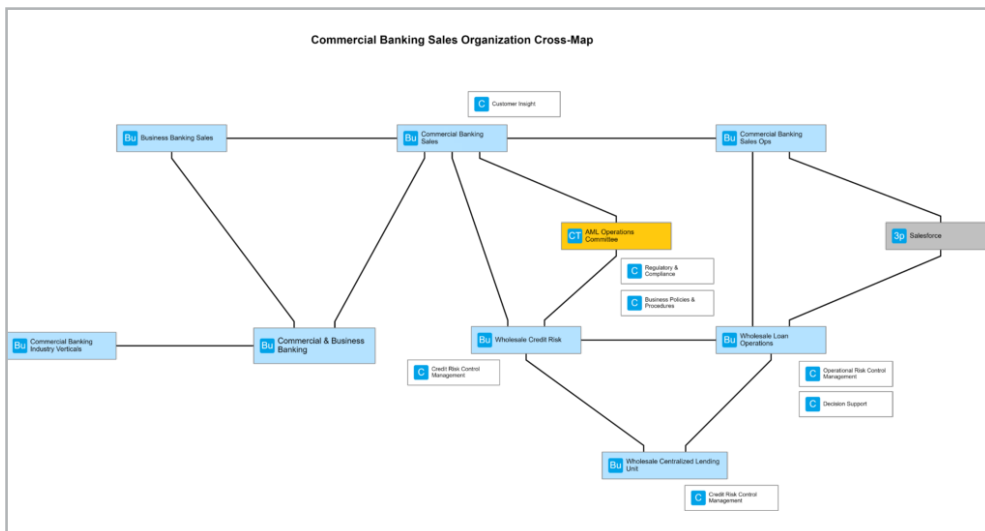


Business Architecture: How to Build a Successful Model



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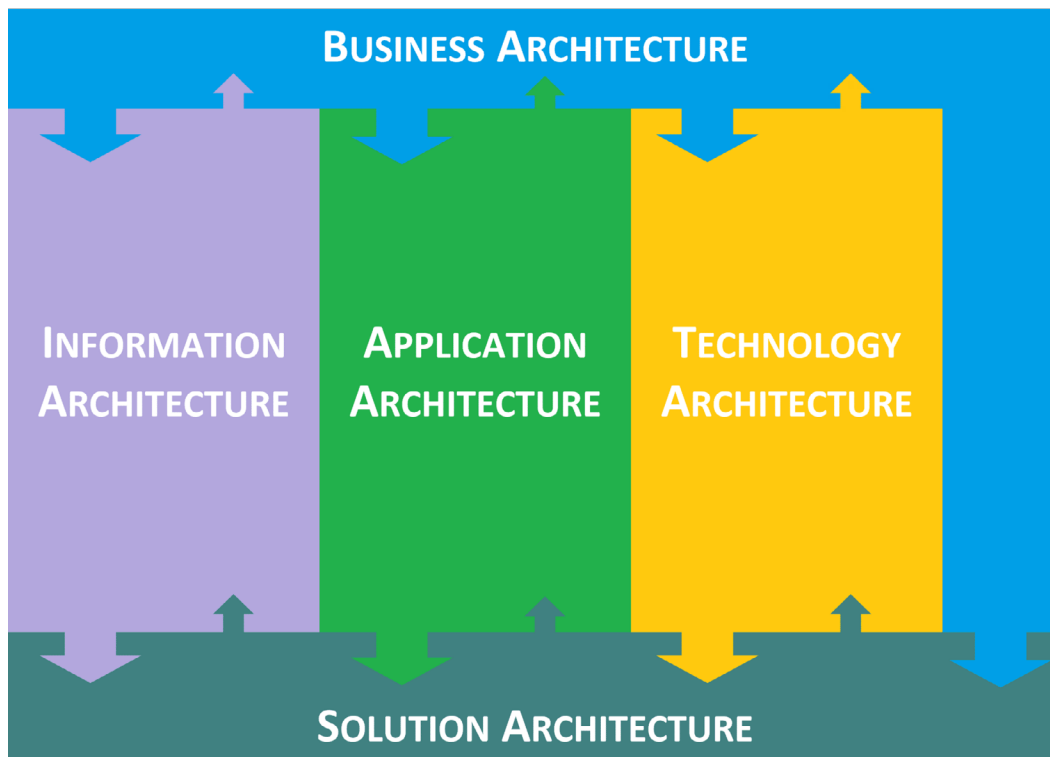
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Business architecture is something that most people are aware of, but that few people fully understand. There is often confusion around what it is, how it benefits an organization, and what constitutes a successful model. This guide will help you avoid some of the challenges, and implement an approach to business architecture to support today's business environment that is effective, efficient, and integrated with all the other strategic elements of your organization.

What is business architecture?

Organizations are made up of a number of distinct operating functions. Different departments and business areas have their own unique contributions to make to the success of the entire enterprise. But those functions cannot operate in isolation. They must be integrated – connected to each other in a way that optimizes the ability to deliver value and achieve the organization’s strategic priorities. Achieving that is where business architecture comes in.

There are a number of different formal definitions of business architecture, but rather than worry about theories, think of it as the discipline that demonstrates how key organizational elements – people, process, information and so on, work together to define an enterprise. Understanding these relationships helps an organization to identify areas of opportunity, develop roadmaps for evolution, and ultimately connect its strategies with the operation of the business.



Implemented effectively, business architecture is a critical component of [strategic portfolio management](#) (SPM) and helps to connect strategic objectives with work execution and tactical demands in a more effective, value focused manner that ultimately drives improved business performance. As such it must be viewed as a strategic, business-focused discipline that covers all organizational elements.

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5 elements of effective business architecture

Business architecture is a multifaceted discipline. To optimize its value it is necessary to consider the business from a number of different perspectives, combining each of those perspectives to fully understand the organization as it exists today, and how it needs to evolve into the future. The elements that must be considered to be successful are:

1. Capability mapping
2. Organization mapping
3. Value stream mapping and cross-mapping
4. Process modeling
5. Maturity modeling

1. Capability mapping

A capability map is a visualization of an organization based on the distinct business capabilities that make up what that organization does. This is generally viewed as the starting point for the business architect as it represents the most fundamental mapping of the business. However, there are a number of different aspects to capability maps.

Capability maps can be developed to represent the business as it exists today, or they can visualize the capabilities that are needed to succeed in the future. Capabilities can also be decomposed into sub-capabilities to provide greater insight into what the organization does. Capability maps include the ability to categorize each capability in terms of a number of different variables – core vs. non-core, strategic vs. operational, customer facing vs. internal, etc.

Capability mapping is used to conduct capability analysis. This considers the various processes, people, technologies, information, strategic alignment and numerous other factors that align with each capability in order to understand strengths, opportunities and necessary adjustments to the operation of the business.

2. Organization mapping

The organization map is a simple, easy to understand visualization of the various structural entities within the organization and the relationships between each of those functional areas. It can be complemented with the inclusion of third-party and collaborative teams to provide a more complete representation of relationships and dependencies.

In itself an organizational map is an easily understood summary of an organization, but where it really excels is when combined with the other maps and models we are considering in this section to provide more detailed analysis capabilities on how the business operates, and to aid in communication of concepts, strategies and plans.

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3. Value stream mapping and cross-mapping

Value streams are one of the most important elements of business architecture. They provide an easily understood visualization of how an organization achieves value through a self-contained set of activities, and as such a map of a single value stream can easily contribute to an executive presentation or similar use case.

However, when multiple value streams are combined and then cross-modeled with other elements they provide insight into complex concepts and facilitate detailed analysis of each value stage. Combined with additional visualization capabilities in the form of heat maps and similar tools they allow for the communication of complex concepts in an easily understood manner that can directly integrate with strategic planning and investment decomposition, supporting the ability to execute on the right work to achieve the right results through the rest of the SPM framework.

4. Process modeling

Process modeling is one of the most established elements of business architecture. and is Many organizations have been trying to define their business processes for some time, without considering it as a part of a broader approach. In their most traditional format they describe the components in business processes with additional information provided in the form of swimlanes, color coding, etc. that define ownership, type of activity and other information.

However, in the context of business architecture, the true value of process modeling comes from the combination of process models with other elements. This provides the ability to drill down into additional detail – say starting with a value stream and then exploring the elements of a value stage in that stream in more detail before exploring an individual process within a given stage.

Integrating value streams with individual elements of business processes, and everything in between, helps business architects provide a more comprehensive understanding of current or proposed states and eliminates potential confusion.

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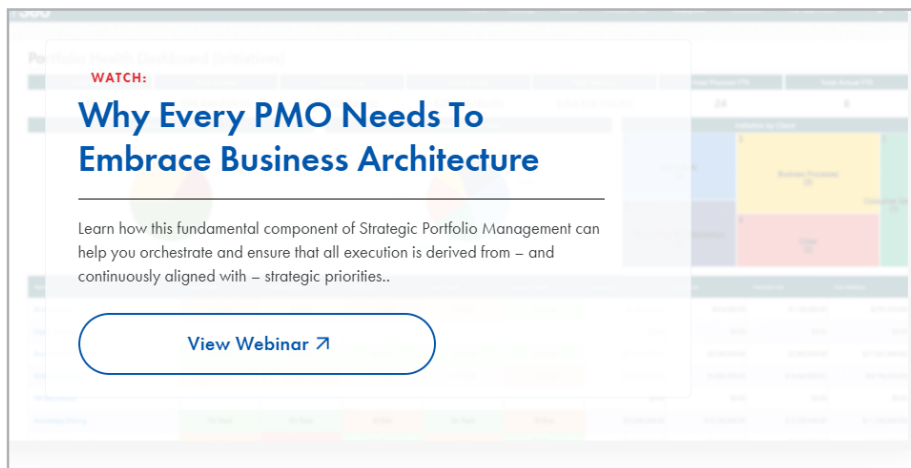
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5. Maturity modeling

Effective business architecture has to go beyond simply visualizing what an organization does and how it does it. It also needs to help the organization understand where the strengths and weaknesses are, where adjustments need to be made, and how well current or proposed initiatives are contributing to progress. You can't do that simply by documenting what exists, and that's where maturity modeling comes in.

Maturity modeling takes advantage of the ability to survey stakeholders – from inside or outside the business, to understand the relative performance of one or more of your capabilities, value streams, processes or any other aspect that you need. The results of those surveys are then represented in spider diagrams, heat maps or similar tools and further analyzed. Optimal effectiveness comes from the ability to analyze the current maturity levels against discretionary investments to aid planning, adjust in progress work and validate that [resources are being allocated](#) where they will generate the best possible return.



The image is a screenshot of a webinar advertisement. It features a dark blue header with the word "WATCH:" in white. Below this, the main title "Why Every PMO Needs To Embrace Business Architecture" is displayed in a large, bold, blue font. Underneath the title, there is a short paragraph of text: "Learn how this fundamental component of Strategic Portfolio Management can help you orchestrate and ensure that all execution is derived from – and continuously aligned with – strategic priorities..". At the bottom of the advertisement, there is a prominent blue button with the text "View Webinar" and a right-pointing arrow icon. The background of the advertisement is a blurred screenshot of a software interface, likely a business architecture tool, showing various charts and data points.

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Key challenges faced by business architects

Most of the challenges preventing business architects from succeeding are environmental – the organization isn't set up in a way that allows business architecture to succeed.

Most of those problems come back to areas that are addressed by an enterprise-wide SPM approach. As a result, business architecture should always be considered in the context of broader SPM and business strategy – effectively planning and delivering to optimize value in a continuously evolving environment.

1. A failure to clearly define and communicate business strategy

Unless the entire organization understands the strategic priorities and how they are intended to be achieved, there is a lack of focus which makes it impossible for business architects to enable alignment of all organizational elements. This also requires alignment between business architecture and related, but distinct, [enterprise architecture tools](#). If that alignment is missing it is likely to compound challenges around business strategy.

2. The existence of operational silos within the business

Historic approaches to strategic planning have encouraged the persistence of departmental and functional silos, allowing business units to operate with considerable autonomy and failing to force alignment with organizational priorities. Those silos act as barriers to effective business architecture and prevent the synergy that can be created by effective organization-wide integration of all elements.

3. The absence of a strong partnership between business and IT functions

Business architecture is a whole enterprise discipline, not an IT function. However, its elements require the effective use of technology across all business areas and with a business context. Unless IT is viewed (by IT and business leaders) as an extension of the business, that will never be achieved.

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Business architecture serves 4 domains

The four main aspects of a business architecture framework are:

1. Organization
2. Capabilities
3. Value Streams
4. Information

1. Organization

As you would expect, the organization is the structure of the enterprise that business architecture is being applied to. The organization is made up of business units that combine to represent all functions and departments within the enterprise.

2. Capabilities

A capability in a business architecture context is the definition of what an organization does or is capable of doing. There are multiple capabilities, each of which is unique. Capabilities are the building blocks of what the organization does.

3. Value Streams

A value stream is a visual depiction of the process of delivering value through a series of activities. Each value stream is self-contained and delivers a result – an outcome, to an internal or external customer. Collectively, value streams represent the value delivered by an organization.

4. Information

If capabilities represent what an organization does, information is the fuel that drives knowledge and understanding of how a business operates. Information is built on the organization's data, but for it to be considered information, that data also requires context – the business capabilities, processes, decision making, and so on that leverage the data.

These elements form the building blocks of an effective approach to business architecture, so let's consider how they contribute to that approach.

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Adopting business architecture processes and tools

Business architecture is a discipline that organizations sometimes find themselves backing into. Rather than consciously committing to develop the discipline, they simply expand their use of process modeling for their business processes, they begin to consider their business in terms of value streams as an additional analysis tool, etc.

As a result, many of the software solutions used to support the function are inadequate. You don't want to be defining, communicating and planning to enhance the architecture of your business in Visio or PowerPoint. You can't integrate your business architecture discipline with the rest of your SPM approach if you only have static images to work with. And you don't need your business architects spending their valuable time battling tools instead of improving their understanding of the business.

Instead, you need a powerful enterprise solution that recognizes that the ability to connect and integrate every element of the business is the foundation of everything. That's what we offer with our [360 Enterprise Connect](#) platform. We start with powerful [business architecture tools](#) and capabilities to help define, analyze and visualize your business in the most effective way. Then we seamlessly integrate that analysis into the rest of our Strategic Portfolio Management solution.

This allows business architects to provide the insight necessary to ensure that the enterprise can align strategic objectives with the right investments that will drive the right outcomes to optimize value for the entire organization. It helps eliminate the silos that are too often barriers to performance, and it communicates context and understanding to all work teams across each of the tri-modal realities. You can't do that with Visio.

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Vernon Smith

Vernon Smith is the SVP of Enterprise Architecture at UMT 360. Vernon is a career Business and Enterprise Architect and has led architecture practices for some of the world's largest organizations across a variety of industries and geographies. Most recently Vernon was CEO of FIOS Insight, who were acquired by UMT360 at the end of 2021. Vernon now leads the Enterprise Architecture practice at UMT360 and is responsible for the ongoing development of the EA and BA consulting capabilities as well as the strategic direction of UMT360's Architecture platform, 360 Enterprise Connect. Originally from the UK, Vernon now lives in North Carolina.