

Creating a Sustainable Architecture Organization

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Professional Background

Bill Beshilas is a Director within PwC's IT Strategy & Enterprise Architecture competency. He is currently a member of PwC's Enterprise Architecture Center of Excellence.

Experience Summary

For clients, Bill develops technical target operating models that enable strategic business initiatives. Bill's specialties include helping clients mature their architecture organization. Bill also leads architecture assessment and implementation efforts.

Main areas of expertise

- Office of the Architect (Setup, organization, governance)
- Solution Architecture
- Technology Strategy

Abstract

Our clients have asked us to help them to create or mature their architecture organizations which are typically part of the Information Technology (IT) department. To assist them, we have developed a framework that has been successfully used by more than 20 clients. The framework addresses the following aspects of what an architecture organization should be concerned with in order to be sustainable:

- Charter which includes mission and vision, roles, and organization
- Governance
- Service Catalog
- Service Delivery Management

After reviewing the framework, lessons learned from working with various clients will be presented.

From the session, the audience will learn about:

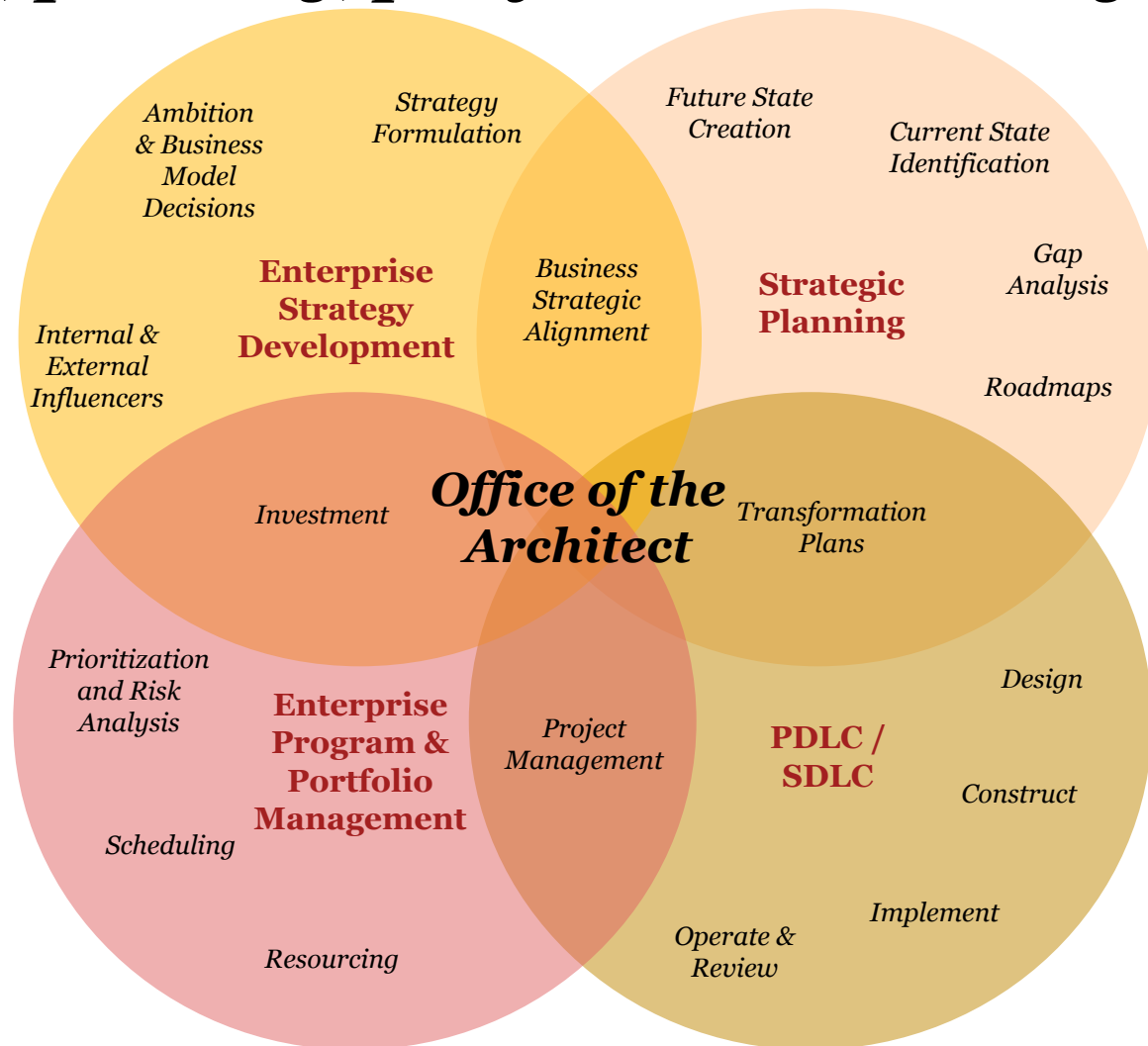
- The importance of defining the mission and vision of an architecture organization
- Understanding the need for change management

And with this awareness, the audience will be able to assess how well their architecture organization understands its environment and determine if it is meeting the needs of the organization.

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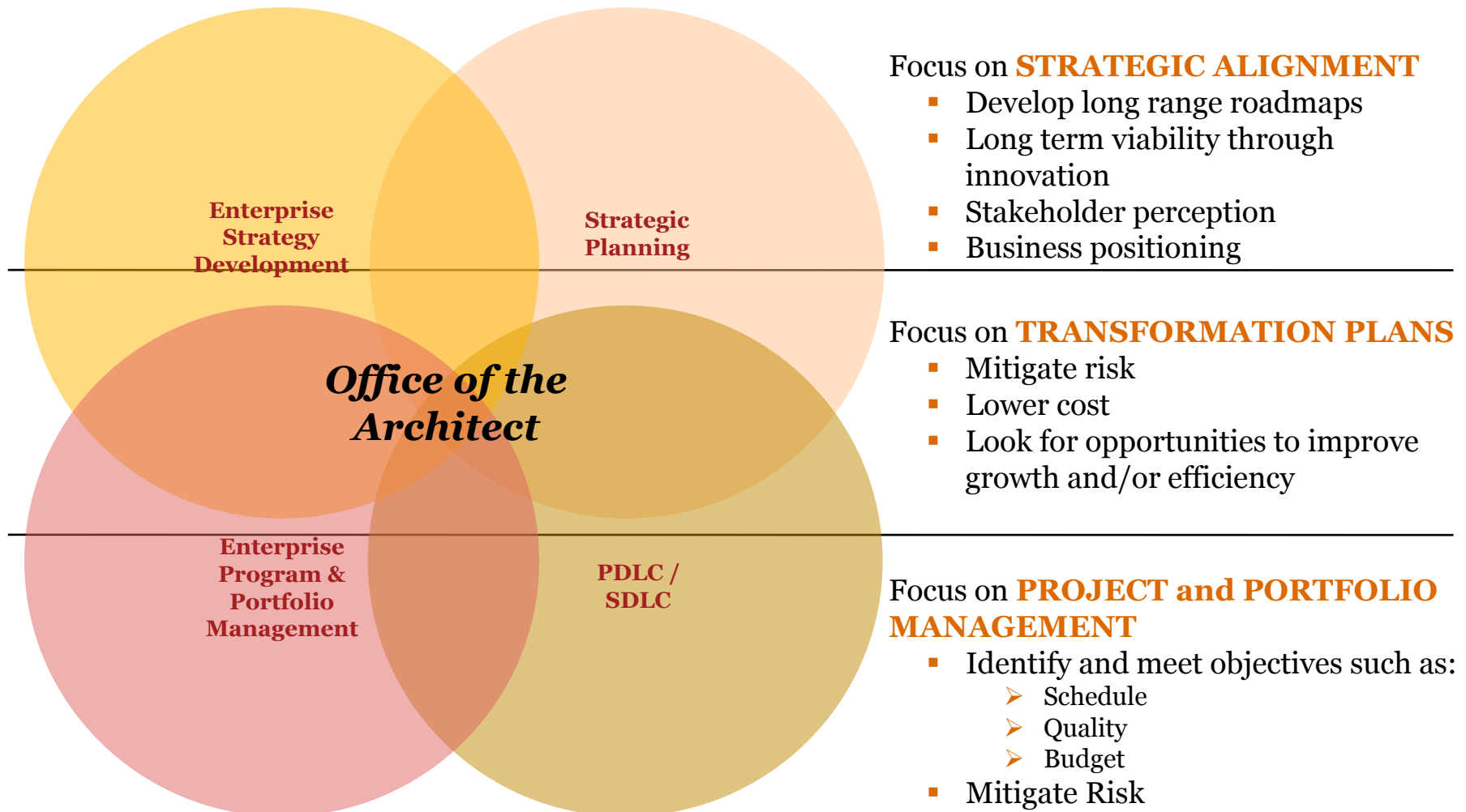


Architecture plays a key role in coordinating strategy, planning, portfolios and delivery



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In doing so, architects focus on different value propositions depending on where they work

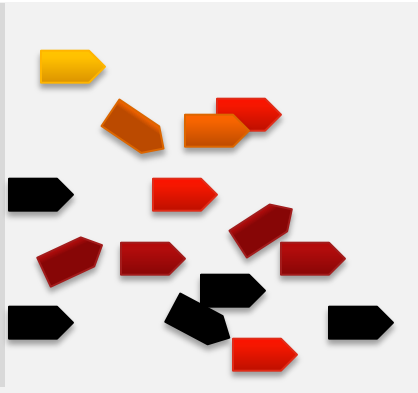


From fragile to agile – Architecture is key to delivering and sustaining business value

Typical

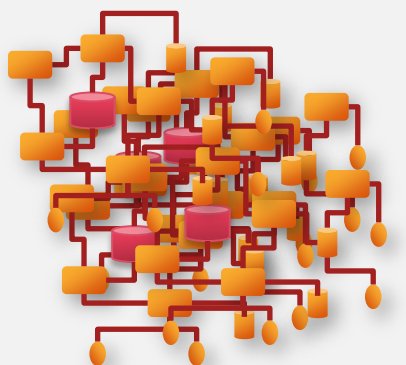
Business Architecture

- **Misaligned with strategy**
- **Inconsistent**
- **Low value**



IT Architecture

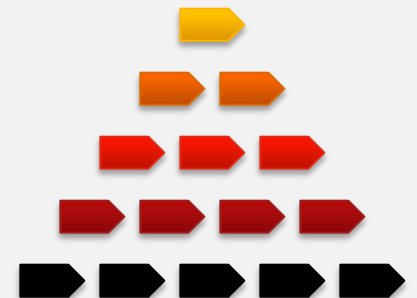
- **Fragmented**
- **Point-Point**
- **Inflexible**
- **Fragile**



Desired

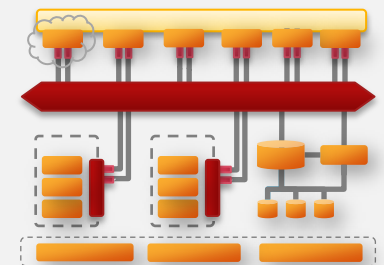
Business Architecture

- **Aligned with strategy**
- **Consistent**
- **High value**

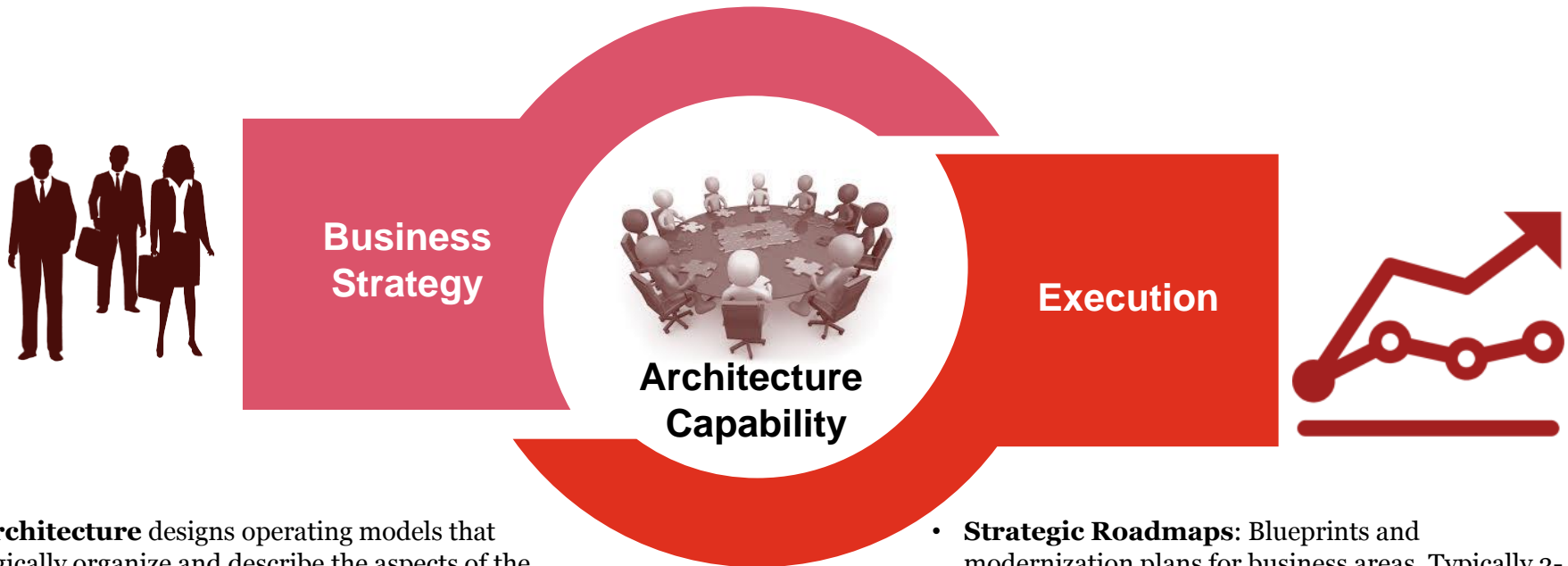


IT Architecture

- **Structured**
- **Scalable**
- **Flexible**
- **Agile**



Architecture bridges the Strategy / Execution gap and is key to creating and capturing business value



Architecture designs operating models that logically organize and describe the aspects of the company:

- The ambition and business model
- The products, services, and customers
- The business capabilities
- The people, processes, information and technologies
- The corporate structure
- The interactions amongst these components (such as Governance)

- **Strategic Roadmaps:** Blueprints and modernization plans for business areas. Typically 3-5 year view.
- **Reference Architectures:** Reusable patterns for technical and operations solutions
- **Guiding Principles:** Statements used as filters for decision making
- **Standards:** A library of stable technologies and processes for consistency
- **Project Support:** Architecture involvement in implementation

PwC has seen many issues that can be addressed via improved architecture planning and design

Insufficient level of architecture definition

- **No mandate** exists for Enterprise Architecture
- Enterprise Architecture **seen as an IT only activity**
- Architecture (standards, references, blueprints) takes place in silos with **no view across the entire enterprise**
- Architecture seen as having **no impact on either business or IT** results
- Architecture governance **non-existent or operating without** guiding principles, reference architectures or blueprints
- **Little or no sharing** of business and technology platforms (except maybe infrastructure)

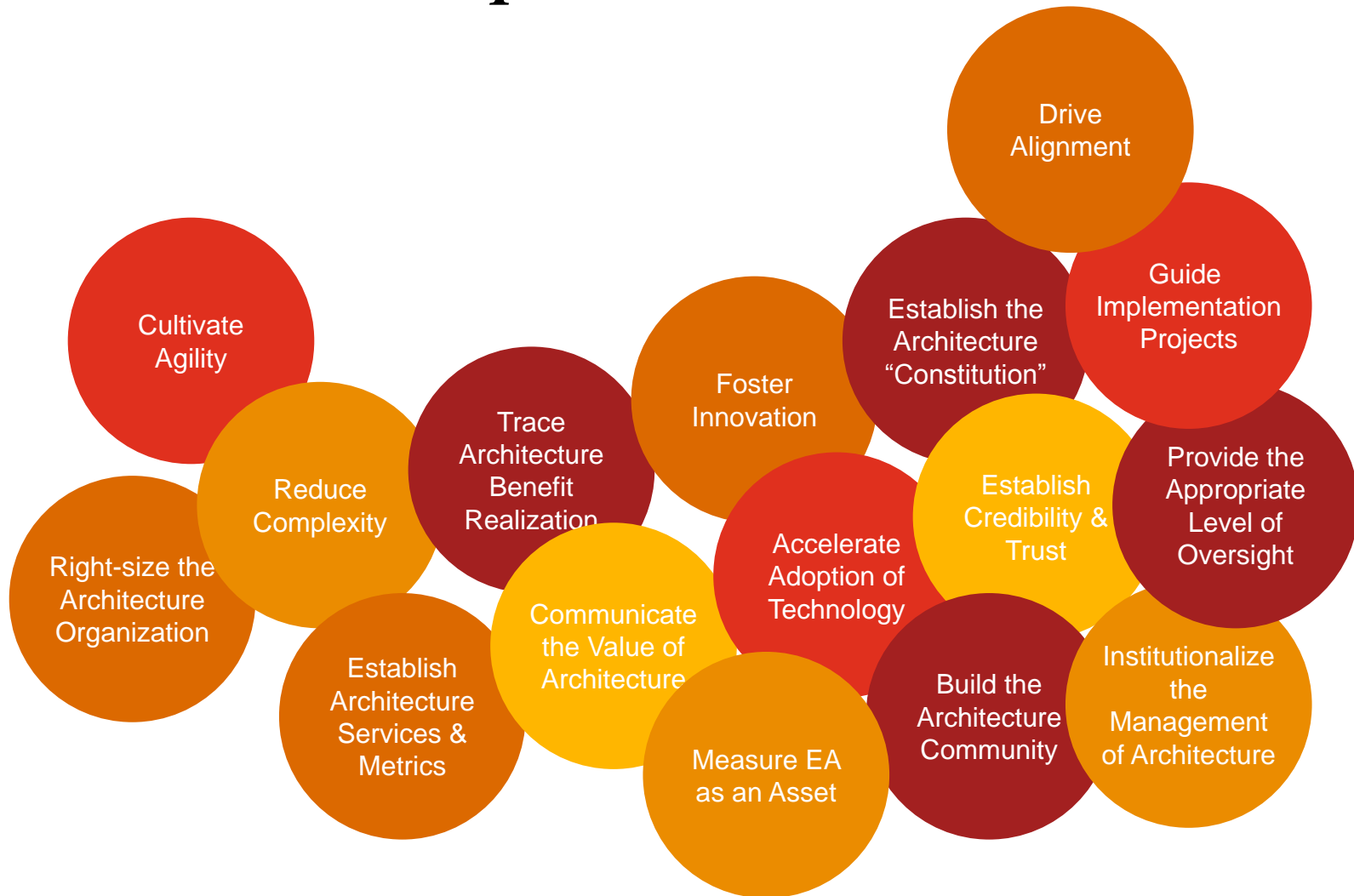
Ineffective or non-existent architecture organization

- Architecture **skills and knowledge are absent / underdeveloped** or lack maximum utilization
- **Informal or no defined processes** for managing or delivering architecture projects
- The architecture group has **ineffective and / or inefficient** organization, tools, and metrics
- Architecture seen as an **“ivory tower”** activity with little or no participation in actual delivery
- **Incentives focused on functional / business unit performance** with none at the enterprise level

Lacking alignment across business / IT

- Culture of **“firefighting” rather than planning**
- Integrated blueprints are either **not created or do not have the support** of the business and IT stakeholders
- The role of **architecture lacks clarity regarding business and operational stakeholders** and their decision making process
- Pressure to build **near-term requirements not long-term** vision
- Business areas **implement own technologies** (e.g. cloud) without cross enterprise considerations
- **Proliferation of redundant** process and applications

Establishing a robust and effective Office of the Architect will help...



A mature Office of the Architect adds value by more effectively managing complexity and risk in the “big picture”

The Office of the Architect helps transform business through understanding, reconciling and planning across business, information and technology domains.

It will help to:

- Identify and **mitigate enterprise risks**
- Understand, manage and **reduce complexity**
- **Clarify relationships** between IT and business and helping establish mutual accountability
- **Ensure architectural alignment** with corporate strategy
- **Baseline current operations** and providing a clear roadmap for improvements
- Provide an independent, unbiased **view of the implications** of business and technology scenarios within and across enterprises
- Provide a **common language** across domains
- **Remove process disconnects** between strategic and operational planning

The Office of the Architect creates the foundation to help mature an architecture organization

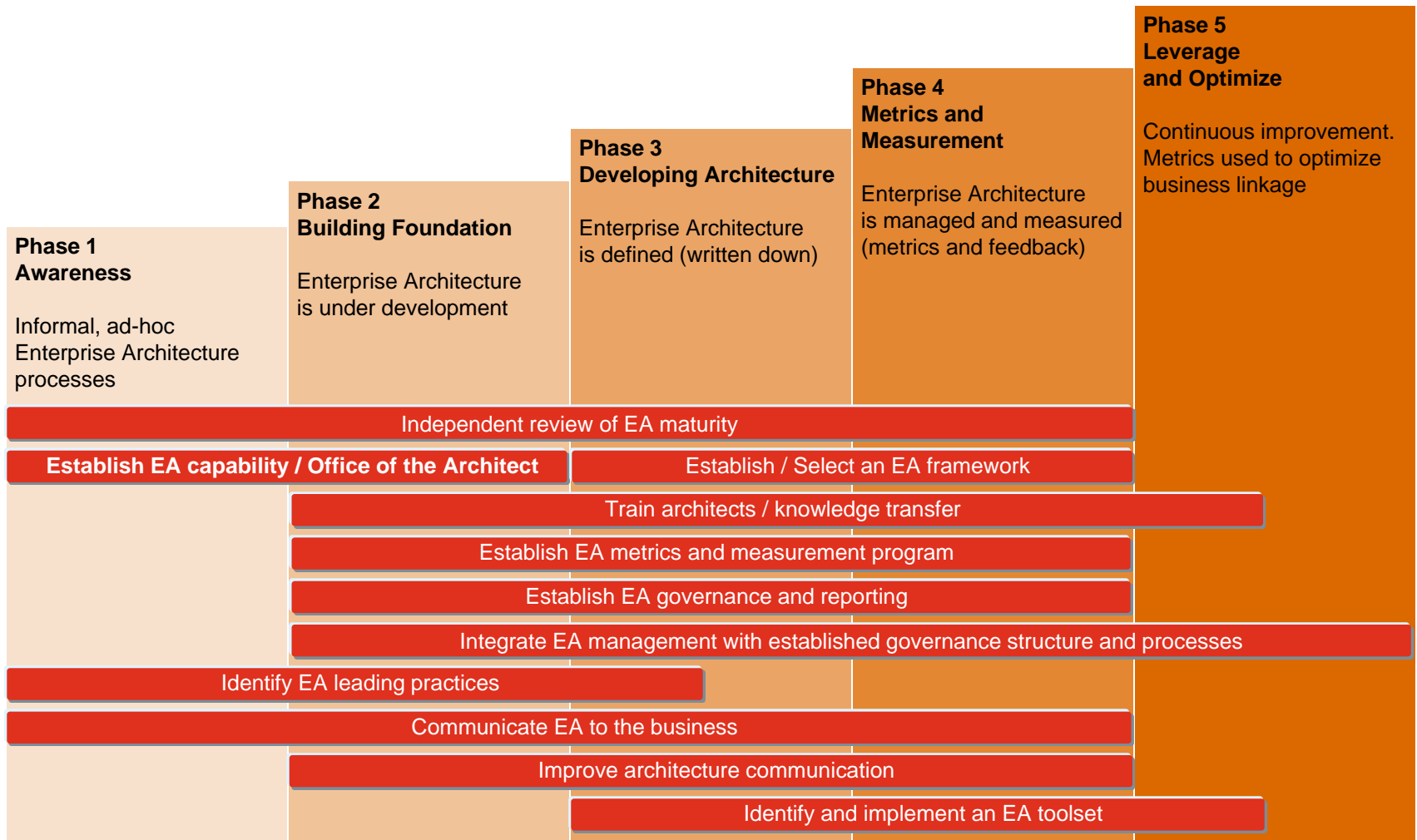
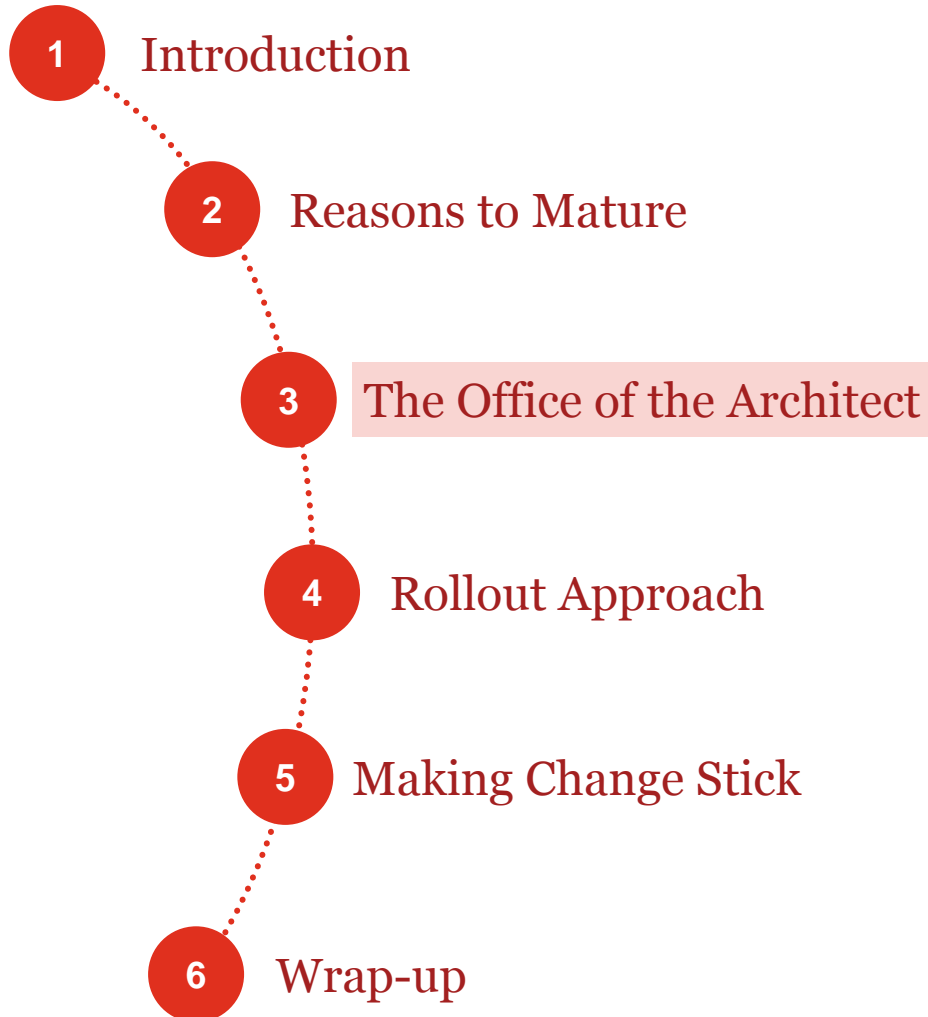
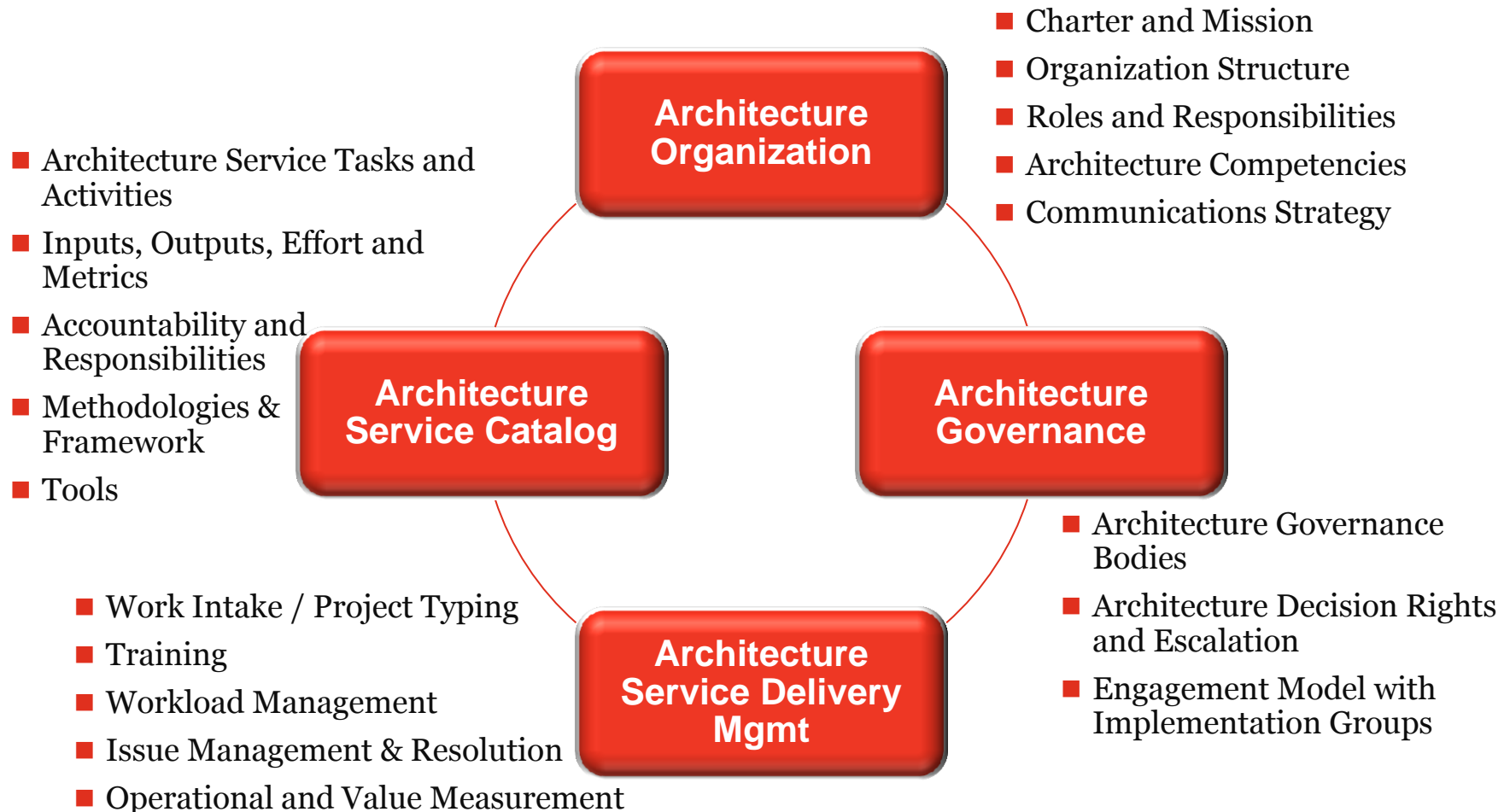


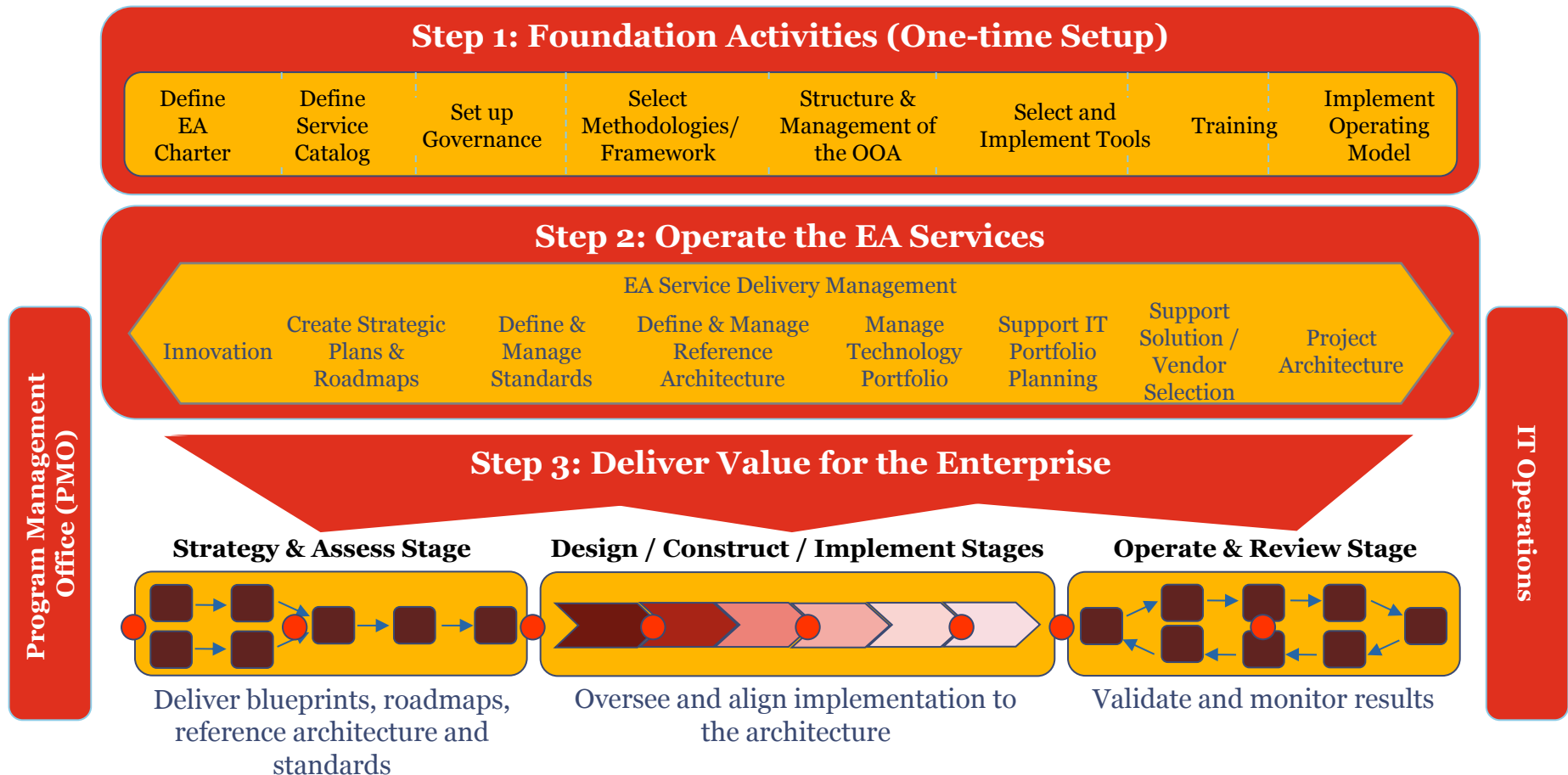
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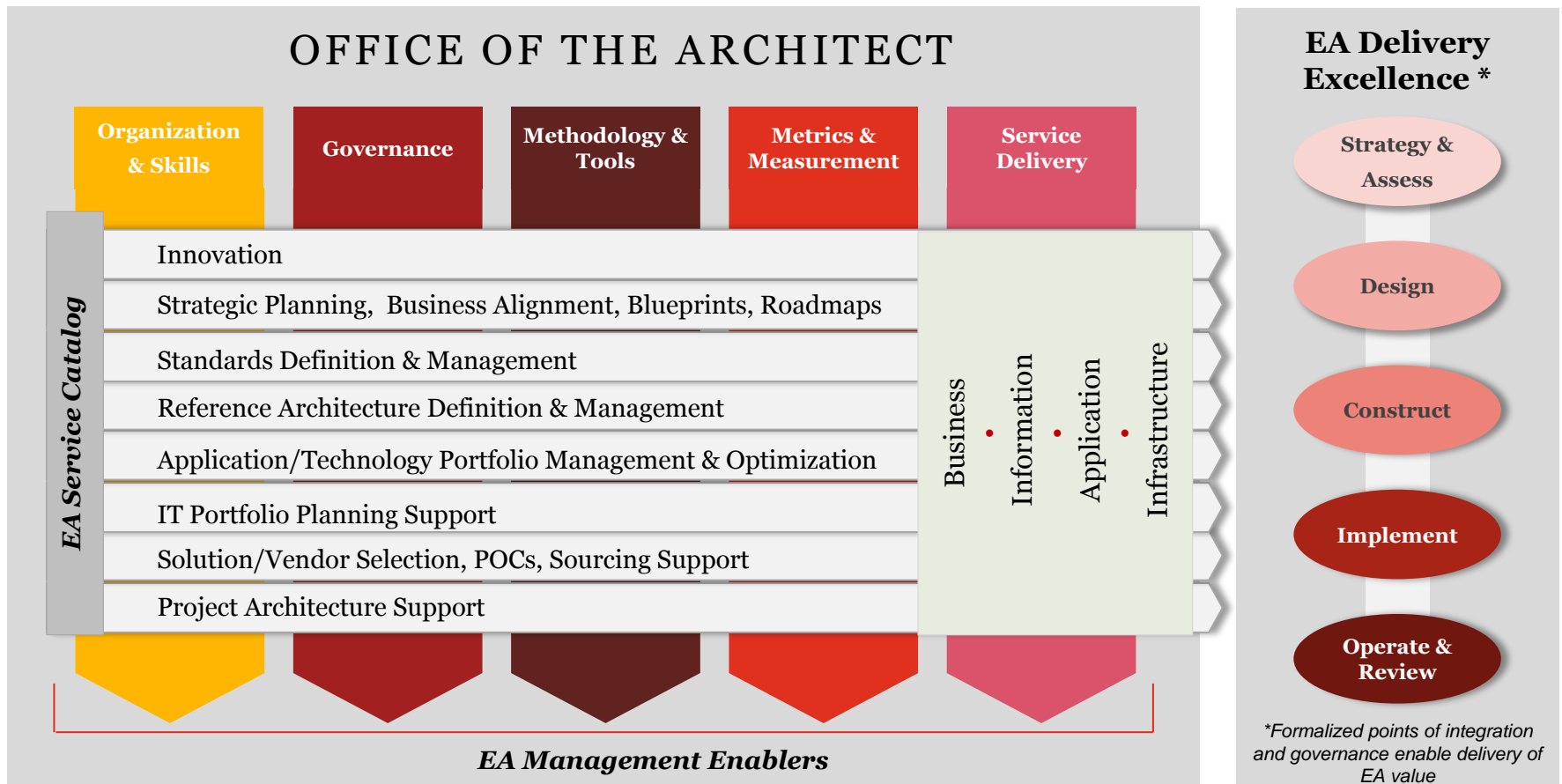
Our approach includes four tracks of work to help establish or mature an Office of the Architect (OOA)



Establishing an OOA requires a set of foundational activities and a number of ongoing services



Establishing an OOA requires a set of foundational activities and a number of ongoing services (cont'd)



An OOA matures with consistent and clearly defined approaches, artifacts, and engagement models

Defined EA Services

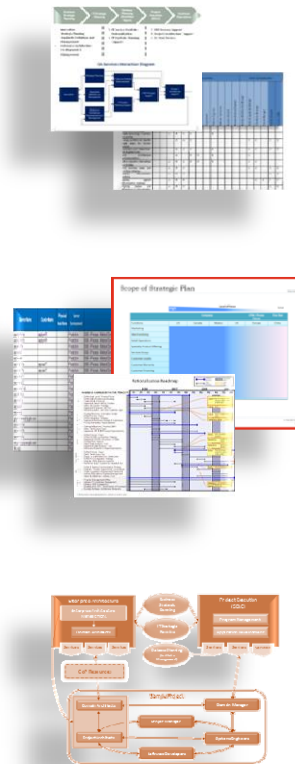
Documented processes for identifying the appropriate service to suit the OOA customers' needs

Defined EA Service Delivery Model

Identified EA roles and responsibilities with respect to each stage of service execution

Defined Architecture Governance

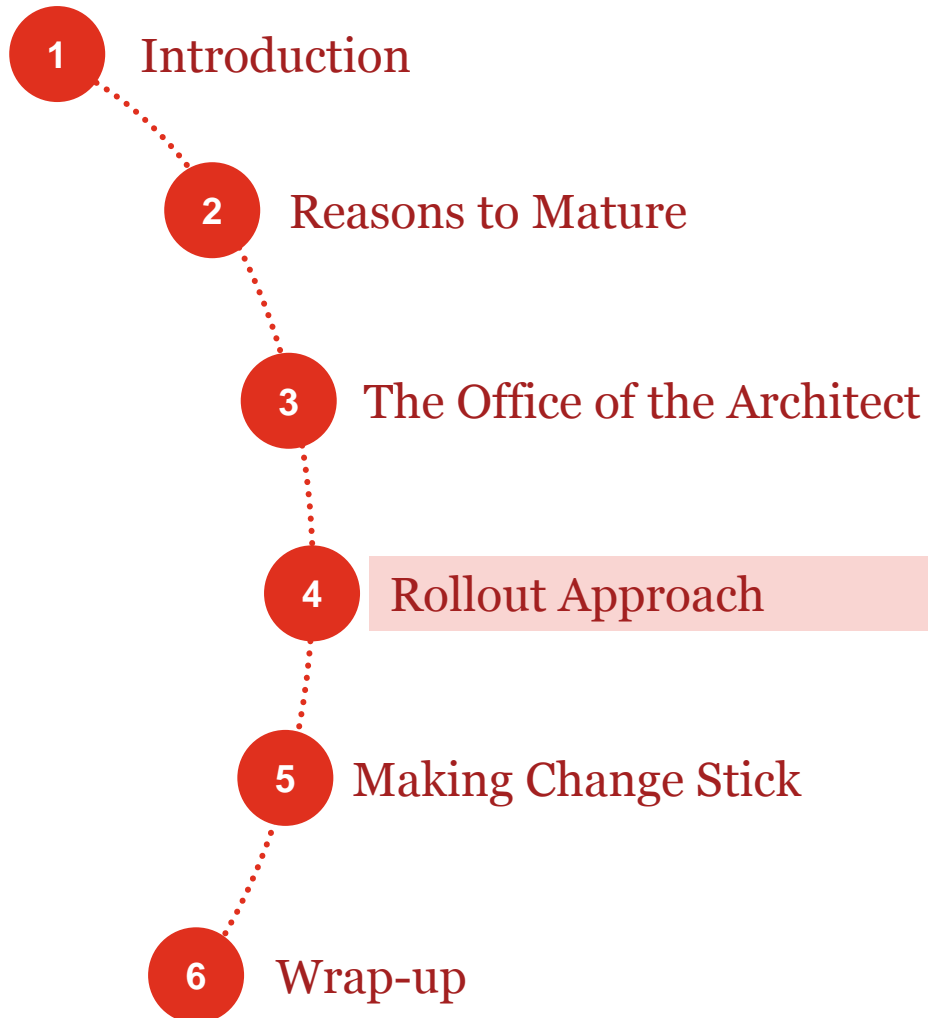
Architecture decisions overseen by both business and IT



Communications & Change Management

- Establish **partnership amongst business and technology stakeholders**, document communication strategy
- Communicate **value proposition** for EA organization
- **Demonstrate clear value** in staffing appropriate architects to the most challenging business unit projects
- Clearly and regularly report **EA-driven business metrics** to stakeholders
- Organize EA and business unit blueprinting efforts with **a common playbook**

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PwC's approach to planning & roll-out considers these tracks and focuses on establishing or expanding an enterprise architecture capability

Document and Assess Existing EA Practice

- Understand Corporate Strategic Foundation and Agenda
- Understand EA Ambition and Business Model
- Understand and finalize EA Business Needs
- Assess Customer Offering and current EA Operating Model (People, Process, Technology)

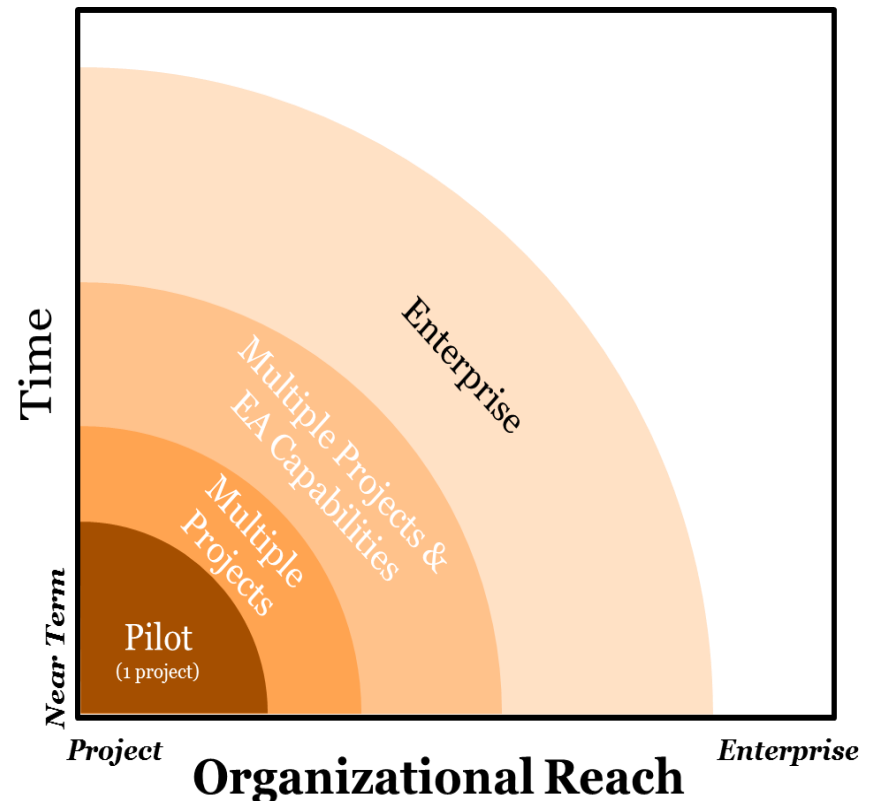
Develop Target Operating Model

- Document Guiding Principles
- Scope, design and document EA Service Catalog (Process)
- Document EA Competencies and Organization (People)
- Design and document EA Technology and Information strategy
- Establish EA Charter

Develop Roadmap and Business Case

- Develop EA Business Case
- Develop EA Roadmap and Change Management Plan
- Define Metrics/Dashboards
- Develop Training Plan
- Develop Communication Plan

EA Capability Roll-out Model





The first phase assesses and documents the existing EA practice

Activities

- Validate **strategic context** of the EA change initiative
- Launch discovery effort to **gain understanding of process, people and technology** supporting current EA Operating Model
- Conduct collaborative workshop to finalize **current state understanding of EA Operating Model**, and **future state opportunities**

PwC Tools

- Various PwC tools and templates including interview guides, architecture skills models, and metrics models
- PwC Operating Model Framework
- EA Maturity Framework

Deliverables

- **Corporate/EA Strategy Summary**
- **Customer Offering and Current EA Operating Model Assessment**
 - EA Service Catalog Assessment (Process)
 - Organization Assessment (Organization)
 - EA Competency Assessment (People Capabilities)
 - Technology/Tools Assessment (Technology)
 - Information Assessment (Information)

Sample Deliverables

EA Strategy Summary

Strategic Intent	Business Model (Initiative)	Strategic Agenda
<p>Our purpose</p> <p>As we step into the future, the future of our business is to be a leading provider of digital solutions.</p> <p>Our vision</p> <p>To be the most innovative and customer-centric organization in our industry.</p> <p>Our values</p> <p>1. Respect for the individual 2. Integrity and excellence 3. Service to our customers</p>	<p>Business Model (Initiative)</p> <p>Our business model is centered around the delivery of digital solutions to our customers. We are currently focused on the following initiatives:</p> <ul style="list-style-type: none"> Initiative 1: Digital Transformation Initiative 2: Customer Experience Initiative 3: Operational Excellence 	<p>Strategic Agenda</p> <ol style="list-style-type: none"> Product Offerings: Develop new products and services that meet the needs of our customers. Operational Excellence: Streamline our operations and improve efficiency. Customer Experience: Enhance our customer journey and increase satisfaction. People: Develop our people and ensure they have the skills and capabilities to succeed. Technology: Invest in technology and ensure we are using the latest tools and platforms. Information: Ensure we have the right information at the right time and in the right format.

EA Customer Offering Assessment

Future State Stakeholder Architecture Interaction Matrix	Stakeholder	Process	Information	Technology
Customer	Internal	External	Internal	External
Internal	Internal	External	Internal	External
External	Internal	External	Internal	External
Internal	Internal	External	Internal	External
External	Internal	External	Internal	External
Internal	Internal	External	Internal	External
External	Internal	External	Internal	External
Internal	Internal	External	Internal	External
External	Internal	External	Internal	External

EA Operating Model Assessment



Value: Understanding current EA capabilities and interactions within the broader organization will provide valuable insight into priorities and the design of EA operating model



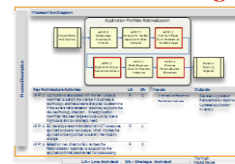
The second phase describes the target state and develops an understanding of the current state

Activities	<ul style="list-style-type: none"> • Define EA vision, charter and guiding principles • Define EA services catalog and develop detailed EA process definitions • Define EA Organization structure and RACI • Design architecture governance model to manage decisions and standards compliance across the program • Identify tools that will support service catalog (will be in the form of future state recommendations) • Define metrics and measurement approach
PwC Tools	<ul style="list-style-type: none"> • PwC Office of the Architect framework • PwC EA Governance Framework • PwC Operating Model Framework
Deliverables	<ul style="list-style-type: none"> • EA Charter • High Level Target Operating Model which includes: <ul style="list-style-type: none"> - EA Service Catalog (with detailed processes) - EA Organization Structure and documented Competencies - EA Tools/Templates (recommendations) - EA Metrics Matrix

Sample Deliverables

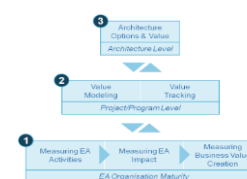
EA Target Operating Model

EA Service Catalog



EA Competencies Matrix

EA Metrics Matrix



EA Organization & Governance Model



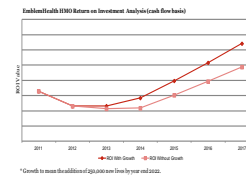
Value: *Designing the right EA operating model will help operationalize EA within the organization and help make broader IT organization and IT Transformation successful*



- Conduct meetings with selected stakeholders to communicate the new engagement model and architecture Services
- Work closely with the organization to develop a business case and roadmap for the EA initiative
- Document key stakeholders, how EA capabilities will be communicated to them, what training will be necessary and how training will be delivered
- Develop communication materials to take on “roadshow” type presentations across the organization

- Roadmap & Business Case
- Change Management Framework

- **EA Business Case**
- **EA Roadmap (with sequenced programs and associated project summaries)**
- **Change Management Plan**
- **Training Plan**
- **Communication Strategy**



Value: Successful rollout of new EA capabilities will help realize the benefits of broader IT Transformation initiatives through more efficient and effective standards and governance processes

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PwC has broad experience helping companies improve their architecture organizations

Sector	Client Challenge	PwC's Response	Outcome
Financial Services	Lacked a clear operating model for working in a federated IT environment resulting in duplicated capabilities across the divisions.	Working with the CTO leadership, PwC helped develop an operating model based on COBIT, TOGAF, and PwC's EA Framework. The operating model defined the engagement model, key services, roles and responsibilities, and the processes for the development of architecture assets.	Established an aligned and well understood operating model between the divisions' IT groups and the central architecture organization resulting in better teaming and alignment to eliminate duplicate capabilities.
Healthcare	The client needed a robust architecture organization to support their transformation.	PwC worked with the client to help define the OOA operating model consisting of: <ul style="list-style-type: none"> • Definition of roles and responsibilities, services, and metric • Engagement model • Development of a project architecture competency center 	The architecture organization filled a pivotal role in a successful transformation.
Pharma	As part of a larger cost savings commitment to Wall Street, the client identified they were spending too much on IT by way of project overruns, failed projects, and or duplication of capabilities.	PwC worked with the client to help define the EA operating model, consisting processes, architecture service offerings, and integrating the operating model into the client's IT delivery operating model.	A defined operating model resulting in the engagement of the architects at the right time in the IT lifecycle to catch projects at risk or identify duplication of capabilities helping the client to meet its commitment to Wall Street.
Healthcare Payer	The client needed the ability to practice SOA to enable IT to be more agile to quickly respond to business opportunities.	PwC worked with the client to help develop a lightweight architecture lead framework consisting of process and templates to deliver SOA.	Over time the client's systems evolved to be agile and lend themselves to be responsive to the business's needs.
Financial Services	The client's architecture organization was spending too much time delivering tactical project support where there was a need for more strategic work.	PwC worked with the client to help define the architecture operating model with a 1 year roadmap to move the architecture organization from 100 percent tactical work load to a 60/40 mix of strategic and tactical work load.	The client delivered more strategic work consisting of reference architectures over the previous year's effort.

PwC has developed valuable insights from our experiences creating and transforming OOAs

INSIGHT	HOW IT IS APPLIED
1. An exhaustive enterprise level blueprint is challenging to build all at once	<ul style="list-style-type: none"> • Split blueprint into tiers – Enterprise “optimized core”, business unit specific, functional and divisional
2. Leading practices combine direction-setting enterprise blueprint, business unit, and domain blueprints	<ul style="list-style-type: none"> • Use Enterprise Blueprint for direction-setting and BU/domain blueprints to drive projects
3. A centralized team of architects is critical in driving EA standards and approaches	<ul style="list-style-type: none"> • Consolidate key architects into centralized architects pool
4. Architects should be assigned to projects as core team members (60% of Architect Fulltime equivalents) rather than “advisors”	<ul style="list-style-type: none"> • Operating model defines project requests, staffing and metrics
5. Measure EA as an asset	<ul style="list-style-type: none"> • Measure costs to provide the service and the return the business gets from the business capabilities delivered
6. EA leadership requires strong management, business operations and technology skills, most likely in 3 different types of people	<ul style="list-style-type: none"> • Seed EA leadership with EA Director + Chief Architect • Select technology-focused architects based on the client’s particular technical environment • Include SMEs with deep industry, operations and technology insights.
7. EA methods and governance should be integrated into existing work processes (e.g., project approvals, SDLC) rather than a new overlay	<ul style="list-style-type: none"> • Insert new checkpoints and updated deliverables in your core SDLC
8. Enterprise Architecture is not always the best name for communicating	<ul style="list-style-type: none"> • Use naming already in place with strategy & planning or finance functions
9. Strong credibility and trust amongst business and IT partners can be a predictor of EA success	<ul style="list-style-type: none"> • Build early credibility by demonstrating quick results- “Get the Win”

Making Change Stick

Internal Focus

- Involve the architects
- Don't rush to a tool
- Don't focus on a framework
- Look for early wins
- Only do enough for what makes sense
- Be mature where you need to be mature

Broader Context

- **Understand the broader drivers**
- **Involve stakeholders early and often**
- **Build a Community of Interest (COI) to extend and enhance the architecture organization**
- **Communicate Communicate Communicate!**

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2 Reasons to Mature

3 The Office of the Architect

4 Rollout Approach

5 Making Change Stick

6 Wrap-up

Wrap-up Questions

Please feel free to send me an email:

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