Transforming an Organisation from Fragile to Agile using EA, BPM & SOA

Glenn Smyth
Founder & CE
Fragile to Agile Pty Ltd

“The best way to predict your future is to invent it.”
Frank Herbert
Fragile to Agile Introduction

• Adelaide based dedicated architecture company launched in 2009

• We specialise in
  • Enterprise Architecture i.e. “town planning” for ICT
  • Business Architecture i.e. capability based
  • Assessing the current state of an organisation’s IT systems and its ability to support its business strategy
  • Designing a target state for an organisation’s IT systems
  • Determining a roadmap to the desired target state
  • Solutions architecture i.e. high level design for projects
  • Assisting organisations to adopt an Enterprise Architecture practice
What we do ...

“By understanding your desired business outcomes, we determine what this means for your business, people and technology design domains. Doing this strategically generates a roadmap of change or, at a project level, an accurate business case and solution design. When these are conducted in parallel, the consistency in approach enables you to execute your strategy with confidence whilst minimising cost and risk and maximising agility.”
Enterprise Architecture Explained

Our definition of Enterprise Architecture:

“The alignment of business, people and technology design to ensure that together they deliver business intent.”

Enterprise Architecture Value Proposition

Our view:

“Enterprise Architecture helps to deliver business strategy with confidence whilst minimising cost and risk and maximising agility.”
Overview

• Where are we now? (Fragile Inc.)
• Where do we need to be? (Agile Inc.)
• What do we need to get there? (Agility Pyramid)
  • BPM/SOA Target State
  • Business Capability Model
  • End to End Approach to Change
• How do we make it happen? (from strategy to execution)
  • Operating Model Definition
  • Service Containers Definition
  • Integrated Architecture Framework
  • Capability based Target State
  • Solution Roadmap Development
  • Architecture Governance
• Key Shifts from Fragile to Agile
• Summary
Where are we now?

Fragile Inc. - Solutions

Solutions at Fragile Inc.
Where are we now?

Fragile Inc.

Fragile Inc. Enterprise View
Where are we now?

Fragile Inc. - Spaghetti Architecture
Where are we now?

Fragile Inc. - Processes

**Organisational DNA**

“Who we are, who we aren’t”

**Strategic Planning Process**

“Making the strategy executable”

**Investment & Prioritisation Process**

“Managing Our Project Portfolio”

**Organisational Decision Factors**

“Making Informed Decisions”

**Conceptual Design Process**

“Agility by Design”

**Architecture Governance**

“Keeping Everyone Honest”
Where do we need to be?

Agile Inc.

Business Rules Engine

- Channels
- Business Process Management
- Enterprise Service Bus

Data
- Legacy
- COTS
- In-house Build
- Etc.
- Etc.
- Etc.
How do we make it happen?

Fragile to Agile® End to End Approach

Strategic Planning Process (SPP)

Investment & Prioritisation Process (I&PP)

Conceptual Design Process (CDP)

Organisational DNA

Organisational Decision Factors

Deliver & Implement Process (D&IP)

Change Delivery Framework

Project Mgt Framework

Architecture Governance Framework

Business Transformation The Fragile to Agile Way

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What do we need to get there?

Agility Pyramid

Agile Business

Dynamic Business Processes
- Business Process Management
- Lean Manufacturing

Flexible Services
- Service Based Business
- Service Oriented Architecture

Enterprise Architecture
- Business Intent
- Business Design
- People Design
- Technology Design

Business Strategy
- Value Proposition
- Competitive Differentiators
- Operating Model
- Values
What do we need to get there?

 Agility Pyramid

 Agilite Business

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What do we need to get there?

BPM and SOA

Markets
- Retailer / Wholesaler
- Others

Customers

Employees

Service Providers (3rd Party)
- Brokers
- Others

Communications Channels
- Business to Business
- Paper
- Phone
- Digital Medium
- Face to Face

Customer Service Portal

Enterprise Service Bus

Bill Enquiry Process

Business Process Management

Supplying Applications
- CRM
- SAP

Get Customer ID
- Get Customer Address
- Get Billing Information
- Update Contact History

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What do we need to get there?

Agility Pyramid

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Agile Business
What do we need to get there?

Business Capability Model Executive View

<table>
<thead>
<tr>
<th>Business Capability Model Executive View</th>
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</thead>
</table>

**Business Enablers**
- BE - Business Enablers
  - Knowledge Management
  - Integration Services
  - TE - Technology Enablers
    - Security Management

**Business Capability Model**

**Version:** V1.1  22/06/2015

**URL:** www.fragiletoagile.com.au
Business Capability Model Architecture View

What do we need to get there?

AGILITY BY DESIGN

www.fragiletoidgile.com.au

22/06/2015
What do we need to get there?

Fragile to Agile® End to End Approach

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Business Transformation The Fragile to Agile Way
© Fragile To Agile
# Other Considerations

**Application centric encourages silos**

- Applications
- Shorter term and narrower focus
- Tailor made “point” solutions
- Resist change
- Fragile

- Encourages self interest and singular goals
- Greater control over resources and timeframes by Project Manager
- Simpler
- Less people to keep informed

- Rewards crisis makers/breakers
- Rewards deadline makers not quality makers
- Skills fragmentation
- Reduces flexibility of resources
- Little reuse so high overall costs

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## Application centric environment exhibits the attributes above

<table>
<thead>
<tr>
<th>Product</th>
<th>Culture</th>
<th>Governance</th>
<th>Communication</th>
<th>Reward System</th>
<th>Skills</th>
<th>Overall Costs</th>
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### SOA environment exhibits the attributes below

- Services
- Builds assets for whole of organisation
- Reuse of high quality pre-tested components
- Agile

- Common goals
- Shared values and greater trust
- Corporate spirit
- Teamwork

- Requires strong senior management to coordinate and support distributed effort
- Contract based

- More complex
- Requires service contracts
- Needs greater interpersonal skills

- Rewards quality
- Rewards long term thinkers
- Rewards asset builders

- Encourages centres of excellence
- Builds skills
- Shared knowledge
- Increased resource flexibility

- Shared and lower long term costs

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**SOA encourages collaboration**
What do we need to get there?

Agility Pyramid

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- Values
Operating Model

What do we need to get there?

Courtesy “Enterprise Architecture as Strategy” by Peter Weill, Jeanne W. Ross and David C. Robertson

**Operating Model**

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<thead>
<tr>
<th>High</th>
<th>Replication</th>
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<tr>
<td></td>
<td>Few shared customers, partners etc</td>
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<td>Independent transactions</td>
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<td>Operationally similar Business Units</td>
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<td></td>
<td>Largely autonomous business unit management</td>
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<tr>
<td></td>
<td>Central control over business process design</td>
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<tr>
<td></td>
<td>Shared data standards across business units</td>
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<td></td>
<td>Centrally controlled IT investment decisions</td>
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<table>
<thead>
<tr>
<th>Low</th>
<th>Unification</th>
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<td>Few shared customers, partners etc</td>
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<tr>
<td></td>
<td>Independent transactions</td>
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<td></td>
<td>Operationally similar Business Units</td>
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<td></td>
<td>Centralised management</td>
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<td></td>
<td>Organisational wide process owners with control over business process design</td>
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<tr>
<td></td>
<td>Centralised management</td>
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<tr>
<td></td>
<td>Managed shared services</td>
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<table>
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<th>Low</th>
<th>Diversification</th>
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<td>Independent transactions</td>
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<td></td>
<td>Operationally unique Business Units</td>
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<td>Largely autonomous business unit management</td>
</tr>
<tr>
<td></td>
<td>Individual Business Unit control over business process design</td>
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<tr>
<td></td>
<td>Few shared data standards across business units</td>
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<td></td>
<td>Most IT investment decisions made within business units</td>
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</table>

<table>
<thead>
<tr>
<th>High</th>
<th>Co-ordination</th>
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<tr>
<td></td>
<td>Few shared customers, partners, products or suppliers across business units</td>
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<td></td>
<td>Independent transactions</td>
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<td>Operationally unique Business Units</td>
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<td></td>
<td>Largely autonomous business unit management</td>
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<tr>
<td></td>
<td>Business unit control over business process design</td>
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<tr>
<td></td>
<td>Centralised management</td>
</tr>
<tr>
<td></td>
<td>Cross business unit design and funding for IT shared services (e.g., Customer services) and infrastructure</td>
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<tr>
<td></td>
<td>Remainder of IT investment decisions made within business units</td>
</tr>
</tbody>
</table>
What do we need to get there?

Agility Pyramid

© Fragile to Agile

Business Strategy
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Enterprise Architecture
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Agile Business
How do we make it happen?

SOA – Service Containers
How do we make it happen?

SOA – Service Containers
How do we make it happen?

Agility Pyramid

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Capability Model
# Integrated Architecture Framework

What do we need to get there?

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<thead>
<tr>
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<th>Enterprise Architecture</th>
<th>Solution Architecture</th>
<th>Solution Engineering</th>
<th>Solution Delivery</th>
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<tbody>
<tr>
<td>Fragile to Agile Integrated Architecture Framework</td>
<td>Strategic Design</td>
<td>Conceptual Design</td>
<td>Logical Design</td>
<td>Physical Design</td>
</tr>
</tbody>
</table>

## Business Intent
- Financial Outcomes
- Customer Outcomes
- Partner Outcomes
- Staff Outcomes

## Business Design
- Stakeholder Experience Design
- Business Capability Design
- Business Process Design
- Information Architecture
- Channel Design
- Business Security Design

## People Design
- Role Design
- Job Design
- Workforce Design

## Technology Design
- Solution Architecture
- Integration Architecture
- Construction Architecture
- Data Architecture
- Security Architecture
- Communications Architecture
- Infrastructure Architecture
- Operations Architecture
- Solution Development Architecture
- Solution Testing Architecture

© Fragile to Agile
## Solution Roadmap - Example

<table>
<thead>
<tr>
<th>Task Name</th>
<th>Start</th>
<th>Finish</th>
<th>Duration</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
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<tbody>
<tr>
<td>1. Process Automation, Efficiency &amp; Sales Management</td>
<td>1/08/2016</td>
<td>9/06/2016</td>
<td>9m</td>
<td>Q1</td>
<td>Q4</td>
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<td>2. Process Automation, Scanning &amp; Knowledge Management Part 1</td>
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<td>23/06/2015</td>
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<td>3. CRM Phase 1</td>
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<td>4. Interim Efficiencies</td>
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<td>11/11/2014</td>
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<td>5/06/2016</td>
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<td>Q1</td>
<td>Q4</td>
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<td>6. Foundations</td>
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<td>4/12/2015</td>
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<td>7. Core Business Renewal &amp; Richer Client Experience</td>
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<td>2/10/2017</td>
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<td>8. CRM 2</td>
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<td>14/03/2016</td>
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<td>9. Online Presence</td>
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<td>23/05/2015</td>
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<td>11. Resource &amp; Timesheet Management Solution</td>
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<td>2/08/2017</td>
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<td>Q4</td>
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<td>14. Business Process Automation Part 2</td>
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<td>15. HRIS</td>
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<td>2/10/2017</td>
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<td>Q4</td>
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<td>16. Business Intelligence &amp; Optimisation</td>
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<td>1/05/2018</td>
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<td>17. Business Intelligence &amp; Data Warehouse</td>
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<td>18. IT Capability Uplift</td>
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</tbody>
</table>
How do we make it happen?

## Architecture Governance

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<td>Business Intent</td>
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<td>Financial Outcomes</td>
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<td>Partner Outcomes</td>
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<td>Job Design</td>
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### Key Shifts from Fragile to Agile

#### Fragile Inc.
- Processes embedded in applications and static
- BPM/Lean boundary unclear
- People based
- Little or no process analytics
- Unclear process granularity

#### Agile Inc.
- BPM enabled processes
- Processes dynamic
- BPM/Lean boundary clear
- Role based
- Real time analytics
- Clear process granularity

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Summary

- Designing and implementing a **materially more agile organisation** that delivers a step change in:
  - Agility;
  - Efficiency;
  - Cost to income ratio;
  - Customer service, and;
  - Ability to adopt new technologies rapidly

- There are **no technology blockers** to achieve this but its execution must be appropriately governed execution

- **Capability based Enterprise Architecture** is mandatory to define and map the journey to Agile Inc.

- **Target state solution architecture** and level of modularisation must be defined

- **Solution roadmap** to the target state must be developed

- Adopting BPM/SOA without a **Business Capability Model with Service Containers** will only deliver incremental improvement and will not be cost effective
Thank You

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THE AUSTRALIAN ENTERPRISE ARCHITECTURE CONFERENCE
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