



BUSINESS ARCHITECTURE

A Modus21 White Paper

Abstract

A primer on Business Architecture.
What it is, what it should produce, and where it should reside within the contemporary
enterprise.

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Introduction

The discipline of Business Architecture has evoked significant interest by both business and technology leaders within contemporary organizations. By its very nature, Business Architecture is a hybrid capability that strives to fill the void which exists between business and technology within these organizations. Currently however, most commercial BA practitioners work in either an Enterprise Architecture department or under the CIO. Business Architecture is actively evolving from its roots within Enterprise Architecture (EA) and Business Process Management (BPM) to a recognized role within the business groups of organizations. As the understanding and proliferation of Business Architecture increases, so will the complexity and need for flexibility and agility. This, in turn, will necessitate that BA be recognized as its own discipline. The evolution of Business Architecture also introduces questions regarding what BA actually is, what it does, and where it should formally (and finally) reside within an organizational structure. These questions are understandable and relevant as Business Architecture is still a new capability which exists in the space between business operations and information technology that comprise most contemporary enterprises. This white paper provides relevant information and context regarding Business Architecture; what it is, what businesses should expect, and how it should be implemented.

What is Business Architecture

Business Architecture (BA) is an analytical and modeling discipline. It is a mechanism for defining the complex structure, behavior, and outcomes of an organization. Or to say it another way, an organization's Business Architecture is represented through business models and process models that demonstrate the integration and relationships between the two types of models. BA is not solely a technology oriented capability leveraged to identify or implement computer systems. To the contrary, BA is a discipline responsible for generating holistic models of a business with the aim of representing the "what, why and how" of an organization as it executes its business competencies.

Business Architecture is an evolving standard in the business technology industry. The Object Management Group (OMG) established the Business Architecture Working Group (BAWG) in 2007. The BAWG works very closely with the Business Architecture Guild¹ which was officially established in 2010. Since that time, the Business Architecture Guild has established and expanded the Business Architecture Body of Knowledge (BIZBOK). The BIZBOK is now in its 3rd edition (version 3.5) and the BAWG and Business Architecture Guild have grown into a large, international community of participants. Thus, there is an established industry ecosystem supported by multiple standards organizations which are focused upon the proliferation of business architecture as a discipline.

Business Architecture

"Business Architecture is the art and science of delivering coherent, dynamic and complete business designs to drive successful business transformation [Process]. It is an architectural view of business [Thing] that organizes:

- *A rigorous description of current and future states of the business as well as the intent and realization of business operations and initiatives;*

¹ <http://www.businessarchitectureguild.org>

- The definition of initiatives to measure and improve business performance and realize strategic business intent; and
- The context for IT transition planning and roadmap development.”²

Enterprise Business Architecture

“Enterprise Business Architecture is architecture that comprises business functionality and business informational models, positions itself across business administrative and organizational enterprise structures, and that transforms goals and objectives defined in a business enterprise model and refined in the Strategic Business Plans into the functional and informational definition for a corporate business”³

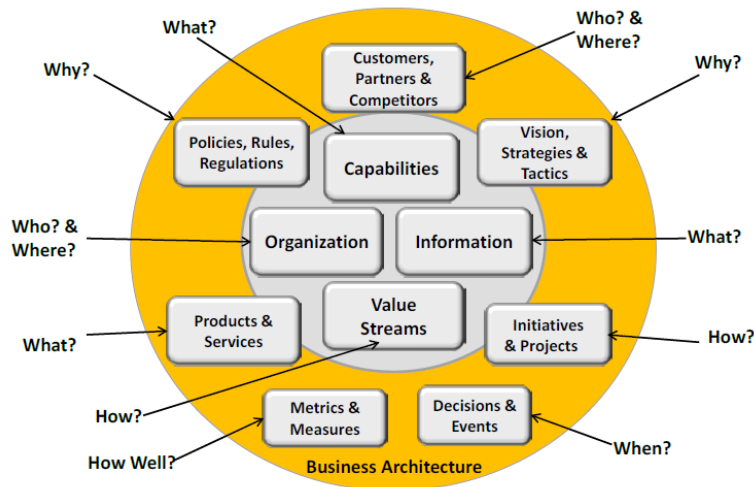


Figure 1 - Aspects of the Business Represented by Business Architecture (BIZBOK)⁴

The BIZBOK utilizes Figure 1 above to represent the domain of business architecture. In essence, the responsibility of a Business Architect is to answer the interrogatives (Who, What, When, Where, Why, How, etc.) by generating meaningful models of the organization and the entities that exist within it. By virtue of these business architecture models, “a business is broken down into business units, which have certain capabilities. Capabilities are enabled through a series of value streams, which require information. Organization, capability, value, and information comprise the foundation of the business architecture.”⁵

² McDavid, Doug, “The Business Architect – An Emerging Role”, November, 2007.

³ Poulin, Michael, “The Subject and Discipline of Business Architecture” InfoQ, 12/2/2013.

⁴ Business Architecture Guild, *A Guide to the Business Architecture Body of Knowledge™*, v 3.5 (BIZBOK™ Guide), 2013

⁵ Ibid.

What is the purpose of BA?

The purpose of Business Architecture is to solve complex business problems via activities such as current state analysis, future state modeling and simulation, and business transformation planning. A critical tool in the execution of these activities is the accurate capture of graphical and textual representations of how an organization operates. These representations are utilized to facilitate the proliferation of understanding throughout an organization. This should include both an understanding of the current state of operations as well as the desired future state of operations.

What does it do?

According to the BIZBOK, *“Business architecture represents real world aspects of a business, along with how they interact, to help executives answer commonly asked questions: who, what, where, when, why, and how. Answers to these questions, derived from the business architecture, are used to develop plans, and make and implement business decisions. This is the essence of business architecture.”*⁶



Figure 2 – Example Business Architecture Activities - per the Business Architecture Guild⁷

⁶ Ibid.

⁷ Ibid.

Figure 2 illustrates the activities which are performed by a business architect. The appropriate utilization of these activities is based upon the specific domain of analysis and the desired output. Please note that all of these activities result in models, and are focused on the business operations of an organization.

What does it generate/produce?

Business Architecture produces models of an organization. This should include detailed end-to-end process models of execution. The level of detail in these models should be commensurate with the intended utilization. Example uses of business architecture models include organizational governance based upon defined roles and responsibilities, requirements for software systems, and systems integration contracts.

Business Architecture models are often referred to as blueprints. *“Blueprints are abstract representations of reality. The concept of blueprints represents a wide variety of business viewpoints. There are building blueprints, ship blueprints, and, in our discussion, business blueprints. A given blueprint is one view of the business. There are many types of business blueprints, [...] that allow us to visualize the business from a variety of perspectives. [...] Each blueprint provides management with information about a given aspect of the business within a specific context.”*⁸

BA is similar to the business analysis discipline. It produces analysis artifacts similar to process models, data models, and business models. Example BA models include:

- Organization Models
- Operational Models
- Value Streams
- Process Decomposition Models
- Business Domain Maps
- Activity Models
- Capability Maps
- Value Chain Models
- Supply Chain Models
- Information Maps

The primary distinction between Business Architecture and business analysis is that business analysts are almost exclusively focused upon the generation of technical and functional requirements for software systems. This discipline necessarily views the world from a technology perspective and looks to find software-based solutions to identified problems. On the other hand, Business Architecture is more concerned with a holistic and systemic view of the business as an organic but structured entity. BAs represent the organization such that tactical execution is inherently associated with strategic goals and initiatives. In BA, there is no assumption that technology is the end game. Technology may play a role, but if that is the case then it is merely as a tool deployed to meet a strategic objective.

⁸ Ibid.

How Business Architecture should be Organized

Business architecture is an emerging capability that is focused on demonstrating the relationships between strategy and execution across an organization. It is inherently business oriented but must recognize the role that all groups play in achieving organizational goals. As such, BA is integral to the successful and holistic implementation of Business Process Management (BPM). However, there is significant confusion about the appropriate locale of BA within an organization. To some extent, this is due to the assumption that ‘architecture’ is somehow inherently related to computer technology and software. This assumption is simply due to the fact that many organizations have computer network architects and/or computer software architects. However, business architecture is materially different than these roles in that it is specifically focused upon the business executed by an organization.

With whom does BA interact?

A business architect should interact with everyone in an organization. In particular, business architecture resources need unfettered and significant access to business performers, customers (internal and external), and management. In fact, the business architect is best viewed as a peer and colleague of the resources within the business areas of an organization. Successful business architecture results in a detailed understanding of the system that is an organization. As such, the greater the knowledge and understanding of each component of the system, the better the perspective of the system itself. To achieve a high level of efficacy a Business Architect must directly engage every individual, group, unit, department, etc. that comprises an organization.

Should BA reside within IT/Systems?

Business Architecture should not be singularly housed within Information Technology or Systems. To facilitate an appropriate separation of duties, the BA should reside within business operations, and operate as a liaison with IT/Systems. BA models should be primary sources and requirements artifacts leveraged by IT. The models are representations of what needs to be accomplished and provided by the technology systems. In as much that they define ‘what’ needs to happen to achieve organizational goals, BA artifacts are concrete and structured requirements for the systems provided by the IT group. This frees the IT group to determine ‘how’ those needs should be fulfilled. The models can also be utilized as testing, validation, and verification artifacts. If an implemented solution does not comply with BA models, then the solution is either incorrect or incomplete. While the recommendation is that BA should not reside within IT, there must be very close interaction with any group implementing process execution software such as BPM, ACM, or ERP. The BA resources within an organization should work hand in hand with process analysts, requirements analysts, and testing resources to generate solution requirements, process models, and testing artifacts. The BA role is the manifestation of the long held dream of IT; finally, responsibility for appropriate requirements now rests with the business unit by virtue of BA

Should BA reside in Business?

Business Architects should be an integral component of business unit(s). Ideally, this role should actually exist within specific business units. In large organizations this may manifest as a Business Architecture group under the COO with an individual BA affiliated with discrete departments. Alternatively, smaller organizations may have a single BA who splits time between departments. Regardless of the structure, an appropriate resource requires intimate knowledge of what the business unit does, how it does it, and who is responsible for what. The BA resource must understand the strategic business objectives, critical success factors, and key performance indicators which are critical for the success of the unit. Additionally, the resource must have detailed knowledge of meaningful execution metrics; business rules; and reporting, compliance, and contractual requirements. By virtue of its existence within the business unit, business architecture can be effectively managed and held accountable by the business unit leadership.

Conclusion

Although its roots date back to 2007, Business Architecture has just recently started to gain acceptance as a legitimate discipline. Several standards organizations continue to refine the knowledge base around Business Architecture and a significant number of high profile corporations have successfully implemented BA projects and initiatives. Examples of these are available by reviewing the case studies presented at various business architecture events now held worldwide. The 2015 Business Architecture Innovation Summit included presentations by the European Medicines Agency, Nordea Bank, Boeing, Raytheon, and United Airlines. However, the proliferation of BA has prompted questions regarding its purpose, practices, and place within contemporary organizational structures. This white paper presented a primer regarding Business Architecture and provided information and recommendations regarding its adoption. A plethora of material can be found at any of the standards organizations promoting BA; however, many organizations are left wondering about the practical matters of implementing BA. Organizations are encouraged to reach out to participating members of the standards organizations to get additional information, context, and advice on how Business Architecture can provide value.