Showing the value of your business-oriented Enterprise Architecture team

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“Can you help us reboot our Architecture Team?”
While working with EA, the **biggest mistake** that I learned from was related to:

- **32.8%** Not Aligning Enterprise Architecture Initiatives With Business Goals
- **10.9%** Relying On Enterprise Architecture Values That Are Too Rigid
- **25.5%** Failing to Communicate Across the Organization
- **18.2%** Working With Low-Quality Data
- **9.1%** Working With Unorganized Data

[https://www.ardoq.com/blog/how-to-avoid-enterprise-architecture-mistakes](https://www.ardoq.com/blog/how-to-avoid-enterprise-architecture-mistakes)
How Architects talk about Value
Categories of EA Value - Empirical Studies

[Gong2019]

<table>
<thead>
<tr>
<th>Category of EA value</th>
<th>Value Description</th>
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</thead>
<tbody>
<tr>
<td>Strategic and political</td>
<td>Improved business-IT alignment</td>
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<td></td>
<td>Enable governance and compliance management</td>
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<td></td>
<td>Enhance the management of IT and business capabilities</td>
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<td>Transformational</td>
<td>Facilitate decision-making in IT investments and the development of new infrastructures, capabilities and so on</td>
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<tr>
<td>Communicational</td>
<td>Navigate from strategy to the delivery of projects and portfolio management</td>
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<td></td>
<td>Improve top-down communication</td>
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<td></td>
<td>Improve communication between business and IT professionals</td>
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Eight Major EA Activity Areas and the Benefits They Provide - Empirical Studies

Kurnia2021
Why should the company invest in your Architecture team to achieve its goals?
Strategic Outcomes for the Company

- Revenue Growth
- Cost Saving
- Risk Reduction
**Executing on that Strategy**

### Revenue Growth

- **Improved competitiveness**
  - Faster time to market
  - Improve partner collaboration
  - Product innovation & respond to market changes

- **Strengthen Growth**
  - New Channels / Markets
  - Improve customer loyalty
  - Acquire new Product line

### Cost Saving

- **Cost Efficiency**
  - Minimizing Business As Usual cost to maximise investment for change
  - Control Run costs

- **Improved Operational Excellence**
  - Efficiency of service / product delivery
  - Resource Management / Info Management / Corp Services

### Risk Reduction

- **Compliance**
  - Specific Regulatory Compliance
  - Improved Audit communication

- **Security / Governance**
  - Business Continuity / Resilience
  - Tech Risk / Cyber Risk
  - Improved Risk Mgmnt
Connect EA deliverables to Strategy and Execution Outcomes

Strategic Outcomes
- CEO/CFO
- Business Challenge
  - Revenue | Cost | Risk
- Impact on Strategic metrics
- Impact on Execution metrics
- Operational indicators

Execution Outcomes
- COO/CIO
- How to deliver on Strategic Outcome
- Business-IT Alignment
- Delivering Change
- Improve WoW

EA Techniques & Deliverables
- EA / IT Architect
- Techniques & Use Cases to deliver on Execution Outcomes
Value Chain from EA activities to Business Value

**Strategic Outcomes**
- Reduce Overall Cost by 10%

**Execution Outcomes**
- Reduce IT Opex / CAPEX

**EA Outcomes**
- ALM, BCM
  - Full overview of IT portfolio and Business alignment
  - Saves analysis time by 10% hours each Q
- ITCM
  - Continuously updated cost pools.
  - Save analysis time by 10% each Q
- App Rationalization
  - Reduced run-cost in IT, increased quality.
  - Save OPEX and CAPEX by X per year

**Final Outcomes**
- Cost, Operational Risk
- Total IT OPEX / CAPEX,
- Cost per Capability / Process
- Cost for consultants
- Cost per vendor
- Num Apps in Shadow-IT,
- Aggregated cost pools from IT to Business
- Num app per Capability
Value Chain from EA activities to Business Value

Strategic Outcomes
- Compete with new disruptor

CEO/CFO

Execution Outcomes
- Improve Product Time-to-market
- Improve delivery throughput

CIO/SVP/VP

EA Outcomes
- ALM, BCM, Integ-Mgmt
- Strategy 2 Execution
- Product Aligned Teams

EA / IT Architect

- Shorten Impact Analysis 20% improvement TTM
- Reduce spend on non-Strategic objectives Further 15% improvement
- Faster distributed decision making Further 10% improvement

- Cost, time-to-value,
- lead-time for prioritisation,
- time from prio to first-customer value,
- time spent on non-strategic initiatives
- impact assessment time,
- num rejections from ARB,
- num solution proposals that cross value streams
Start with Why

Architects are experts on the ‘How’ but we need to start with why your stakeholder should care.
Quantify

Leading and lagging Architecture indicators

Usefulness is more important than precision

T-shirt sizing and order of magnitude analysis is usually enough

All critical outcome value objectives can be quantified and must be.

https://www.gilb.com/blog/principle-quantify-objectives
## Epic Name:
Continuous Application Rationalization

## Epic Owner:
Chief EA

## Epic Description:
For the CIO who controls the IT budget, the Application Rationalization dashboard is an up-to-date list of business cases for reducing IT spend and improving quality that is reviewed by the IT mgmt team each quarter. Unlike the current manual analyzed rationalization initiatives that are randomly triggered by budget cuts, our solution will reduce time to initiative rationalization projects and proactively present cost savings opportunities to discuss with the CFO.

### Business Outcomes:
Reduced cost, improved IT quality, lower security footprint, reduced time to market

### Metric / KPI for the Outcome:
- Number of IT applications per capability
- Total IT cost per capability
- Time to market for customer facing functionality
Ardoq