



Enterprise Architecture
Conference Europe 2013



Business Process Management
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The critical role of Business Architecture in **Value Creation** at a Major Bank

Getting started with business architecture in your organization: tips & tricks



Kristiaan Proost,
Business Architect

architects
for business
& ict

ae



Outline



- **Creating [more] Value!**

- **Three Roads to Rome...**
 1. Invest in BAR Methodology
 2. Apply BAR in ongoing Projects
 3. Tackle Strategic Questions

- **It's a Journey!**

This is how we do Projects!

(© Cranfield University and Vlerick Belgium)



Just **why are we doing this:**
What are the benefits:
I am not responsible
for delivering
anything!!!

Oh **we do not have**
time for such
changes: we never
agreed to this

Oh **nobody told**
me this involved
Infrastructure
changes



Let's get on with this: **it is time critical!**

From an unclear vision to an IT solution in 30 minutes!!!
Would you believe it possible?

Observed Project Approach at a Major Bank...

(Quod Erat Demonstrandum)



AS IS – Classic VISA Card TO BE – Consumer Credit Card



Oh we do not have time for such changes: we never agreed to this



Quantified Benefits

Process/Function

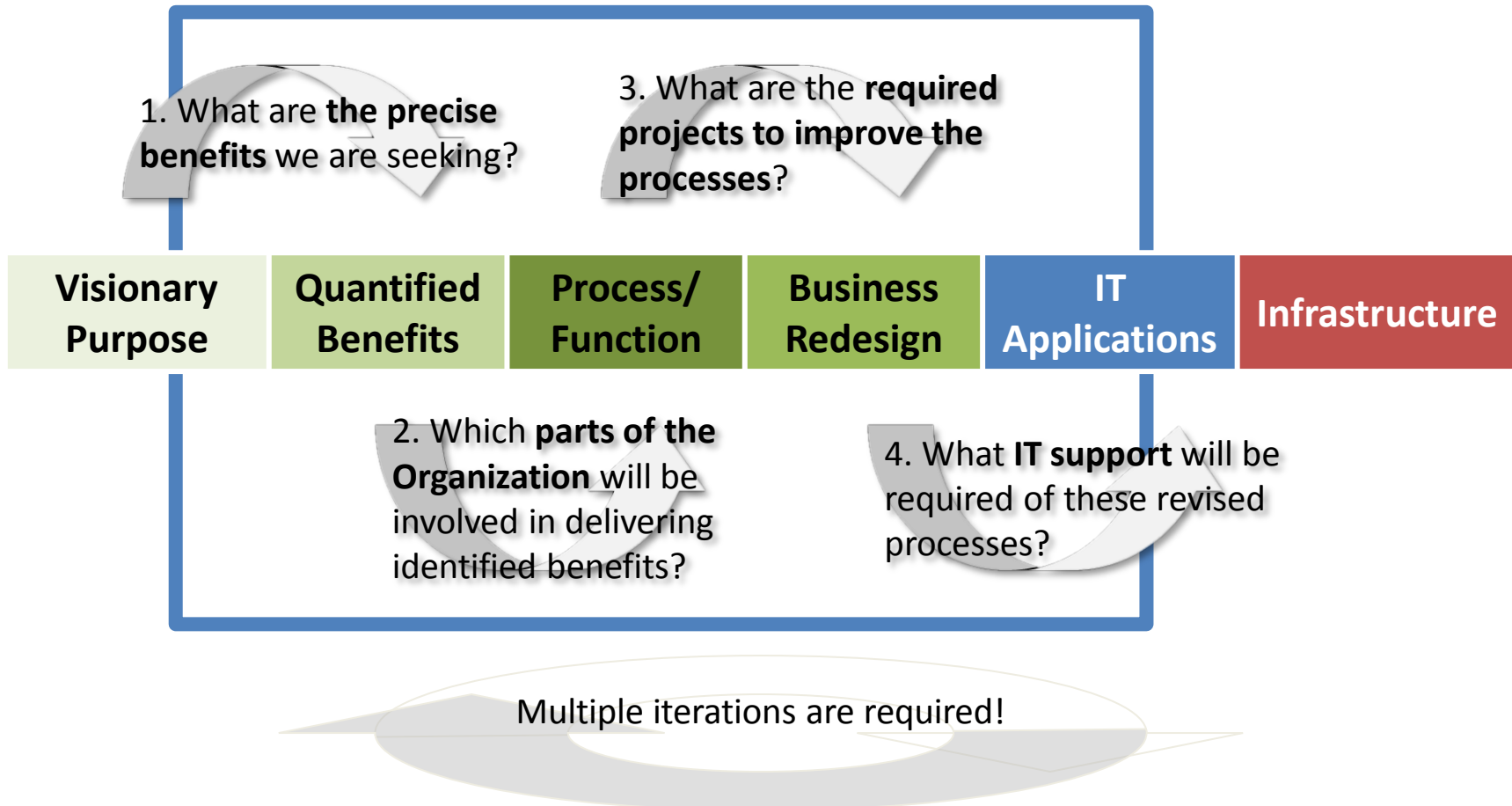
Business Redesign

IT Applications

Let's get on with this: it is time critical!

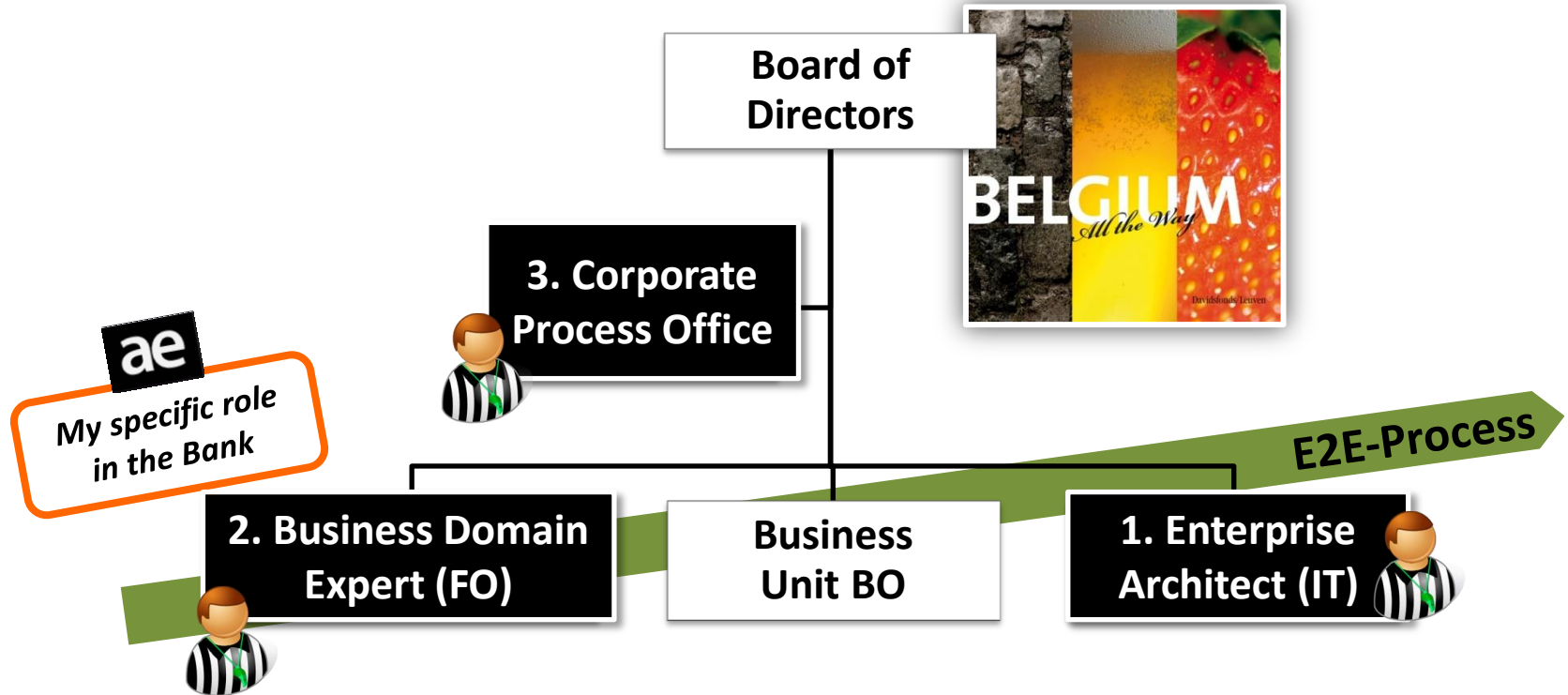
Ideal Approach for Value Creation?

(© Cranfield University and Vlerick Belgium)

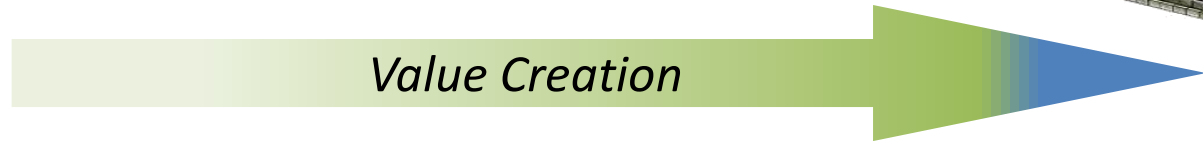


Who does this type of Work?

(The Belgian Organisation Chart anno 2013)



Where do we Start?



		Visionary Purpose	Quantified Benefits	Process/ Function	Business Redesign	IT Applications
Return On Investment ↓	1. Invest in BAR Methodology					
	2. Apply in ongoing Projects					
	3. Tackle Strategic Questions					

Business Architecture



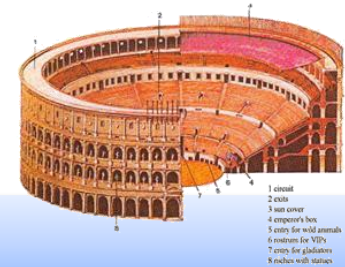
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Business Architecture Methodology



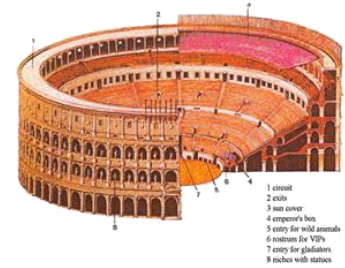
	Vision	Quantified Benefits	Process/Function	Business Redesign
BAR Practices (techniques, skills)	Improving the Customer Journey!			
BAR Blueprint (plan as is/ to be)				
BAR Processes (decisions, planning)				
BAR Roles (Responsibility)				

Business Architecture Methodology



	Vision	Quantified Benefits	Process/ Function	Business Redesign
BAR Practices (techniques, skills)	Improving the Customer Journey!	<ul style="list-style-type: none"> ▪ <u>Radar</u> for setting priorities (ROI, TCO) ▪ Value creation model with BAR ▪ Business <u>Process</u> - (BPM) and <u>Information</u> Management ▪ <u>BAR Services</u> (support for projects, roadmap, strategy) 		
BAR Blueprint (plan as is/ to be)		<ul style="list-style-type: none"> ▪ Bank-specific <u>industry model</u> (external vendor) ▪ Project based <u>Process-documentation</u> (model, text, RACI) ▪ <u>Information</u> model (cross-project touch points) 		
BAR Processes (decisions, planning)		<ul style="list-style-type: none"> ▪ <u>Idea-to-solution</u> process (project intake and governance) ▪ BPM maturity <u>assessment, training and coaching</u> ▪ <u>Pre-study</u> work and Portfolio management 		
BAR Roles (Responsibility)		<ul style="list-style-type: none"> ▪ BAR team and – <u>board meeting</u> (project issues) ▪ <u>BPM roles</u> and - competence centre (BPM issues) 		

Methodology & Learning Curve



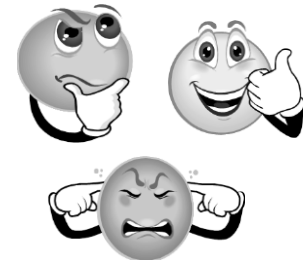
1. **Learning to write** words is a first, logical step



2. **Apply** writing skills for **storytelling** is another one

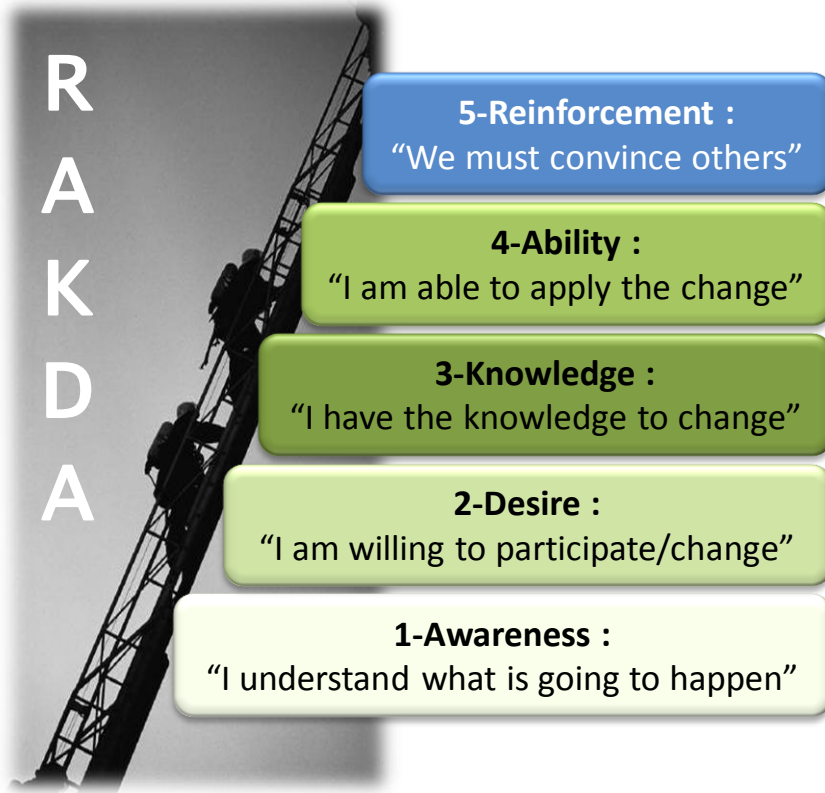
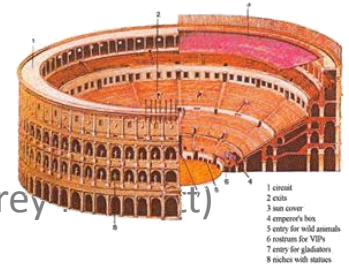


3. **Why must I change** my ways?
What does **this project** need?

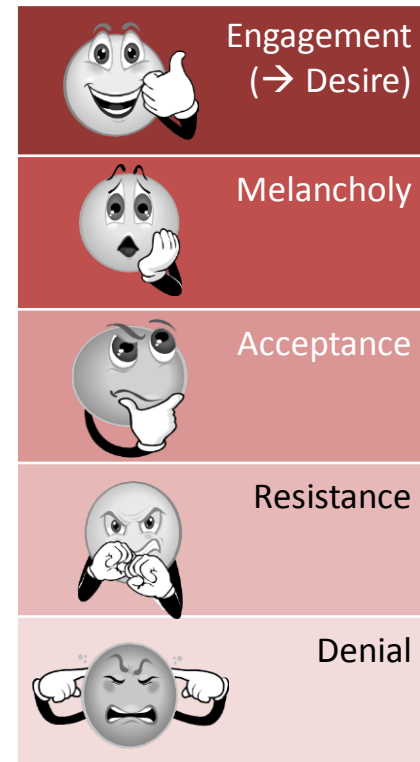


Methodology & People Change

(© ADKAR: a Model for Change in Business, Government and our Community - Jeffrey



Individual Acceptance





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1-Improving the Customer Journey with E2E-Process Management

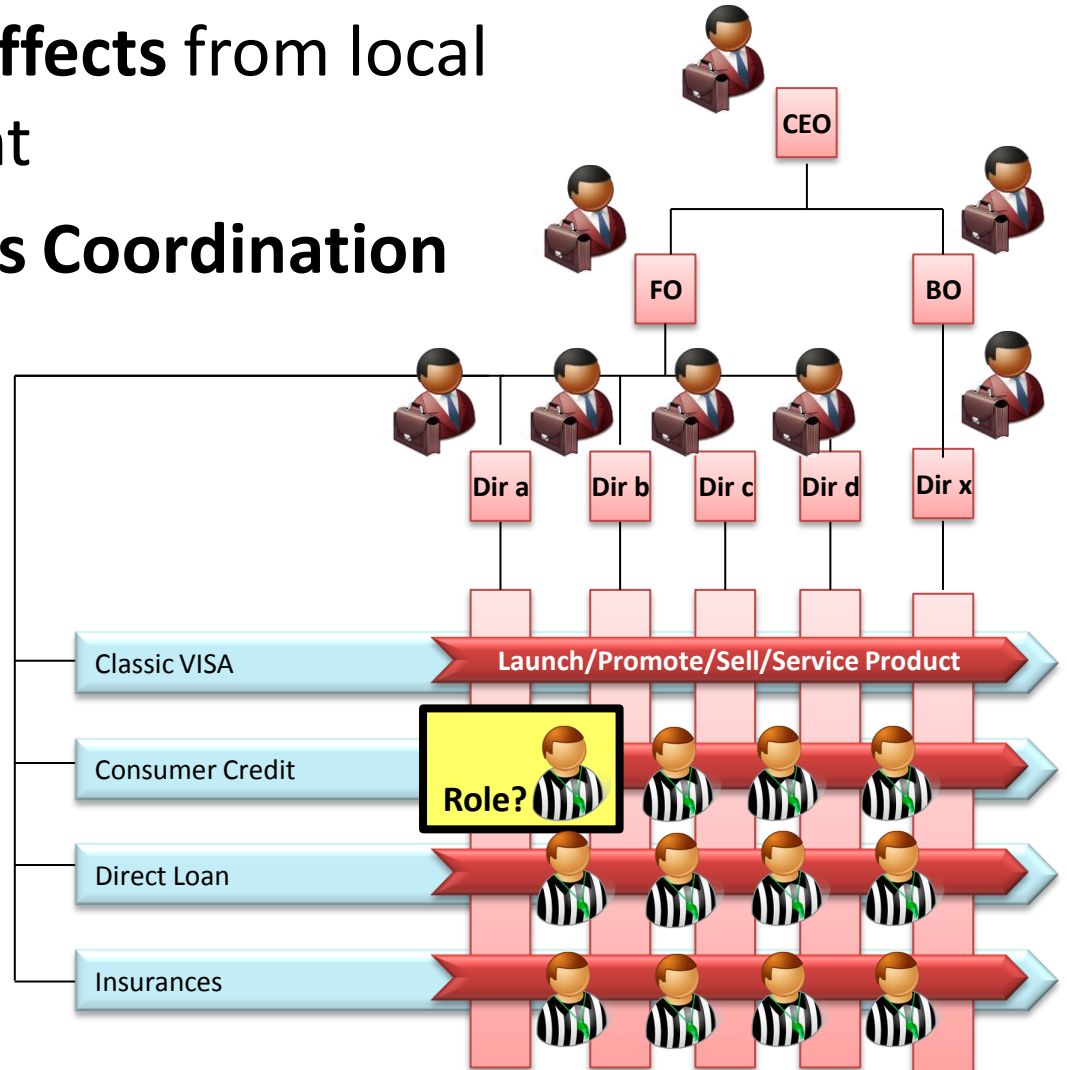


- Minimize negative effects from local process improvement
- E2E-Business Process Coordination and sponsorship






Process/
Function

Business
Redesign

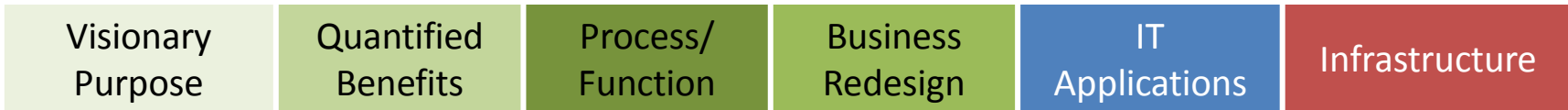


2-Lowering ICT Costs with a common Service – or Capability Catalogue



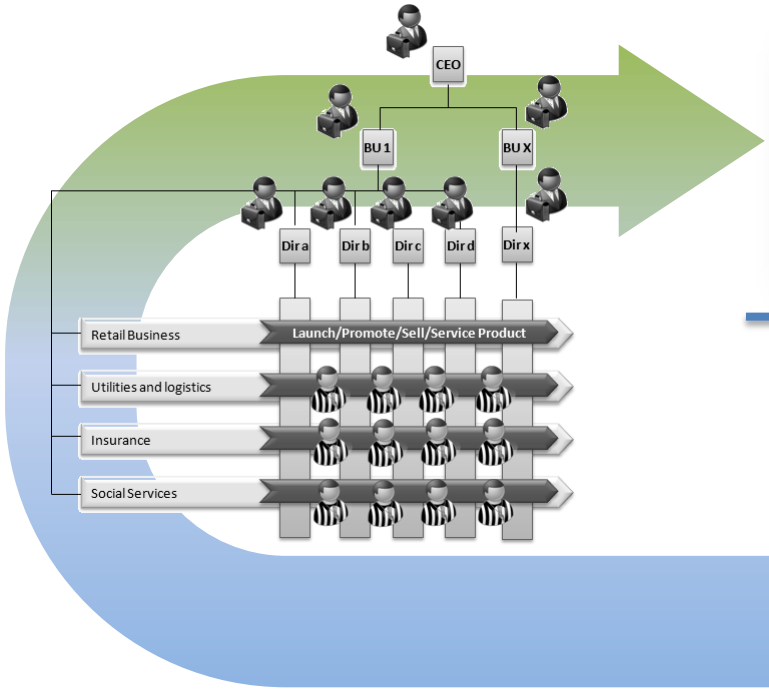
Specific end-user Information (Business Vocabulary)	Management Reporting			
	Credit <ul style="list-style-type: none"> • creditor 	Payment & Saving <ul style="list-style-type: none"> • beneficiary 	Insurance <ul style="list-style-type: none"> • driver 	
Common and reusable Information (Generic Data)	Document <ul style="list-style-type: none"> • recipient 	Activity <ul style="list-style-type: none"> • role in activity 	Product/Service <ul style="list-style-type: none"> • price logic 	Agreement <ul style="list-style-type: none"> • titular
	Person <ul style="list-style-type: none"> • natural/legal person • client 		Organisational Unit <ul style="list-style-type: none"> • office • work space 	

3-Developing an IT Roadmap based on Business Value

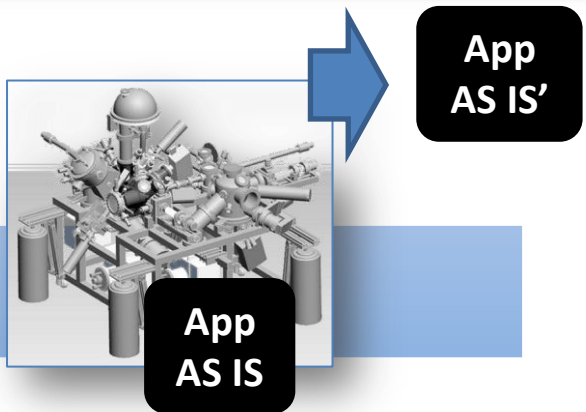


1. Business Roadmap TO BE
(Doing the right things...)

2. Application Roadmap TO BE
(...in the right way!)



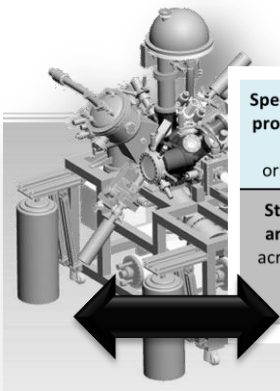
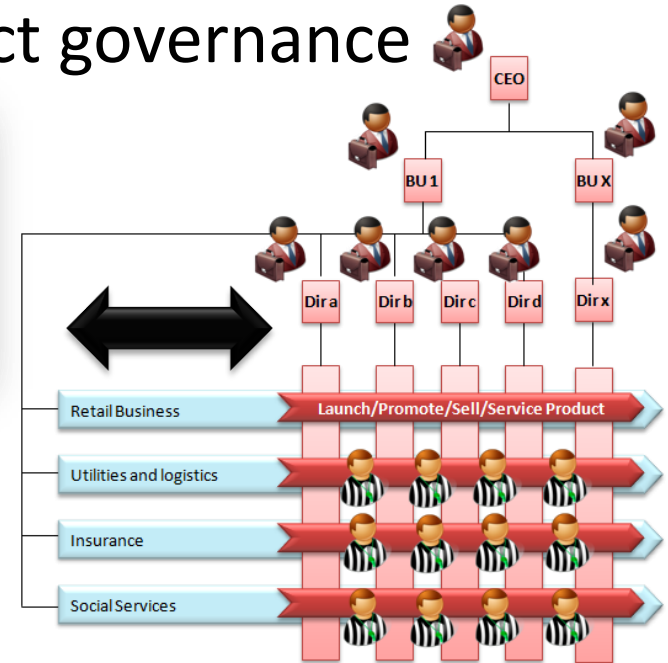
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Project Risks, Politics, Resistance?



1. E2E-process-improvement (customer delight) conflicts with hierarchical project governance



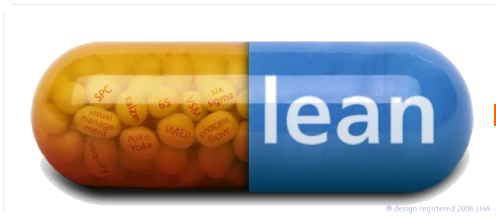
Specific business process context, end-user oriented (silo)	Crossproduct services (DWH)			
	Credit • creditor	Payment & Saving • debtor	Insurance • driver	
Standardised and reusable across business processes (generic)	Document • recipient	Activity • role in activity	Product/Service • price logic	Agreement • titular
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2. Common Service Catalogue (TCO) disconnect from well-known, present IT landscape

Project Focus... help me Choose?



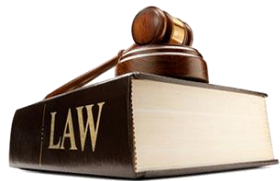
- **Total Cost of Ownership TCO of IT**



- **LEAN** internal processes



- **Customer-delight** and satisfaction



- Impact of new **Legislation**

- **Mobile** and social networks



- **Buy-in** trends



Outline



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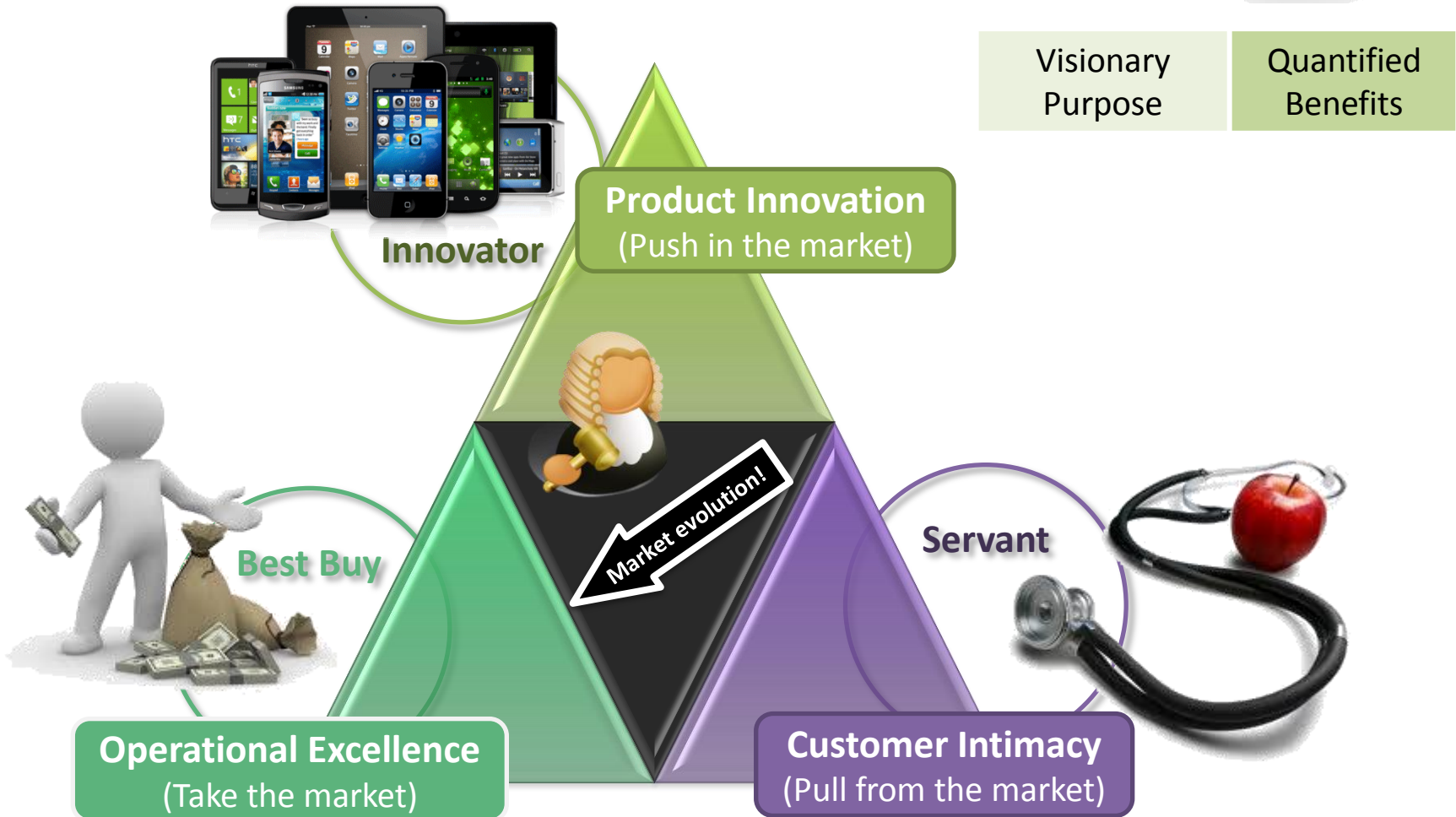
- **Three Roads to Rome...**
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 3. Tackle Strategic Questions (bottom-up)

- **It's a Journey!**



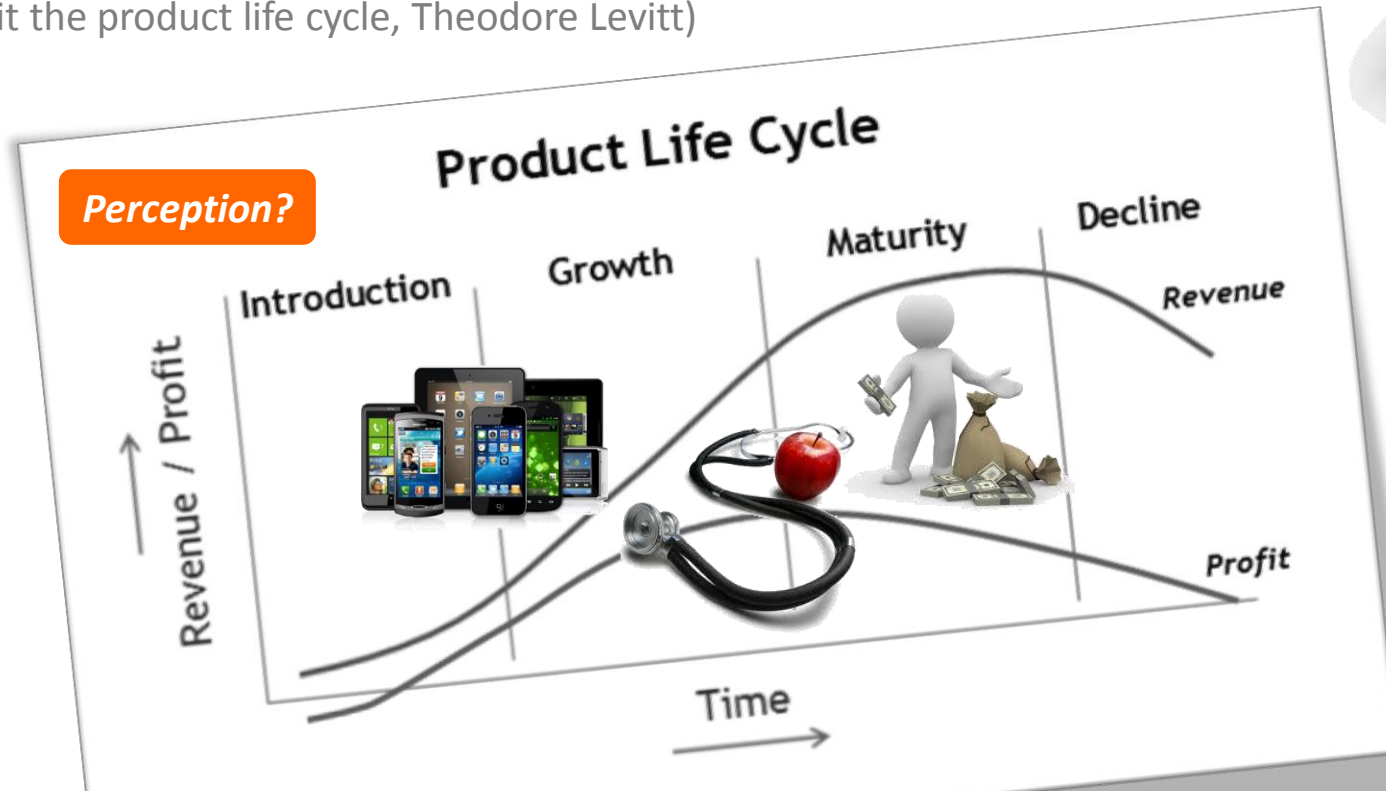
Who do You want to be in the Market?

(© The Discipline of Market Leaders, Michael Treacy and Fred Wiersema)



Perception of the Product in the Market?

(© Exploit the product life cycle, Theodore Levitt)



	Introduction	Growth	Maturity	Decline
Competition	Few	More	Many	Reduced
Product	One	More versions	Full product line	Best sellers
Price	Skimming or penetration	Gain market share, deal	Defend market share, profit	Stay profitable
Promotion	Inform, educate	Stress competitive differences	Reminder oriented	Minimal promotion
Place (distribution)	Limited	More outlets	Maximum outlets	Fewer outlets

Improved Project Approach at a Major Bank!



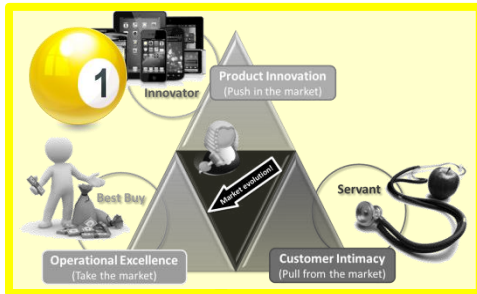
**Customer -
& Shareholder
Expectations**



Operational Excellence
(Take the market)

	Weight	Scenario 1 – Forced migration (push)	Scenario 2 – Gradual migration (push - and pull)	Scenario 3 – No forced migration (pull)
Value-proposition Customer: good quality, no mistakes, attractive price	3	--- Perceived as a fault by recent customers	+/- Customer selection based on criteria	++ Only on customer request
Internal focus: cost- efficiency (TCO), correct, standardized product and service	9	++ ROI+1 type of card (short term) -- Extensive administration	++ ROI+1 type of card (mid term) - Moderate administration	-- Long term support 2 cards +/- Normal administration

The critical role of Business Architecture in Value Creation...



3	Weight	Option 1 – Forced migration (push)	Option 2 – Gradual migration (push - and pull)	Option 3 – No forced migration (pull)
Value-proposition Customer: good quality, no mistakes, attractive price	3	--- Perceived as a fault by many customers	+/- Customer selection based on criteria	++ Only on customer request
Internal focus: cost-efficiency (TCO), correct, standardized product and service	9	++ ROI+1 type of card (short term) – Extensive administration	++ ROI+1 type of card (mid term) – Moderate administration	– Long term support 2 cards +/- Normal administration



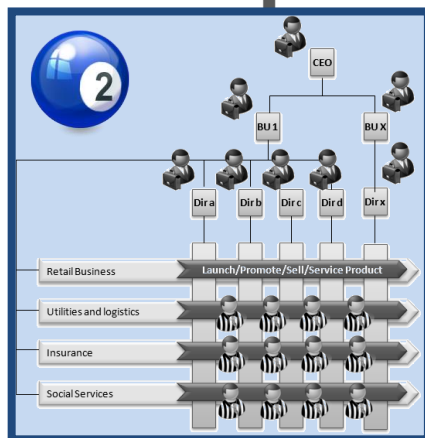
1. What are the precise benefits we are seeking?

3. What are the required projects to improve the processes?



2. Which parts of the Organization will be involved in delivering identified benefits?

4. What IT support will be required of these revised processes?



Specific business process context, end-user oriented (silo)	Crossproduct services (DWH)			
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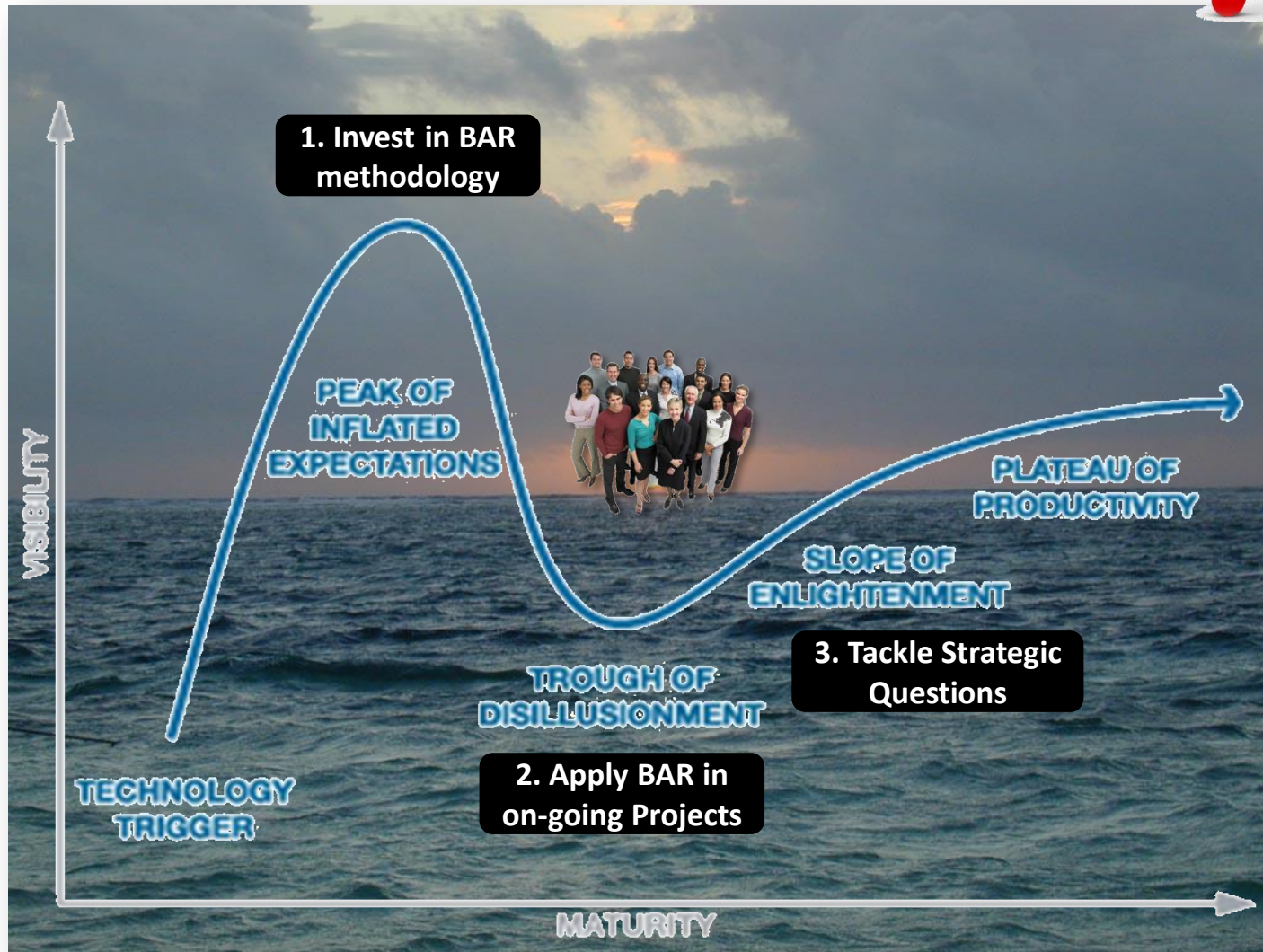


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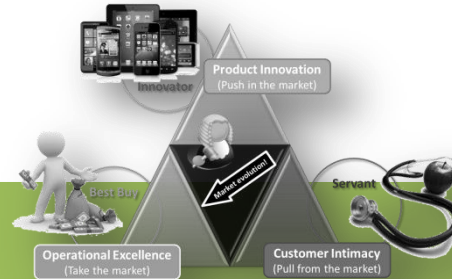
■ **It's a Journey!**



Value Creation is a Journey... and the primary focus of the Business Architect!



To Do... Next Week!

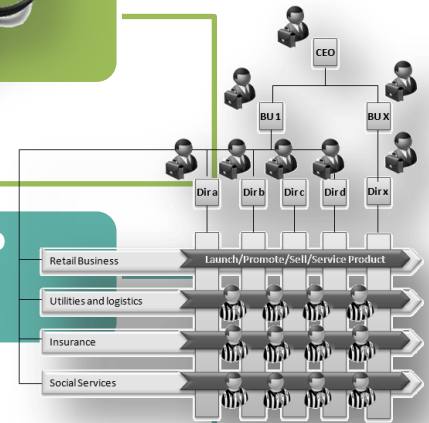


1. WHAT are my Strategic Goals?
(applicable to all organisations)

- **Young products** require a different strategy than **mature products**

2-3. HOW does strategy translate into Business Process Goals?
(relevant for organisations in the same sector)

- One cross-BU priority for each business process : **launch-promote-sell-service**



4. HOW does each Business Unit contribute to the Process?
(organisation-specific)

- **Contribution of each unit** in your organisation to the process

Expectations	Weight	Option 1 – Forced migration (push)	Option 2 – Gradual migration (push - and pull)	Option 3 – No forced migration (pull)
Value proposition Customer: good quality, no mistakes, attractive price	3	-- Perceived as a fault by many customers	+/- Customer selection based on criteria	++ Only on customer request
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Thank You very much!



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