5 Ways to Upgrade Your Business Architecture Practices

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Initiatives: Enterprise Architecture

There are many well-established business architecture techniques to guide informed investment planning and prioritization. But digitization has changed what enterprises need from business architecture. Learn five opportunities for EA and technology innovation leaders to upgrade their BA practices.

Additional Perspectives

 Summary Translation: 5 Ways to Upgrade Your Business Architecture Practices (27 November 2020)

Here are five opportunities for your EA group to upgrade your BA practices to best deliver business outcomes for your enterprise.

1. Calibrate BA Skills for Current Market Demand

EA leaders need to periodically define and update business architect roles, to cover gaps and minimize redundancies in the business architecture skills portfolio through training, recruitment or reassignment. But the skills needed for the business architect are not entirely clear, which makes this hard to get right. For instance, little consensus exists regarding which BA skills are essential: communication, problem solving and analysis are the only foundational BA skills regularly cited as a requirement for all business architects. Fortunately, Gartner TalentNeuron hiring and job posting data provides significant insight into the latest BA hiring trends and in-demand areas of BA skills. ¹ Use the following advice to recalibrate your BA skills portfolio:

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- Don't underestimate the importance of essential BA soft skills. Gartner analysis shows, and business architects believe, that relationships, coaching and coordination are important elements of their job. However, the value of the softer elements of business architecture are not fully recognized by the broader hiring community. Ensure BA role descriptions are updated to reflect the role that business architects are increasingly playing, and train and assess existing business architects in these areas.
- Devote significant energy to developing and hiring for premium BA skills needed to conduct day-to-day BA work. BA skills that are in high demand but short supply include design, strategy, project management, operations, innovation, best practices and planning. When sourcing candidates for BA roles, consider including these skills in the job description.
- Selectively cultivate niche BA skills needed to interface with distributed product teams. Business architects must increasingly understand and operate effectively within specific business operating contexts. For instance, industry-specific knowledge (e.g., financial services, manufacturing) is often deemed essential to effective BA work. Understanding of the presales process and activities prior to customer acquisition is also considered a niche BA skill. Other niche skills include knowledge of cloud solutions and presentation skills. These skills reflect the diversity of backgrounds that business architects typically have. While niche skills face limited demand, supply is low, requiring targeted strategies to develop or acquire these skills as needed.
- Monitor emerging BA skills that may soon be in-demand. Business domain skills (such as business requirements, marketing, presales and financial services), knowledge of cloud solutions, coaching, interpersonal skills and management skills made their debut in 2020 hiring trends and job descriptions. While these skills are still in relatively low demand, EA leaders should watch these skills over the next year to see whether they become standard on job descriptions.
- Phase out traditional BA skills that are waning in importance. Today's business architects are responsible for more than liaising business strategy into technology strategy; BA is an established domain of its own. As such, it comes as no surprise that some traditional, more technically focused skills have fallen off the BA radar from 1H19 to 1H20, such as The Open Group Architecture Framework (TOGAF), technology architecture, SQL and frameworks. This shift represents BA moving away from traditional EA and instead, growing expectations that business architects engage directly with business partners and product teams.

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2. Do More Than Capability Models and Technology Roadmaps

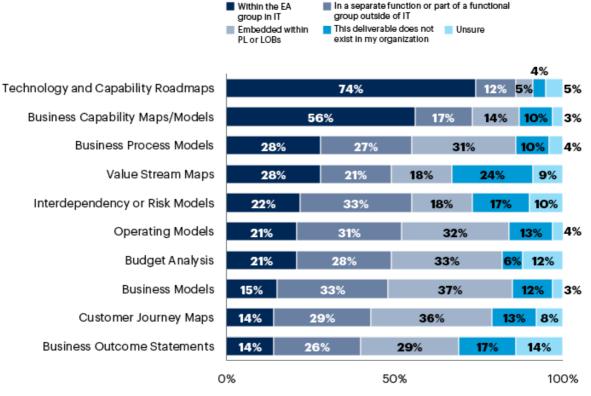
For many EA groups, the practice of business architecture is nearly synonymous with producing technology and capability roadmaps (74%) and business capability maps/models (56%). Both deliverables provide a comprehensive enterprise view; whereas, increasingly many BA activities and deliverables today occur outside central planning functions and corporate IT, following established trends toward product centricity and decentralization of decision making. Accordingly, EA is often not involved in the full extent to which BA is being practiced. EA is only predominantly responsible for three of the top most common BA deliverables (see Figure 1). ²

BA practices now include a new array of business-oriented deliverables, from value stream maps to interdependency models, operating models, budget analyses, business models, customer journey maps and business outcome statements. In particular, relatively few EA groups are involved in producing business models (15%), business outcome statements (14%) and customer journey maps (14%) — with these BA activities more embedded within lines of business (LOBs) and product lines or other functions outside of corporate IT. As EA groups increasingly support distributed decision making, EA can add value by developing these in-demand, business-oriented BA deliverables.

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Figure 1: Group Producing Business Architecture Deliverables

Group Producing Business Architecture Deliverables



n = 78, IT leaders involved with business architecture

Source: Gartner Research Circle Role of Business Architecture Survey 2020 Note: Due to rounding, does not equal 100% 730608 C

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Case in Point: Rabobank



Rabobank's EA team supports the creation of new digital business models as part of an innovation-focused fusion team outside of IT. To do this, EA facilitates the safe, rapid development and testing of digital business model prototypes on a cloud platform separate from the core business. EA also conducts business model analysis, helping assess potential new digital business models for viability and potential risks, as well as designs technology roadmaps to launch new business models at scale.

See Case Study: Launching New Digital Revenue Streams (Rabobank).

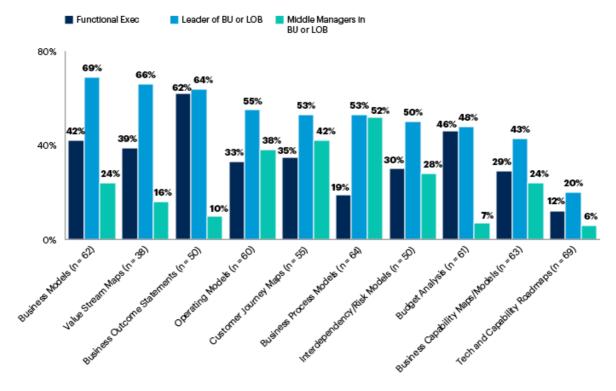
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2. Target Your BA Efforts to Reach Beyond Senior Business and IT Executives

BA deliverables are increasingly used by business stakeholders, not IT stakeholders. Additionally, business architecture deliverables are primarily used not by senior executives, but rather by leaders of business units or product lines. The 2020 Gartner Role of Business Architecture Survey shows that for nine out of 10 common BA deliverables tested, leaders of business units or product lines are the predominant users. This is hardly surprising, given the increasing prevalence of distributed decision making across enterprises (see Figure 2).

Figure 2: Primary Business Stakeholder Users of Business Architecture Deliverables





n = Bases vary, based on IT leaders involved with business architecture, excluding "unsure"
Source: Gartner Research Circle Role of Business Architecture Survey 2020
Note: Respondents may select up to two users per deliverable.
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As digital business decisions become increasingly decentralized, BA practices and deliverables that have traditionally been constructed using a top-down approach — designed to be used by business executives or IT leaders — need to evolve. They must begin to prioritize a complementary, bottom-up approach, i.e., generating BA deliverables and providing internal consulting for an expanding pool of decision makers irrespective of where they sit in the organization.

Case in Point: Liverpool



Liverpool's EA team provides lightweight business architecture guidance as a consulting service to distributed business partners and teams to help them improve and better prioritize business ideas and proposals for new enterprise initiatives. This service focuses on clarifying business problems using a "business idea canvas" and framing technology considerations in terms of financial

impact on the ROI of business proposals.

See Case Study: Lightweight Business Architecture to Support Investment Planning (Liverpool).

3. Use BA to Improve Customer Outcomes, not Just Internal Operations

The enterprise outcomes most impacted by BA in 2019 were:

- Increasing productivity and performance
- Enhancing customer experience (CX)
- Creating and delivering innovative services ²

The use of BA to impact customer-focused outcomes is a notable contrast with how EA has traditionally approached BA as a means to evolve business and IT capabilities and processes. This shift in BA focus is likely attributable to an expanding set of stakeholders leveraging BA deliverables in new ways — expanding beyond senior business executives and IT leaders to also include business leaders at more distributed levels of the enterprise. The time is ripe for EA to adopt customer-focused BA practices. One such opportunity for EA to do this is by helping inform and realize CX-oriented deliverables, such as ideal-state customer journey maps, in partnership with distributed business leaders and teams.

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Case in Point: CeruleanMoon*



To coordinate across product lines and prevent fragmented customer experience, CeruleanMoon* builds journey maps

for a handful of customer personas. EA guides product line managers and relevant IT stakeholders in using journeys to make consensus-based plans and decisions that optimize for ideal, unified digital customer experiences end- to- end across all product lines and enterprise touchpoints. EA also uses the customer experience of key personas as the chief guiding principle for architecture strategy, IT investment and standardization.

See Coordinating Product Line Decisions (CeruleanMoon*)

(*Pseudonym)

4. Develop an Established, Formalized BA Practice With Diverse Business and IT Stakeholder Involvement

Top-performing BA practices (i.e., those that, on average, meet or exceed expectations of executive leaders) are more likely to be structured formally rather than practiced informally (55% compared to 37%, respectively). Despite this, more organizations today practice BA informally (50%) than formally (44%). ² To increase the odds of getting more from BA, move from ad hoc, informal BA tactics to a formalized, fully fledged BA function. Doing so ensures the resourcing and commitment necessary to best leverage the suite of potential BA deliverables, practices and use cases and drive priority business outcomes.

Our research also shows diversity in BA reporting structures, with more BA practices today reporting outside of EA (53%) than within EA (41%). ² Yet diverse stakeholder involvement is far more critical to establishing a robust BA practice than reporting structure. EA's digital business mindset, systems thinking expertise, and broad and deep perspective across and beyond the enterprise adds indisputable value to the practice of BA — but BA's overall value is ultimately strengthened by the inclusion of diverse expertise. Embrace an openminded approach as to who may play in the BA space, and actively recruit participation from anyone well suited to engage as a business architect, irrespective of where they currently sit.

Case in Point: The Hanover



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The Hanover Insurance Group built a BA candidate profile that emphasizes business domain knowledge (45%) followed by collaboration (25%) and systems thinking (15%). The remaining 15% of the candidate profile is architecture skills, which are considered development areas that can be acquired over time. Rather than focus BA recruitment on architecture skills — which can eliminate some of the best candidates for the BA role — the company opportunistically recruits business architects from various business areas. This approach enables sourcing the BA skill set from existing personnel who have strong business and analytical acumen, operational awareness and collaboration skills.

See Case Study: Coordinating Product Lines Through Mutual Self-Interest (The Hanover)

Recommended by the Authors

Role of Business Architecture in Digital Business: Benchmark Data

Business architecture offers a set of common tools and techniques to help EA and technology innovation leaders plan and prioritize strategic investments. But new findings from the Gartner 2020 Business Architecture Survey show notable variation in the producers, consumers and use cases for BA deliverables.

Maximize the EA Discipline's Effectiveness by Defining Architect Roles

As the EA role evolves due to changing enterprise operating models, so does the makeup of an effective EA discipline. EA and technology innovation leaders must understand the market for architecture skills and define the EA discipline roles to effectively recruit, develop and retain architects.

Case Study: Lightweight Business Architecture to Support Investment Planning (Liverpool)

Liverpool runs an enterprise architecture consulting service to improve and better prioritize business proposals. This case study shows how EA and technology innovation leaders can package lightweight business architecture guidance in financial terms that business partners understand.

Case Study: Interconnected Business Capability Mapping (Medtronic)

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Enterprise architecture and technology innovation leaders can use this case study to see how the EA group at Medtronic informs investment planning and prioritization by considering the interdependencies between business capabilities that support strategic imperatives of the business.

Case Study: M&A Driven by Business Capabilities (TawnyPeak*)

TawnyPeak uses business capabilities to create a shared understanding of M&A strategy and expedite its integration planning. This case study shows how ClOs, working with enterprise architecture and technology innovation leaders, can optimize the technology benefits from mergers and acquisitions.

Case Study: Coordinating Product Lines Through Mutual Self-Interest (The Hanover)

This case study for enterprise architecture and technology innovation leaders showcases how to use business architecture to create incentives, tools and guidance that help distributed decision makers coordinate investment decisions and achieve mutually beneficial outcomes and enterprise goals.

Endnotes

¹ Maximize the EA Discipline's Effectiveness by Defining Architect Roles — Using Gartner TalentNeuron, we sourced data related to market wage, hiring scale and job postings related to the 100 most widely used and sought-after skills by IT executives hiring for architecture roles. We also sourced data related to the 50 most widely used and sought-after skills at the domain or role level to draw comparisons.

² Role of Business Architecture in Digital Business: Benchmark Data

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