ENTERPRISE ARCHITECTURE:

THE (FREQUENTLY) MISSING LINK

BOB KAPLAN

HPA | HighPoint Associates

Enterprise Architecture: The (Frequently) Missing Link

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While it involves a considerable amount of work to develop and maintain, I've never quite understood why **Enterprise Architecture** (EA) is so often overlooked when it comes to creating alignment between IT capabilities and desired future business outcomes. The approach and techniques have been around since the 1980s, pioneered by IBM during the company's heyday.

EA involves enterprise architects, senior technologists and most importantly senior business executives analyzing an organization's operational innerworkings (people and processes), technological infrastructure and vulnerabilities, the external business environment (e.g. potential disruptions and risks), and business strategies. The findings are then used to develop an IT roadmap and organizational recommendations that will support a conceptual technological future state or a variety of possible future technology scenarios. Critical to the EA is the description of the definition and relationships of core pieces of the enterprise and its systems: What is a customer (and other key definitions), how will data be stored and accessed, who sets the rules of the road for system changes, what is the security framework to be deployed and adhered to are just a few examples.

Another thing that puzzles me are those companies that pay lip service to the idea of Enterprise Architecture, but don't actually have a functional EA in place. This is far more common than you'd think. This lapse can – and frequently does – result in a glaring loss of productivity, agility, revenue, cost reduction, and all the good stuff successful EA delivers. In fact, lack of EA can lead to significant problems over time such as systems becoming needlessly complex, difficulty with integrating new application capabilities into the business, and serious problems with post-merger integrations.

KEY BENEFITS OF EMBRACING ENTERPRISE ARCHITECTURE

According to a _2020 Gartner report_, "76% of organizations are either starting, restarting, or renewing their EA practices." For the remaining 24% of businesses that need further convincing, here is a handful of solid reasons to consider jumping on the EA bandwagon – and fast:

- Improved organizational decision-making

- Better adaptability to shifting demands and changing market conditions
- Elimination of inefficient and redundant processes and IT assets
- Optimization of the use of IT assets
- Greater IT transparency provided to those outside of the IT team
- Effective facilitation of project management

YOU MIGHT BE WONDERING, _IF EA IS SO FUNDAMENTAL TO GROWTH, WHY IS IT SO OVERLOOKED?_

The reality is, developing a solid EA is hard: It requires total cooperation and alignment between business leaders and tech leaders, which sounds easier than it is to accomplish. This is frequently the fault of the business leaders who feel IT is not part of the job description. By not making time to participate in EA activities they are sowing the seeds for cost and competitive problems.

Too many companies don't have the right EA resources and consequently do not feel up to the challenge. Senior EA talent is difficult to find and even harder to protect in the organization. EA can be attacked by both the technology side of the house (we do not need it to get our work done) and by business leaders (I don't have time for this). Some companies don't see the long term payoff as worth the effort. A mistake.

While EA can yield effective and measurable change over time, there may not be immediate benefits. Short-term payoff should not be the primary driver when it comes to Enterprise Architecture.

Finally, companies frequently use "capabilities maps" in place of a real EA, despite their being vastly different concepts and serving different purposes. A capabilities map, while useful, is actually no more than a catalog of current applications and code. At the lowest level it simply describes the resources in place (a billing application, a workflow stack, etc.). This is useful so that redundant applications are not put in place in different parts of the organization. But this "map" generally fails to show the interrelationships between the various capabilities and lacks logical links back to business processes. A catalog is helpful but it is not a replacement for a map.
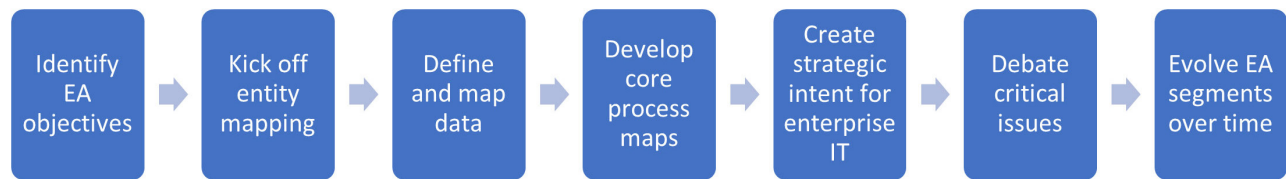
For companies that are considering moving into serious

Enterprise Architecture work despite perceived (and real) challenges, here are three things to get you on the right track.

1. **Hire the right talent:** While finding seasoned enterprise architects can be difficult, it's essential to ensuring your EA is in skilled hands. This person will (should) understand which EA framework will work best for your company and goals, and will be better able ensure your IT strategy aligns to the business mission, strategy, and processes.

2. **Create structure:** Having an organizational structure where EA has true control, power, and resources will set your EA on the path to achieving your business goals. It will also ensure there is a single source of truth that will guide the roadmap and inform recommendations.

3. **Align leaders:** Make development of an EA the joint responsibility of senior business leaders and senior technical leaders. This functional partnership will ensure necessary technical resources are in place to achieve the desired business outcomes.

How it's done: Enterprise Architecture process flow

Once your EA team is in place, leaders are aligned, and goals are established, here's the recommended action plan for moving forward.

| Identify EA objectives | → | Kick off entity mapping | → | Define and map data | → | Develop core process maps | → | Create strategic intent for enterprise IT | → | Debate critical issues | → | Evolve EA segments over time |

DRIVE MEANINGFUL CHANGE WITH ENTERPRISE ARCHITECTURE

Simply put, organizations that put a business outcome-based EA into practice are in a stronger position to align IT with business goals, reduce risk, achieve optimal cost-savings, and enable business transformation. If your business doesn't have an EA in place, what are you waiting for?

ARTICLE AUTHOR

BOB KAPLAN is an HPA Senior Advisor with over 35 years of experience as a senior executive and management consultant. A former Managing Partner at BCG and Senior Partner at McKinsey, Bob currently counsels CEOs and other senior executives on strategy and organizational issues, primarily within the technology, media, financial services, and utility sectors. Bob has held senior executive positions such as acting CEO and acting CTO for multiple companies, including: Motif Inc., ITM Software, Silicon Valley Bank, Netliant, and Alibris. He holds an MBA from the Stanford Graduate School of Business and a BA from Yale University.

HIGHPOINT WEST
100 North Pacific Coast Highway, Suite 620
El Segundo, CA 90245
(310) 616-0100
contact@highpoint-associates.com

HIGHPOINT EAST
641 Lexington Avenue, 15th Floor
New York, NY 10022
(973)-896-1101
contact@highpoint-associates.com

HPA | HighPoint Associates