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Six Best Practices for Aligning Enterprise Architecture With the Business Strategy

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Alignment of enterprise activities and investments is one of the primary goals of an enterprise architecture (EA) program. CIOs and enterprise architects should use these best practices to ensure that their architecture efforts are fully aligned and that business is fully engaged.

Key Findings

- A truly aligned architecture effort requires significant input from all the stakeholders in the enterprise. Successful EA programs engage all the stakeholders — not just senior business leadership.
- Interpersonal and facilitation skills are most critical to the success of the EA initiative.
- It is not permissible to forgo the business strategy analysis altogether just because a common requirements vision (CRV) cannot be delivered. The strategy analysis is the foundation of the EA effort, so some approach that captures the essence of the strategies and ties them to the EA concepts must be used.
- By using the EA guidance as the unifying principle, we ensure that the strategic and governance initiatives of the enterprise do not collide with one another, but rather cooperate to support the evolution of the enterprise to the desired future state.

Recommendations

- Ensure that all the stakeholders are engaged.
- Ensure that all stakeholders are approached with a straw model.
- Spend the majority of your time validating and socializing.
- Do not expect the business strategy to be delivered to you — be prepared to discover it.
- In less-mature enterprises, take a less formal approach to the development of the CRV.
- Use your EA process to inform other strategic and governance initiatives in the enterprise.

ANALYSIS

A critical goal of every EA program is to increase the alignment of enterprise activities and investments with the business strategy, yet many EA teams struggle to achieve and demonstrate this level of business relevance. As a result, EA efforts either fail to deliver significant business value or are perceived as irrelevant to business success by the stakeholders. In the current economic climate, either of these conditions will likely be fatal to the EA initiative and/or to the members of the EA team. To help enterprise architects avoid these results, Gartner has collected a selection of best practices designed to ensure that business value is both delivered and demonstrated.

Best practice No. 1: Engage all the stakeholders — both internal and external.

A truly aligned architecture effort requires significant input from all the stakeholders in the enterprise. While senior business management should clearly have input, it is also important to obtain buy-in from all of those who will be constrained by EA decisions. This includes line management, business operations, development, IT operations, and support functions such as procurement and finance — pretty much everybody in the enterprise.

It also includes external service providers, outsourcers and other stakeholders from the enterprise ecosystem. Each of these stakeholders has a role to play in the success of the enterprise, and each of them has a unique perspective of what success means (see "Developing and Using Stakeholder Analysis to Build Support for EA"). Getting buy-in from each of these stakeholders is critical to the success of the EA initiative, and buy-in requires engagement, so reaching out to each of these constituencies is necessary. The additional benefit is that these unique perspectives can provide insights into the strategic drivers of the enterprise that the EA team might not otherwise encounter. Engaging with a wide range of stakeholders across the enterprise ensures a "360-degree" view of the business strategy, resulting in a better-informed EA.

Best practice No. 2: Never go in with a blank sheet of paper.

When engaging any of the stakeholders, it is never a good idea to go in with a set of open-ended questions. Each stakeholder group has a different view of what's important and the level of detail that is required. Because most of them are occupied by primarily tactical concerns, they will tend to drive the conversation in a tactical direction. Because most of them are not familiar with EA deliverables, open-ended questions can leave them at a loss and may make them defensive. A much more productive approach is to create a straw model and to present it as a basis for refinement and further development. This approach ensures that the stakeholders are engaged at the appropriate level of detail and that the discussion has some structure.

Best practice No. 3: Validate, socialize, then validate again.

The EA process is fairly straightforward (see "Gartner Enterprise Architecture Framework: Evolution 2005"). First, examine the business strategy and environmental trends in order to understand the direction of and drivers for the architecture. Then articulate the requirements, principles and models that describe the future state and the evolution of the enterprise toward that future state. Next, document enough of the current state to identify gaps with the future state, define the steps that need to be taken to achieve the future state vision and guide the implementation of that road map by exercising appropriate governance over the strategic initiatives of the enterprise that are charged with improving the business's ability to operate.

This process is much easier to say (or write) than it is to do. It is highly iterative and requires collaboration and validation with the stakeholders at every step along the way. It is an exercise in facilitation and engagement, and the most important skills that the EA team will exercise are interpersonal and communication skills.

Best practice No. 4: If the business strategy does not come to you, go to the business strategy.

We often hear that companies don't have a business strategy. This is almost never true. The business always has goals; there is always some definition, implicit or explicit, of the best way to achieve those goals; and there is always some means (often in the compensation structure) to encourage management and staff to behave accordingly. Very often, business strategies are not well-articulated internally. The business strategy does not have to be articulated in exquisite detail to provide effective input into the business context.

The important question to be answered is: "What are the things that the business wants to do differently tomorrow in order to be more successful than it is today" (see "Findings: EA Should Be Driven by Business Objectives"). High-level statements, such as "Grow through mergers and acquisitions" or "Attract high-value customers and increase customer profitability by providing comprehensive online services," are sufficient to derive the implications and requirements that will inform the business context. Indeed, too much detail can bog down a business context effort and prevent the team from articulating guidance that can be used across the business.

In many cases, the enterprise will be highly federated — a collection of business units or functional areas that have different business models and, therefore, different strategies or simply an environment in which the different business areas are highly autonomous and have significant decision rights. Federated enterprises require more effort in the articulation of the business strategy, because it is necessary to establish not only the general strategic objectives of the enterprise as a whole, but also the specific strategies of different business areas. Common strategic objectives must be established, and differences in priorities or conflicting objectives must be noted as well.

Best practice No. 5: If the enterprise resists a formal CRV process, try a less-formal approach but retain the critical components.

We often find that EA teams that are just starting (or restarting) an EA effort have difficulty persuading the enterprise to go through the structured, formal approach that we espouse for the CRV. However, it is not permissible to forgo the strategy analysis altogether, just because a CRV cannot be delivered. In this case, a less formal approach should be adopted that uses the same constructs as the CRV, but presents them in a less formal manner. For example, instead of trying to create a structure of business change requirements, business information requirements and so on, ask some simple questions:

- How must the business change?
- What new types of information will be required?
- What new technology capabilities must be provided?
- What programs will support our strategic objectives?

Note that the essential components of the CRV are being retained, but the more structured format is avoided in order to increase the chances of acceptance with a reluctant organization. Dependence on external relationships and the frequency of change (requirements for agility) should be explicitly called out for business, information and technology change requirements. Figure 1 provides an example of how this "informal CRV" might look.

Figure 1. A Less Formal Approach to the CRV

Business change requirements — how must the business change? • Process • Organization • Finances • Culture	**Institute personal bankers and account management process for high-net-worth customers**
Business information requirements — what new types of information will be required?	**Customer profitability by individual customer and channel**
IT requirements — what new technology capabilities must be provided?	**Enterprise data warehouse and analytics**
Business solution requirements — what programs will support our strategic objectives?	**Customer analytics: Retention and segmentation to evaluate the profitability of customers, market segments and product lines**

Source: Gartner (January 2009)

Best practice No. 6: Use the EA to inform other strategic and governance initiatives in the enterprise.

Most enterprises have a wide variety of strategic initiatives running at any point in time. They are usually started in response to problems that are impeding the success of the business ("We don't have the information that we need to make business decisions") or in an attempt to implement best practices ("The leaders in our industry manage their applications as a portfolio"). Often, they are started in different parts of the enterprise, and their leaders have different views of the goals and objectives. They also have different perspectives on decision rights, frequently leading to conflicts on key decisions and a lack of coordination in implementations. At best, the enterprise achieves a sort of "Brownian motion" in which the different components move randomly and independently of one another. In the worst case, different strategic initiatives actually interfere with each other. In any event, the desired change is achieved less efficiently — if it is achieved at all.

The EA should provide specific guidance to all the strategic and governance initiatives of the enterprise (see "Integrate EA and IT Governance Initiatives"). Take, for example, the requirements identified in Figure 1. In this example, the strategies include attracting high-net-worth customers with excellent online capabilities and deepening the relationship with those customers to achieve greater customer profitability. These strategies will drive substantial changes in the bank's business, including the creation of a personal banker function and the associated account management processes. There will be a need for profitability information by customer and channel, which will be provided by a customer analytics initiative supported by data warehousing and business analytics technologies.

These requirements give specific guidance to the business process competency center (BPCC), which will need to design the new processes and drive the organizational changes needed to create the new function, and the business intelligence competency center (BICC — see "Q&A on the Relationship Between Enterprise Architecture and Competency Centers"), which will need to focus on providing customer profitability data to business management. Such information also provides guidance to the EA team, which needs to incorporate data warehousing and business analytics technology into the bank's enterprise architecture. There will likely be a number of projects in the bank's portfolio that support the customer analytics program. It is the job of the program and portfolio management functions to ensure that these projects deliver the business value that is envisioned.

By using the EA guidance as the unifying principle, we ensure that the strategic and governance initiatives of the enterprise do not collide with one another, but rather cooperate to support the evolution of the enterprise to the desired future state.

RECOMMENDED READING

"Developing and Using Stakeholder Analysis to Build Support for EA"

"Gartner Enterprise Architecture Framework: Evolution 2005"

"Findings: EA Should Be Driven by Business Objectives"

"Integrate EA and IT Governance Initiatives"

"Q&A on the Relationship Between Enterprise Architecture and Competency Centers"

This research is part of a set of related research pieces. See "Beyond Survival: Leverage EA Best Practices to Thrive" for an overview.

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