The Systematic Enterprise: How to synchronize EA, PM and other management methods

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What does it mean to be systematic?

- Organized
- Consistent
- Methodical
- Standardized

- Doing
- Storing
- Planning
- Deciding
The Systematic Enterprise

- Uses formal management methods and frameworks to:
  - Translate the enterprise vision into results
  - Do business more efficiently *(faster, cheaper)*
  - Serve customers more effectively
  - Reduce errors and increase reliability
  - Manage risk
Stage 1: Serving clients systematically

• Doing your business (serving clients) in consistent ways
  – Defined policies, processes, data
  – Doing and storing things systematically
  – Within one business function
  – Visible effects on clients & outsiders
  – Often introduced via automation
  – Use models, definitions, standards & policies
  – Moving a business function up the maturity ladder
Benefits of serving clients systematically

- Efficiency
- Serve many clients
- Handle many products
  - Example: orange carpets
- Reliability
  - Example: insurance adjudication
Disadvantages of serving clients systematically:

- **Upfront design work**
- **Takes longer to implement**
- **Less nimble**
- **Rules & procedures**
- **Less judgement & creativity**
- **Dis-empowered staff**
Stage 2: Managing the enterprise systematically

• Managing your entire Organization methodically
• Planning and deciding things in consistent ways
• Formal frameworks, methods, standards
• Defined governance
  – Lines of authority
  – Approvals enforcing formal methods
• Visible internally; indirect benefits to clients
• Moving the entire business up the maturity ladder
Capability Maturity Model

1. Initial Level
   - Disciplined process

2. Repeatable Level
   - Standard, consistent process

3. Defined Level
   - Predictable process

4. Managed Level
   - Continuously improving process

5. Optimizing Level
   - Optimizing Level
A plethora of formal methods

See summaries of dozens of methods at www.12manage.com
Take a holistic approach to management

- Holistic: From *holos*, Greek, meaning *all*, *entire*, *total*
- "The whole is more than the sum of its parts" - Aristotle
- To develop a Systematic Enterprise, you can’t just manage each aspect separately
- The enterprise as a whole determines how its parts behave
Benefits of the Systematic Enterprise

Stage 1

• Efficiency, reliability, scalability of serving customers

Stage 2

• Efficiency of management processes
• Reliability of management
  – More likely to get desired results
  – Less instinct, favouritism, etc.
• Scalability to many lines of business
• Prioritization using enterprise goals
• Risk awareness and mitigation
Disadvantages of managing the enterprise systematically

- Investment (adoption, training, software)
- Hard to get enterprise-wide commitment
- Benefits uncertain
- Learning curve and reluctance
- Less nimble
- Less risk tolerance
Steps in becoming more systematic
How formal does your organization need to be?

• Evaluate how systematic the enterprise is now
• Ask how systematic the enterprise wants to be
• What would fit the culture?
  – Observe how stuff gets done: individual or team effort?
  – Is decision-making quick or deliberate? Command or consultation?
• Don’t push formality in areas that are low-priority, frequently changeable, or working well
What are your reasons for becoming more systematic?

- Know your enterprise’s goals & priorities
- Set measurable objectives
- Focus on large, repeated needs

What should we invest in?

Executives can’t tell what’s going on...

Everyone has a different way of doing...

We are spending too much on...

Hiring decisions could be more reliable...

We’re not in compliance with...

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Which business functions need to be more systematic?

**Stage 1: Operations**
- Client Relationship & Scheduling
- Transaction Processes & Policies
- Marketing
- Products & Pricing
- Production
- Supply Chain, Inventory, Logistics

**Stage 2: Enterprise management**
- Governance, Policy & Planning
- HR, Contractors, Volunteers
- Accounting, Finance, Procurement
- Portfolio of Projects & Tasks
- Data, Information, Knowledge
- Information Technology
- Properties & Facilities
- Equipment & Fleet

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Where will the formal method apply?

Need a champion to align across the organization

- Consider subsidiaries & agencies
- Consider suppliers, clients, partners

- Pilot-test
- Plan for later expansion
What kind of formal method do you need?

- **Business**
  - Ongoing enterprise governance
  - Long time spans
  - Short situations

- **Technical**
  - Simple
  - Complex
  - Deliverables
  - Phases
  - Criteria
  - Terminology
  - Short situations

- **Ongoing enterprise governance**
  - Long time spans
  - Short situations
Quality of a proposed formal method

- Easy to learn & implement
- Clearly defined terminology
- Logically consistent meta-model
- Ongoing maintenance by a group
- Surveys or recommendations showing the method is effective for other organizations
  - For effectiveness of Enterprise Architecture: see Scott Ambler’s State of the IT Union Survey posted at [www.agilemodeling.com/surveys/](http://www.agilemodeling.com/surveys/)
Which formal method is right for your organization?

• Do the advertised benefits address your highest priorities?
• Is it feasible to implement?
  – Start-up costs: standards, software, training, migration
  – Skills required
  – Culture and change management
  – Ongoing time required to do the method
Assessing your current formal methods

• Each current formal method
  – Why adopted?
  – In use across the enterprise?
  – Adapted well to the culture?
  – Strengths? Weaknesses?

• If you have multiple formal methods:
  – Is the governance coordinated or confusing?
  – Are there redundant deliverables or repositories?
  – Are the terms and philosophies consistent?

• Is the result a Systematic Enterprise?
Share your organization’s experiences

What formal methods have you adopted? Rejected?
Tell us the pros & cons.
Steps to implement and/or synchronize formal methods

Choose methods

Decide governance process

Work out the details

Select pilot project

Training & Launch

Evaluate, Improve & Update
Three success factors for the Systematic Enterprise

- Authoritative enterprise description
- Harmonized steps and deliverables
- Consolidated governance process
Use one high-level enterprise description

- Business Rules
- Accounting
- Delegation of Authority
- Data architecture
- Goals & Strategy
- Policy
- Organization Chart
- Function Hierarchy
- Product / Service Catalog
- Budget
- Project Portfolio Management
- Document & Records Management
- Business Process Models
Getting one high-level enterprise description

Choose the most complete, accurate sources

Authoritative enterprise description

Business motivations to update info

Use in all formal methods

Goals & Strategies
Policies
Function hierarchy
Org chart
Product catalog

Master Data Management

Business Architecture

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Have one governance process

- Clear lines of authority
- Consultation and Command
- Enterprise-wide, long-term perspective
- Deliverables of formal methods
- Integrated approval requirements
- Consolidated governance process
- Accountability
- Rapid approvals
Experience:
Marlene Brathwaite, Ontario Teacher’s Pension Plan

- Covering Data Governance concerns through a Project Management Office (ePMO)
- During the analysis phase we gather functional & non-functional data requirements
- We ask our Project sponsor about data quality expectations: completeness, accuracy, timeliness, security, retention
- We clarify roles and responsibilities in an internal Service Level Agreement:
  - Data Owners, Data Stewards
  - Data Quality control points, Escalation
  - Change control procedures, such as adding new attributes
Example: Government of Ontario

- Federated model (ministry, cluster, corporate levels)
- Unified IT Project Methodology
  - Portfolio Management
  - Enterprise Architecture
  - Systems Development Life Cycle
- Capability Maturity Model
- And more formal methods…
  - IT Service Management: Change Advisory Board
  - Enterprise Information Management
Comparing & combining formal methods

- Check for synonyms & homonyms
- Meta-model information structures
- Map phases and lifecycles
- Re-use content by integrating repositories

Harmonized steps and deliverables
Example: harmonized project & architecture governance in Government of Ontario

Unified Project Methodology
Gate 0 Feasibility

Enterprise Architecture approvals

Gate 1 Approval
Checkpoint 0 (plans for doing EA)

Gate 2 Project Charter

Gate 3 Project Plan
Checkpoint 1 (Zachman rows 1&2)
Checkpoint 2 (Zachman row 3)

Gate 4 Revised docs after implementation
Checkpoint 3 (Zachman row 4)

Gate 5 Close-out review
Checkpoint 4 (lessons learned)

Harmonized steps and deliverables

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Comparing PMBoK and TOGAF phases

**PMBoK**
- *Time-limited*
- *Single pass*

**TOGAF**
- *Ongoing*
- *Iterative cycle*
Example: Ways to record responsibilities

Service Integration & Accountability Model

Service Provider
Department B

Operations
Service

Output

Department A

RACI Chart

<table>
<thead>
<tr>
<th></th>
<th>Contracts</th>
<th>Planning</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
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<td>R</td>
<td>R</td>
<td>A</td>
</tr>
<tr>
<td>Dep’t B</td>
<td>C</td>
<td>I</td>
<td>R</td>
</tr>
</tbody>
</table>

Service Level Agreement
Meta-models to compare information structures

**Method A**

Objective Name: __________
Performance Indicators:
________________________
________________________
________________________

**Method B**

<table>
<thead>
<tr>
<th>Metric</th>
</tr>
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<tbody>
<tr>
<td>PK</td>
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</table>

Name Definition Formula Target Value

<table>
<thead>
<tr>
<th>Measurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>PK, FK1</td>
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Value Notes

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Evaluating your holistic approach

- Across the enterprise?
- One enterprise description?
- One rapid approval process?
- One set of deliverables?
- Affordable training, repository, staffing?
- Increased maturity levels?
- Fits the culture?
- Extensible to future methods?

- Will it make the enterprise more systematic?
  - Achieve business goals
  - Do business more efficiently (save time & money)
  - Reduce errors and increase reliability
  - Deliver better customer service
  - Manage risk
Five pitfalls on the way to the Systematic Enterprise
The Guru Effect

• Set your objectives
• Do cost/benefit analysis
• No one method has all the answers
  – Need multiple formal methods to cover all business functions

• A formal method is an approximation
  – Some parts could be improved or adapted
  – Terminology might have synonyms or homonyms in your organization
  – Phases will overlap, repeat, iterate, happen out of order
Misdirected enthusiasm

- Avoid choosing a formal method based on:
  - Staff skills & interests
  - Departmental boundaries
  - Software acquisition opportunities

- Give executives an elevator speech they want to hear

We could do business more systematically. I'll find some formal methods for your priority areas.

Data professionals offer rigorous approach to any method
The Technocratic Trend

Distrust of human judgement → Systematic procedures, forms & rules → Following rules blindly → Red tape delays → Getting around the rules → Ignoring signs of trouble
The Perils of Perfection

• Be 80% systematic, then rely on human judgement
  – Sometimes it’s easier to solve a problem than prevent it

• “Not Invented Here” Syndrome
  – Customizing an imported method loses the benefits of standardization (e.g.: buying software & training)

• Keep it simple
  – Few people have time for complexity
  – Managers should trust technical people to take care of the details & exceptions
Keep it simple

The Enterprise Canvas, Tom Graves
Ivory Tower

- Putting resources into optimizing the method, instead of optimizing the enterprise

Systematic method implemented

Creative jobs get routine

Perfect the methodology

Add new formal methods

The rules keep changing!

Technocratic Trend
You can always go deeper, but eventually you wind up back where you started.


Mandelbrot Ultra Zoom #5: 2.1E275

By Orson Wang, Fractal Journey blog. Used under Creative Commons licence.


MUSIC: "Research Lab" by Dark Flow

The final magnification is 2.1x10^275 (or 2^915). I believe that this is the deepest zoom animation of the Mandelbrot set produced to date (January 2010).

Each frame was individually rendered at 640x480 resolution and strung together at 30 frames per second. No frame interpolation was used. All images were lovingly rendered by 12 CPU cores running 24/7 for 6 months.
Questions?
Experiences?

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