Mapping Business Capabilities

using

BiZZdesign Architect® and ArchiMate®

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Your presenter today

- Business and IT majors, University of Twente, Netherlands
- Experience in application, business consulting, BPM and EA
- BiZZdesign North America
- Consultant and Trainer EA and BPM
  - TOGAF®9.1 and ArchiMate®2.0
- Expertise in telecommunications, finance, construction, utilities

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BiZZdesign helps building strong and agile organizations

**Tools**
- Powerful
- User friendly
- Design tools for EA and BPM
- Monitoring tools for Governance
- Publication via InSite Portal
- Acknowledged by Gartner in MQ

**Consultancy**
- Experienced
- Certified
- Architecture, Business and IT
- Project Management
- Design / modeling

**Best practices**
- Practical
- Open standards
- ArchiMate® and TOGAF™
- BPMN and TDM
- Reference models

**Training**
- Personal attention
- Practical focus
- Foundation
- Practitioner
- Certification
- Accredited by The Open Group

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Agenda

• Why Business Capabilities?
• What are Business Capability (maps)?
• How to create Business Capability maps?
  – ArchiMate®
  – BiZZdesign Architect®
• Questions?
• Contact information
WHY BUSINESS CAPABILITIES
Organizations face many questions..

“How do we make sure that security standards are implemented in a consistent way”

“We have many outsourced capabilities, how do we support cooperation with our partners”

“How do we adopt new technology and integrate it into our existing landscape”

“How do we align our technology portfolio’s with our strategy roadmap”

“What is the impact of this new acquisition on our business processes”

“How should we organize ourselves?”

“Who is the authoritative source for customer, product, etc.”
Enterprise Architecture: “A” definition

EA is a conceptual tool that helps organizations get a deeper understanding of their own structure and of the way they work. It provides a map of the enterprise and it is a “route planner” for business and technology change. Important uses of it are in systematic IT planning/architecting and in enhanced analysis and support for decision-making.
The answer?
Challenges for Enterprise Architects

- Communication
- Various types of stakeholders
  - Different messages
  - Level of detail
  - Different requirements

- Complexity
- Business dynamics
Tailor the message!

- Tailor your message to address the interests and concerns of the stakeholder.
  - What part of the architecture?
  - What characteristic of the architecture?
    - Vocabulary?
    - Format?
CIO’s need IT and technology strategies that resonate with business leaders

- Business processes are too detailed
- Applications are too technical

Business capabilities separate what the business needs from how to meet those needs

- *What* is an organization’s most stable element, *How* changes dramatically over time
WHAT ARE BUSINESS CAPABILITY - MAPS
Separate the *What* from the *How*

Source http://itblagger.wordpress.com/category/utility-computing/

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Business Capability: Definition

• A business capability defines the organization’s capacity to successfully perform a unique business activity
  – That delivers measurable value related to business goals

• Business Capabilities
  – Represent stable business functions
  – Capture the business’ interests
  – Are the building blocks of the business
  – Are unique and independent from each other
  – Are abstracted from the organizational model
Example Business Capabilities

Source: The Anatomy of Capability Maps”, Forrester Research (as presented on EAF10, San Diego and EAE10 London)
Business capabilities are the basis for:

- **Introduction of new products and services**
  - Re use existing business capabilities
  - Identify and focus on gaps
  - Assess readiness for introduction of a new product
- **Strategic Analysis**
  - Enterprise view on customer, product etc.
  - Identify opportunities for simplification/rationalization
  - Identify opportunities for aggregation and delivery of shared services
- **Governance**
  - Metrics (KPI’s)
  - Roles and responsibilities
A model of the firm associating the business capabilities, processes, and functions required for business success with the IT resource that enables them.
Levels of abstraction
Capability-based planning frames all phases of the architecture development in the context of business outcomes, clearly linking the IT vision, architectures (Architecture Building Blocks and Solution Building Blocks), and the Implementation and Migration Plans with the corporate strategic, business, and line of business plans.
Example: increments

Legend
1) increment level (default values)
CREATING BUSINESS CAPABILITY MAPS USING BIZZDESIGN ARCHITECT® AND ARCHIMATE®
What is ArchiMate®?

- A Language to describe Architectures
- Graphical language with formal semantics
- Framework describes the business layer, application layer, and technology layer
  - With Relations between the layers
- Techniques for Visualizations and Analyses for different stakeholders
- Open standard developed and maintained by The Open Group
- www.opengroup.org/archimate / www.archimate.org
• “ArchiMate closes the gap between ‘free-format’ strategy models and detailed solutions architecture models”
• Consistent and integrated modeling:
  – It is a tool for knowledge management
  – It helps to integrate various (types of) models
  – It enables stakeholder-specific view generation
  – It enables analysis
• Insight in the various domains, but also their interrelationships
• It is a widely accepted open standard, i.e., no vendor lock-in
• “ArchiMate makes it easier to communicate with architects across organizational boundaries, domain boundaries and between architect and designer”
• Easy to use, low complexity, step-by-step increase in advanced use
The BiZZdesign tool suite for EA and BPM

• Modules for modeling, visualizing and analyzing
  – Business models based on the *Business Model Canvas*
  – Enterprise architecture based on *ArchiMate* and *TOGAF*
  – Requirements based on *ArchiMate*
  – Process models based on *BPMN* and *Amber*
  – Process logic based on *The Decision Model*
  – Process optimization based on *Lean Six Sigma*
  – Data modeling based on *UML*

• With one underlying repository
  – Including relations between the various models

• With various publication possibilities
  – Publication to Html, Word, pdf, publication portal InSite, Wiki
Phases in Business Capability Management

Identification

Documentation

Mapping

Analysis
Capability identification

- Value stream approach
- Organizational approach

Source: The Anatomy of Capability Maps™, Forrester Research (as presented on EAF10, San Diego and EAE10 London)
Capability documentation

- Add business capabilities in the repository
- Model relationship between capabilities
  - Levels of detail
  - Chains
- Document capability properties
- Publish business capabilities
Capability mapping

- Use capabilities to build business views
  - Landscape maps
  - Customer views

- Relate technology components to business capabilities
  - Visualize value add of technology components
  - Group technology components in portfolio’s by business capabilities
Capability analysis

- Visualize capability performance – Heat map

- Impact analysis
  - Technology components
  - Projects

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Coming soon: Enhanced support for Capability Based Planning

Capability increment: Target and baseline for Asset portfolio management

- Indexing
- Level of integration
- Level of standardization
- Risk performance balancing
- Investment strategy establishment

Increment assessment

APM Target increment
APM Baseline increment

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Coming soon: Enhanced support for Capability Based Planning
Coming soon: Enhanced support for Capability Based Planning

Capability realization: Project costs for APM Target increment

- Project P02: HR integrated asset management
- Project P03: Set-up asset management
- Project P04: Integrate asset management

Project costs

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• Business capabilities support effective communication between business and IT
  – Business capability defined as functionality (what) while abstracting from how
  – IT systems and components map to business capabilities

• ArchiMate supports modeling business capabilities
  – Model relations between business capabilities with other components in the EA, business as well as technology (application, data, infrastructure)
Follow ups and more information

- ArchiMate®: [www.opengroup.org](http://www.opengroup.org)
- Accredited ArchiMate® certification training: [http://www.bizzdesign.com/training](http://www.bizzdesign.com/training)
- BiZZdesign Architect®, free 30-day trial: [www.bizzdesign.com/download](http://www.bizzdesign.com/download) (contact us for a demo)
- Blog series on ArchiMate® with examples: [www.bizzdesign.com/blog](http://www.bizzdesign.com/blog)
- BiZZdesign Books and Whitepapers on EA, TOGAF, ArchiMate, Portfolio Management, etc.: [www.bizzdesign.com](http://www.bizzdesign.com)
Upcoming BiZZdesign Webinars

• More webinars to be announced soon, stay tuned!
Questions?
Referenced literature

- The Anatomy of Capability Maps”, Forrester Research (as presented on EAF10, San Diego and EAE10 London)
- Archimate1.0 Specification, Open Group, Van Haren Publishing, Zaltbommel, the Netherlands, 2009