

THE EA VALUE PROPOSITION

Enterprise Architecture can be defined by its value. The value that EA offers to an enterprise determines the scope of EA and how it is likely to evolve over time. The value proposition offers insight to the future of EA.

Current common practice is to define EA narrowly:

Information systems architecture aligned to business goals.

With this narrow definition, processes are presented as requirements and the existing IT architecture is refined to satisfy those requirements. EA becomes an optimal IT approach for automating existing processes. This is a rational method for creating order out of chaos and controlling budgets in an enterprise that is confronted with a hodgepodge of legacy systems.

Alternatively, EA can be defined more broadly, as a strategic asset.

The fundamental structure of the enterprise.

This broad definition is based on the perspective that IT has become so powerful that business/mission processes should no longer be developed independently of IT. Processes and information systems are intertwined and are best developed and integrated together. The resulting strategic vision, the distant to-be architecture, is the architecture of the enterprise.

As an emerging discipline, EA is evolving from the narrow definition to the broad, because the broad definition offers greater value. The value of EA, broadly defined, has three roots which should be cultivated in parallel with each other:

① **IT improvement** - The technologist generally begins by documenting existing structure, the as-is. The as-is architecture reveals redundancies, structural flaws and inconsistencies suggesting the need for specific near term improvement projects. The “near term to-be” consists of the as-is architecture patched up and aligned with current business goals. There is little or no new fundamental structure. Return on investment for the early stage projects can be high if the as-is structural flaws and inconsistencies are debilitating.

Improvement programs work within an externally developed strategic direction. All improvement programs are based on the premise that the underlying as-is architecture is sound and value is added by improving the existing structure. But, if we had the luxury of replacing legacy IT systems, the new systems and processes would be structurally different, the to-be architecture would be different. IT improvement projects should at least anticipate this different strategic direction.

The value offered by IT improvement is efficient IT systems that work well.

② **Enterprise transformation** - The businessman will focus on business/mission processes. Processes that are distressed, error prone, unrepeatable, or have unacceptable friction point to transformation opportunities. Using IT to increase performance and eliminate unnecessary processes produces huge performance and productivity gains. The literature offers many examples of successful IT catalyzed process transformation (Wal Mart, Toyota ...) Searching for distressed processes replacing them with new process/IT solutions can result in great value.

The transformation is performed by multi-disciplinary IT/business teams. These teams create new processes that exploit the inherent capabilities of IT. This structural relationship between process and IT is the architecture of the enterprise - Enterprise Architecture.

The value of enterprise transformation is large gains in enterprise performance and productivity.

③ **Strategic vision** - In the old days business models and processes could be derived from the strategic plan and presented as requirements for IT automation. Now, IT has becoming so powerful that it is no longer prudent to develop business processes and models independently of IT. The two must be created together. IT has become a strategic asset.

Strategic plans have vision statements to create a target and encourage the enterprise to move towards a specific goal. Current decisions are made not just on the basis of local information (as with improvement projects) but with the understanding that the purpose is to achieve a distant goal. The world of information technology needs its own goal, a strategic vision, a stable architectural vision. This distant to-be architecture results from addressing the question:

*Given what we know about the business and the technology today,
what should the enterprise look like?*

Strategic vision minimizes the risk of reaching an evolutionary dead end. By planning structure that evolves gracefully, the enterprise avoids painting itself into a corner. Indeed, the reason legacy systems can be so awkward and costly to replace is that they were created without an IT strategic plan.

The value of strategic vision is the foundation for planning - an IT strategic plan.