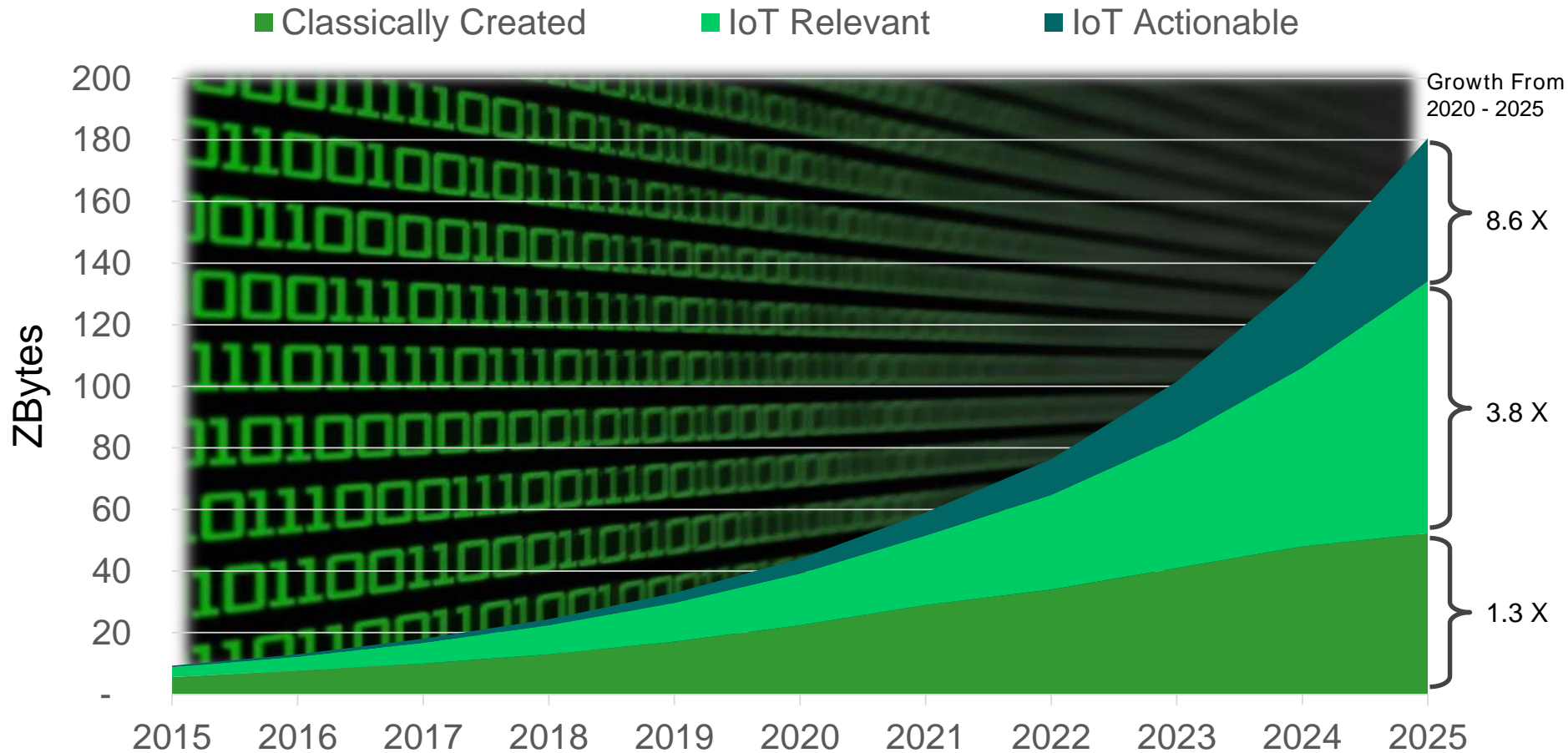
# Next Generation Apps



**Continuous Sensing**

IoT

Cognitive Computing

**Collective Learning**



Pie chart segments: Marketing/Sales, Health, Financial, Retail, Personal/Social, Security, Workforce, Education, Media/Entertainment, IT, Other
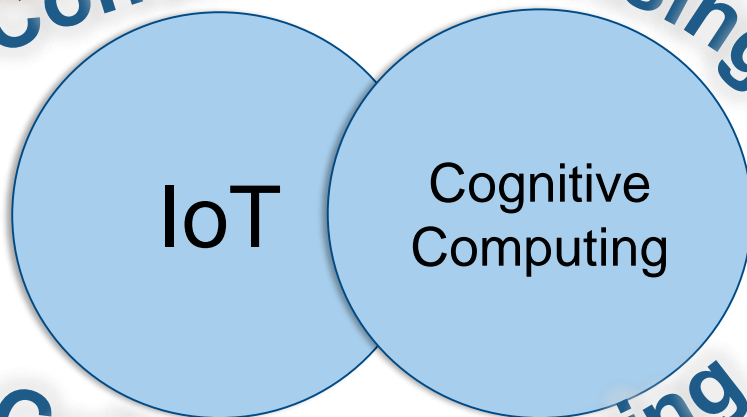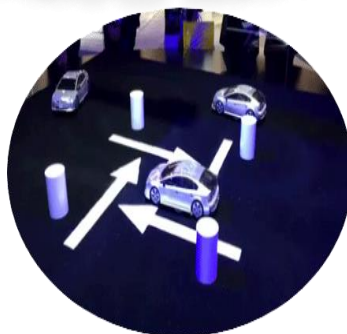
Source: IDC Feb 2016 analysis of CB Insights database; IDC industry/function categorization of results of search for companies with keywords "Machine Learning" and/or "AI"

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# Discussion

- Which aspects of digital transformation:
  - Provide the best opportunities?
  - Present the greatest threats?
- What are your key challenges?

# Digital Transformation

The application of 3$^{rd}$ Platform technologies to fundamentally change the way something is done.

| Leadership Transformation | Omni-Experience Transformation | Information Transformation | Operating Model Transformation | WorkSource Transformation |
|---|---|---|---|---|

# Three Actions Toward Digital Transformation

**1** Create expectation-altering customer experiences

**2** Use information as a competitive advantage

**3** Create new revenue streams with connected services

# Information Transformation

The ability to leverage information for competitive advantage by enabling the business to respond to opportunities swiftly and with superior intelligence

**"Digital Explorer"**
Information informs decision making

**"Digital Transformer"**
Information provides a competitive advantage

# Information as a Competitive Advantage

| Mine data to better understand customer base | Build personalized programs for highly profitable guest | Use enhanced experiences to retain margin |
|---|---|---|
|  |  |  |
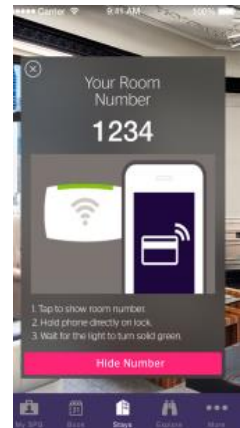

starwood
Hotels and Resorts

# Operating Model Transformation

The ability to make business operations more responsive and effective by leveraging digitally connected products/services, assets, people and trading partners.

**"Digital Explorer"**
Connected systems improve operational performance

**"Digital Transformer"**
Connected systems fuel new revenue streams

# Connected Systems Fuel New Revenue Streams

Digital Service Platform Creates Competitive Differentiator

Intelligent Building Traffic System Creates New Revenue Streams

**Schindler**

# Transforming Omni-Experience

The ability to continually attract and grow loyalty with customers, partners, and employees by creating interactive experiences.
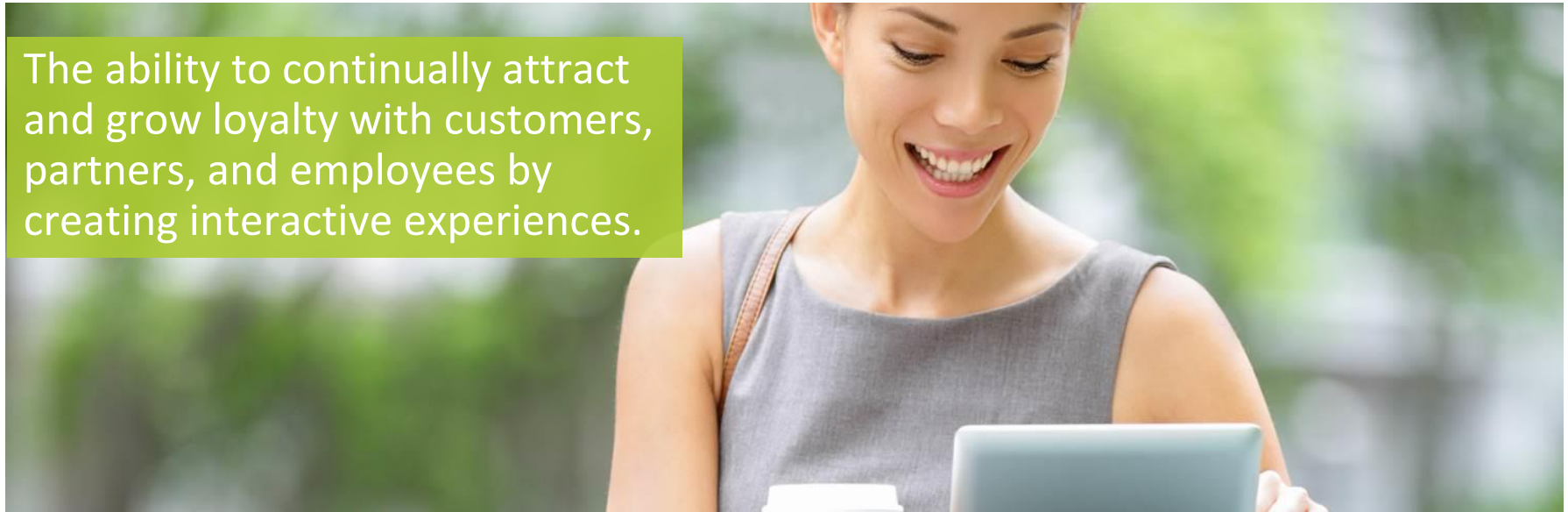
**"Digital Explorer"**
Customer experience innovation that says "look at me"

**"Digital Transformer"**
Customer experience innovation that alters market expectations

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# Expectation-Altering CX Innovation

| Shopping journey starts in any channel | Triangulate customer, product, and employee |
|:---:|:---:|
|  |  |
| Connected glass shopping wall | Interactive fitting rooms |
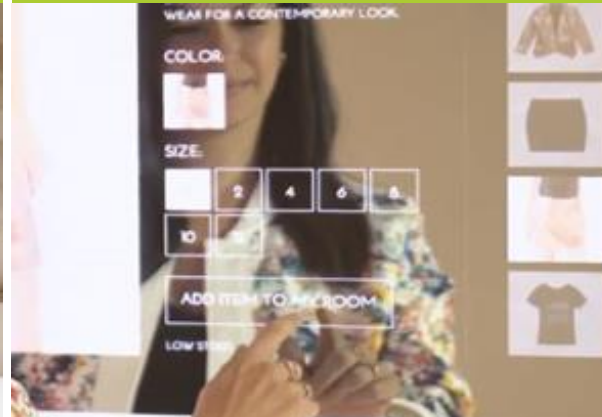
REBECCAMINKOFF

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# OmniExperience Journey Example
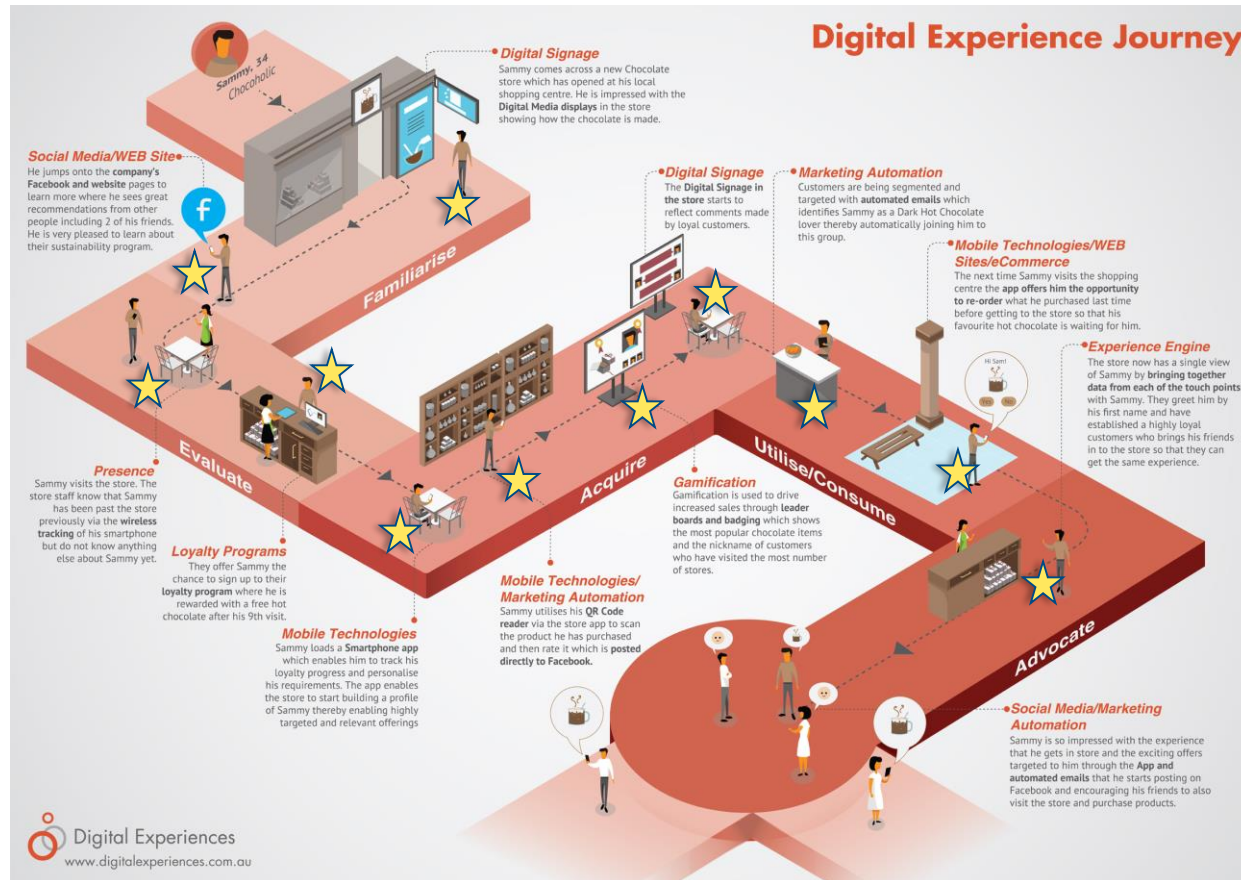
# Technology Map
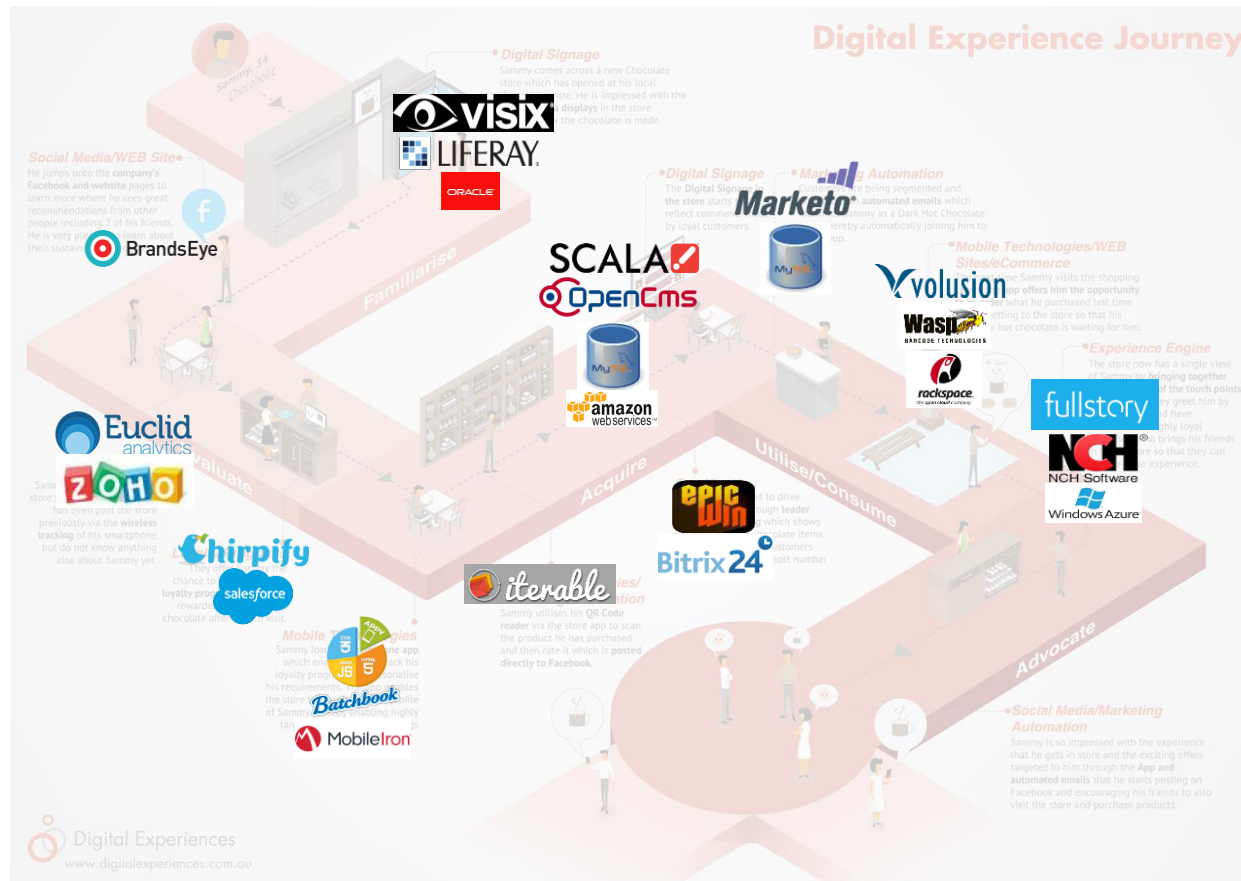
# What a Mess
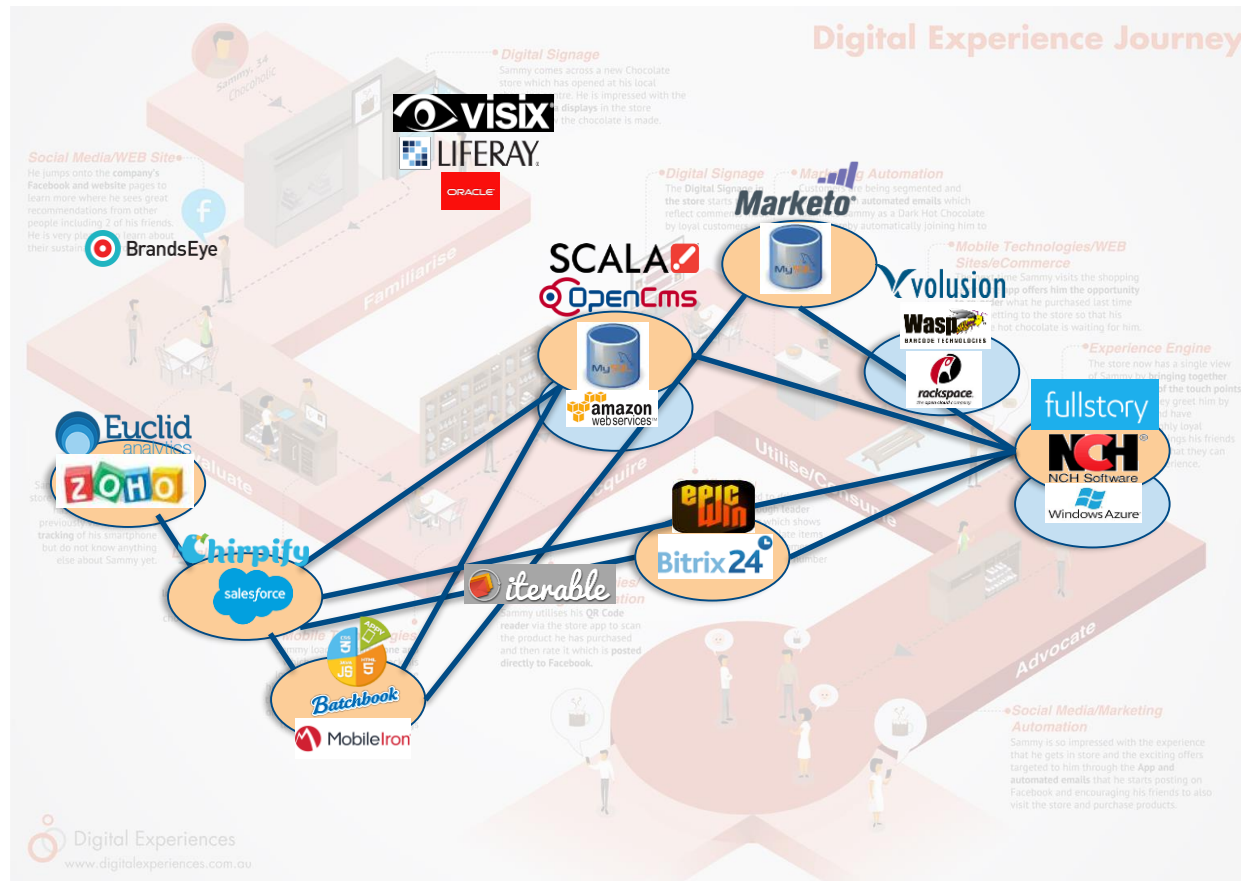
# What Does the Cloud Mean?

Virtualization
Hybrid
IaaS
SaaS ….

Finally! I don't need IT anymore. I can get everything myself in the cloud

to IT…

to Business…

# Sustainable DX Requires Strategic Architecture

*"By 2017, 60% of business lead digital transformation initiatives will not be able to scale due to a lack of strategic architecture"*



## Drivers

- IT spending shift to LOB
- Independent sourcing actions increase costs and complexity
- Need for agility and quickness

## Challenges

- Tactical imperatives versus strategic concerns
- Culture
- LoBs want to maintain local control
- Inconsistency and redundancies

## Benefits

- Improved customer experience
- Maximum value and synergy
- Speed and flexibility
- Positioned for continual change

# Dynamic Cloud Landscape

**As the Cloud market grows quickly…**

**there's still turbulence to be aware of .**

*By 2017,* **35%** *of vendor sourcing relationships around 3rd platform technologies will fail.*

**75%** *of IaaS provider offerings will be redesigned, rebranded, or phased out in the next 12-24 months.*

*By 2017 IT buyers will actively channel* **20%** *of their IT budgets through industry clouds. By 2020* **100+** *"Industry Clouds" emerge, disrupting today's established industry market leaders.*

Source: IDC.com, 2015

# Integration Architecture

**Security**

- Identity Management
- Single sign on
- Incident Management
- Event Correlation

**SaaS**

**Reporting**

- Auditing
- Logging
- Compliance
- SLA

**Information**

- Data Model
- MDM
- Transformation
- Copies

**Integration**

- APIs
- Legacy and Core
- Other SaaS

**Continuity**

- Help Desk
- Backup
- BCP
- DR
- Them / Us

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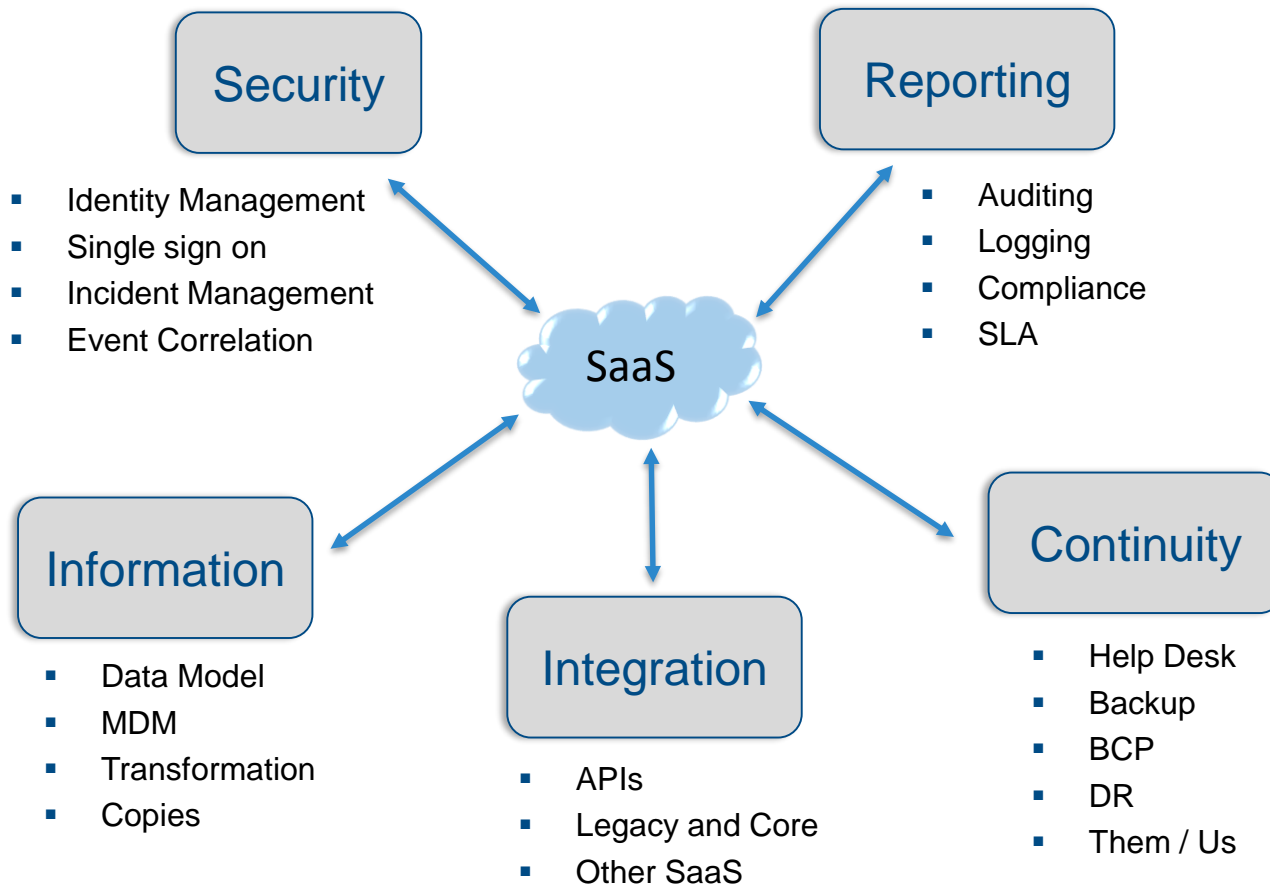
# Sample SaaS Planning Matrix

**True cost to acquire and own**: How does a specific cloud service fit into the enterprise environment?

| | Factor | Requirements (Describe how to meet them) |
|---|---|---|
| **Operations** | Incident Management | *How are incidents reported, managed? What can I see?* |
| | Change Management | *How are changes planned, tested, integrated, managed?* |
| | Monitoring | *Security monitoring, operational monitoring* |
| | Auditing | *Who did what, to what, when?* |
| | Logging | *What will be logged, where? How is it accessed?* |
| | Compliance | *What regulations apply? How verified?* |
| | DR / BCP | *What are requirements? How performed?* |
| **Architecture** | Integration | *What other systems need to be connected to?* |
| | Security | *How will service be integrated into enterprise security, SSO?* |
| | Information Semantics | *What information does this have? Need? Schema?* |
| **Finance** | SLA Monitoring | *Are SLAs being met? How do we know?* |
| | Sourcing | *Single point of contact for all users and services?* |

# Managing Complexity

- Identify what should be *common* in order to maximize:
  - Brand, customer, experience, infrastructure
  - Efficiency and effectiveness
- Identify what could be *different* in order to maximize:
  - Channel, customer segmentation, geography
  - Market differentiation, competitive advantage
- Define interfaces to extend the common to support valuable differentiation

- **EVERY** place that something is different results in added costs and complexity

- Architecture provides a framework for cost/benefit analysis

Integrated Omni-Experience

*Common where possible. Different where competitive.*

DX & 3rd Plaftorm Services

Value Added Differentiation

Extensibiliy Interface

Common Business Services

Common Infrastructure

*Added cost / complexity outweighed by business value*

*Catalog of integrated, brokered, managed IT Business Services*

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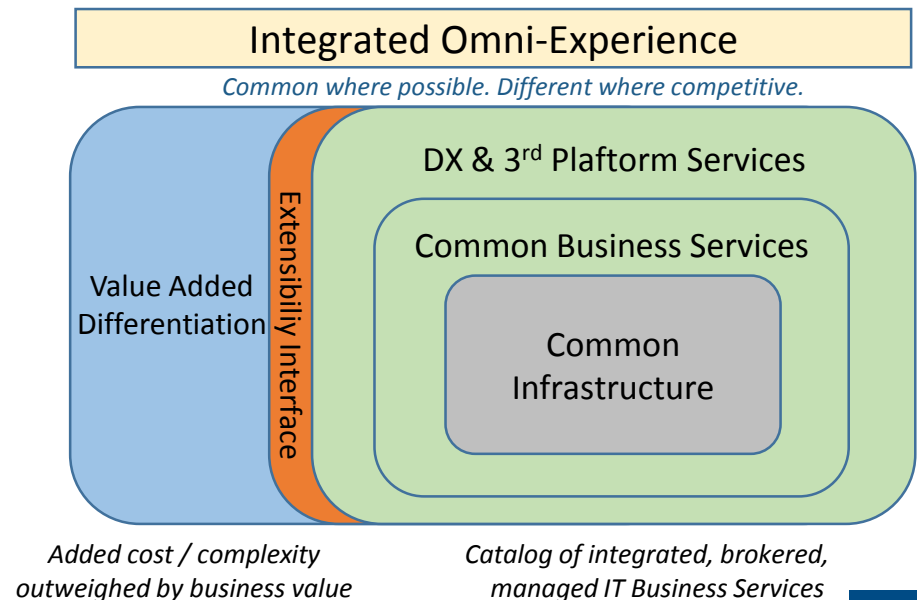
# Case Study: Wells Fargo Bank



WELLS FARGO

THE WALL STREET JOURNAL.

Wells Fargo & Co. Is the Earth's Most Valuable Bank

- **Large US Bank**
  - 4th by assets – $1.8 Trillion
  - 1st by market capitalization – 254B

- **70 million customers; 8,700 branches; 12,800 ATMS; 260,500 employees**

- **80 LoBs: Banking, insurance, investments, mortgage, and consumer**

- **Reduced operational expenses**
  - Applications, servers, dbs, maintenance, operations, integration, DR/BCP
- **Increased**
  - Consistency, customer satisfaction
  - Business opportunities, new products, cross sell, speed to market, market leadership

nt payment systems
- Each line of business insisted that they ... nique that nothing could be ... h others
- 17 of everything, plus some

- **Payment Architecture determined that 85% was the same**
  - New system implemented
  - Principle: "Common where possible. Different where competitive"

| Source | Accolade |
|---|---|
| Global Finance | Best Bank for Payments and Collections Best US Internet Bank |
| Barron | 7th - World's Most Respected Companies 22nd - World's Most Admired Companies |
| Banker's Magazine | Best US Bank |
| Brand Finance | World's Most Valuable Bank Brand |
| Keynote Research | #1 Overall Mobile Performance, Ease-of-use, Quality, Availability |
| Diversity Inc. | 11th top company for diversity |
| Careers and the disabled | Top 50 employers |
| United Way | #1 US Workplace giving campaign |

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# Discussion

- Does your organization have:
  - Project Portfolio Management?
  - IT Governance?
  - Architecture?
- How can architectural issues be raised with business and enterprise leadership?

# IT Leadership Challenges

- Complexity of the IT infrastructure

- Obtuseness of enterprise IT to the non-technical

- Inability of leadership and business to understand consequences

- Inability of technology leadership to explain technology issues in the language-of-business

- Reluctance to fix / fund based on lack of understanding or visibility

- The need-for-speed within IT; shortcuts

# Need-for-Speed Can Cut Corners, Create Liabilities

- Lack of interoperability
- Inconsistent information
- Security Vulnerabilities
- Unfinished integrations with core systems-of-record
  - CRM
  - Financial and Accounting Systems
- Lack of business continuity capabilities
- Short-cuts on CX design
  - Inconsistent branding
  - Lack of ADA capabilities
  - No multi-language support
- Redundant systems and clouds
- Etc…

# What is Technical Debt

- The residual cost of completing technology tasks left undone in the race to be agile, innovative, or from lack of funding
- The ongoing costs of inconvenience, inconsistencies, and lost opportunities
- A framework for a business discussion about IT constraints, limitations, and risks
- A methodology for describing (one aspect of) IT "state" in the language of business
- A Managerial Accounting technique for framing unfunded technical liabilities
  - Which constrain the ability to innovate and sustain IT operations
  - …and add risk, operational inefficiencies, costs.
  - The cost to bring IT infrastructure into compliance through the current budget period
  - …in the context of Sarbanes/Oxley 'disclosure' statement wrt IT business recovery

# IDC's Technical Debt Framework
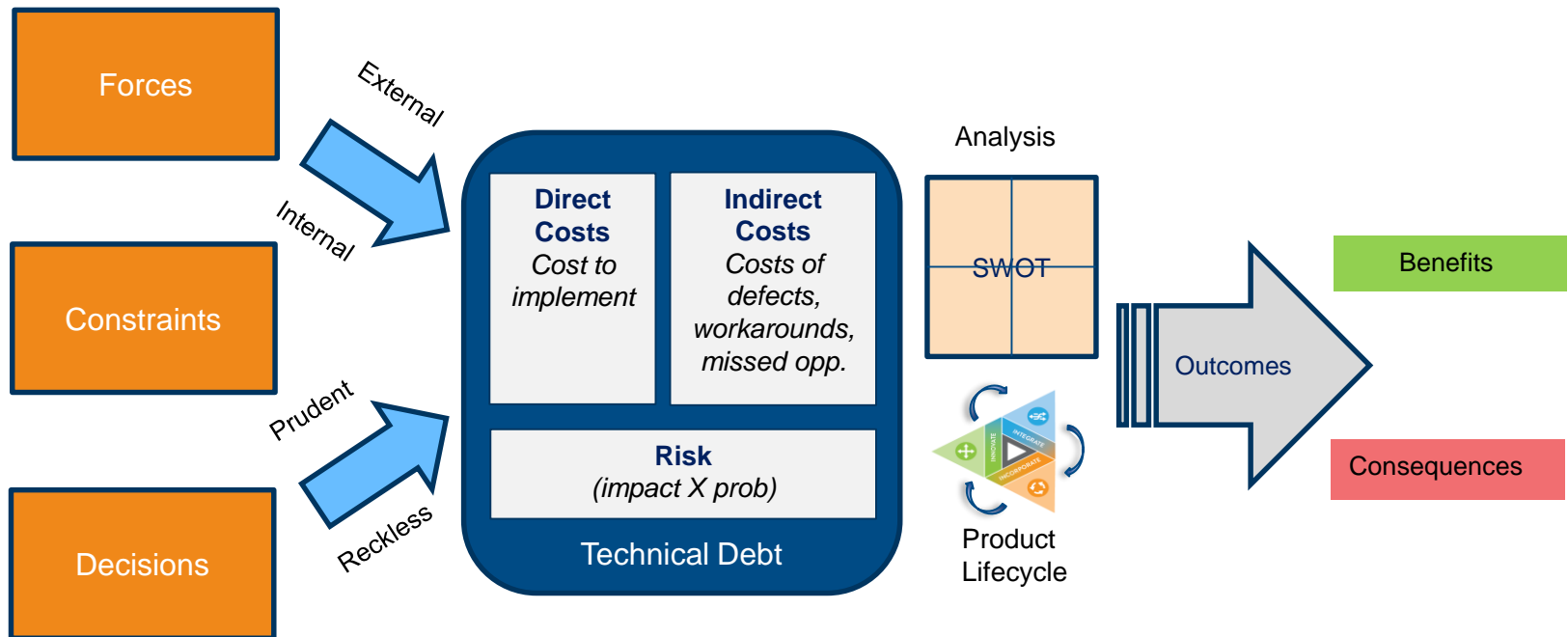
# Indirect Costs (Interest on Debt)

- To paraphrase Ward Cunningham, "Every minute spent on not-quite-right implementation counts as interest on that debt"

- So, every minute spent on workarounds, dealing with bugs, lack of interoperability, managing inconsistencies, customer care, manual processes, awkwardness, etc. are indirect costs

- Worse, the debt compounds itself
  - Every change or enhancement made without fixing the debt adds workarounds, inefficiencies, complexities, fragility, and costs
  - Every integration, without fixing the debt, add dependencies and unknown complications
  - Each added change gets harder and harder, slower, riskier, costlier

- There is also an impact on the ability to attract and retain talent that is part of the interest on that debt. Nobody wants to work on a crappy system…

# Technical Debt Mgmt: *Best Practices*

1. Systematically quantifying & communicating technical debt
   - Quarterly technical debt exhibit
   - 1 page summary with risks and liabilities, plus details
2. Using technical debt and liability as a means for communicating risk and priorities to executive and business leadership
3. Applying a risk based approach to debt evaluation
4. Factoring debt into product lifecycle costs
5. Integrating technical debt into enterprise planning

# Technical Debt Summary Exhibit

| Unfunded Critical Technical Liabilities Summary – Q4 FY16 | | | | | | |
|---|---|---|---|---|---|---|
| Application /Project | Cost to fix | Indirect Costs | Description | Risk | | Consequence |
| | | | | Likely | Impact | |
| Customer Journey | 32K | 1 FTE | Integration of loyalty program with email marketing | H | H | Manual workarounds, ineffective email campaigns |
| CRM | 57K | | Integration of custom back office process with CRM | H | M | Incomplete/inconsistent CX 15% decrease in NPS |
| Cloud | 44K | 26K / yr | Consolidate multiple cloud vendors | H | L | Inefficient vendor relationship unnecessary app integration |
| Analytics | 65K | | Aggregate multiple data sources | M | H | Incomplete customer insight, 30% less cross sell |
| Exec Dashboard | 48K | .25 FTE | Automate data collection and integration | H | M | Manual tasks, Business decisions based on old information |
| Core | 235K | 38K | Upgrade to most recent version of core applications | M | M | Known security vulnerabilities Additional maintenance costs |
| Servers | 98K | | Upgrade EOL hardware | M | L | Some core applications cannot be upgraded, operating costs |

Note that likelihood of risk is related to the budget cycle. e.g. High risk means that the consequence of debt are highly likely to be experienced in this budget cycle.

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# Transforming the IT Organization is Multi-Faceted

**2nd Platform IT**

**Business Innovation IT**

Strategy & Innovation — IT Partnered Strategic Planning — Strategy & Innovation

Talent Management — Business-Oriented IT Talent — Talent Management

Vendor Management — Business-Aligned Technology Partners — Vendor Management

Enterprise Architecture — A Decision Making Architecture — Enterprise Architecture

Service Management — Business-Defined Technology Access — Service Management

Source: IDC, Enterprise IT Transformation Maturity Model, 2014

# Transforming to a Business Innovation IT Org
## *IDC's Enterprise IT Transformation MaturityScape*

**Optimized**

**Managed**

**Repeatable**

**Opportunistic**

**Ad Hoc**

### Core IT
No effort between business and IT to coordinate or incorporate 3rd Platform technology

### 2nd Platform IT
Uncoordinated efforts between business and IT around 3rd Platform implementations; limited progress toward 3rd Platform adoption

### 3rd Platform IT
Coordinated efforts between business and IT around 3rd Platform implementation allow organization to keep pace with peers in 3rd Platform adoption

### Business Innovation
Effective partnership between business and IT around 3rd Platform implementations allows organization to outpace competitors through the use of 3rd Platform

### Business Transformation
Highly orchestrated interaction between business and IT around 3rd Platform implementations, enabling a world-class organization with lasting competitive advantage driven by 3rd Platform transformation and an organization that has embraced it.

Source: IDC, Enterprise IT Transformation Maturity Model, 2014

# Are You Transforming Your IT Org Fast Enough?

Optimized

Managed

Repeatable

**Business Transformation**
Highly orchestrated interaction between business and IT around 3rd Platform implementations, enabling a world-class organization with lasting competitive advantage driven by 3rd Platform transformation and an organization that has embraced it

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Effective partnership between business and IT around 3rd Platform implementations allows organi... ...ace compe... ...the use of...

Opportunistic

2nd...
Unco... ...rts betw... ...and IT arou... ...n impl... ...imited prog... ...d Pl...

3rd...
Coor... betw... ...and IT arou... ...n impl... ...ow organ... ...o pace with... ...atform adop...

Cor...
No e... business and IT to coordinate or incorporate 3rd Platform technology

- Core IT — **16%**
- 2nd Platform IT — **40%**
- 3rd Platform IT — **27%**
- Business Innovation — **13%**
- Business Transformation — **4%**

**67% of Organizations are Operating at a 2nd Platform IT or 3rd Platform IT Transformational Stage**

Source: IDC's Enterprise IT Transformation MaturityScape Benchmark Study, August, 2014. n-156

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# How Relevant is Digital Transformation to You?

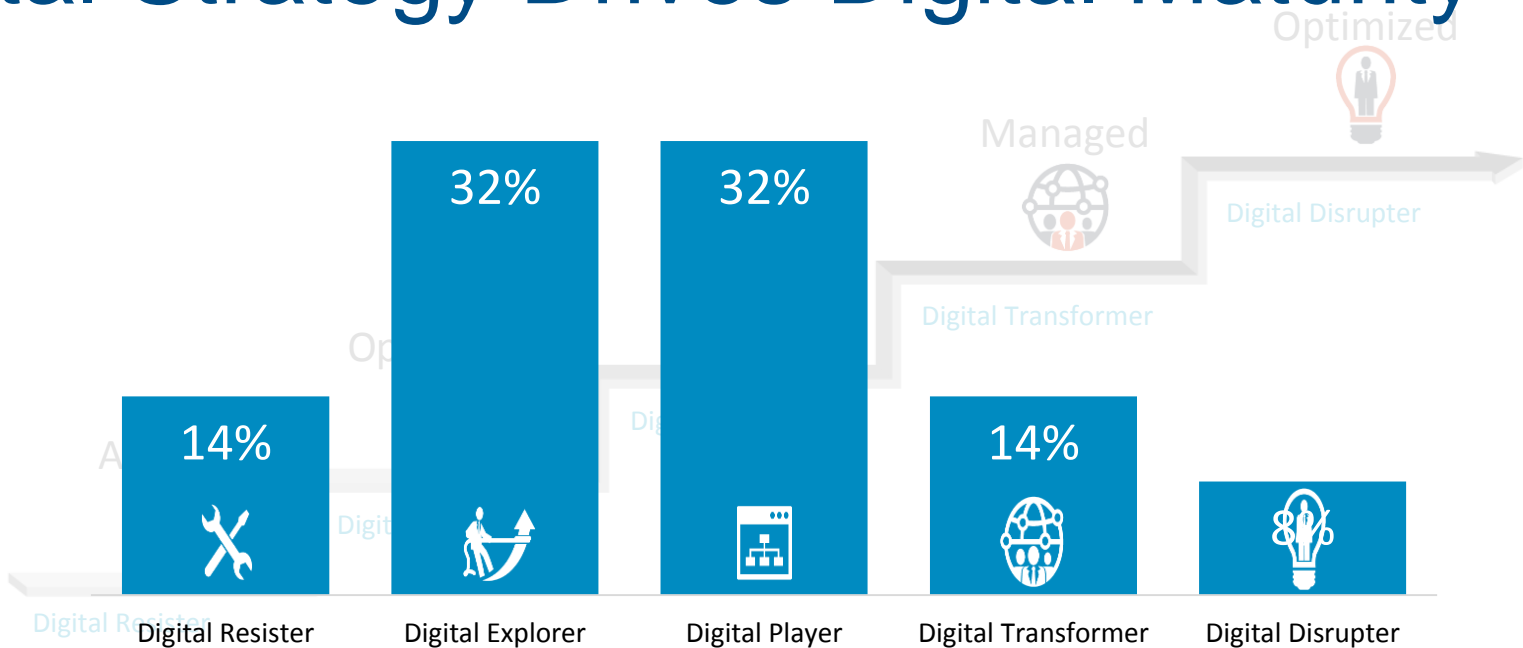- 76% of companies see digital technologies disrupting their industry

- 82% of companies see digital technologies as an opportunity

- 26% see them as a threat

**Main barriers**

- Too many competing priorities (43%)

- Lack of overall strategy (33%)

- Security concerns (25%)

- Insufficient technical skills (25%)

Source: MIT Sloan Management Review and Deloitte's1 2015 global study of digital business

# Digital Strategy Drives Digital Maturity



Bar chart showing digital maturity stages with percentages:
- Digital Resister: 14%
- Digital Explorer: 32%
- Digital Player: 32%
- Digital Transformer: 14%
- Digital Disrupter

| | Digital Resister | Digital Explorer | Digital Player | Digital Transformer | Digital Disrupter |
|---|---|---|---|---|---|
| **Top Barrier** | Lack of strategy | Lack of focus | | Lack of skills | |
| **Strategy** | Customer, Productivity | Vision, Governance | | Transformation, Innovation, Governance | |
| **Culture** | Siloed | Integrating | | Integrated, Innovative | |
| **Leadership** | Limited skills | Learning digital skills | | Digital and 3D Leadership | |

Source: IDC, Digital Transformation Maturity Model Benchmark, 2015; n= 317 IT and LOB Executives, March, 2015

# Transformation Challenge

**Local Agility**

**Enterprise Agility**

Managed

Repeatable

Opportunistic

### Strategy-to-Execution Architecture

EA supports outstanding strategy-to-execution, portfolio, and information management. Strategic deployment of transformative 3rd Platform solutions yields ongoing enterprise market leadership.

**Business Outcome**
*"Make it differentiated"*

*Business has sustained competitive and game-changer advantage*

### Enterprise Wide Architecture

EA supports enterprise-wide interoperability, improved decision making, and portfolio management. It provides timely business response based on data analysis and system flexibility. 3rd Platform solutions drive business initiatives.

**Business Outcome**
*"Make it actionable"*

*Business excels in strategy, planning, and execution*

### Business Architecture

EA supports reduced operating costs and increased reliability. Consistent business critical information and process. 3rd Platform solutions deliver value with minimal disruption.

**Business Outcome**
*"Make it consistent"*

*Acquisition and retention of business end customer through operational excellence*

### Standardized Architecture

EA supports standardized platforms that enable better results for some LOB and utilizes 3rd Platform solutions. Integration issues limit end-to-end processes and 360 degree views.

**Business Outcome**
*"Make it better"*

*Projects benefit from lower costs, faster time-to-market*

### Fragile and Inflexible Architecture

Lack of EA results in fragile and inflexible IT systems that cannot incorporate 3rd Platform technology. Inconsistent processes and data create unnecessary costs and rework.

**Business Outcome**
*"Quick and dirty"*

*Wasted time, money, and opportunity.*

← Business silos — Architected business →

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# Strategic Architecture Framework



| | Forces | |
|---|---|---|
| *Internal* | | *External* |

Business
- Strategy + Tactics
- Goals + Objectives
- DX

Technology
- Costs, Complexity
- Integration
- Lifecycles
- Operational Excellence

Business
- Security
- Competition
- Regulations
- Adjacent Industries

Technology
- Trends
- 3rd Platforms

Performance

Security

*Protect assets*

*Ensure outcomes*

Business

*Strategies, Operating Model, Outcomes*

Information

*Support decisions*

Application

*Manage Information*

*Provide capabilities*

Infrastructure

*Provide infrastructure*

Service

*Manage Services*

Governance

*Manage investment*

Architecture Program, Organization, Team

# 3rd Platform Reference Architecture

Strategy

**Security Framework**

| | |
|---|---|
| **Strategic Business** Architecture | |
| **Enterprise Security** Architecture | |
| **Performance** Architecture | |
| **Data/ Information** Architecture | |
| **Service** Architecture | |
| **Enterprise Application** Architecture | |
| **Enterprise Technology** Architecture | |

Performance Framework

Data Warehouse

Business Analytics

Reports

Dashboards

Insight

**Big Data & Analytics**

Big Data

IT as a Service

Internet of Things

SaaS Paas

...ness Processes

User Experience (Systems of Engagement)

OmniChannel

**Mobility**

SOA Infrastructure

**Integration Framework**

Social Media / Networks

**Social Business**

Enterprise Resources and Systems of Record (ERP, data, etc.)

**Enterprise Infrastructure**

**Cloud**

IaaS

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© IDC 2015

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# IDC's Enterprise Architecture Maturity Model



**Ad Hoc**

### Fragile and Inflexible Architecture

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*"Quick and dirty"*

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**Opportunistic**

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**Business Outcome**
*"Make it better"*

*Projects benefit from lower costs, faster time-to-market*

**Repeatable**

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EA supports reduced operating costs and increased reliability. Consistent business-critical information and process. 3rd Platform solutions deliver value with minimal disruption.

**Business Outcome**
*"Make it consistent"*

*Acquisition and retention of business' end customer through operational excellence*

*"*

**Managed**

### Enterprise Wide Architecture

EA supports enterprise-wide interoperability, improved decision making, and portfolio management. IT provides timely business response based on data analysis and system flexibility. 3rd Platform solutions drive business initiatives.

**Business Outcome**
*"Make it actionable"*

*Business excels in strategy, planning, and execution*

**Optimized**

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EA supports outstanding strategy-to-execution, portfolio, and information management. Strategic deployment of transformative 3rd Platform solutions yields ongoing enterprise market leadership.

**Business Outcome**
*"Make it differentiated"*

*Business has sustained competitive and game-changer advantage*

# Maturity Model Dimensions

| | Dimensions | Sub-Dimensions | | | |
|---|---|---|---|---|---|
| Leadership | **Leadership** | Vision & Innovation | Executive Participation | Technology | Culture |
| Business | **Business** | Business Strategy | Value Decision Making Risk | Alignment Sponsorship Influence | |
| Technology | **Technology** | Mobility & Social | Cloud & Big Data | Integration & Security | Information Management |
| Organization | **Organization** | Community of Practice | Governance- Planning- Portfolio | Roles & Structures | Metrics & Benchmarking |
| Deliverables | **Deliverables** | Processes & Methodology | Standards & Reference Architecture | Scope | Repository & Reporting |

# Enterprise Architecture Transformation



**AdHoc** 7%

**Opportunistic** 40%

**Repeatable** 28%

**Managed** 18%

**Optimized** 7%
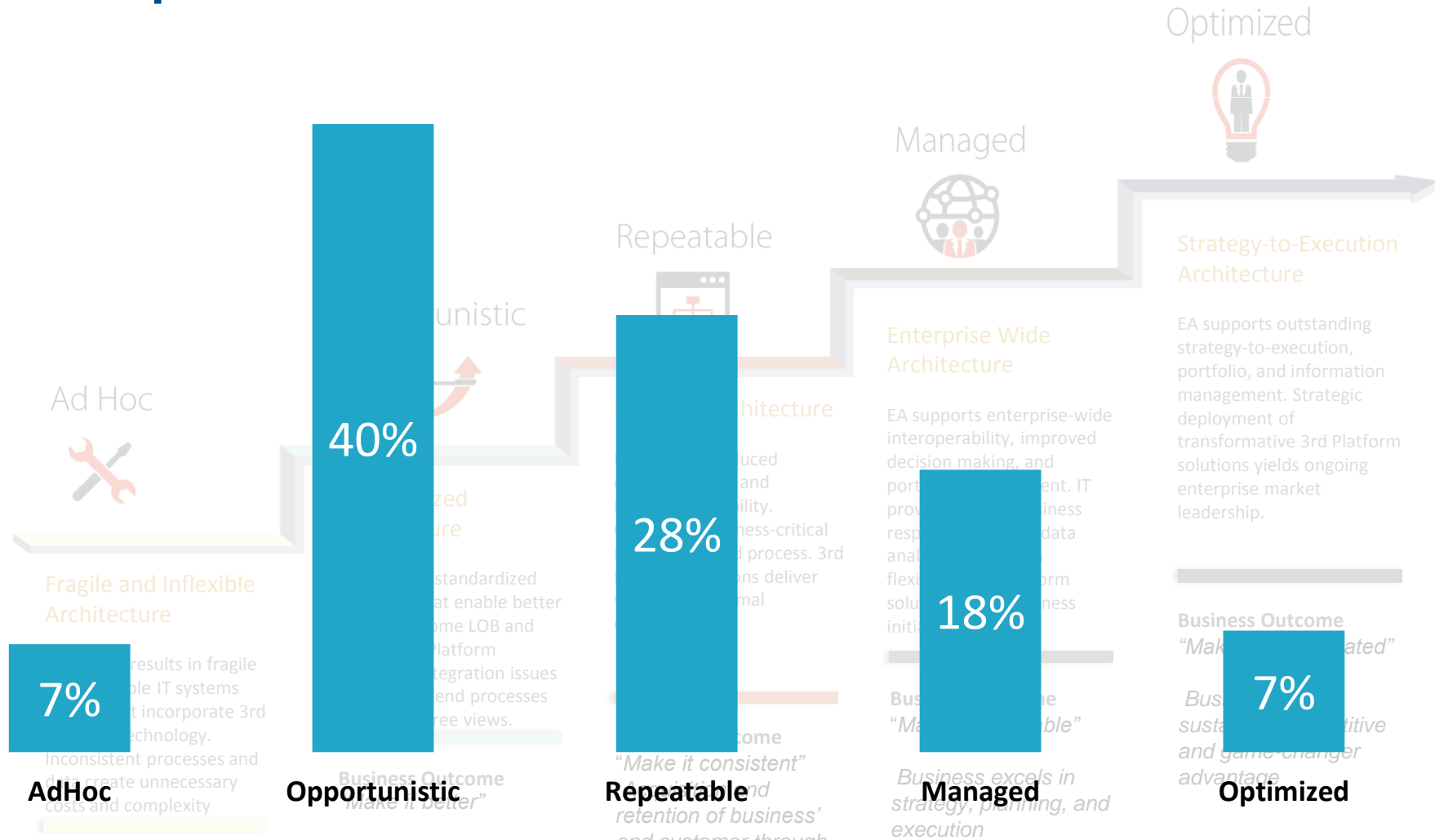
**47% of Organizations are Operating at an AdHoc or Opportunistic Level**

IDC
Analyze the Future

# Survivors and Thrivers



Legend: ■ Survivors ■ Thrivers

Chart values:
- AdHoc: Survivors 16%, Thrivers 5%
- Opportunistic: Survivors 59%, Thrivers 32%
- Repeatable: Survivors 15%, Thrivers 29%
- Managed: Survivors 7%, Thrivers 23%
- Optimized: Survivors 3%, Thrivers 11%

Staircase labels:
**Enterprise Architecture**

Ad Hoc → Opportunistic → Repeatable → Managed → Optimized

**Fragile and Inflexible Architecture**
EA results in fragile inflexible IT systems ... porate 3rd Platform technology. Inconsistent processes and data ... nnecessary costs and complexity

**Business Architecture**
EA supports reduced operating increased Consistent ... critical information ... cess. 3rd Platform s ... eliver value with ...
**Business Outcome** "Make it consistent" Acquisition and retention of business' and customer through

**Enterprise Wide Architecture**
EA supports enterprise-wide interoperability, improved decision making, and portfolio management. IT provides timely business response bas ... a analysis and flexibility. 3r ... solutions dri ... s initiatives.
Busi ... s in strategy, planning, and execution

**Strategy-to-Execution Architecture**
EA supports outstanding strategy-to-execution, portfolio, and information management. Strategic deployment of transformative 3rd Platform solutions yields ongoing enterprise market leadership.
**Business Outcome** "Make it di ... ed"
Business su ... ive and game-changer adv ...

"Make it better"

## 75% of Survivors are Operating at an AdHoc or Opportunistic Level

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# Architecture: What do you think?

# Discussion

- What is the perception of architecture at your organization?

- How is architecture typically structured or focused?

- What would work better?

# Delivering Value



- In many ways, architects have been their own worst enemy.

- Traditional architecture programs focus on creating architecture. Then, they depend on process and command & control to govern implementation.
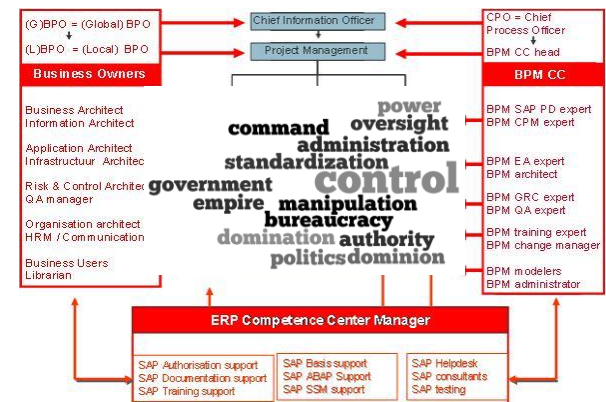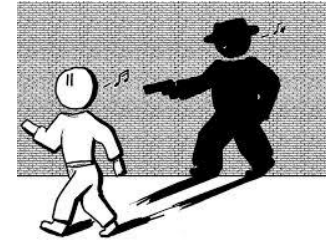


*"Creating architecture does not create value. Value is only realized when architecture is used to influence decisions."*

# Success Formula

- The formula for a successful Architecture is simple:

  - *When you make it easier/more valuable for people to do their job by using architecture, they will;*

  - *If you make it harder for them, they will fight you.*

**Architecture Checklist:**
- What are the goals?
- What decisions do you need to influence to achieve them?
- Who makes those decisions?
- What processes do they use to make them?
- Where are the opportunities within those processes to influence the decisions?
- What structure of artifact would be useful
  - At that point in the process
  - For that individual
  - From their perspective, tools, and skill set?
  - …And consistent with architectural principles and best practices!
- How do we make one? How do we engage them to help?
- How will we measure if it is working?

THE
**SUCCESS FORMULA**
HOW SMART LEADERS DELIVER OUTSTANDING VALUE
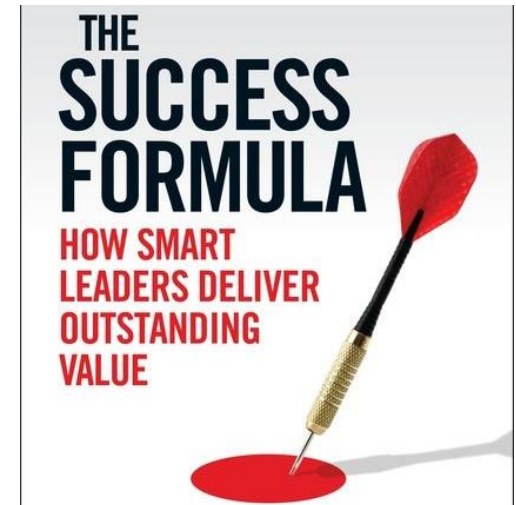
# Enterprise Architecture Value Proposition
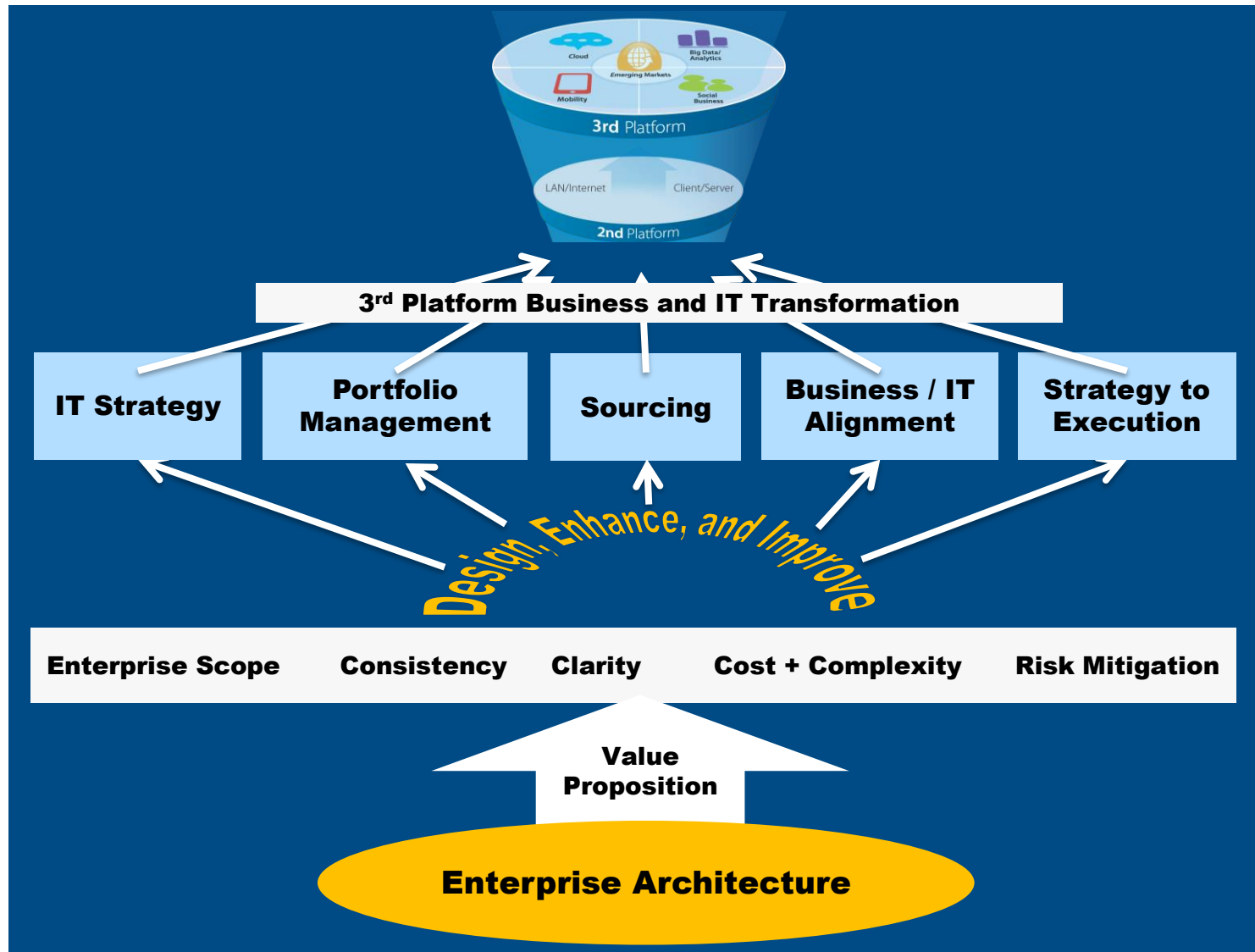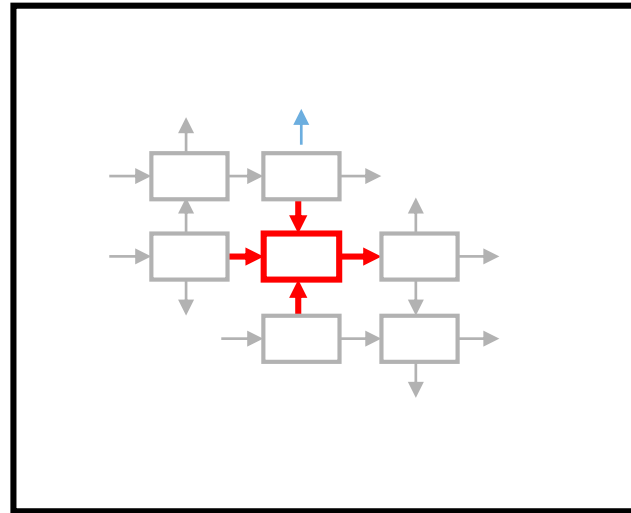
# Investment in Isolation

**Investment by itself**
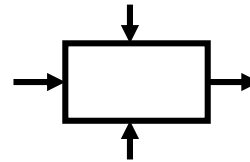


$$V_u = \text{Value to User}$$

**Total Value $V_t = V_u$**

# Investment Within the Enterprise
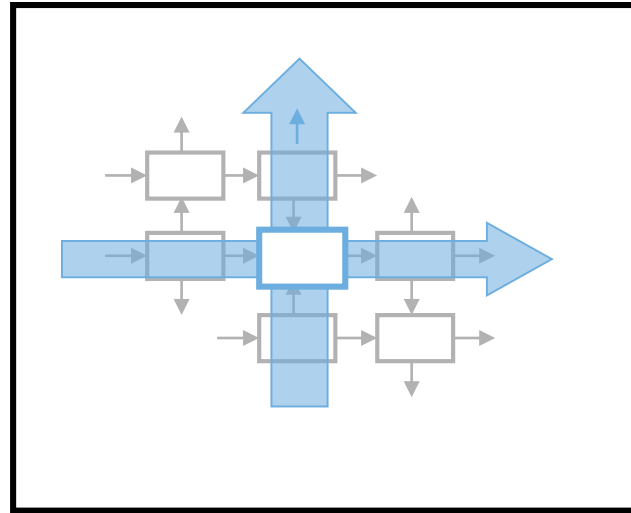
**Investment within the Enterprise**



$\color{red}{V_e}$ = **Value to Enterprise**

$V_u$ = **Value to User**

---

**Total Value $V_t = V_u + \color{red}{V_e}$**

# Investment Connected to Infrastructure

**Investment connected to Infrastructure**



$V_i$ = **Value to Infrastructure**

$V_e$ = **Value to Enterprise**

$V_u$ = **Value to User**

_____

**Total Value $V_t = V_u + V_e + V_i$**

# Tour Eiffel

- Built in 1889 for Universal Exposition
- World's most visited paid tourist attraction
  - Over 220M visitors
- 300m high, 125m wide
- Cost: 7.7M francs
- Paid for itself in 1 year
- What is the Value?

# Tour Eiffel Construction

- 18,038 parts prefabricated in the workshop by 100 workers

- Assembled on site by 132 workers using 2.5M rivets

- Revolutionized building construction

- First major structure built using prefabricated parts

- What was the value?




broer.no

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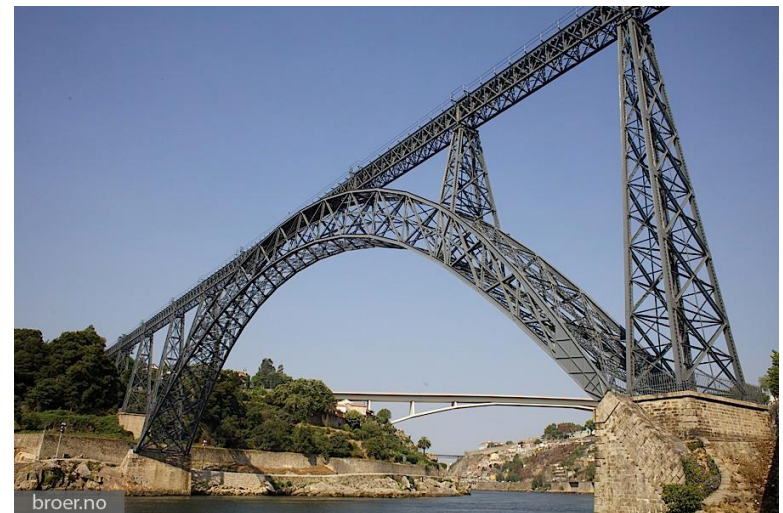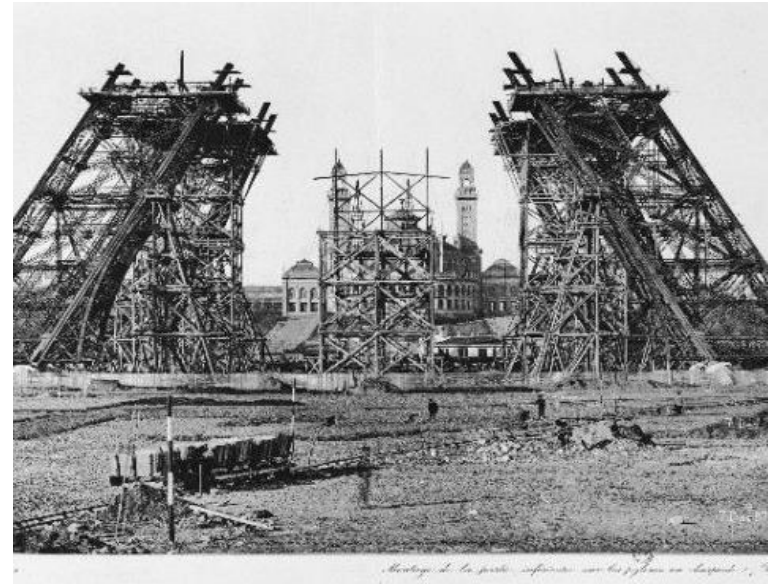
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